

2023

**The Methodist Church – Tower Hamlets Circuit
(London District – Circuit No 35/09)**

Charity Registration Number 1134888

Accounts for the year ended 31 August 2023

THE METHODIST CHURCH IN TOWER HAMLETS

TABLE OF CONTENTS

	Pages
REFERENCES AND ADMINISTRATIVE DETAILS	3
TRUSTEES' REPORT	4 – 9
STATEMENT OF TRUSTEES' RESPONSIBILITIES	10
INDEPENDENT AUDITORS' REPORT	11 - 13
STATEMENT OF FINANCIAL ACTIVITIES	14 - 15
BALANCE SHEET	16
NOTES TO THE ACCOUNTS	17- 29

THE METHODIST CHURCH IN TOWER HAMLETS

Reference and Administrative Details

Names and addresses

The address of the registered office for the Tower Hamlets Circuit for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church in Tower Hamlets
Bow Road Methodist Church
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301
Web: www.mcth.org.uk

Circuit Office:

Circuit Office
1 Merchant Street
London E3 4LY
Tel: 020 8880 7301

Custodian Trustees:

Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester M1 1JQ

Circuit Leadership Team:

Rev. Jenny Impey
Deacon Terry Street (until 31 August 2023)
Mrs Harriet Graham-Mensah
Ms Verna Coke
Mr Jones Ankrah
Rev. David Hollingsworth (from 1 September 2023)
Mr Doug Swanney
Deacon Theresa Simons-Sam (from 1 September 2023)

Investment Managers:

Central Finance Board of the Methodist Church
9 Bonhill Street
London EC2A 4PE

Trustees for the Methodist Connexional Funds (registered)
9 Bonhill Street
London EC2A 4PE

Bankers:

CAF Bank
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

Independent Auditor:

Clay Ratnage Strevens & Hills
Chartered Accountants & Statutory Auditors
Suite D, The Business Centre
Faringdon Avenue
Romford, Essex RM3 8EN

Solicitors:

Lovell Son and Pitfield
9 Gray's Inn Square
Gray's Inn
London WC1R 5JT

THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023

The Trustees present their report and the audited accounts of the charity for the year ended 31 August 2023. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and accounts of the charity.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Circuit's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Governance

The governing body of the Methodist Church is the Conference, which meets annually. The authority under which the Conference acts is given by the Methodist Church Act 1976.

We are governed by the Methodist Church's Constitutional Practice and Discipline and all Charity Law of the United Kingdom.

The church is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trusts of the Methodist Church. The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of: (a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church (b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church (c) any charitable purpose for the time being of any society or institution or subsidiary or ancillary to the Methodist Church; (d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church. In setting our objectives and planning our activities, the Circuit has given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing our objectives as set out above.

The Methodist Church in Tower Hamlets is part of the London District of the Methodist Church, and is a registered charity, number 1134888.

The Circuit is also registered for Gift Aid with H M Revenue & Customs under the reference XR16174.

Full Name of Charity: Methodist Church in Tower Hamlets

Registration Charity Number: 1134888

Date of Registration: 12 March 2010

Main Communication Address: Methodist Church in Tower Hamlets

Bow Road Methodist Church
1 Merchant Street
London E3 4LY

THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023 (continued)

Trustees

The full list of Trustees who served during the year and up to date of signature of the accounts were as follows: Trustees who joined during 2022/23 are shown with an asterix (*), those who left during the year with(**)

Mrs Glenda Adams	Dr Keith Aldred
Mr Joseph Amoah	Mr Jones Ankrah
Miss Susan Bothamley*	Ms Shirley Bristow**
Ms Verna Coke	Mrs Sheila de Winter
Mrs Harriet Graham-Mensah	Ms Cheryl Gurnham
Mrs Ivy Harber **	Rev David Hollingsworth *
Rev Jenny Impey	Mrs Dorrett Kirwan
Mrs Evelyn Louis	Ms Lily Odarty*
Ms Ella Sibley-Ryan*	Mr John Singleton
Deacon Terry Street**	Mr Doug Swanney
Miss Jean Thomas	Mrs Patience Yeboah
Revd Dr Jongikaya Zihle	Nana Abrafi

Method to recruit new Trustees

There are a number of *ex officio* trustees – a London District Chair, Presbyters, Deacons, Circuit Stewards, the secretary of the Local Preachers' Meeting together with the Treasurer and one Church Steward from each of the churches in the Circuit. These trustees will change when the post holders change. Additional members from each church are appointed by the relevant Church Council or General Church Meeting. A Secretary of the Circuit Meeting, who is a Lay Person, is appointed by the meeting.

Objective and purpose

The calling of the Methodist Church in Tower Hamlets is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. This is expressed through Worship, Learning and Caring, Evangelism and Service. The Circuit is committed to use its resources in a clearly focussed and intentional way to ensure an effective response to the needs of our congregations and wider community.

Activities

The mission of the Circuit is to worship God as it celebrates its diversity according to the teachings of Jesus Christ. Inspired by Jesus we will offer hope and build communities of love, through prayer, pastoral care and social ministry.

Organisational structure

The Circuit includes responsibility for the Methodist Churches at Bow Road, Bethnal Green, Poplar, and Whitechapel. The churches at Bow Road and Bethnal Green formally recognised that they were unable to fulfil their responsibilities as Managing Trustees with respect to finance and property and both congregations delegated these responsibilities to the Circuit meeting as set out under the Model Trust, section 16 (k) from 2014/15. Accordingly, these accounts include Bow Road and Bethnal Green Methodist Churches. Pastoral, worship and mission matters are discussed at General Church meetings, with at least two Church Meetings held during the year in Bethnal Green and Bow Road. Approval was given by the District for Old Ford Methodist Church to cease to meet for worship in 2022 but the building remains in use for mission.

Poplar Methodist Church has its own managing trustees but is excepted from registration as a charity by virtue of Statutory Instrument No 242 of 2014 and produces separate accounts. The Whitechapel Mission for the Homeless and Rootless of London is registered separately with the Charity Commission (227905).

THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023 (continued)

Organisational structure (continued)

In addition to the above, the Circuit ran two community and mission projects as Internal Organisations. The two projects are:

- The Zacchaeus Project to support those who have long term illness, the elderly and infirm and those who care for them in Tower Hamlets. Funding over and above the amounts raised as payments for the various activities of the project is now provided by Circuit investments Mr David Calvin who was appointed to the position of Advice and Guidance coordinator in August 2022.
- "Band for Life", providing a music workshop once a week at Bow Road Methodist Church for people who have experienced mental illness or are socially isolated. Activities were funded by Circuit investments which originated from the sale of properties in previous and the current year. Numbers attending the project continue to grow.

The management of these projects is undertaken by a project manager for each project, who provides a regular report to the Trustees. Each project is supported by a Steering Group which meets regularly to guide strategic direction and advise on any operational issues.

Circuit Ministers and officers

The Superintendent Minister and Chair of the Managing Trustees during 2022/23 was the Rev. Jenny Impey who had pastoral responsibility for Bow Road and Poplar churches, while Deacon Terry Street had responsibility for Bethnal Green church, and the Whitechapel Mission. During the year the Rev. David Hollingsworth began to exploring new methods of mission and discipleship out of the Old Ford church.

The Circuit benefits significantly from the voluntary ministry of two Supernumerary ministers, the Rev. David Hollingsworth and the Rev. Cameron Kirkwood.

The Circuit sought an additional diaconal appointment from 2023 to support and develop the work from Bethnal Green, including the Zacchaeus Project.

In 2022/2023 there were four Local Preachers in the Circuit, and one Local Preachers "on trial". The preacher on trial was received onto full plan in October 2022 and an additional preacher transferred into the Circuit and so there are now 6 local preachers in the Circuit.

Pastoral Support within the Circuit

Pastoral support is provided by a team of pastoral visitors at Poplar and informally by members at other churches. The ministerial team also offer support.

Lay staff structure

The Circuit Administrative structure remains under review. Facilities and Property Management is currently being undertaken by the Superintendent Minister with support from existing staff and volunteers. The Circuit employs a part time Finance Manager and a part time Administrator.

Property

The Circuit continues to review its use of its properties. Following the change in direction on the major redevelopment of Bethnal Green, minor works are continued in 2022/2023 with a total budget of up to £500,000 set aside for this work.

The Circuit commenced significant work on the property at Bow Road to repair part of the roof and the concrete cladding and sills.

Safeguarding

The circuit has adopted the Safeguarding Policy of the Methodist Church and reviews this annually ensuring that appropriate DBS checks are undertaken, and volunteers and employees undergo appropriate training.

THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023 (continued)

Achievements and performance

During 2022/23 the Methodist Church in Tower Hamlets continued its ministry and service to the people of the Borough through the provision of worship and service opportunities in four congregations, the continued support of the homeless, elderly carers and people with mental health issues through the Whitechapel Mission, the Zacchaeus and Band for Life projects.

The Whitechapel Mission has continued to expand as it serves the homeless and marginalised since 1876 offering a day centre, skills training and career advice, activity programmes and specialist support for complex needs. By encouraging each person to address the issues which caused their homelessness, the mission helps them to gain the skills and confidence to make lasting changes in their lives.

The Zacchaeus Project proved once again in 2022/2023 that it has made a significant contribution to the lives of so many older people and carers who attend its various activities. There has been a significant rise in the numbers of people seeking advice and support in obtaining the grants and benefits they are entitled to.

The Band for Life Project, based at Bow Road, continues to develop and respond to the needs of those who attend. The group were able to resume public performances in Canary Wharf and The Space.

Poplar Methodist Church continued to meet in the Emory Hall of the Queen Victoria Seaman's Rest. The church initiated a coffee afternoon in the restaurant of the QVSR which is attended by church members and residents.

Bethnal Green congregation attracts a wide range of visitors, a number of whom have worshipped regularly for the time they were in the area.

Bow Road continues to meet weekly for worship and holds an online prayer meeting.

In response to increasing levels of food and fuel poverty and as a follow up to the Lent Study, "Life on the Breadline" under the leadership of the Rev. Cameron Kirkwood, the Circuit set up a Warm Space at Bethnal Green for the winter of 2022/2023 and this has proven to be a welcome addition to the projects of the Circuit, providing a space where people can keep warm, be provided with drinks and snacks, enjoy company or solitude, recharge phones and just relax. The Circuit received a grant of £1000 from the London District towards the project.

The circuit continued to improve its provision at Bethnal Green and the Zacchaeus Project by undertaking some refurbishment, including new tables and chairs for the café.

Investments

The Circuit's proceeds from property sales relating to the East End Mission are classed as City Centre funds and as a result are held by the London District (Trust 20520). An amount equivalent to the interest on this fund is given to the Circuit as a grant. The grant for 2022/2023 was £68,836. In addition, the Circuit withdrew funds from the Trust of £23,700 that were applied towards the Bethnal Green refurbishment. The balance held by Trust as at 31 August 2023 was £2,160,556 that includes £402,700 that has been designated for the Bethnal Green Methodist Church for premises work and £500,000 for diaconal ministry based at Bethnal Green.

The investment of surplus funds is operated via the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide high quality investment service seeking above average returns for long-term investors, whilst ensuring that the securities held by all its funds are in line with the ethical policy of the Methodist Church. The Circuit has its funds in a deposit account with CFB. The Restricted Fund which is mainly funds from sales of properties is managed by Trustees for Methodist Purposes (TMCP). These funds are also invested with CFB. The Trustees continue to utilise these funds for the furtherance of the Circuit's mission.

THE METHODIST CHURCH IN TOWER HAMLETS

Trustees' Report for the year ended 31 August 2023 (continued)

Public Benefit

The Trustees have due regard to the guidance published by the Charities Commission in accordance with its duties under section 17 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The church exists to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

The Trustees consider that for these reasons the charity meets these public benefit requirements.

Financial Review

Circuit ministry and mission is funded mainly through incoming rents from the Circuit properties and interest from investments as well as the offering receipts from the churches at Bethnal Green and Bow Road, and the assessment contributions from the Poplar church. .

The work of the social mission projects, including part of the ministerial costs, is dependent on the continued receipt of external grants, which continue to be supplemented from the interest from the City Centre Funds (held by the London District) and proceeds of sale of other sites.

The cost of running and maintaining the properties on a day-to-day basis is funded from the income generated from lettings and tenancies. Repairs and refurbishments are currently funded from the sale proceeds of other sites, however in general all are in good condition.

The Circuit recognises that it is drawing heavily on its reserves and is monitoring this situation and reviewing its work.

The value of the Circuit funds as at 31 August 2023 was £7,136,940 which is an increase of £92,739 from the previous year. This large increase is due to the gain on revaluation of property. The gain was £235,000.

Trustees' interests

The Ministers who are Trustees of the Circuit and stationed to the Circuit by the Methodist Church in Britain are Office Holders and are paid a stipend and are provided with a manse for the Ministers and their families to live in. Council Tax is paid by the Circuit and also an official telephone line with broadband facilities to enable them to carry out their service as Ministers. These arrangements are practiced throughout the Connexion who stipulate their terms of service.

One Trustee, Dorrett Kirwan was an employee of the Circuit in 2022/2023. However, their appointment as a Trustee is unconnected to the employment by the Circuit and they receive no remuneration for their service as a Trustee. Any conflict of interest is declared at the commencement of each meeting.

Risk Management

The Circuit is reviewing its risk policies and is producing a Risk Register highlighting the various risks facing the Circuit, the impact and the likelihood of them happening. The main headings under which these risks have been categorised are:

- Trustees' Responsibilities
- Membership and Mission
- Resources, People and Property
- Financial
- Legal

THE METHODIST CHURCH IN TOWER HAMLETS

Reserves Policy

Trustees' Report for the year ended 31 August 2023 (continued)

The primary use of the Circuit fund is to support the ordained ministers, lay employees and congregations of the churches in their calling to worship, learning and caring, service and evangelism and to support of the wider community in the Borough of Tower Hamlets, through projects.

The unrestricted funds of £7,121,316 include properties in use for the purpose of the Circuit and other investments that generate income upon which the Circuit is reliant upon to sustain its core activities.

Recognising the significance of the mission of the churches and projects of the Methodist Church in Tower Hamlets and the care that would be needed in ensuring alternative provision if they needed to be wound down, the reserves policy of the Methodist Church in Tower Hamlets is to maintain a reserve of 6 months ordinary expenditure plus the underwriting of the Whitechapel mission to the tune of £50,000 and accrued redundancy costs for Circuit staff (Adopted by the Circuit Meeting June 2022).

Commitments

All known commitments are included in the accounts.

Plans for the future

It is the intention to continue to keep under review the existing activities of the local Churches and Circuit to ensure they continue to serve their purpose in the current context. In addition, the Circuit will continue to assess the needs of the local community and, where relevant, consider the deployment of resources in extending the services currently provided to support the congregations in their mission and to the broader community. Where possible, the Circuit will apply for grants in order to develop those initiative and ensure their sustainability into the future.

The appointment of a Deacon has been agreed for Bethnal Green and the Circuit is looking forward to the focus that will bring to work with the local community.

The circuit intends to continue to maintain its buildings and in particular to install double glazing at Bethnal Green to increase energy efficiency and to undertake necessary work on the roof and window cills at Bow Road and work identified in the quinquennial reports on its properties. It will review its provision of manses for the ministers who are appointed to the circuit.

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charity's auditors are unaware; and
- the Trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

The auditors, Clay Ratnage Strevens & Hills, were newly appointed at the Trustee's meeting in September 2023.

This report has been prepared by the Trustees with support of Circuit Staff, the Ministers and Circuit Stewards. They can be contacted at Bow Road Methodist Church, 1 Merchant Street, London, E3 4LY.

Approved by the Trustees on the 11th April 2024 and signed on their behalf by:

Rev Jennifer Impey

**Revd Jenny Impey
Circuit Superintendent Minister**

THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Trustees' responsibilities for the year ended 31 August 2023

The Trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustees to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the Circuit and of the incoming resources and application of resources of the Circuit for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the Circuit and enable them to ensure that the accounts comply with the Standing Orders of the Methodist Church, the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and other relevant regulations. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of frauds and other irregularities.

THE METHODIST CHURCH IN TOWER HAMLETS

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets

Opinion

We have audited the accounts of The Methodist Church in Tower Hamlets (the 'Charity') for the year ended 31 August 2023, which comprise the Statement of Financial Activities, the Balance Sheet and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern and described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this give rise to a material misstatement in the accounts themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE METHODIST CHURCH IN TOWER HAMLETS

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the accounts; or
- sufficient accounting records have not been kept; or
- the accounts are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees 'responsibilities set out on page 10, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach was as follows:

- Obtaining an understanding of the legal and regulatory frameworks applicable to the charity.
- Obtained an understanding of how the charity is complying with those legal and regulatory frameworks by making enquiries to the trustees.

THE METHODIST CHURCH IN TOWER HAMLETS

Independent Auditor's Report to the Trustees of The Methodist Church in Tower Hamlets (continued)

- The susceptibility of the charity's financial statements to material misstatement caused by fraud or other irregularities were assessed with the following procedures.
 - Identifying and assessing the design effectiveness of controls which trustees have in place to prevent and detect fraud
 - Understanding how those charged with governance considered the potential for override of controls and management biases
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Clay Ratnage Strevens + Hills

Clay Ratnage Strevens & Hills
Chartered Accountants & Statutory Auditors
Suite D, The Business Centre
Faringdon Avenue
Romford
Essex RM3 8EN

Clay Ratnage Strevens & Hills is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

24/4/2024

THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income and Endowments from:					
Circuit assessment	3	5,500	-	5,500	5,000
Offerings	4	10,725	-	10,725	6,867
Grants and donations received	5	69,466	24,700	94,166	112,670
Investment income and interest	6	77,902	67	77,969	26,860
Rental income	7	144,490	-	144,490	135,543
Other income	8	78,163	169	78,332	73,974
Internal organisations	10	-	24,141	24,141	13,968
Total income		386,246	49,077	435,323	374,882
Expenditure on:					
Charitable activities					
Stipends and staff costs:					
Ministry	9	211,764	-	211,764	285,664
Internal organisations	10	-	104,726	104,726	67,832
District assessment		21,916	-	21,916	17,624
Telephone, travel & administration		10,107	-	10,107	11,323
Property Maintenance	11	56,675	23,700	80,375	130,143
Expenditure on other Circuit properties	12	2,206	-	2,206	1,884
District advance fund		54,874	-	54,874	25,210
Other expenditure	13	47,118	542	47,660	124,247
Internal organisations	10	-	41,800	41,800	33,485
Grants and donations	14	-	-	-	920
Total expenditure		404,660	170,768	575,428	698,332
Gains on revaluation of fixed assets		235,000	-	235,000	-
Net (losses)/gains on investments		(2,156)	-	(2,156)	(73,650)
Net expenditure before transfers		214,430	(121,691)	92,739	(397,100)
Transfers between funds		(91,654)	91,654	-	-
Net movement in funds		122,776	(30,037)	92,739	(397,100)
Funds balances at 1 September 2022 (Restated)		6,998,540	45,661	7,044,201	7,441,301
Funds balances at 31 August 2023		7,121,316	15,624	7,136,940	7,044,201

The notes on pages 17 to 29 form an integral part of these accounts.

THE METHODIST CHURCH IN TOWER HAMLETS

Statement of Financial Activities for the year ended 31 August 2023

Comparative year information		Unrestricted	Restricted	2022
Year ended 31 August 2022	Notes	Funds	Funds	Total
		£	£	£
Income and Endowments from:				
Circuit assessment	3	5,000	-	5,000
Offerings	4	6,867	-	6,867
Grants and donations received	5	36,370	76,300	112,670
Investment income and interest	6	26,852	8	26,860
Rental income	7	135,543	-	135,543
Other income	8	73,974	-	73,974
Internal organisations	10	-	13,968	13,968
Total income		284,606	90,276	374,882
Expenditure on:				
Charitable activities				
Stipends and staff costs:				
Ministry	9	285,664	-	285,664
Internal organisations	10	-	67,832	67,832
District assessment		17,624	-	17,624
Telephone, travel & administration		11,323	-	11,323
Insurance, utilities and Rent		25,947	-	25,947
Maintenance on manses	11	9,520	-	9,520
Expenditure on other Circuit properties	12	1,884	-	1,884
District advance fund		25,210	-	25,210
Other expenditure	13	142,623	76,300	218,923
Internal organisations	10	-	33,485	33,485
Grants and donations	14	920	-	920
Total expenditure		520,715	177,617	698,332
Net gains on investments		(73,650)	-	(73,650)
Net expenditure before transfers		(309,759)	(87,341)	(397,100)
Transfers between funds		(93,001)	93,001	-
Net movement in funds		(402,760)	5,660	(397,100)
Funds balances at 1 September 2021		6,901,300	40,001	6,941,301
Prior year adjustments Old Ford MC revaluation		500,000	-	500,000
Funds balances at 31 August 2022 (Restated)		6,998,540	45,661	7,044,201

The notes on pages 17 to 29 form an integral part of these accounts.

THE METHODIST CHURCH IN TOWER HAMLETS

Balance Sheet as at 31 August 2023

		Unrestricted	Restricted	2023	Restated
	Notes	Funds	Funds	Total	Total
		£	£	£	£
Fixed Assets					
Tangible assets	16	3,858,631	250	3,858,881	3,903,015
Investment properties	17	1,960,383	-	1,960,383	1,685,471
Investments	18	427,770	-	427,770	452,519
		<u>6,246,784</u>	<u>250</u>	<u>6,247,034</u>	<u>6,041,005</u>
Current Assets					
Debtors	20	120,750	1,332	122,082	641,338
T.M.C.P. Interest funds		469,331	-	469,331	58,993
Central Finance Board Deposits		302,153	49,666	351,819	294,860
Cash at bank and in hand		68,902	3,623	72,525	110,323
		<u>961,136</u>	<u>54,621</u>	<u>1,015,757</u>	<u>1,105,514</u>
Creditors: amounts falling due within one year	21	(83,964)	(39,247)	(123,211)	(96,312)
		<u>877,172</u>	<u>15,374</u>	<u>892,546</u>	<u>1,009,202</u>
Net Current Assets					
		<u>7,123,956</u>	<u>15,624</u>	<u>7,139,580</u>	<u>7,050,207</u>
Creditors: Amounts falling due after more than one year	22	(2,640)	-	(2,640)	(6,006)
		<u>7,121,316</u>	<u>15,624</u>	<u>7,136,940</u>	<u>7,044,201</u>
Net Assets					
Accumulated funds					
Unrestricted funds		6,666,316	-	6,666,316	6,778,540
Restricted funds	24	-	15,624	15,624	45,661
Revaluation reserve		455,000	-	455,000	220,000
Total Funds	25	<u>7,121,316</u>	<u>15,624</u>	<u>7,136,940</u>	<u>7,044,201</u>

The accounts were approved by the Trustees on 11th April 2024 and signed on their behalf by:

Rev Jennifer Impey

Revd Jenny Impey
 Circuit Superintendent Minister

Mr Doug Godfrey-Swanney

Mr Doug Godfrey-Swanney
 Circuit Treasurer

The notes on pages 17 to 29 form an integral part of these accounts.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023

1. Accounting policies

a) Circuit information

The Methodist Church in Tower Hamlets is an unincorporated Charity in England and Wales. The principal correspondence address is given on page 3 of these accounts. The nature of the Circuit's operations and principal activities are set out in the Trustees' Report.

b) Accounting convention

The accounts have been prepared in accordance with the Charities Act 2011 and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) (effective 1 January 2019). The Circuit is a Public Benefit Entity as defined by FRS 102.

The Circuit has taken advantage of the provisions in the SORP for charities not to prepare a Statement of Cash Flows.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Circuit. Monetary amounts in these accounts are rounded to the nearest pound.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies are set out below.

c) Going concern

At the time of approving the accounts, the Trustees have a reasonable expectation that the Circuit has adequate resources to continue in operational existence for the foreseeable future. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the accounts.

d) Funds

Unrestricted funds

Unrestricted funds are held for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors and grantors. The aim and use of the major restricted funds are set out in the notes to the accounts.

e) Incoming resources

Church assessment

The church assessment is accounted for on a receivable basis.

Church offerings

Church offerings are accounted for on a receipts basis.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

Benevolence

Benevolence funds have been historically contributed by the four churches from their general funds and are accounted for on a receipts basis in accordance with Standing Order 527 of the Constitution of the Methodist Church.

Grants and donations received

Grants from third parties are included when the relevant conditions for the grant have been met.

Voluntary income comprises donations and contributions and is accounted for when entitlement has been confirmed, the amount can be measured and receipt is probable.

Rental income

Rental income from investment properties is accounted for on a receivable basis.

Other income

Other income is accounted for on a receivable basis.

Internal Organisations

Internal organisations comprise two projects of the Methodist Church in Tower Hamlets Circuit. The income is either derived from voluntary income, grants and donations by way of charitable activities.

Investment income and interest

Interest on deposits and investments is accounted on a receivable basis.

f) Expenditure recognition

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date.

Grants awarded are provided in the Statement of Financial Activities in the year in which they are approved by Trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the Balance Sheet. Grants awarded subject to conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the accounts as contingent liabilities.

g) Tangible fixed assets

Properties are stated at cost or in the case of donated assets at valuation at the date that the assets are gifted to the Circuit. The Trustees consider that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that any annual depreciation charge would not be material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities.

Assets having an initial cost of £1,000 or less are written off on acquisition. Fixtures and fittings, office and computer equipment having an initial cost greater than £1,000 are capitalised and are stated at cost less depreciation. Depreciation rates calculated to write off the cost less estimated residual value of each asset over its expected useful life are as follows:

- Fixtures, fittings and equipment: 10% - 20% on a straight line basis
- Office equipment: 20% on a straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the Statement of Financial Activities for the year.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

h) Investment properties

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially measured at cost and subsequently stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas. Any surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

i) Non-current investments

Fixed assets investments, which are held in units in the Trustees Methodist for Church Purposes (TMCP), are stated at the Board's published valuations at the year-end. Realised and unrealised gains and losses on investments are recognised in the Statement of Financial Activities.

j) Impairment of non-current investments

At each reporting end date, the Circuit reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss and any impairments are recognised in the Statements of Financial Activities.

k) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

l) Financial instruments

The Circuit has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Circuit's balance sheet when the Circuit becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the accounts, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including other payables are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

1. Accounting policies (continued)

m) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Circuit is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

n) Retirement benefits

Stipendiary Circuit Ministers are eligible to join the Methodist Ministers' Pension Scheme (MMPS). The MMPS is a funded defined benefit scheme maintained by The Methodist Church of Great Britain. As the Circuit is unable to identify its share of the underlying assets and liabilities of the scheme, the Circuit has taken the advantage of the exemption in Financial Reporting Standard 102, Retirement Benefits, and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contribution payable by the Circuit in the year. The contribution rates are set each year by the Methodist Conference.

Access to a stakeholder pension scheme is provided to all eligible lay employees and the Circuit contributes an amount equal to 6% of the employee's gross salary into this scheme.

All employees who were already in pension schemes and new employees who qualify for auto enrolment are enrolled into new pension schemes (The Pension Trust and NEST).

o) Ministers' manse costs

The Circuit is required to provide accommodation for each minister and their families, and Ministers are expected to occupy them. The Circuit bears the cost of repairs and maintenance, premises insurance, council tax and water charges. These are not regarded as taxable benefits in kind by HM Revenue & Customs.

p) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the Statement of Financial Activities for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. Critical accounting estimates and judgements

In the application of the Circuit's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE METHODIST CHURCH IN TOWER HAMLETS**Notes to the accounts for the year ended 31 August 2023 (continued)****3. Circuit assessment**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Poplar Methodist Church	5,500	-	5,500	5,000
	5,500	-	5,500	5,000

4. Offerings

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Bethnal Green Methodist Church	2,966	-	2,966	1,655
Bow Road Methodist Church	7,759	-	7,759	5,212
	10,725	-	10,725	6,867

5. Grants and Donations received

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
London District	68,836	24,700	93,536	111,760
Others	630	-	630	910
	69,466	24,700	94,166	112,670

6. Investment income and interest

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
TMCP Investment holdings:				
Dividends	15,401	-	15,401	21,749
Interest	11,023	-	11,023	405
Central Finance Board deposit interest	8,022	67	8,089	529
Loan interest	43,456	-	43,456	4,177
	77,902	67	77,969	26,860

7. Rental income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Income from investment properties held	144,490	-	144,490	135,543

8. Other income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Management fees	6,520	-	6,520	36,171
Gain on disposal of tangible assets	2	-	2	23
Gift Aid received	3,128	-	3,128	1,717
Insurance claim	2,860	-	2,860	1,032
Bow Road MC properties hall letting income	28,704	-	28,704	20,016
Bethnal Green MC properties hall letting income	30,418	-	30,418	8,805
Old Ford MC properties hall letting income	5,936	-	5,936	5,924
Other income	595	169	764	286
	78,163	169	78,332	73,974

THE METHODIST CHURCH IN TOWER HAMLETS**Notes to the accounts for the year ended 31 August 2023 (continued)****9. Stipends and staff costs**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
<u>Ministry</u>				
Stipends	57,270	-	57,270	55,496
Salaries	120,892	-	120,892	193,269
Employer's National Insurance	12,944	-	12,944	13,709
Pension Costs	20,658	-	20,658	23,190
	211,764	-	211,764	285,664
<u>Internal Organisations</u>				
Salaries	-	92,428	92,428	61,168
Employer's National Insurance	-	6,752	6,752	2,994
Pension Costs	-	5,546	5,546	3,670
	-	104,726	104,726	67,832

The average monthly number of staff employed during the year was 9 (2022: 12).
There were no employees whose annual emoluments were £60,000 or more.

9a. Trustees' emoluments

One or more Trustees have been paid remuneration or have received other benefits from their employment of Office Holding with the Circuit. Trustees only receive remuneration in respect of services they provide undertaking their employment roles under their contracts of employment and not in respect of their services as Trustees.

	2023 £	2022 £
Rev Jenny Impey	37,281	36,193
Deacon Terry Street	31,500	33,058
Deacon Theresa Sam	3,071	-
Mr John Singleton	-	8,268
Mrs Dorrett Reid Kirwan	12,336	11,882
Mr Andrew Brown	-	2,805
Mrs Debbie Brady	-	43,423
Ms Laverne John	-	28,757
	84,188	164,386

9b. Key Management Personnel

The key management personnel of the Circuit comprise of the Trustees and the circuit leadership team as listed on page 3. The total amount of the employee benefits (including employer pension contributions received by the key management personnel for their services to the Circuit was £90,022 (2022: £98,123).

9c. Pension costs

The total pension cost for the Circuit for the year ended 31 August 2023 was £26,204 (2022: £26,860).
There were no outstanding or prepaid pension contributions at 31 August 2023 (2022: £620).

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

10. Internal Organisation

The Tower Hamlets Circuit incorporates two social and community projects, Band for Life and Zacchaeus. The income and expenditure for these projects was as follows:

	Zacchaeus Project £	Band for Life Project £	Total Restricted Funds £
Income and Endowments from:			
Donations received	4,030	658	4,688
Grant received*	4,097	-	4,097
Activities for generating funds	1,629	-	1,629
Charitable activities	10,887	-	10,887
Other incoming resources	2,798	42	2,840
Total	23,441	700	24,141
Expenditure on:			
Charitable activities	26,798	14,072	40,870
Support and staff costs	105,596	60	105,656
Total	132,394	14,132	146,526
Net expenditure before transfers	(108,953)	(13,432)	(122,385)
Transfers from unrestricted funds	80,654	11,000	91,654
Net movement in funds	(28,299)	(2,432)	(30,731)
Funds balances at 1 September 2022	36,700	7,037	43,737
Funds balances at 31 August 2023	8,401	4,605	13,006

* Notable grants received in previous years from The National Lottery Community Fund amounting to £43,562, out of which £36,553 deferred out included within creditors at year end.

11. Property maintenance

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Building repairs and maintenance	22,294	23,700	45,994	90,841
Fire and security systems	3,838	-	3,838	5,207
Insurance	13,625	-	13,625	12,377
Council tax	4,469	-	4,469	-
Utilities	12,449	-	12,449	21,718
	56,675	23,700	80,375	130,143

THE METHODIST CHURCH IN TOWER HAMLETS**Notes to the Accounts for the year ended 31 August 2023 (continued)****12. Expenditure on other Circuit properties**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Building repairs and maintenance	969	-	969	665
Insurance	1,237	-	1,237	1,164
Professional fees	-	-	-	55
	2,206	-	2,206	1,884

13. Other expenditure

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Depreciation	4,134	-	4,134	4,134
Finance costs	859	-	859	1,388
General and other ad hoc expenses	9,468	542	10,010	15,137
Bad debts written off	-	-	-	16,104
Ministry costs	2,119	-	2,119	5,379
Professional fees	29,483	-	29,483	81,077
Staff welfare and training	1,055	-	1,055	1,028
	47,118	542	47,660	124,247

14. Grants and donations

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Donations	-	-	-	920
	-	-	-	920

15. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Circuit's auditors for audit of the annual accounts	5,100	6,600

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

16. Tangible assets

	Freehold Land & Buildings	Fixtures Fittings & Equipment	Office Equipment	Total
Cost or valuation	£	£	£	£
At 1 September 2022	3,890,717	29,847	14,180	3,934,744
Transfer to investment properties (Freehold land) and at 31 August 2023	(40,000)	-	-	(40,000)
	3,850,717	29,847	14,180	3,894,744
Depreciation				
At 1 September 2022	-	23,221	8,508	31,729
Charge for year	-	1,298	2,836	4,134
At 31 August 2023	-	24,519	11,344	35,863
Carrying Amount				
At 31 August 2023	3,850,717	5,328	2,836	3,858,881
At 31 August 2022	3,890,717	6,626	5,672	3,903,015

The carrying amount of freehold land and building comprises of:

	2023 £	2022 £
Freehold land	-	40,000
Manses	1,290,069	1,290,069
Church buildings	2,560,648	2,560,648
	3,850,717	3,890,717

The net book value of office equipment includes £2,836 (2022: £5,672) in respect of assets held under finance leases. The depreciation charged in respect of such assets amounted to £2,836 (2022: £2,836) for the year.

17. Investment properties

	2023 £	2022 £
Market value at 1 September 2022	1,685,471	1,185,538
Prior year adjustments Old Ford MC revaluation	-	500,000
Transfer from tangible assets (Freehold land)	40,000	-
Revaluation of Investment Properties	235,000	-
Disposals	(88)	(67)
Market value at 31 August 2023	1,960,383	1,685,471

The valuations of investment properties are stated at the Trustees' estimates of the fair valuation at the year-end, based on an index of property prices in the relevant areas.

A prior year adjustment has been made to include the valuation of the leasehold of Old Ford MC, which was transferred to Tower Hamlets. The lease term is for 999 years from 10th September 2015.

The Trustees consider that these valuations are reasonable at 31 August 2023.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

18. Investments

	2023	2022
	£	£
Valuation at 1 September 2022	452,519	914,168
Disposals	(22,593)	(387,999)
Valuation changes	(2,156)	(73,650)
Valuation at 31 August 2023	427,770	452,519
Investments held by Central Finance board		
At 31 August 2023	427,770	452,519

19. Financial Instruments

	2023	2022
	£	£
Carrying amount of financial assets		
Debit instruments measured at amortised cost	548,748	1,092,753
Carrying amount of financial liabilities		
Measured at amortised cost	84,015	54,637

20. Debtors

	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
	£	£	£	£
Prepayments and accrued income	64,632	1,332	65,964	66,347
Other debtors	56,118	-	56,118	574,991
	120,750	1,332	122,082	641,338

Included in Other Debtors is £56,118 owed from Newham Circuit which is being paid over 48 monthly payments from August 2023. Accrued income includes £58,882 owed from Newham Circuit, which will be paid in one lump sum once the Forest Gate Development gets underway. Interest will be payable on the outstanding balance from 1st September 2023.

21. Creditors: amounts falling due within one year

	Notes	Unrestricted Funds	Restricted Funds	2023 Total	2022 Total
		£	£	£	£
Obligations under finance leases		3,366	-	3,366	2,837
Other taxation and social security		5,283	-	5,283	7,031
Deferred income	23	-	36,553	36,553	40,650
Accruals		62,310	2,694	65,004	32,008
Other creditors		13,005	-	13,005	13,786
		83,964	39,247	123,211	96,312

THE METHODIST CHURCH IN TOWER HAMLETS**Notes to the accounts for the year ended 31 August 2023 (continued)****22. Creditors: amounts falling due after more than one year**

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Obligations under finance leases	2,640	-	2,640	6,006
			2023	2022
Net obligations under finance lease and hire purchase contracts:			£	£
Repayable within one year			3,696	3,696
Repayable between one and five years			5,147	7,455
			8,843	11,151
Finance charges and interest allocated to future accounting periods			(2,837)	(2,308)
			6,006	8,843
Included in liabilities falling due within one year			(3,366)	(2,837)
			2,640	6,006

23. Deferred Income

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Other deferred income	-	36,553	36,553	40,650

Deferred income is included in the accounts as follows:

	Unrestricted Funds £	Restricted Funds £	2023 Total £	2022 Total £
Deferred income is included within:				
Current liabilities	-	36,553	36,553	40,650
Movements in the year:				
Deferred income at 1 September 2022	-	40,650	40,650	40,650
Movements in the year	-	(4,097)	(4,097)	-
Deferred income at 31 August 2023	-	36,553	36,553	40,650

Deferred income relates to grant received from The National Lottery Community Fund in advance of the year end for Zacchaeus project for the forthcoming year.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

24. Restricted funds

	Balance as at 01.09.22	Incoming	Outgoing	Transfers between funds	Balance as at 31.08.23
	£	£	£	£	£
Funds					
i. Internal organisations	43,737	24,141	(146,526)	91,654	13,006
ii. Bow Road Methodist Church Organ Fund	1,924	67	-	-	1,991
iii. Bethnal Green Refurbishment Fund	-	23,700	(23,700)	-	-
iv. Warm space fund	-	1,169	(542)	-	627
	45,661	49,077	(170,768)	91,654	15,624

i. Internal Organisations. This fund incorporates the two projects of the Tower Hamlets Circuit; Band for Life and Zacchaeus.

ii. Bow Road Methodist Church Organ Fund. This fund was set up for the purposes of buying a church organ.

iii. Bethnal Green Refurbishment Fund. This fund was set up for the refurbishment of the Bethnal Green property.

iv. Warm spaces fund. The fund for supporting communities through rising costs in winter, by bringing people together into warm spaces.

25. Analysis of net assets between funds

	Unrestricted Funds	Restricted Funds	2023 Total
	£	£	£
Fund balances at 31 August 2023 are represented by:			
Tangible fixed assets	3,858,631	250	3,858,881
Investments	2,388,153	-	2,388,153
Net current assets	877,172	15,374	892,546
Long term liabilities	(2,640)	-	(2,640)
	7,121,316	15,624	7,136,940

26. Contingent Liabilities

As at 31 August 2023, the Circuit had agreed to provide any required support and financial assistance to the Whitechapel Mission to enable it to meet its financial obligations up to £50,000.

27. Related party transactions

The Circuit is part of The London District and is also accountable to the Methodist Conference, the ultimate controlling body. Related parties also include Ministers, other Circuit and Churches, Central Finance Board of the Methodist Church and The Trustees for Methodist Church Purposes ("TMCP").

Details of the transactions occurring during the year were as follows:

The London District of the Methodist Church ("TLDMC")

During the year, the Circuit received grants of £93,536 (2022: 111,760) from TLDMC.

The Circuit also paid assessment of £21,916 to TLDMC.

THE METHODIST CHURCH IN TOWER HAMLETS

Notes to the accounts for the year ended 31 August 2023 (continued)

Newham Methodist Circuit (“NMC”)

As at 31 August 2023, NMC owed an amount of £56,118 (2022: £19,289) to the Circuit. The amount is interest free and repayable on demand. NMC also owed an amount of £58,882 (2022: £58,882) for services provided by a Circuit member of staff.

During the year, the Circuit received management and administration fees of £760 (2022: £785) from East Ham Congregational and Methodist church for services provided by the Circuit’s members of staff.

Hackney and Stoke Newington Methodist Circuit (“HNMC”)

During the year, the Circuit received management and administration fees of £5,761 (2022: £6,420) from HNMC for services provided by the Circuit’s members of staff.

Enfield Circuit Methodist Church (“EMC”)

During the year, a loan owed to the Circuit by EMC amounting to £500,000 including the interest of £8,500 was repaid in full.

Romford Circuit Methodist Church (“RMC”)

During the year, a loan owed to the Circuit by RMC amounting to £52,500 including the interest of £461 was repaid in full.

Poplar Methodist church (“PMC”)

During the year, the Circuit received assessment of £5,500 (2022: 5,000) from PMC.