

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Details

Status Registered

Legal form Previously excepted

Registered 2008-12-31

Register [View on the Charity Commission register](#)

Contact

Address Notting Hill Methodist Church
240 Lancaster Road
London
W11 4AH

Phone 02072297728

Email reception@nottinghillmc.org.uk

Website www.nottinghillmc.org.uk

Activities

Objects: 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 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.

Activities: The provision of regular public acts of worship open to members of the Church and non-members alike; the provision of sacred space for prayer and contemplation; the teaching of Christianity through sermons, courses and small groups; pastoral work including visiting the sick and bereaved; the provision of young people's activities with a Christian ethos; supporting other charities financially

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space, Other Charitable Activities
- **What:** General Charitable Purposes, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE LOCAL
- Brent
- City Of Westminster
- Hammersmith And Fulham
- Kensington And Chelsea

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£729,482	£830,359	£15,858,490	3
2023-08-31	£635,794	£678,557	£15,959,367	3
2022-08-31	£589,992	£875,265	£17,764,130	4
2021-08-31	£622,360	£660,257	£18,049,403	4
2020-08-31	£703,189	£693,319	£20,410,300	4

Trustees

Name	Role	Appointed
Rev D Paul Wood	Chair	2023-09-01
Carla Brackett		2023-09-01
ELAINE MAGDALENE SPENCE MI EX DIP		
Elaine Brackett		2023-09-01
Esther Samuels		2016-04-01
Gladwyn Samuels		2022-09-01
Hannah Kawa		2023-09-01
Nyasha Brackett-Thomas		2023-09-01
Pauline Mullings		2018-09-01
ROBERT DIXON		2023-09-01
Rev Ian Worsfold		2024-09-01
Sonia Linda Barnes		2014-02-13
Susannah Yarde		2023-09-01
WENDY YARDE CHASE BSC HONS		

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Accounts

NOTTING HILL METHODIST CHURCH
REGISTERED CHARITY NUMBER 1127356



**REPORT OF THE TRUSTEES AND UNAUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024**

NOTTING HILL METHODIST CHURCH

Trustees	Sonia Barnes Wendy Chase Stephen Duckworth (Deceased) Revd. Paul Wood Pauline Mullings Esther Samuels Gladwyn Samuels Elaine Spence
Secretary	Wendy Chase
Company number	1127356
Registered Office	240 Lancaster Road London W11 4AH
Auditors	Banks & Co. Ltd. 1 Carnegie Road Newbury Berkshire RG14 5DJ
Solicitors	Colman Coyle LLP 80 Upper Street London N1 0NU
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill, Kent ME19 4JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Chartered Surveyors	Colliers International 50 George Street London W1U 7

NOTTING HILL METHODIST CHURCH

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2024. The Trustees have adopted the provisions of 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)

Aims and organisation

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Notting Hill Methodist Church priorities provide for:

1. a regularly worshipping congregation,
2. a fellowship of people learning and growing in Christian faith
3. sharing its resources (including the building) with people in the neighbourhood.
4. challenging injustice and meeting human need.
5. speaking of God's love to the wider world.

The year has seen the church maintain a steady state level of activities and worship.

The refurbished basement continues to host the Kensington and Chelsea foodbank and we look forward to welcoming back to 240 Lancaster Road the 240 Project, an arts based community support group.

Bible studies resumed in the summer months but have not attained their pre-pandemic level.

The church was able to enjoy its annual summer barbecue and seaside excursion for the first time since the pandemic.

The Church Eco-group continues to consider how we might become a greener church (building and community).

Last year with the help of a grant from the Royal Borough of Kensington and Chelsea, the church published 'The Caribbean Contribution – Stories from Notting Hill Methodist Church', including much oral history from church members of the 1960s and 70s. We have now successfully published this on our website

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2024

Finance

Basis of accounts preparation

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102).

Income and expenditure trends

Income is primarily drawn from lettings income from external users of the church, and from lettings of investment properties. This is augmented by Sunday collections and gift aid tax relief from members of the Church. Total unrestricted income amounted to £729,482 (2023 - £618,531).

Expenditure is primarily related to church buildings and the church's investment properties. The other major ongoing cost is for staff and related expenditure, including the annual assessment payable to the Notting Hill Circuit, which meets the Minister's stipend and some other staff costs and includes repairs to the manse. Costs continued to arise for the managing and maintenance of church buildings and investment properties.

A grant of £120,000 was made to the Denbigh Methodist Housing Association to enable it to continue to make housing available to those in need at social housing rent levels (2023 - £100,000).

Total unrestricted expenditure amounted to £825,927 (2023 - £673,893)

Fund balances

The Church's net current assets at the year-end amounted to £78,269 (2023 - £62,757). After setting aside restricted reserves unrestricted funds of £61,407 remain.

Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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 Church currently has its funds in a deposit account with CFB.

Reserves policy and plans for 2024/25

The Church's reserves policy takes account of its net current assets at the last Balance Sheet date, the budget for the current year 2024/25 and significant known items of property expenditure to be incurred in the near future.

The agreed reserves policy is to retain from the unrestricted resources available under the above calculation the equivalent of three months operating expenditure (approximately £137,000) to fund planned activities should normal revenue earning be suspended.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2024

Structure, Governance and Management

Legal framework

Notting Hill Methodist Church is the sole church in the Notting Hill Methodist Circuit.

The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Reference and administrative details

Name of charity: Notting Hill Methodist Church
Charity registration number: 1127356
Date of registration: 31 December 2008

A list of senior lay employees is below:

Ken Asiedu – Facilities Manager

Management

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

Superintendent Minister: Revd Paul Wood

Senior Church Steward: Mrs. Esther Samuels

Treasurer: Mrs. Elaine Spence acted as the principal Officer overseeing the day to day financial management and accounting for the Church during the year.

Governance

The members of the Notting Hill Methodist Church Council are the Charity Trustees, membership being made up of Church and Circuit office holders, the Minister and up to eight representatives appointed by the Church at its Annual Church Meeting.

A range of guidance produced by the Methodist Connexion to support the effective running

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2024

of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions held throughout the year.

Public benefit

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

- The organisation must have an identifiable benefit.
- 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.

Related parties

The Church is the sole church in the Notting Hill Circuit, which is part of the London District and also accountable to the Methodist Conference. The Church controls the membership of the Denbigh Methodist Housing Association which is a charitable housing association registered under the Cooperative and Community Benefit Societies Act 2014.

Risk management

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is undertaken, with documentation of the strategy to be employed for risk mitigation.

Major risks will continue to accrue from the condition of the properties of the church and a quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Church's plans for maintenance of its properties, most of which is now complete.

Safeguarding

The Methodist Church, along with the whole Christian community, believes each person has a value and dignity which comes directly from God's creation in God's own image and likeness. Christians see this as fulfilled by God's re-creation of us in Christ. Among other things, this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Notting Hill Methodist Church is committed to the safeguarding and protection of all children, young people and adults and affirms that the needs of children or of people when they are vulnerable and at risk are paramount.

Notting Hill Methodist Church recognises that it has a particular care for all who are vulnerable whether as a result of disabilities or reduction in capacities or by their situation. It is recognised that this increased vulnerability may be temporary or permanent and may be visible or invisible, but that it does not diminish our humanity and our wish to

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2024

affirm the gifts and graces of all God's people.

The Church's policy addresses the safeguarding of children, young people and vulnerable

adults. It is intended to be a dynamic policy. It is intended to support the Church in being a safe supportive and caring community for children, young people, vulnerable adults, for survivors of abuse, for communities and for those affected by abuse.

Church Council Members' Responsibilities

The members of Church Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom

Generally Accepted Accounting Practice. Legislation requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the Church's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Council members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Church Council on 31/3/2025 and signed on their behalf by:



Revd Paul Wood
Superintendent Minister and Chair of Trustees

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Opinion

We have audited the financial statements of Notting Hill Methodist Church (the 'charity') for the year ended 31 August 2024 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 are 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 gives rise to a material misstatement in the financial statements 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.

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 financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

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

- Enquiry of Trustees and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Banks & Co Limited, Statutory Auditor
Chartered Certified Accountants
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

 2025

Banks & Co Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NOTTING HILL METHODIST CHURCH

Statement of Financial Activities for the Year ended 31 August 2024

	Notes	General Fund (Unrestricted)	Designated Funds	Restricted Funds	Total
		£	£	£	£
Income					
Offerings		8,513	-	-	8,513
Donations		2,570	-	-	2,570
Gift aid		1,600	-	-	1,600
Interest and investment income		3,819	-	-	3,819
Income from investment properties	2	328,500	-	-	328,500
DMHA rental income	3	158,346	-	-	158,346
Other charitable income	4	226,134	-	-	226,134
Total income		<u>729,482</u>	<u>-</u>	<u>-</u>	<u>729,482</u>
Expenditure					
Circuit assessment or share	5	75,533	-	-	75,533
Grants and donations	6	144,100	213	4,219	148,532
Property maintenance	7	312,888	-	-	312,888
Insurance, utilities etc.		55,176	-	-	55,176
Depreciation	9	49,170	-	-	49,170
Ministry expenses	8	72,173	-	-	72,173
Other expenditure	8	116,887	-	-	116,887
Total charitable expenditure		<u>825,927</u>	<u>213</u>	<u>4,219</u>	<u>830,359</u>
Net income / (expenditure)		(96,445)	(213)	(4,219)	(100,877)
Transfers between funds		<u>(1,500)</u>	<u>-</u>	<u>1,500</u>	<u>-</u>
Net movement in funds		(97,945)	(213)	(2,719)	(100,877)
Total funds brought forward		<u>15,933,083</u>	<u>6,703</u>	<u>19,581</u>	<u>15,959,367</u>
Total funds carried forward		<u>15,835,138</u>	<u>6,490</u>	<u>16,862</u>	<u>15,858,490</u>

For details of comparative figures refer to note 18

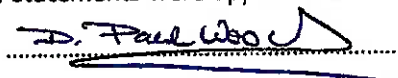
NOTTING HILL METHODIST CHURCH

Balance Sheet as at 31 August 2024

	Notes	General Fund	Designated Funds	Restricted Fund	Total 2024	Total 2023
		£	£	£	£	£
Fixed Assets						
Church building and other property	9	5,302,440			5,302,440	5,351,610
Investment properties	9	10,545,000			10,545,000	10,545,000
Total fixed assets		15,847,440			15,847,440	15,896,610
Current Assets						
Debtors and prepayments	10	52,481			52,481	41,839
Central Finance Board Deposits		73,500			73,500	151,797
Cash at Bank and in hand		23,882	6,490	16,862	47,234	50,178
Total current assets		149,863	6,490	16,862	173,215	243,814
Current liabilities						
Creditors (due in under 1 year)	11	19,907			19,907	106,097
Amounts due to/(from) Notting Hill		41,886			41,886	49,432
Amount due to DMHA		33,153			33,153	25,528
Total current liabilities		94,946			94,946	181,057
Net current assets/liabilities		54,917	6,490	16,862	78,269	62,757
Total assets less current liabilities		15,902,357	6,490	16,862	15,925,709	15,959,367
Long liabilities						
Commercial tenants deposits		67,219			67,219	
Total Net Assets		15,835,138	6,490	16,862	15,858,490	15,959,367
Funds of the Church						
General Fund (Unrestricted)		15,835,138			15,835,138	15,933,083
Designated Funds (Unrestricted)			6,490		6,490	6,703
Total Unrestricted Funds						
Restricted Funds				16,862	16,862	19,581
Total Funds	17	15,835,138	6,490	16,862	15,858,490	15,959,367

The financial statements were approved and authorised for issue.

Signed



Chair

31.3.2025

Treasurer

Date:

NOTTING HILL METHODIST CHURCH

Cash flow statement for the year ended 31 August 2024

	Notes	2024 £	2023 £
Statement of cash flows			
Cash from operating activities			
Net cash used in operating activities	a	(571,906)	(533,655)
Cash flows from investing activities			
Dividends, interest and rents from Investments		490,665	497,089
Net cash provided by investing activities		490,665	497,089
Change in cash and cash equivalents in the reporting period		(81,241)	(36,566)
Cash and cash equivalents at the beginning of the reporting period		201,975	238,541
Cash and cash equivalents at the end of the reporting period	b	120,734	201,975

Notes to cash flow statement for the year ended 31 August 2024

Note (a):	2024 £	2023 £
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per statement of financial activities)	(100,877)	(42,763)
Adjustments for:		
Depreciation and amortisation charges	49,170	49,170
Dividends, interest and rents from investments	(490,665)	(497,089)
(Increase)/decrease in debtors	(10,642)	21,104
Increase/(decrease) in creditors	(18,892)	(64,077)
Net cash used in operating activities	(571,906)	(533,655)
	2024	2023
Note (b):		
Analysis of cash and cash equivalent	£	£
Cash in hand	47,234	50,178
Short term deposit (less than 3 months)	73,500	151,797
Total cash and cash equivalents	120,734	201,975

NOTTING HILL METHODIST CHURCH

Notes to the financial statements For the year ended 31 August 2024

1. Accounting Policies

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern other than those noted below. There were no significant areas of adjustment or key assumptions that effect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty are the letting of the commercial properties and collection of their rents, and an unsettled claim for additional costs which the Church disputes on a major works contract completed during the year.

b) Funds

The funds held constitute:

- general funds held for any purpose of the Church which are unrestricted;
- designated funds which are also unrestricted but which are set aside for particular areas of future expenditure as decided by the trustees; and
- restricted funds which are subject to restrictions imposed by the donor and can only be used for specific purposes.

c) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

d) Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

f) Taxation

Notting Hill Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

g) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising on impairment are recognised in expenditure

h) Tangible fixed assets

The Land & Buildings disclosed in the accounts are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee.

The Church premises at Lancaster Road and Etheline Holder Hall and the pavilion at Kelfield Gardens have from the 2016/17 accounting year been valued based on their insurance valuation in 2017 with the intention that this be the deemed value under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

i) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in "Net gains/(Losses) on investments "in the SOFA.

Commercial properties have been assessed based on a valuation in December 2023 by PLW Morgan FRICS MCI Arb based on rental yields of 7.5% as they are held in perpetuity.

Residential rental properties are valued based on vacant possession values reduced by one third to reflect their tenanted status.

j) Depreciation

It is the Church's policy to capitalise its non-building fixed assets, including vehicles, furniture and equipment assets, with costs over £5,000 and to charge depreciation on these. All building fixed assets are capitalised with only the building element depreciated.

Depreciation is charged as follows on building and non-building fixed assets:

Buildings (other than investment properties)	over 50 years
Organ	over 10 years
Furniture, equipment and vehicles	over 4 years
Computers and IT equipment	Over 3 years

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

k) Impairment

Assets not measured at fair value are reviewed for any indication of impairment at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in income and expenditure.

l) Going Concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Income from Investment Properties

The income from lettings of £328,500 (2023 - £355,142) comes from the letting of five retail premises.

3. Income from DMHA rentals

The Church and Circuit lease their residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Church and Circuit are required to charge a market rental under the 7-year lease to DMHA. The rental is based on the market rents of the properties established in 2018, less an allowance for all the costs of management and maintenance other than major works, adjusted for subsequent inflation.

4. Other Charitable Income

This income of £226,134 (2023 - £103,328) comes principally from the letting of space in Church properties and from the dilapidation settlement for 241 Westbourne Grove (Medical Centre).

5. Circuit assessment or share

The charge of £75,533 (2023 - £83,532) is borne by the Church for ministry and manse expenses.

6. Grants and donations

The grants and donations made from unrestricted funds went to charities under the following headings:

	2024	2023
	£	£
DMHA for charging social housing rents	120,000	100,000
Local organisations	6,000	20,000
Methodist Churches and organisations	11,100	3,300
Overseas Grants	7,000	17,000
Total Expenditure	<u>144,100</u>	<u>140,300</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

The grant to Denbigh Methodist Housing Association (DMHA) is to assist the association to continue to charge social housing rents rather than market rents to most of its tenants.

7. Property maintenance

Following the quinquennial survey undertaken in 2020 significant works are taking place over all the Church's properties. Expenditure on major works was £192,218 (2023 - £85,794)

8. Salaries, NIC and Pension costs

Ministry expenses and Other expenditure include relevant staff employment costs.

The Church operates a payroll and recharges the relevant costs to the Notting Hill Methodist Circuit and Denbigh Methodist Housing Association.

The average number of staff employed by the Church during the year were 2.6 (full time equivalents) (2023 - 2.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions. During the year total employer's and employees' pension contributions before recharge totalled £12,839 (2023 - £13,518).

No employees are paid in excess of £60,000.

	2024	2023
	£	£
Gross Stipends, salaries and benefits in kind	59,205	54,927
Employer's National Insurance	6,036	5,931
Employer's pension costs	<u>3,552</u>	<u>4,571</u>
	<u>68,793</u>	<u>65,429</u>

9. Tangible Fixed Assets

9.1 Property fixed assets for the Church's own use

The church in Lancaster Road was built in the late 19th Century and has been in continuous use by the Methodists since then. In 1994 work on a major refurbishment scheme included reducing the size of the church interior and creating ancillary offices. The works were completed in 1997 at a cost of £1,070,000, funded principally from the sale of proceeds of the church in Denbigh Road.

Etheline Holder Hall, a community hall built on a retained part of the Denbigh Road site, opened in 1992, at a cost of £215,000.

These church properties are insured for £7,717,102. Kelfield Garden is a private open space with pavilion gifted to the Church in the early 20th century. The pavilion is insured for £320,000.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

9.2 Property fixed assets for investment

The freehold and leasehold of the Denbigh Estate were acquired by the Church in the 1890s. The estate is insured for £7,838,362. The value of the five shops included in the estate has been assessed based on a professional valuation in December 2023 using a rental yield of 7.5%, and the values have been confirmed by recent lease settlements on the estate. Residential properties have been valued by the Trustees on the basis of professional advice and the Trustees review of the market based upon current market yields.

9.3 Depreciation

Depreciation is charged on building and non-building fixed assets at the rates shown under Church Accounting Policies above.

	Church (non- investment land and buildings)	Other (non- investment land and buildings)	Other fixed assets including motor vehicles	Fixtures, fitting and equipment	Investment properties (land and buildings)	Total
	£	£	£	£	£	£
Cost or valuation						
Balance brought forward	5,567,000	98,000	91,973	38,500	10,545,000	16,340,473
Additions	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance carried forward	5,567,000	98,000	91,973	38,500	10,545,000	16,340,473
Accumulated depreciation						
Balance brought forward	311,780	5,460	91,973	34,650	-	443,863
Charge for the year	44,540	780	-	3,850	-	49,170
Disposals	-	-	-	-	-	-
Balance carried forward	356,320	6,240	91,973	38,500	-	493,033
Net Book value						
Brought forward	5,255,220	92,540	-	3,850	10,545,000	15,896,610
Carried forward	5,210,680	91,760	-	-	10,545,000	15,847,440

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

10. Debtors

	2024 £	2023 £
Rent in arrears	1,325	20,462
Other debtors and prepayments	51,156	21,377
	<u>52,481</u>	<u>41,839</u>

11. Creditors

	2024 £	2023 £
Rent in advance	11,125	4,875
Other creditors and accruals	8,782	101,221
	<u>19,907</u>	<u>106,096</u>

12. Fees for audit of the accounts

The audit fee for the current year is anticipated as £6,600 (2023 - £5,000)

13. Restricted Funds

During 2023/24 no restricted funds were received in donations to the Benevolent Fund, the Youth Projects Fund and to the Foodbank Fund. At the end of the year, the balances on restricted funds were £16,862(see note 18).

14. Related party transactions

During the year five Trustees were reimbursed a total of £1,728 (2023 - £85) by the Notting Hill Methodist Church in respect of expenses incurred in the day to day operations of the charity.

One other Trustee was reimbursed a total of £5,949 (2023 - £3,640) by the charity on behalf of both the Notting Hill Methodist Church and Circuit.

One trustee had a related interest during the year as a tenant of Denbigh Methodist Housing Association living in a Notting Hill Methodist Church property.

One trustee took a loan of £1,100.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

15. Commitment under operating leases

At 31 August 2024 the Church had annual commitments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Expiry date: 31 December 2024		
Within one year	490	1,180
Between two and five years		490

16. Capital commitments and contingent liabilities

16.1 Capital commitments

The Trustees have allocated £150,000 to be spent on refurbishment in the current year. Contracts have not been placed for the work. (2023 - £13,750).

16.2 Contingent liability

There were no contingent liabilities in financial year 2023-24.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2024

17. Movements on reserves

	General £	Designated £	Restricted £	Total £
Opening balance as at 1 September 2023	15,933,083	6,703	19,581	15,959,367
Income	729,482	-	-	729,482
Expenses	(825,927)	(213)	(4,219)	(830,359)
Transfers	(1,500)	-	1,500	-
Closing balance as at 31 August 2024	15,835,138	6,490	16,862	15,858,490

	Opening balance £	Income £	Expenses £	Transfer £	Closing balance £
Benevolent Fund	527	-	(165)	1,500	1,862
Food Bank	2,782	-	(2,782)	-	-
Caribbean Heritage Fund	1,272	-	(1,272)	-	-
Transport Fund	6,156	-	(213)	-	5,943
Training & Educational fund	547	-	-	-	547
Youth activities & Projects Fund	15,000	-	-	-	15,000
Closing balance as at 31 August 2024	26,284	-	(4,433)	1,500	23,352

Prior year	General £	Designated £	Restricted £	Total £
Opening balance as at 1 September 2022	17,760,501	547	3,082	17,764,130
Income	618,531	-	17,263	635,794
Expenses	(673,893)	-	(4,664)	(678,557)
Transfers	(10,056)	6,156	3,900	-
Net gains/(losses) on investments	(1,762,000)	-	-	(1,762,000)
Closing balance as at 31 August 2023	15,933,083	6,703	19,581	15,959,367

Notes to the financial statements (Continued ...)
For the year ended 31 August 2024

18. Statement of Financial Activities (SOFA) for the year ended 31 August 2023

	Notes	General Fund (Unrestricted)	Designated Funds	Restricted Funds	Total
		£	£	£	£
Income					
Offerings		9,526	-	-	9,526
Donations		3,739	-	17,263	21,002
Gift aid		4,848	-	-	4,848
Interest and investment income		5,351	-	-	5,351
Income from investment properties	2	355,142	-	-	355,142
DMHA rental income	3	136,596	-	-	136,596
Other charitable income	4	103,328	-	-	103,328
Total income		618,531	-	17,263	635,794
Expenditure					
Circuit assessment or share	5	83,532	-	-	83,532
Grants and donations	6	140,300	-	4,664	144,964
Property maintenance	7	179,546	-	-	179,546
Insurance, utilities etc.		50,888	-	-	50,888
Depreciation	9	49,170	-	-	49,170
Ministry expenses	8	70,808	-	-	70,808
Other expenditure	8	99,649	-	-	99,649
Total charitable expenditure		673,893	-	4,664	678,557
Net income / (expenditure)		(55,362)	-	12,599	(42,763)
Transfers between funds		(10,056)	6,156	3,900	-
Net gains/(losses) on investments		(1,762,000)	-	-	-
Net movement in funds		(1,827,418)	6,156	16,499	(1,804,763)
Total funds brought forward		17,760,501	547	3,082	17,764,130
Total funds carried forward		15,933,083	6,703	19,581	15,959,367

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Accounts

NOTTING HILL METHODIST CHURCH

REGISTERED CHARITY NUMBER 1127356



REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

NOTTING HILL METHODIST CHURCH

Trustees	Sonia Barnes Wendy Chase Stephen Duckworth Stacey Gerald (resigned May 2023) Rev. Dr. Michael Long (Chair – resigned August 2023) Pauline Mullings Esther Samuels Gladwyn Samuels Elaine Spence
Secretary	Wendy Chase
Charity number	1127356
Registered Office	240 Lancaster Road London W11 4AH
Auditors	Banks & Co. Ltd. 1 Carnegie Road Newbury Berkshire RG14 5DJ
Solicitors	Colman Coyle LLP 80 Upper Street London N1 0NU
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill, Kent ME19 4JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Chartered Surveyors	Colliers International 50 George Street London W1U 7GA

NOTTING HILL METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2023. The Trustees have adopted the provisions of 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)

Aims and organisation

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Notting Hill Methodist Church priorities provide for:

1. a regularly worshipping congregation,
2. a fellowship of people learning and growing in Christian faith
3. sharing its resources (including the building) with people in the neighbourhood.
4. challenging injustice and meeting human need.
5. speaking of God's love to the wider world.

The year has seen the church maintain a steady state level of activities and worship.

The refurbished basement continues to host the Kensington and Chelsea foodbank and we look forward to welcoming back to 240 Lancaster Road the 240 Project, an arts based community support group.

Bible studies resumed in the summer months but have not attained their pre-pandemic level.

The church was able to enjoy its annual summer barbecue and seaside excursion for the first time since the pandemic.

The Church Eco-group continues to consider how we might become a greener church (building and community).

Last year with the help of a grant from the Royal Borough of Kensington and Chelsea, the church published 'The Caribbean Contribution – Stories from Notting Hill Methodist Church', including much oral history from church members of the 1960s and 70s. We have now successfully published this on our website

As the year came to an end, so did our time under the leadership of The Revd Mike Long. Mike has been the right person for the season. He arrived just before the tragedy of the Grenfell fire and was a stalwart in the community. The whole church pays tribute to and gives thanks to God for Mike's leadership.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2023

Finance

Basis of accounts preparation

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2019 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102).

Income and expenditure trends

Income is primarily drawn from lettings income from external users of the church, and from lettings of investment properties. This is augmented by Sunday collections and gift aid tax relief from members of the Church. Total unrestricted income amounted to £618,531 (2022 - £546,501).

Expenditure is primarily related to church buildings and the church's investment properties. The other major ongoing cost is for staff and related expenditure, including the annual assessment payable to the Notting Hill Circuit, which meets the Minister's stipend and some other staff costs and includes repairs to the manse. Costs continued to arise for the managing and maintenance of church buildings and investment properties.

A grant of £100,000 was made to the Denbigh Methodist Housing Association to enable it to continue to make housing available to those in need at social housing rent levels (2022 - £115,000).

Total unrestricted expenditure amounted to £673,893 (2022 - £827,322)

Fund balances

The Church's net current assets at the year-end amounted to £62,578 (2022 - £56,350). After setting aside restricted reserves unrestricted funds of £43,177 remain.

Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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 Church currently has its funds in a deposit account with CFB.

Reserves policy and plans for 2023/24

The Church's reserves policy takes account of its net current assets at the last Balance Sheet date, the budget for the current year 2023/24 and significant known items of property expenditure to be incurred in the near future. By 31 August 2024 free reserves are estimated to be negative at £11,000.

The agreed reserves policy is to retain from the unrestricted resources available under the above calculation the equivalent of three months operating expenditure (approximately £100,000) to fund planned activities should normal revenue earning be suspended. The unrestricted reserves of £43,177 at the year-end thus fell somewhat short of this level.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2023

Structure, Governance and Management

Legal framework

Notting Hill Methodist Church is the sole church in the Notting Hill Methodist Circuit.

The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Reference and administrative details

Name of charity: Notting Hill Methodist Church

Charity registration number: 1127356

Date of registration: 31 December 2008

A list of senior lay employees is below:

Ken Asiedu – Facilities Manager

Management

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

Superintendent Minister: Revd Dr Michael Long (resigned on 31 August 2023)
Revd Paul Wood (appointed on 1 September 2023)

Senior Church Steward: Mrs Elaine Spence (resigned on 31 August 2023)
Mrs Esther Samuels (appointed on 1 September 2023)

Elaine Spence acted as the principal officer overseeing the day to day financial management and accounting for the Church during the year.

Governance

The members of the Notting Hill Methodist Church Council are the Charity Trustees, membership being made up of Church and Circuit office holders, the Minister and up to eight representatives appointed by the Church at its Annual Church Meeting.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2023

A range of guidance produced by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions held throughout the year.

Public benefit

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

- The organisation must have an identifiable benefit.
- 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.

Related parties

The Church is the sole church in the Notting Hill Circuit, which is part of the London District and also accountable to the Methodist Conference. The Church controls the membership of the Denbigh Methodist Housing Association which is a charitable housing association registered under the Cooperative and Community Benefit Societies Act 2014.

Risk management

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is undertaken, with documentation of the strategy to be employed for risk mitigation.

Major risks will continue to accrue from the condition of the properties of the church and a quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Church's plans for maintenance of its properties, most of which is now complete.

Safeguarding

The Methodist Church, along with the whole Christian community, believes each person has a value and dignity which comes directly from God's creation in God's own image and likeness. Christians see this as fulfilled by God's re-creation of us in Christ. Among other things, this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Notting Hill Methodist Church is committed to the safeguarding and protection of all children, young people and adults and affirms that the needs of children or of people when they are vulnerable and at risk are paramount.

Notting Hill Methodist Church recognises that it has a particular care for all who are vulnerable whether as a result of disabilities or reduction in capacities or by their situation. It is recognised that this increased vulnerability may be temporary or permanent

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2023

and may be visible or invisible, but that it does not diminish our humanity and our wish to affirm the gifts and graces of all God's people.

The Church's policy addresses the safeguarding of children, young people and vulnerable adults. It is intended to be a dynamic policy. It is intended to support the Church in being a safe supportive and caring community for children, young people, vulnerable adults, for survivors of abuse, for communities and for those affected by abuse.

Church Council Members' Responsibilities

The members of Church Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom

Generally Accepted Accounting Practice. Legislation requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the Church's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Council members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Church Council on 27 February 2024 and signed on their behalf by:

Revd Paul Wood
Superintendent Minister and Chair of Trustees

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Opinion

We have audited the financial statements of Notting Hill Methodist Church (the 'charity') for the year ended 31 August 2023 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including 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 financial statements:

- 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 are 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 gives rise to a material misstatement in the financial statements 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.

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 financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of Trustees and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Banks & Co Limited, Statutory Auditor
Chartered Certified Accountants
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

..... 2024

Banks & Co Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NOTTING HILL METHODIST CHURCH

Statement of Financial Activities for the Year ended 31 August 2023

	Notes	General Fund (Unrestricted)	Designated Funds	Restricted Funds	Total
		£	£	£	£
Income					
Offerings		9,527	-	-	9,527
Donations		3,739	-	17,263	21,002
Gift aid		4,848	-	-	4,848
Interest and investment income		5,351	-	-	5,351
Income from investment properties	2	355,142	-	-	355,142
DMHA rental income	3	136,596	-	-	136,596
Other charitable income	4	103,328	-	-	103,328
Total income		<u>618,531</u>	<u>-</u>	<u>17,263</u>	<u>635,794</u>
Expenditure					
Circuit assessment or share	5	83,532	-	-	83,532
Grants and donations	6	140,300	-	4,664	144,964
Property maintenance	7	179,546	-	-	179,546
Insurance, utilities etc.		50,888	-	-	50,888
Depreciation	9	49,170	-	-	49,170
Ministry expenses	8	70,808	-	-	70,808
Other expenditure	8	99,649	-	-	99,649
Total charitable expenditure		<u>673,893</u>	<u>-</u>	<u>4,664</u>	<u>678,557</u>
Net income / (expenditure)		(55,362)	-	12,599	(42,763)
Transfers between funds		(10,056)	6,156	3,900	-
Net gains/(losses) on investments		<u>(1,762,000)</u>			<u>(1,762,000)</u>
Net movement in funds		(1,827,418)	6,156	16,499	(1,804,763)
Total funds brought forward		<u>17,760,501</u>	<u>547</u>	<u>3,082</u>	<u>17,764,130</u>
Total funds carried forward		15,933,083	6,703	19,581	15,959,367

For details of comparative figures refer to note 18

NOTTING HILL METHODIST CHURCH

Balance Sheet as at 31 August 2023

	Notes	General Fund	Designated Funds	Restricted Fund	Total 2023	Total 2022
		£	£	£	£	£
Fixed Assets						
Church building and other property	9	5,351,610			5,351,610	5,400,780
Investment properties	9	10,545,000			10,545,000	12,307,000
Total fixed assets		15,896,610			15,896,610	17,707,780
Current Assets						
Debtors and prepayments	10	41,839			41,839	90,535
Central Finance Board Deposits		151,797			151,797	158,252
Cash at Bank and in hand		23,894	6,703	19,581	50,178	80,289
Total current assets		217,530	6,703	19,581	243,814	329,076
Current liabilities						
Creditors	11	106,097			106,097	161,979
Amount due to Notting Hill Methodist Circuit		49,432			49,432	100,747
Amount due to Denbigh Methodist Housing Association		25,528			25,528	-
Grants payable		-			-	10,000
Total current liabilities		181,056			181,056	272,726
Net current assets/liabilities		36,473	6,703	19,581	62,757	56,350
Total assets less current liabilities		15,933,083	6,703	19,581	15,959,367	17,764,130
Funds of the Church						
General Fund (Unrestricted)		15,933,083			15,933,083	17,760,501
Designated Funds (Unrestricted)			6,703		6,703	547
Total Unrestricted Funds						17,761,048
Restricted Funds				19,581	19,581	3,082
Total Funds	17	15,933,083	6,703	19,581	15,959,367	17,764,130

The financial statements were approved and authorised for issue.

Signed

Chair

.....

Treasurer

Date:

NOTTING HILL METHODIST CHURCH

Cash flow statement for the year ended 31 August 2023

	Notes	2023 £	2022 £
Statement of cash flows			
Cash from operating activities			
Net cash used in operating activities	a	(533,655)	(665,063)
Cash flows from investing activities			
Dividends, interest and rents from investments		497,089	462,666
Net cash provided by investing activities		497,089	462,666
Change in cash and cash equivalents in the reporting period		(36,566)	(202,397)
Cash and cash equivalents at the beginning of the reporting period		238,541	440,938
Cash and cash equivalents at the end of the reporting period	b	201,975	238,541

Notes to cash flow statement for the year ended 31 August 2023

Note (a):	2023 £	2022 £
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period (as per statement of financial activities)	(42,763)	(285,273)
Adjustments for:		
Depreciation and amortisation charges	49,170	49,170
Dividends, interest and rents from investments	(497,089)	(462,666)
(increase)/decrease in debtors	48,697	12,311
increase/(decrease) in creditors	(91,670)	21,395
Net cash used in operating activities	(533,655)	(665,063)
	2023	2022
Note (b):		
Analysis of cash and cash equivalent	£	£
Cash in hand	50,178	80,289
Short term deposit (less than 3 months)	151,797	158,252
Total cash and cash equivalents	201,975	238,541

NOTTING HILL METHODIST CHURCH

Notes to the financial statements For the year ended 31 August 2023

1. Accounting Policies

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

b) Funds

The funds held constitute:

- general funds held for any purpose of the Church which are unrestricted;
- designated funds which are also unrestricted but which are set aside for particular areas of future expenditure as decided by the trustees; and
- restricted funds which are subject to restrictions imposed by the donor and can only be used for specific purposes.

c) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

d) Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

f) Taxation

Notting Hill Methodist Church is recognised as exempt from Income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

g) Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising on impairment are recognized in expenditure.

h) Tangible fixed assets

The Land & Buildings disclosed in the accounts are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee.

The Church premises at Lancaster Road and Etheline Holder Hall and the pavilion at Kelfield Gardens have from the 2016/17 accounting year been valued based on their insurance valuation in 2017 with the intention that this be the deemed value under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

i) Investment properties

Investment properties are measured at fair value at each reporting date with changes in fair value recognized in 'Net gains/(losses) on investments' in the SoFA.

The commercial properties have been assessed based on a valuation in December 2023 by PLW Morgan MCI Arb based on rental yields of 7.5% as they are held in perpetuity.

The residential rental properties are valued based on vacant possession values reduced by one third to reflect their tenanted status.

j) Depreciation

It is the Church's policy to capitalise its non-building fixed assets, including vehicles, furniture and equipment assets, with costs over £5,000 and to charge depreciation on these. All building fixed assets are capitalised with only the building element depreciated.

Depreciation is charged as follows on building and non-building fixed assets:

Buildings (other than investment properties)	over 50 years
Organ	over 10 years
Furniture, equipment and vehicles	over 4 years
Computers and IT equipment	Over 3 years

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

k) Impairment

Assets not measured at fair value are reviewed for any indication of impairment at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in income and expenditure.

l) Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Income from Investment Properties

The income from lettings of £355,142 (2022 - £345,804) comes from five retail premises.

3. Income from DMHA rentals

The Church and Circuit lease their residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Church and Circuit are required to charge a market rental under a 7-year lease to DMHA. The rental is based on the market rentals established in 2018, less an allowance for all the costs of management and maintenance other than major works, adjusted for subsequent inflation.

4. Other Charitable Income

This income of £103,328 (2022 - £71,885) comes principally from the letting of space in Church properties.

5. Circuit assessment or share

The charge of £83,532 (2022 - £56,795) is borne by the Church for ministry and manse expenses.

6. Grants and donations

The grants and donations made from unrestricted funds went to charities under the following headings:

	2023	2022
	£	£
DMHA for charging social housing rents	100,000	115,000
Local organisations	20,000	640
Methodist Churches and organisations	3,300	30,000
Overseas Grants	17,000	4,460
Total Expenditure	<u>140,300</u>	<u>150,100</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

The grant to Denbigh Methodist Housing Association (DMHA) is to assist the association to continue to charge social housing rents rather than market rents to most of its tenants.

7. Property maintenance

Following the quinquennial survey undertaken in 2020 significant works are being carried out on all of the Church's properties. Expenditure on major works was £85,794 (2022 - £177,955)

8. Salaries, NIC and Pension costs

Ministry expenses and other expenditure include relevant staff employment costs.

The Church operates a payroll and recharges the relevant costs to the Notting Hill Methodist Circuit and Denbigh Methodist Housing Association.

The average number of staff employed by the Church during the year were 2.6 (full time equivalents) (2022 - 3.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions. During the year, total employer's and employees' pension contributions before recharge amounted to £13,518 (2022 - £9,928).

No remuneration was paid to any of the trustees.

No employees are paid in excess of £60,000.

	2023	2022
	£	£
Gross Stipends, salaries and benefits in kind	54,927	89,232
Employer's National Insurance	5,931	7,048
Employer's pension costs	<u>4,571</u>	<u>3,744</u>
		<u>100,024</u>

9. Tangible Fixed Assets

9.1 Property fixed assets for the Church's own use

The church in Lancaster Road was built in the late 19th Century and has been in continuous use by the Methodists since then. In 1994 work on a major refurbishment scheme included reducing the size of the church interior and creating ancillary offices. The works were completed in 1997 at a cost of £1,070,000, funded principally from the sale of proceeds of the church in Denbigh Road. Etheline Holder Hall, a community hall built on a retained part of the Denbigh Road site, opened in 1992, at a cost of £215,000.

These church properties are insured for £7,446,012. Kelfield Garden is a private open space with pavilion gifted to the Church in the early 20th century. The pavilion is insured for £130,397.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

9.2 Property fixed assets for investment

The freehold and leasehold of the Denbigh Estate were acquired by the Church in the 1890s. The estate is insured for £7,636,519. The value of the five shops included in the estate has been assessed based on a professional valuation in December 2023 using a rental yield of 7.5%, and the values have been confirmed by recent lease settlements on the estate. Residential properties have been valued by the Trustees on the basis of professional advice and the Trustees review of the market based upon current market yields.

9.3 Depreciation

Depreciation is charged on building and non-building fixed assets at the rates shown under accounting policies above.

	Church (non- investment land and buildings)	Other (non- investment land and buildings)	Other fixed assets including motor vehicles	Fixtures, fitting and equipment	Investment properties (land and buildings)	Total
	£	£	£	£	£	£
Cost or valuation						
Balance brought forward	5,567,000	98,000	91,973	38,500	12,307,000	18,102,473
Additions	-	-	-	-	-	-
Revaluations	-	-	-	-	(1,762,000)	(1,762,000)
Disposals	-	-	-	-	-	-
Balance carried forward	<u>5,567,000</u>	<u>98,000</u>	<u>91,973</u>	<u>38,500</u>	<u>10,545,000</u>	<u>16,340,473</u>
Accumulated depreciation						
Balance brought forward	267,240	4,680	91,973	30,800	-	394,693
Charge for the year	44,540	780	-	3,850	-	49,170
Disposals	-	-	-	-	-	-
Balance carried forward	<u>311,780</u>	<u>5,460</u>	<u>91,973</u>	<u>34,650</u>	<u>-</u>	<u>443,863</u>
Net Book value						
Brought forward	5,299,760	93,320	-	7,700	12,307,000	17,707,780
Carried forward	<u>5,255,220</u>	<u>92,540</u>	<u>-</u>	<u>3,850</u>	<u>10,545,000</u>	<u>15,896,610</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

10. Debtors

	2023 £	2022 £
Rent in arrears	20,462	29,534
Other debtors and prepayments	<u>21,377</u>	<u>61,001</u>
	<u>41,839</u>	<u>90,535</u>

11. Creditors

	2023 £	2022 £
Rent in advance	4,875	16,708
Other creditors and accruals	<u>101,222</u>	<u>145,271</u>
	<u>106,097</u>	<u>161,979</u>

12. Auditor's remuneration

The audit fee for the current year is anticipated as £5,000 (2022 - £4,000). Fees payable to the auditor for other services amount to £1,000.

13. Restricted Funds

During 2022/23 restricted funds of £17,263 were received in donations to the Benevolent Fund £1,238, the Youth Projects Fund £15,000 and the Foodbank Fund £1,025. The Youth Projects Fund was established by a donation related to a deceased member of the Church. At the end of the year, the balances on restricted funds were £19,582 (see note 18).

14. Related party transactions

During the year three Trustees were reimbursed a total of £85 (2022 - £5,695) by the Notting Hill Methodist Church in respect of expenses incurred in the day to day operations of the charity.

One other Trustee was reimbursed a total of £3,640 (2022 - £1,274) by the charity on behalf of both the Notting Hill Methodist Church and Circuit.

One trustee had a related interest during the year as a tenant of Denbigh Methodist Housing Association living in a Notting Hill Methodist Church property.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

15. Commitment under operating leases

At 31 August 2023 the Church had annual commitments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Expiry date: 31 December 2024		
Within one year	1,180	1,180
Between two and five years	490	1,670

16. Capital commitments and contingent liabilities

16.1 Capital commitments

The Church had capital commitments contracted for but not provided in the financial statements of £13,750 (2022 - £47,000). These are expected to be settled during the next 12 months and will be funded through general reserves.

16.2 Contingent liability

The contingent liability disclosed within the 2022 financial statements was settled during the current year. There were no additional costs included within the 2023 financial statement.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

17. Movements on reserves

	General £	Designated £	Restricted £	Total £
Opening balance as at 1 September 2022	17,760,501	547	3,082	17,764,130
Income	618,531		17,263	635,794
Expenses	(673,893)		(4,664)	(678,557)
Transfers	(10,056)	6,156	3,900	-
Net gains/(losses) on investments	(1,762,000)			(1,762,000)
Closing balance as at 31 August 2023	<u>15,933,083</u>	<u>6,703</u>	<u>19,581</u>	<u>15,959,367</u>

	Opening balance £	Income £	Expenses £	Transfer £	Closing balance £
Benevolent Fund	(814)	1,238	(3,798)	3,900	527
Food Bank	2,100	1,025	(343)	-	2,782
Caribbean Heritage Fund	1,796	-	(523)	-	1,273
Youth Activities & Projects Fund	-	15,000	-	-	15,000
Closing balance as at 31 August 2022	<u>3,082</u>	<u>17,263</u>	<u>(4,664)</u>	<u>3,900</u>	<u>19,582</u>

Prior year	General £	Designated £	Restricted £	Total £
Opening balance as at 1 September 2022	17,872,337	168,985	8,081	18,049,403
Income	546,501	-	43,491	589,992
Expenses	(827,322)	-	(47,943)	(875,265)
Transfers	168,985	(168,438)	(547)	-
Closing balance as at 31 August 2022	<u>17,760,501</u>	<u>547</u>	<u>3,082</u>	<u>17,764,130</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2023

18. Statement of Financial Activities (SOFA) for the year ended 31 August 2022

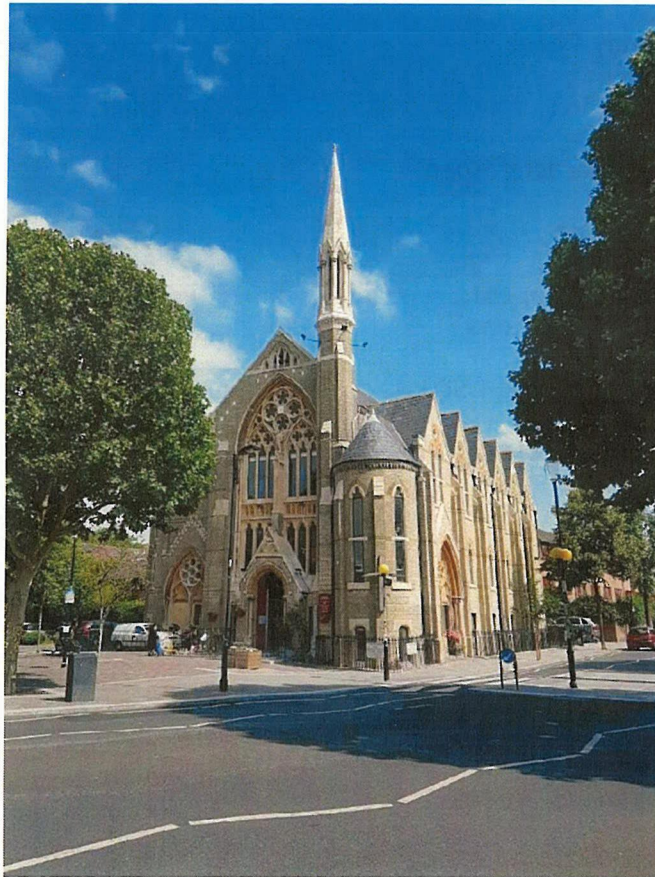
	Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total
		£	£	£	£
Income		9,372			9,372
Offerings					
Donations		2,305		43,491	45,796
Gift aid		273			273
Interest and investment income		672			672
Income from investment properties	2	345,804			345,804
DMHA rental income	3	116,190			116,190
Other charitable income	4	71,885			71,885
Total income		546,501	-	43,491	589,992
Expenditure					
Circuit assessment or share	5	56,795			56,795
Grants and donations	6	150,100		47,943	198,043
Property maintenance	7	321,685			321,685
Insurance, utilities etc.		35,285			35,285
Depreciation	9	49,170			49,170
Ministry expenses	8	77,740			77,740
Other expenditure	8	136,547			136,547
Total charitable expenditure		827,322	-	47,943	875,265
Net income/ (expenditure)		(280,821)	-	(4,452)	(285,273)
Transfers between funds		168,985	(168,438)	(547)	-
Net movement in funds		(111,836)	(168,438)	(4,999)	(285,273)
Total funds brought forward		17,872,337	168,985	8,081	18,049,403
Total funds carried forward		17,760,501	547	3,082	17,764,130

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Accounts

NOTTING HILL METHODIST CHURCH
REGISTERED CHARITY NUMBER 1127356



**REPORT OF THE TRUSTEES AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

NOTTING HILL METHODIST CHURCH

Trustees	Sonia Barnes Wendy Chase Stephen Duckworth Stacey Gerald Rev. Dr. Michael Long (Chair) Esther Samuels Elaine Spence
Secretary	Wendy Chase
Charity number	1127356
Registered Office	240 Lancaster Road London W11 4AH
Auditors	Banks & Co. Ltd. 1 Carnegie Road Newbury Berkshire RG14 5DJ
Solicitors	Colman Coyle LLP 80 Upper Street London N1 0NU
Bankers	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill, Kent ME19 4JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Chartered Surveyors	Colliers International 50 George Street London W1U 7GA

NOTTING HILL METHODIST CHURCH

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2022. The Trustees have adopted the provisions of 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 2015)

Aims and organisation

The priorities of Notting Hill Methodist Church are, in addition to the advancement of the Christian faith, the need to maintain in this part of London:

1. a regularly worshipping congregation,
2. a fellowship of people learning and growing in Christian faith
3. a community of service in the neighbourhood.,
4. a sharing in the mission of the wider Church to the whole world in challenging injustice and meeting human need
5. a company of those who bear witness to their faith in daily life and seek through evangelism to share their experience of Christ with others

The year has seen the church attain a steady state level of activities and worship following the end of coronavirus lockdown restrictions. Of greater impact has been the extensive repair work to our basement following the flood in July 2021. The basement reopened at Easter 2022, the foodbank having had to relocate in another part of the church premises for an extended period.

No Junior Church or youth activities took place during the year, though a strategy for tackling this emerged at the end of the year in question. Bible studies resumed in the summer months but have not attained their pre-pandemic level.

As the year began the superintendent minister announced his intention to ask for a curtailment in summer 2023. This was agreed at a meeting of the circuit invitation committee in July 2022. During the early part of 2022 the minister spent three months' sabbatical leave in Sri Lanka, during which time pastoral care was provided by an adjacent minister and Sunday services were covered by a variety of lay and ordained persons.

The church was able to enjoy its annual summer barbecue and seaside excursion for the first time since the pandemic.

The newly-formed Eco-group has stimulated the church on a number of environmental aspects and attained a bronze award from A Rocha.

With the help of a grant from the Royal Borough of Kensington and Chelsea, the church published 'The Caribbean Contribution – Stories from Notting Hill Methodist Church', including much oral history from church members of the 1960s and 70s.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2022

Finance

Basis of accounts preparation

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102).

Income and expenditure trends

Income is primarily drawn from lettings income from external users of the church, and from lettings of investment properties. This is augmented by Sunday collections and gift aid tax relief from members of the Church. Total unrestricted income amounted to £546,501 (2021 - £589,624).

Expenditure is primarily related to church buildings and the church's investment properties. The other major ongoing cost is for staff and related expenditure, including the annual assessment from the Notting Hill Circuit, which meets the Minister's stipend and some other staff costs and includes repairs to manses. Costs continued to arise for the managing and maintenance of church buildings and investment properties.

A grant of £115,000 was made to the Denbigh Methodist Housing Association to enable it to continue to make housing available to those in need at social housing rent levels (2021 - £80,000).

Total unrestricted expenditure amounted to £827,322 (2021 - £618,762). The increase on the previous year is largely due to the major works which began in 2021 and completed this year. There is a dispute with a contractor and provision has been made for all sums, including related legal fees, which the Church believes are payable. Fees were also incurred in settling a legal case with the Royal Borough of Kensington and Chelsea referred to in note 16.2 of the 2021 Financial Statements.

Fund balances

The Church's net current assets at the year-end amounted to £56,350 (2021 - £292,453). The designated funds have largely been released and after setting aside restricted reserves, unrestricted funds of £53,268 remain, being the sum of the net current assets of the general and designated funds.

Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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 Church currently has its funds in a deposit account with CFB.

Reserves policy and plans for 2022/23

The Church's reserves policy takes account of its net current assets at the last Balance Sheet date, the budget for the current year 2022/23 and significant known items of

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2022

property expenditure to be incurred in the near future. By 31 August 2023 free reserves excluding any designated provision set aside for future major works are estimated to be increased at £90,000.

The agreed reserves policy is to retain from the unrestricted resources available under the above calculation the equivalent of three months operating expenditure (approximately £76,000) to fund planned activities should normal revenue earning be suspended. The unrestricted reserves of £53,268 at the year end thus fell somewhat short of this level.

Structure, Governance and Management

Legal framework

Notting Hill Methodist Church is the sole church in the Notting Hill Methodist Circuit.

The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Reference and administrative details

Name of charity: Notting Hill Methodist Church
Charity registration number: 1127356
Date of registration: 31 December 2008

A full list of senior lay staff is below:

Ken Asiedu – Facilities Manager
Susannah Yarde – Youth and Family Worker/ Foodbank Manager (until June 2022)

Management

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

Treasurer : Mrs Elaine Spence

Elaine Spence acted as the principal officer overseeing the day to day financial management and accounting for the Church during the year.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2022

Governance

The members of the Notting Hill Methodist Church Council are the Charity Trustees, membership being made up of Church and Circuit office holders appointed annually and selected for their skills or experience, the Minister and up to eight representatives appointed by Church members at the Annual Church Meeting.

A range of guidance produced by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions held throughout the year.

Public benefit

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

- The organisation must have an identifiable benefit.
- 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.

Related parties

The Church is the sole church in the Notting Hill Circuit, which is part of the London District and also accountable to the Methodist Conference. The Church controls the membership of the Denbigh Methodist Housing Association which is a charitable housing association registered under the Cooperative and Community Benefit Societies Act 2014.

Risk management

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is being undertaken, with documentation of the strategy to be employed for risk mitigation.

Major risks will continue to accrue from the condition of the properties of the church and a quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Church's plans for maintenance of its properties.

Safeguarding

The Methodist Church, along with the whole Christian community, believes each person has a value and dignity which comes directly from God's creation in God's own image and likeness. Christians see this as fulfilled by God's re-creation of us in Christ. Among other things, this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2022

Notting Hill Methodist Church is committed to the safeguarding and protection of all children, young people and adults and affirms that the needs of children or of people when they are vulnerable and at risk are paramount.

Notting Hill Methodist Church recognises that it has a particular care for all who are vulnerable whether as a result of disabilities or reduction in capacities or by their situation. It is recognised that this increased vulnerability may be temporary or permanent and may be visible or invisible, but that it does not diminish our humanity and our wish to affirm the gifts and graces of all God's people.

The Church's policy addresses the safeguarding of children, young people and vulnerable adults. It is intended to be a dynamic policy. It is intended to support the Church in being a safe supportive and caring community for children, young people, vulnerable adults, for survivors of abuse, for communities and for those affected by abuse.

Church Council Members' Responsibilities

The members of Church Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom

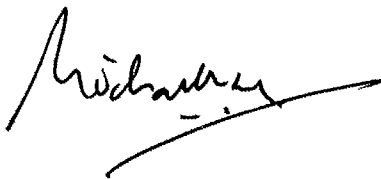
Generally Accepted Accounting Practice. Legislation requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the Church's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Council members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Church Council on *28 Feb* 2023 and signed on their behalf by:



Revd Dr Michael Long
Superintendent Minister and Chair of Trustees

NOTTING HILL METHODIST CHURCH

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Opinion

We have audited the financial statements of Notting Hill Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 are 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

NOTTING HILL METHODIST CHURCH

the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 financial statements or our knowledge obtained in the course of 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 gives rise to a material misstatement in the financial statements 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.

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 financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

NOTTING HILL METHODIST CHURCH

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

- Enquiry of Trustees and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

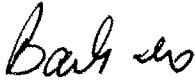
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

NOTTING HILL METHODIST CHURCH

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Banks & Co Ltd, Statutory Auditor
Chartered Certified Accountants
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

..... 28/2/..... 2023

Banks & Co Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

NOTTING HILL METHODIST CHURCH

Statement of Financial Activities for the year ended 31 August 2022

	Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total
		£	£	£	£
Income					
Offerings		9,372	-	-	9,372
Donations		2,305	-	43,491	45,796
Gift aid		273	-	-	273
Interest and investment income		672	-	-	672
Income from investment properties	2	345,804	-	-	345,804
DMHA rental income	3	116,190	-	-	116,190
Other charitable income	4	71,885	-	-	71,885
Total income		546,501	-	43,491	589,992
Expenditure					
Circuit assessment or share	5	56,795	-	-	56,795
Grants and donations	6	150,100	-	47,943	198,043
Property maintenance	7	321,685	-	-	321,685
Insurance, utilities etc.		35,285	-	-	35,285
Depreciation	9	49,170	-	-	49,170
Ministry expenses	8	77,740	-	-	77,740
Other expenditure	8	136,547	-	-	136,547
Total charitable expenditure		827,322	-	47,943	875,265
Net income/(expenditure)		(280,821)	-	(4,452)	(285,273)
Transfers between funds		168,985	(168,438)	(547)	-
Net movement in funds		(111,836)	(168,438)	(4,999)	(285,273)
Total funds brought forward		17,872,337	168,985	8,081	18,049,403
Total funds carried forward		17,760,501	547	3,082	17,764,130

For details of comparative figures refer to note 18

NOTTING HILL METHODIST CHURCH

Balance Sheet as at 31 August 2022

	Notes	General Fund	Designated Funds	Restricted Funds	Total 2022	Total 2021
		£	£	£	£	£
Fixed Assets						
Church building and other property	9	5,400,780	-	-	5,400,780	5,449,950
Investment properties	9	12,307,000	-	-	12,307,000	12,307,000
Total fixed assets		17,707,780	-	-	17,707,780	17,756,950
Current Assets						
Debtors and prepayments	10	90,535			90,535	102,846
Central Finance Board Deposits		158,252			158,252	366,309
Cash at Bank and in hand		76,660	547	3,082	80,289	74,629
Total current assets		325,447	547	3,082	329,076	543,784
Current liabilities						
Creditors (due in under 1 year)	11	161,979			161,979	113,934
Amounts due to/(from) Notting Hill Methodist Circuit		100,747			100,747	48,630
Grants payable		10,000			10,000	88,767
Total current liabilities		272,726	-	-	272,726	251,331
Net current assets/liabilities		52,721	547	3,082	56,350	292,453
Total assets less current liabilities		17,760,501	547	3,082	17,764,130	18,049,403
Funds of the Church						
General Fund (Unrestricted)		17,760,501			17,760,501	17,872,337
Designated Funds (Unrestricted)			547		547	168,985
Total Unrestricted Funds					17,761,048	18,041,322
Restricted Funds				3,082	3,082	8,081
Total Funds	17	17,760,501	547	3,082	17,764,130	18,049,403

Signed

Date

28/2/22

Chair

Treasurer

The image shows two handwritten signatures. The top signature is for the Chair, and the bottom signature is for the Treasurer. Both signatures are in black ink and appear to be cursive.

NOTTING HILL METHODIST CHURCH

Cash flow statement for the year ended 31 August 2022

	Notes	2022 £	2021 £
Statement of cash flows			
Cash from operating activities			
Net cash used in operating activities	a	(665,063)	(425,870)
Cash flows from investing activities			
Dividends, interest and rents from investments		462,666	520,882
Proceeds from the sale of property, plant and equipment		-	6,156
Net cash provided by investing activities		462,666	527,038
Change in cash and cash equivalents in the reporting period		(202,397)	101,168
Cash and cash equivalents at the beginning of the reporting period		440,938	339,770
Cash and cash equivalents at the end of the reporting period	b	238,541	440,938

Notes to cash flow statement for the year ended 31 August 2022

Note (a):		2022	2021
Reconciliation of net income to net cash flow from operating activities		£	£
Net income for the reporting period (as per statement of financial activities)		(285,273)	(37,897)
Adjustments for:			
Depreciation and amortisation charges		49,170	49,170
Profit on the sale of fixed assets		-	(6,156)
Dividends, interest and rents from investments		(462,666)	(520,882)
Decrease/(increase) in stocks		-	-
(increase)/decrease in debtors		12,311	(25,660)
increase/(decrease) in creditors		21,395	115,555
Net cash used in operating activities		(665,063)	(425,870)
Note (b):		2022	2021
Analysis of cash and cash equivalent		£	£
Cash in hand		80,289	74,629
Short term deposit (less than 3 months)		158,252	366,309
Total cash and cash equivalents		238,541	440,938

NOTTING HILL METHODIST CHURCH

Notes to the financial statements For the year ended 31 August 2022

1. Accounting Policies

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Charities Statement of Recommended Practice issued in October 2019 and the Charities Act 2011.

Notting Hill Methodist Church is a public benefit entity, as defined by FRS 102.

The financial statements are presented in Pounds Sterling, rounded to the nearest pound.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern other than those noted below. There were no significant areas of adjustment or key assumptions that effect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty are the letting of the commercial properties and collection of their rents, and an unsettled claim for additional costs which the Church disputes on a major works contract completed during the year.

b) Funds

The funds held constitute:

- general funds held for any purpose of the Church which are unrestricted;
- designated funds which are also unrestricted but which are set aside for particular areas of future expenditure as decided by the trustees; and
- restricted funds which are subject to restrictions imposed by the donor and can only be used for specific purposes.

c) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

d) Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

e) Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

f) Taxation

Notting Hill Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

g) Tangible fixed assets

The Land & Buildings disclosed in the accounts are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee.

The Church premises at Lancaster Road and Etheline Holder Hall and the pavilion at Kelfield Gardens have from the 2016/17 accounting year been valued based on their insurance valuation in 2017 with the intention that this be the deemed value under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

Commercial properties are treated as investment properties and have been assessed based on a valuation in September 2021 by PLW Morgan FRICS MCI Arb based on rental yields of 6.5% as they are held in perpetuity.

Residential rental properties are also treated as investment properties. Their valuations are based on vacant possession values reduced by one third to reflect their tenanted status.

The surplus or deficit arising on revaluation is recognised in the Statement of Financial Activities.

h) Depreciation

It is the Church's policy to capitalise its non-building fixed assets, including vehicles, furniture and equipment assets, with costs over £5,000 and to charge depreciation on these. All building fixed assets are capitalised with only the building element depreciated.

Depreciation is charged as follows on building and non-building fixed assets:

Buildings (other than investment properties)	over 50 years
Organ	over 10 years
Furniture, equipment and vehicles	over 4 years

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

i) Financial instruments

Financial assets carried at amortised cost

Financial assets comprise other debtors and cash at bank. Where the effect of discounting is material, financial assets are measured at amortised cost using the effective interest method.

A financial asset is derecognised when the contractual rights to the cash flows expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities carried at amortised cost

Financial liabilities include other creditors and accruals.

Liabilities which are classed as basic financial instruments are measured at amortised cost.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

2. Income from Investment Properties

The income from lettings of £345,804 (2021 - £406,713) comes from the letting of five retail premises.

3. Income from DMHA rentals

The Church and Circuit lease their residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Church and Circuit are required to charge a market rental under the 7-year lease to DMHA. The rental is based on the market rents of the properties established in 2018, less an allowance for all the costs of management and maintenance other than major works, adjusted for subsequent inflation.

4. Other Charitable Income

This income of £71,885 (2021 - £58,366) comes principally from the letting of space in Church properties.

5. Circuit assessment or share

The charge of £56,795 (2021 - £59,974) is borne by the Church for ministry and manse expenses.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

6. Grants and donations

The grants and donations made from unrestricted funds went to charities under the following headings:

	2022	2021
	£	£
Denbigh Methodist Housing Association	115,000	80,000
Local Charities	640	11,470
Methodist Charities	30,000	55,500
Overseas Charities	4,460	30,240
	<u>150,100</u>	<u>177,210</u>

The grant to Denbigh Methodist Housing Association is to assist the association in meeting its aims and objectives.

7. Property maintenance

Following the quinquennial survey undertaken in 2020 significant works are taking place over all the Church's properties. Expenditure on major works was £177,955 (2021 - £111,123)

8. Salaries, NIC and Pension costs

Ministry expenses and Other expenditure include relevant staff employment costs.

The Church operates a payroll and recharges the relevant costs to the appropriate organisations.

The average number of staff employed by the Church during the year were 3.6 (full time equivalents) (2021 - 3.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions. During the year total employer's and employees' pension contributions before recharge totalled £9,928 (2021 - £11,589).

No employees are paid in excess of £60,000.

	2022	2021
	£	£
Gross wages, salaries and benefits in kind	89,232	80,679
Employer's National Insurance costs	7,048	7,852
Employer's pension costs	3,744	4,308
	<u>100,024</u>	<u>92,839</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (continued...) For the year ended 31 August 2022

9. Tangible Fixed Assets

9.1 Property fixed assets for the Church's own use

The church in Lancaster Road was built in the late 19th Century and has been in continuous use by the Methodists since then. In 1994 work on a major refurbishment scheme included reducing the size of the church interior and creating ancillary offices. The works were completed in 1997 at a cost of £1,070,000, funded principally from the sale proceeds of the church in Denbigh Road.

Etheline Holder Hall, a community hall built on a retained part of the Denbigh Road site, opened in 1992, at a cost of £215,000.

These church properties are insured for £6,863,000. Kelfield Garden is a private open space with pavilion gifted to the Church in the early 20th century. The pavilion is insured for £120,000.

9.2 Property fixed assets for investment

The freehold and leasehold of the Denbigh Estate were acquired by the Church in the 1890s. The estate is insured for £7,052,000. The value of the five shops included in the estate has been assessed based on a professional valuation in September 2021 using a rental yield of 6.5%. This led to a substantial impairment recognised in the accounts for the year ended 31 August 2021, due primarily to the fall in the value of commercial premises following Covid 19. Residential properties have been valued by the Trustees on the basis of professional advice and the Trustees review of the market based upon current market yields. Based on their review, the Trustees are of the opinion that there has been no significant change in the market value of the investment properties during the year.

9.3 Depreciation

Depreciation is charged on building and non-building fixed assets at the rates shown under Church Accounting Policies above.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

	Church (non- investment land and buildings)	Other non- investment land and buildings	Other fixed assets including motor vehicles	Fixtures, fittings and equipment	Investment properties (land and buildings)	Total
	£	£	£	£	£	£
Cost or valuation						
Balance brought forward	5,567,000	98,000	91,973	38,500	12,307,000	18,102,473
Additions	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance carried forward	<u>5,567,000</u>	<u>98,000</u>	<u>91,973</u>	<u>38,500</u>	<u>12,307,000</u>	<u>18,102,473</u>
Accumilated depreciation						
Balance brought forward	222,700	3,900	91,973	26,950	-	345,523
Charge for the year	44,540	780	-	3,850	-	49,170
Disposals	-	-	-	-	-	-
Balance carried forward	<u>267,240</u>	<u>4,680</u>	<u>91,973</u>	<u>30,800</u>	<u>-</u>	<u>394,693</u>
Net Book value						
Brought forward	5,344,300	94,100	-	11,550	12,307,000	17,756,950
Carried forward	<u>5,299,760</u>	<u>93,320</u>	<u>-</u>	<u>7,700</u>	<u>12,307,000</u>	<u>17,707,780</u>

10. Debtors

	2022 £	2021 £
Rent in arrears	29,534	74,432
Other debtors and prepayments	61,001	28,414
	<u>90,535</u>	<u>102,846</u>

11. Creditors

	2022 £	2021 £
Rent in advance	16,708	24,209
Other creditors and accruals	145,271	89,725
	<u>161,979</u>	<u>113,934</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

12. Fees for audit of the accounts

The audit fee for the current year is anticipated as £4,000 (2021 - £5,400)

13. Restricted Funds

During 2021/22 restricted funds of £297 were received in donations in relation to the Benevolent Fund. The balance of £1,796 from a grant from the Royal Borough of Kensington and Chelsea is held with the purpose of developing a website for the Caribbean Heritage project, after the publication of a book during 2021/22. Donations have continued to be received for the foodbank despite it becoming an independent organisation in 2021. So amounts received are periodically transferred over.

14. Related party transactions

During the year three Trustees were reimbursed a total of £5,695 (2021 - £270) by the Notting Hill Methodist Church in respect of expenses incurred in the day to day operations of the charity.

One other Trustee was reimbursed a total of £1,274 (2021 - £2,594) by the charity on behalf of both the Notting Hill Methodist Church and Circuit.

One trustee received grants and a loan totalling £1,550 (2021 - nil).

One trustee had a related interest during the year as a tenant of Denbigh Methodist Housing Association living in a Notting Hill Methodist Church property.

The Trustees give freely their time without any form of remuneration or other benefit in cash or kind.

15. Commitment under operating leases

At 31 August 2022 the Church had annual commitments under non-cancellable operating leases as follows:

	2022	2021
	£	£
Expiry date: 31 December 2024		
Within one year	1,180	1,180
Between two and five years	1,670	2,850

16. Capital commitments and contingent liabilities

16.1 Capital commitments

The Church had capital commitments at the year-end of £47,000 (2021 - £142,000) which will be met from the Church's general fund.

16.2 Contingent liability

The Church has a dispute with a contractor over the costs of a major works scheme begun in the previous year and completed in 2021/22. All amounts which the Church believes are

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

payable have been accrued in this year's accounts but a further sum of £24,000, plus legal costs, remains in dispute.

17. Movements on reserves

	General	Designated	Restricted	Total
	£	£	£	£
Opening balance as at 1 September 2021	17,872,337	168,985	8,081	18,049,403
Income	546,501	-	43,491	589,992
Expenses	(827,322)	-	(47,943)	(875,265)
Transfers	168,985	(168,438)	(547)	-
Closing balance as at 31 August 2022	<u>17,760,501</u>	<u>547</u>	<u>3,082</u>	<u>17,764,130</u>

	Opening balance	Income	Expenses	Transfers	Closing balance
	£	£	£	£	£
Benevolent Fund	2,081	297	(2,645)	(547)	(814)
Food Bank		43,194	(41,094)	-	2,100
Caribbean Heritage Fund	6,000	-	(4,204)	-	1,796
	<u>8,081</u>	<u>43,491</u>	<u>(47,943)</u>	<u>(547)</u>	<u>3,082</u>

Prior year	General	Designated	Restricted	Total
	£	£	£	£
Opening balance as at 1 September 2020	20,382,825	10,617	16,858	20,410,300
Income	589,642		32,718	622,360
Expenses	(618,762)		(41,495)	(660,257)
Transfers	(158,368)	158,368		-
Revaluation of investment properties	(2,323,000)			(2,323,000)
Closing balance as at 31 August 2021	<u>17,872,337</u>	<u>168,985</u>	<u>8,081</u>	<u>18,049,403</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2022

18. Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total
		£	£	£	£
Income					
Offerings		6,416			6,416
Donations		1,845		32,718	34,563
Gift aid		2,133			2,133
Interest and investment income		309			309
Income from investment properties	2	406,713			406,713
DMHA rental income	3	113,860			113,860
Other charitable income	4	58,366			58,366
Total income		589,642	-	32,718	622,360
Expenditure					
Circuit assessment or share	5	59,974			59,974
Grants and donations	6	177,210		41,495	218,705
Property maintenance	7	135,663			135,663
Insurance, utilities etc.		28,829			28,829
Depreciation	9	49,170			49,170
Ministry expenses	8	72,407			72,407
Other expenditure	8	95,509			95,509
Total charitable expenditure		618,762	-	41,495	660,257
Realised gains/(losses) on monetary investments		-			-
Realised gains/(losses) on disposal of investment properties		-			-
Net income/(expenditure)		(29,200)		(8,777)	(37,897)
Transfers between funds		(158,368)	158,368		-
Revaluation gains/(losses)		(2,323,000)			(2,323,000)
Net movement in funds		2,510,488	158,368	(8,777)	(2,360,897)
Total funds brought forward		20,382,825	10,617	16,858	20,410,300
Total funds carried forward		17,872,337	168,985	8,081	18,049,403

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Accounts

NOTTING HILL METHODIST CHURCH

Trustees Annual Report For the year ended 31 August 2021

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The Trustees have adopted the provisions of 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 2015)

Aims and organisation

We see as the priorities of Notting Hill Methodist Church, in addition to the advancement of the Christian faith, as the need to maintain here in this part of London:

1. a regularly worshipping congregation,
2. a fellowship of people learning and growing in Christian faith
3. a community of service in the neighbourhood.,
4. a sharing in the mission of the wider Church to the whole world in challenging injustice and meeting human need
5. a company of those who bear witness to their faith in daily life and seek through evangelism to share their experience of Christ with others

The year has been dominated by continuing adjustment to the coronavirus pandemic and sporadic restrictions imposed on worship and other forms of church activity. Gradually since Easter the numbers of those attending worship in person has increased, although our Junior Church did not reopen.

Throughout this time the foodbank has continued to operate, though still clients are required to wait outside the church for food packages. The foodbank became a separate charity from the church in early 2021, but its operations remain unaffected by this change.

Both the church and the foodbank were significantly impacted by flash flooding which occurred in the North Kensington area during the afternoon of 12th July 2021. The basement was flooded and rendered inoperable; repairs will take many months to complete. The foodbank had to relocate to a vacant ground-floor office suite at the rear of the premises. This arrangement is far from ideal but has allowed the foodbank to continue operations, albeit in cramped conditions.

Four long-standing church members passed away during the year, bringing the church membership figure to below 60.

Revd Dr Michael Long
Superintendent Minister and Chair of Trustees

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

Finance

Basis of accounts preparation

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

Income trends

Church income is primarily drawn from lettings income from external users of the church

Expenditure trends buildings and church investment properties. This is augmented by Sunday collections and gift aid tax relief from members of the Church. Income reduced over the previous year by some £110,000 largely due to the effect of the pandemic on making new lettings. Total unrestricted income amounted to £589,642 (2020 - £669,332).

The major ongoing cost is for staff and related expenditure, including the annual assessment from the Notting Hill Circuit, which meets the Minister's stipend and some other staff costs and includes repairs to manses. Costs continued to arise for the managing and maintenance of church buildings and investment properties, and on grant giving.

A grant of £80,000 was made to the Denbigh Methodist Housing Association to enable it to continue to make housing available to those in need at social housing rent levels (2020 - £85,000).

Total expenditure amounted to £660,257 (2020 - £693,319), a decrease on the previous year in part due to a full year of Covid restrictions and less use of buildings, though grants made by the Church increased considerably.

Fund balances

The Church's net current assets at the year-end amounted to £292,453 (2020 - £281,180). After setting aside restricted reserves, a designated fund for major works of maintenance and the general reserve related to properties and other fixed assets, unrestricted funds of £115,387 remain.

Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

Methodist Church. The Church currently has its funds in a deposit account with CFB.

Reserves policy and plans for 2021/21

The Church's reserves policy takes account of its net current assets at the last Balance Sheet date, the budget for the current year 2021/22 and significant known items of property expenditure to be incurred in the near future. By 31 August 2022 free reserves excluding any designated provision set aside for future major works are estimated to be marginally increased at [*£121,000*].

The agreed reserves policy is to retain from the unrestricted resources available under the above calculation the equivalent of three months operating expenditure (approximately £65,000) to fund planned activities should normal revenue earning be suspended.

Structure, Governance and Management

Legal framework

Notting Hill Methodist Church is the sole church in the Notting Hill Methodist Circuit.

The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Reference and administrative details

Name of charity: Notting Hill Methodist Church
Charity registration number: 1127356
Date of registration: 31 December 2008

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

The registered office and operational address of the Church is:
240 Lancaster Road
London W11 4AH

A full list of Church Council members and key lay employees is as shown below.

Church Council members during 2020/21

Revd Dr. Michael Long	Pauline Mullings	Esther Samuels
Gladwyn Samuels	Suzie Long	Portia Thaxter
Elaine Spence	Stacey Gerald	Audrey Jones
Wendy Yarde-Chase	Sonia Barnes	Elaine Brackett
Stephen Duckworth	Lynette Yarde	

Senior lay staff

Lorraine Ophelia – Facilities Manager
Susannah Yarde – Youth and Family Worker

Management

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

Treasurer : Mrs Elaine Spence

Elaine Spence acted as the principal officer overseeing the day to day financial management and accounting for the Church during the year.

Auditors:

Banks & Co. Limited
1 Carnegie Road
Newbury
Berkshire RG14 5DJ

Solicitors:

Colman Coyle LLP
80 Upper Street
London N1 0NU

Chartered Surveyors:

Colliers International
50 George Street
London W1U 7GA

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

Bankers:

HSBC Bank
Westminster Branch
22 Victoria Street
London SW1H 0NJ

CAF Bank Ltd.
25 Kings Hill Avenue
Kings Hill, Kent
ME19 4JQ

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

Governance

The members of the Notting Hill Methodist Church Council are the Charity Trustees, membership being made up of Church and Circuit office holders, the Minister and up to eight representatives appointed by the Church at its Annual Church Meeting.

A range of guidance produced by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions held throughout the year.

Public benefit

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

- The organisation must have an identifiable benefit.
- 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.

Related parties

The Church is the sole church in the Notting Hill Circuit, which is part of the London District and also accountable to the Methodist Conference.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

The Church controls the membership of the Denbigh Methodist Housing Association which is a charitable housing association registered under the Cooperative and Community Benefit Societies Act 2014.

Risk management

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is to be undertaken, with documentation of the strategy to be employed for risk mitigation.

Major risks will continue to accrue from the condition of the properties of the church and a quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Church's plans for maintenance of its properties. During Covid regular risk assessments were prepared and used.

Safeguarding

The Methodist Church, along with the whole Christian community, believes each person has a value and dignity which comes directly from God's creation in God's own image and likeness. Christians see this as fulfilled by God's re-creation of us in Christ. Among other things, this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Notting Hill Methodist Church is committed to the safeguarding and protection of all children, young people and adults and affirms that the needs of children or of people when they are vulnerable and at risk are paramount.

Notting Hill Methodist Church recognises that it has a particular care for all who are vulnerable whether as a result of disabilities or reduction in capacities or by their situation. It is recognised that this increased vulnerability may be temporary or permanent and may be visible or invisible, but that it does not diminish our humanity and our wish to affirm the gifts and graces of all God's people.

This policy addresses the safeguarding of children, young people and vulnerable adults. It is intended to be a dynamic policy. It is intended to support the Church in being a safe supportive and caring community for children, young people, vulnerable adults, for survivors of abuse, for communities and for those affected by abuse.

Church Council Members' Responsibilities

The members of Church Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2021

Generally Accepted Accounting Practice. Legislation requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the Church's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Council members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Church Council on 8 February 2022 and signed on their behalf by:

Revd.Dr.Jongikaya Zihle
Chair of the London District of The Methodist Church and Acting Chair of Trustees

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Opinion

We have audited the financial statements of Notting Hill Methodist Church (the 'charity') for the year ended 31 August 2021 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2021, 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 are 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 contained within the annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, 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 financial statements or our knowledge obtained in the course of 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 gives rise to a material misstatement in the financial statements 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.

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 financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

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

- Enquiry of Trustees and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date

of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Banks & Co Limited
Chartered Certified Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

NOTTING HILL METHODIST CHURCH

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total
	£	£	£	£
Income				
Offerings	6,416			6,416
Donations	1,845		32,718	34,563
Gift aid	2,133			2,133
Interest and investment income	309			309
Income from investment properties (note 2)	406,713			406,713
DMHA rental income (note 3)	113,860			113,860
Other charitable income (note 4)	58,366			58,366
Total income	589,642	0	32,718	622,360
Expenditure				
Circuit assessment or share (note 5)	59,974			59,974
Grants and donations (note 6)	177,210		41,495	218,705
Property maintenance (note 7)	135,663			135,663
Insurance, utilities etc.	28,829			28,829
Depreciation (note 9)	49,170			49,170
Ministry expenses (note 8)	72,407			72,407
Other expenditure (note 8)	95,509			95,509
Total charitable expenditure	618,762	0	41,495	660,257
Realised gains/(losses) on monetary investments	0			0
Realised gains/(losses) on disposal of investment properties	0			0
Net income/(expenditure)	(29,200)	0	(8,777)	(37,897)
Transfers between funds	(158,368)	158,368		0
Revaluation gains/(losses)	(2,323,000)			(2,323,000)
Net movement in funds	2,510,488	158,368	(8,777)	(2,360,897)
Total funds brought forward	20,382,825	10,617	16,858	20,410,300
Total funds carried forward	17,872,337	168,985	8,081	18,049,403

NOTTING HILL METHODIST CHURCH

Balance Sheet as at 31 August 2021

	Notes to the accounts	General Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2021 £	Totals 2020 £
Fixed Assets							
Church building and other property	9	5,449,950				5,449,950	5,499,120
Investment properties	9	12,307,000				12,307,000	14,630,000
Investments							0
Total fixed assets		17,756,950	0	0	0	17,756,950	20,129,120
Current Assets							
Debtors and prepayments	10	102,846				102,846	77,186
Central Finance Board Deposits		162,002	168,985	35,322		366,309	224,723
Cash at Bank and in hand		74,629				74,629	115,046
Total current assets		339,477	168,985	35,322	0	543,784	416,955
Current liabilities							
Creditors (due in under 1 year)	11	113,934				113,934	50,162
Amounts due to/(from) Notting Hill Methodist Circuit		48,630				48,630	84,583
Grants payable within 2021/22		61,526		27,241		88,767	1,030
Total current liabilities		224,090	0	0	0	251,331	135,775
Net current assets/liabilities		115,387	168,985	8,081	0	292,453	281,180
Total assets less current liabilities		17,872,337	168,985	8,081	0	18,049,403	20,410,300

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2021	Totals 2020
		£	£	£	£	£	£
Long term liabilities (due after more than one year)						0	0
Grants payable after 2020/21		0				0	0
Loans to the Church		0				0	0
Net assets		17,872,337	168,985	8,081	0	18,049,403	20,410,300

Funds of the Church

General Fund (Unrestricted)		17,872,337				17,872,337	20,382,825
Designated Funds (Unrestricted)			168,985			168,985	10,617
Total Unrestricted Funds						18,041,322	20,393,442
Restricted Funds				8,081		8,081	16,858
Endowment Funds					0	0	0
Total Funds	17	17,872,337	168,985	8,081	0	18,049,403	20,410,300

Signed

Chair

Treasurer

Notting Hill Methodist Church

Cash flow statement for the year ended 31 August 2021

Statement of cash flows	2021	2020
	£	£
Cash from operating activities		
Net cash used in operating activities (Note 1)	(425,870)	(564,534)
Cash flows from investing activities		
Dividends, interest and rents from investments	520,882	581,746
Proceeds from the sale of property, plant and equipment	6,156	0
Purchase of property, plant and equipment	0	0
Purchase of intangible assets	0	0
Proceeds from the sale of investments	0	0
Purchase of investments	0	0
Other	0	0
Net cash provided by investing activities	527,038	581,746
Cash flows from financing activities		
New borrowing	0	0
Repayments of borrowing	0	0
Net cash used in financing activities	0	0
Change in cash and cash equivalents in the reporting period	101,168	17,212
Cash and cash equivalents at the beginning of the reporting period	339,769	322,557
Cash and cash equivalents at the end of the reporting period (Note 2)	440,938	339,769

Notting Hill Methodist Church

Notes to cash flow statement for the year ended 31 August 2021

Note 1:	2021	2020
Reconciliation of net income to net cash flow from operating activities	£	£
Net income for the reporting period (as per statement of financial activities)	(37,897)	9,870
Adjustments for:		
Depreciation and amortisation charges	49,170	49,170
Profit on the sale of fixed assets	(6,156)	0
Loss on the sale of fixed assets	0	0
Gains on investments	0	0
Dividends, interest and rents from investments	(520,882)	(581,746)
Decrease/(increase) in stocks	0	0
(increase)/decrease in debtors	(25,660)	(75,791)
increase/(decrease) in creditors	115,555	33,963
Net cash used in operating activities	(425,870)	(564,534)
	2021	2020
Note 2:		
Analysis of cash and cash equivalent	£	£
Cash in hand	74,629	115,046
Short term deposit (less than 3 months)	366,308	224,723
Total cash and cash equivalents	440,937	339,769

NOTTING HILL METHODIST CHURCH

Notes to the financial statements For the year ended 31 August 2021

1. Accounting Policies

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern other than those noted below. There were no significant areas of adjustment or key assumptions that effect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty are the effects of the Covid pandemic on the extent of maintenance and major works carried out following the 2020 quinquennial report and also on the letting of the commercial properties and collection of their rents.

b) Funds

The funds held constitute: general funds held for any purpose of the Church which are unrestricted; designated funds which are also unrestricted but which are set aside for particular areas of future expenditure as decided by the trustees; and restricted funds which are subject to restrictions imposed by the donor and can only be used for specific purposes.

c) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

d) Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

f) Taxation

Notting Hill Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

g) Tangible fixed assets

The Land & Buildings disclosed in the accounts are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee.

The Church premises at Lancaster Road and Etheline Holder Hall and the pavilion at Kelfield Gardens have from the 2016/17 accounting year been valued based on their insurance valuation in 2017 with the intention that this be the deemed value under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

Commercial properties are treated as investment properties and have been assessed based on a valuation in September 2021 by PLW Morgan FRICS MCI Arb based on rental yields of 6.5% as they are held in perpetuity.

Residential rental properties are also treated as investment properties. Their valuations are based on vacant possession values reduced by one third to reflect their tenanted status.

h) Depreciation

It is the Church's policy to capitalise its non-building fixed assets, including vehicles, furniture and equipment assets, with costs over £5,000 and to charge depreciation on these. All building fixed assets are capitalised with only the building element depreciated.

Depreciation is charged as follows on building and non-building fixed assets:

Buildings (other than investment properties)	over 50 years
Organ	over 10 years
Furniture, equipment and vehicles	over 4 years

2. Income from Investment Properties

The income from lettings of £406,713 (2020 - £468,043) comes from the letting of five retail premises.

3. Income from DMHA rentals

The Church and Circuit lease their residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Church and Circuit are required to charge a market rental under the 7-year lease to DMHA. The rental is based on the market rents of the properties established in 2018, less an allowance for all the costs of management and maintenance other than major works.

4. Other Charitable Income

This income of £58,366 (2020 - £67,583) comes principally from the letting of space in Church properties.

5. Circuit assessment or share

The charge of £59,974 (2020 - £113,461) is borne by the Church for Ministry and manse expenses.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

6. Grants and donations

The grants and donations made from unrestricted funds went to charities under the following headings:

	2021	2020
	£	£
Denbigh Methodist Housing Association	80,000	85,000
Local Charities	11,470	-
Methodist Charities	55,500	-
Overseas Charities	30,240	-
	<u>177,210</u>	<u>85,000</u>

The grant to Denbigh Methodist Housing Association is to assist the association to continue to charge social housing rents rather than market rents to most of its tenants.

7. Property maintenance

Following the quinquennial survey undertaken in 2020 significant works are taking place over all the Church's properties. Expenditure on major works was £111,123 (2020 - £107,038)

8. Salaries, NIC and Pension costs

Ministry expenses and Other expenditure include relevant staff employment costs.

The Church operates a payroll and recharges the relevant costs to the appropriate organisations.

The average number of staff employed by the Church during the year were 3.6 (full time equivalents) (2020 - 3.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions. During the year total employer's and employees' pension contributions before recharge totalled £11,589.

No employees are paid in excess of £60,000.

	2021	2020
	£	£
Gross wages, salaries and benefits in kind	80,679	73,416
Employer's National Insurance costs	7,852	7,994
Employer's pension costs	4,308	4,027
	<u>92,839</u>	<u>85,437</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

9. Tangible Fixed Assets

9.1 Property fixed assets for the Church's own use

The church in Lancaster Road was built in the late 19th Century and has been in continuous use by the Methodists since then. In 1994 work on a major refurbishment scheme included reducing the size of the church interior and creating ancillary offices. The works were completed in 1997 at a cost of £1,070,000, funded principally from the sale of proceeds of the church in Denbigh Road.

Etheline Holder Hall, a community hall built on a retained part of the Denbigh Road site, opened in 1992, at a cost of £215,000.

These church properties are insured for £6,199,000. Kelfield Garden is a private open space with pavilion gifted to the Church in the early 20th century. The pavilion is insured for **£106,500**.

9.2 Property fixed assets for investment

The freehold and leasehold of the Denbigh Estate were acquired by the Church in the 1890s. The estate is insured for £6,410,000. The value of the five shops included in the estate has been assessed based on a professional valuation in September 2021 using a rental yield of 6.5%. This has led to a substantial impairment recognised in the accounts, due primarily to the fall in the value of commercial premises following Covid 19. Residential properties have been valued by the Trustees on the basis of professional advice and the Trustees review of the market based upon current market yields.

9.3 Depreciation

Depreciation is charged on building and non-building fixed assets at the rates shown under Church Accounting Policies above.

NOTTING HILL METHODIST CHURCH

Tangible Fixed Assets	Church (non-investment) land and buildings £	Other non-investment land and buildings £	Investment properties (land and buildings) £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Total £
Balance brought forward	5,567,000	98,000	14,630,000	114,556	38,500	20,448,056
Additions	-	-	-	-	-	-
Revaluations (+/-)	-	-	(2,323,000)	-	-	(2,323,000)
Disposals (-)	-	-	-	(22,583)	-	(22,583)
Transfers * (+/-)	-	-	-	-	-	-
Balance carried forward	5,567,000	98,000	12,307,000	91,973	38,500	18,102,473

Accumulated depreciation

Balance brought forward	178,160	3,120	-	114,556	23,100	318,936
Depreciation charge for year (-)	44,540	780	-	-	3,850	49,170
Revaluations (+/-)	-	-	-	-	-	-
Disposals (-)	-	-	-	(22,583)	-	-
Transfers* (+/-)	-	-	-	-	-	-
Balance carried forward	222,700	3,900	-	91,973	26,950	345,523

Net book value

Brought forward	5,388,840	94,880	14,630,000	-	15,400	20,129,120
Carried forward	5,344,300	94,100	12,307,000	-	11,550	17,756,950

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

10. Debtors

	2021 £	2020 £
Rent in arrears	74,433	71,580
Other debtors and prepayments	28,414	5,606
	<u>102,847</u>	<u>77,186</u>

The rent in arrears include a substantial debt from a commercial tenant which has been unrecovered pending settlement of terms for a new lease with the tenant. These terms have been agreed in principle but not yet contractually, to include a large write off of debt related to periods when the tenant was affected by COVID-19 lockdowns.

11. Creditors

	2021 £	2020 £
Rent in advance	24,208	24,208
Other creditors and accruals	89,725	25,954
	<u>113,934</u>	<u>50,162</u>

12. Fees for audit of the accounts

The audit fee for the current year is anticipated as £5,400 (2020 - £5,400)

13. Restricted Funds

During 2020/21 restricted funds of £14,100 were received in donations net of expenditure related to the Church's Food Bank. During the year, the Food Bank acquired charitable status as a Charitable Incorporated Organisation (CIO). As at 31 August 2021 the total due to the Kensington & Chelsea Foodbank totalled £27,241, and the funds have been transferred to the CIO since the year end.

During the year the Church also received a grant of £8,000 from the Royal Borough of Kensington and Chelsea to meet the costs of a Caribbean Heritage project which is currently underway.

14. Related party transactions

During the year two Trustees were reimbursed a total of £270 (2020 - £662) by the Notting Hill Methodist Church in respect of expenses incurred in the day to day operations of the charity.

One other Trustee was reimbursed a total of £2,594 by the charity on behalf of both the Notting Hill Methodist Church and Circuit.

One trustee had a related interest during the year as a tenant of Denbigh Methodist Housing Association living in a Notting Hill Methodist Church property.

Grants totalling £9,500 were made in the year to organisations with which one Trustee has an association.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

15. Commitment under operating leases

At 31 August 2021 the Church had annual commitments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Expiry date: 31 December 2024		
Within one year	1,180	759
Between two and five years	2,850	-

16. Capital commitments and contingent liabilities

16.1 Capital commitments

The Church had capital commitments at the year-end of £142,000 (2020 - £8,000).

16.2 Contingent liability

Subsequent to the year end the Trustees have, reluctantly, considered that the claim against the Royal Borough of Kensington and Chelsea, in respect of damages to the church building from trees in the near vicinity, should not be proceeded with.

The company that provided the initial advice has been placed in liquidation. The report that they provided can no longer be produced as evidence to the court. The Trustees have sought a further professional opinion which has been found to be at variance with the previous advice that formed part of the claim.

As a result, after discussions with the Church's insurers and lawyers, the Trustees have decided that the matter should not be pursued further and that a settlement should be negotiated.

It is not practical, at this stage to quantify the financial costs that may result when the matter is brought to a conclusion.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

17. Movements on reserves

	General £	Designated £	Restricted £	Total £
Opening balance as at 01.09.2020	20,382,825	10,617	16,858	20,410,300
Income	589,642	-	32,718	622,360
Expenses	(618,762)	-	(41,495)	(660,257)
Transfers	(158,368)	158,368	-	-
Revaluation of Investment properties	(2,323,000)	-	-	(2,323,000)
Closing balance as at 31.08.2021	17,872,337	168,985	8,081	18,049,403

Included within the General reserve listed above are revaluation reserves related to property fixed assets totalling, £17,745,400 (2020 - £20,113,720)

Restricted funds	Opening balance £	Income £	Expenses £	Transfers £	Closing balance £
Benevolent Fund	2,245	10	(721)	547	2,081
Justice & Development Fund	-	526	(526)	-	-
Rosemary May Wills Trust	1,047	-	(500)	(547)	-
Caribbean Heritage Fund	-	8,000	(2,000)	-	6,000
Foodbank	13,142	24,182	(37,324)	-	-
Grenfell Support	424	-	(424)	-	-
	16,858	32,718	(41,495)	-	8,081

Prior year	General £	Designated £	Restricted £	Total £
Opening balance as at 01.09.2019 (as restated)	20,612,437	27,655	20,338	20,660,430
Income	669,332	-	33,857	703,189
Expenses	(552,224)	(107,038)	(34,057)	(693,319)
Transfers	(86,720)	90,000	(3,280)	-
Revaluation of Investment properties	(260,000)	-	-	(260,000)
Closing balance as at 31.08.2020	20,382,825	10,617	16,858	20,410,300

Included within the General reserve listed above are revaluation reserves related to property fixed assets totalling, £20,113,720 (2019 - £20,419,040)

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2021

18. Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	
Income				
Offerings	7,493			7,493
Donations	9,070		33,857	42,927
Gift aid	3,440			3,440
Interest and investment income	1,624			1,624
Income from investment properties (note 2)	468,043			468,043
DMHA rental income (note 3)	112,079			112,079
Other charitable income (note 4)	67,583			67,583
Total income	669,332	0	33,857	703,189
Expenditure				
Circuit assessment or share (note 5)	113,461			113,461
Grants and donations (note 6)	85,000		8,480	93,480
Property maintenance (note 7)	72,392	107,038		179,430
Insurance, utilities etc.	33,593			33,593
Depreciation (note 9)	49,170			49,170
Ministry expenses (note 8)	78,374		25,577	103,951
Other expenditure (note 8)	120,234			120,234
Total charitable expenditure	552,224	107,038	34,057	693,319
Realised gains/(losses) on monetary investments	0			0
Realised gains/(losses) on disposal of investment properties	0			0
Net income/(expenditure)	117,108	(107,038)	(200)	9,870
Transfers between funds	(86,720)	90,000	(3,280)	0
Revaluation gains/(losses)	(260,000)			(260,000)
Net movement in funds	(229,612)	(17,038)	(3,480)	(250,130)
Total funds brought forward (as restated)	20,612,437	27,655	20,338	20,660,430
Total funds carried forward	20,382,825	10,617	16,858	20,410,300

NOTTING HILL METHODIST CHURCH

England & Wales - Charity number 1127356

Accounts

NOTTING HILL METHODIST CHURCH

Trustees Annual Report For the year ended 31 August 2020

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2020. The Trustees have adopted the provisions of 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 2015)

Aims and organisation

We see as the priorities of Notting Hill Methodist Church, in addition to the advancement of the Christian faith, as the need to maintain here in this part of London:

1. a regularly worshipping congregation,
2. a fellowship of people learning and growing in Christian faith
3. a community of service in the neighbourhood.,
4. a sharing in the mission of the wider Church to the whole world in challenging injustice and meeting human need
5. a company of those who bear witness to their faith in daily life and seek through evangelism to share their experience of Christ with others

We thank God for all we have shared together in the 2019/20 year and look forward in trust to all that the forthcoming one year will bring, mindful of the considerable challenges brought by the coronavirus pandemic.

Review of the year

The year has been marked by the advent of the coronavirus pandemic and the restrictions imposed on worship and other forms of church activity. For much of the period March- early August our worship was held online only, and all church activities on the premises ceased abruptly. A significant number of our members do not have internet access and hence communication with them has been more difficult, though in many cases telephone conversations have been an important means of keeping in touch with each other.

Our Music Academy, bible study, Junior Church and all church building lettings were suspended when the lockdown was introduced in March. Our Foodbank continued to operate: it was faced with a sudden crisis of demand which was remedied within a few weeks, and it has continued to grow since. Clients have sadly been required to wait outside the church for food packages. The challenge of operating safely within a Covid-19 environment remain significant, and have exacted a considerable burden on staff and volunteers as the Foodbank expanded rapidly. Food storage remains a critical issue, as does the number of volunteers, but we are grateful to those who have ensured its continuity through a challenging period.

Four people were confirmed into church membership in December 2019, though our general trend is that membership is stable at a little over 60. Early in the

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

year we were saddened at the death of Brenda Sadler, a trustee and one of our longest-serving church members.

We recruited a new administrator/receptionist, Anabela Nicholas, in January 2020. Our Operations Manager Tony Bryan left for a new post in March 2020. His role was slightly reconfigured and retitled as Facilities Manager, to which Loraine Ophelia was appointed in June 2020.

We were aided by the arrival of Revd Bethany Willers, a minister in the Iowa Conference of the United Methodist Church (USA), who was stationed in the circuit from March until her departure in August for an appointment in South Wales. She helped particularly with our online services during the lockdown.

A relatively new team of church stewards had been appointed during the previous year, but at its end many felt they did not wish to continue, and so the circuit stewards have largely taken on these responsibilities.

Revd Dr Michael Long
Superintendent Minister and Chair of Trustees

Finance

Basis of accounts preparation

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

Income trends

Church income is primarily drawn from lettings income from external users of the church buildings and church investment properties. This is augmented by Sunday collections and gift aid tax relief from members of the Church. Income reduced over the previous year by some £45,000 largely due to the effect of the pandemic on making new lettings. Total unrestricted income amounted to £669,332 (2019 - £694,870).

Expenditure trends

The major ongoing cost is for staff and related expenditure, including the annual assessment from the Notting Hill Circuit, which meets the Minister's stipend and some other staff costs and includes repairs to manses. Costs continued to arise for the managing and maintenance of church buildings and investment properties, and on grant giving. Major works to the Lancaster Road church building and other buildings were however much lower at £107,038 (2019 -

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

£473,672) because the contract to rectify subsidence to the building and to modernise the lower floor ended in the year.

A grant of £85,000 was made to the Denbigh Methodist Housing Association to enable it to continue to make housing available to those in need at social housing rent levels.

Total expenditure amounted to £659,262 (2019 - £1,021,544) against unrestricted reserves, a decrease of £362,282 on the previous year.

Fund balances

The Church's net current assets at the year-end amounted to £281,180 (2019 - £222,140). After setting aside restricted reserves, a designated fund for major works of maintenance and the general reserve related to properties and other fixed assets, unrestricted funds of £233,705 remain.

Investment Policy

The investment of surplus funds is operated through the Central Finance Board (CFB) of the Methodist Church. CFB aims to provide a 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 Church currently has its funds in a deposit account with CFB.

Reserves policy and plans for 2020/21

The Church's reserves policy takes account of its net current assets at the last Balance Sheet date, the budget for the current year 2020/21 and significant known items of property expenditure to be incurred in the near future. By 31 August 2021 free reserves excluding any designated provision set aside for future major works are estimated to be reduced to approximately £110,000.

The agreed reserves policy is to retain from the unrestricted resources available under the above calculation the equivalent of three months operating expenditure (approximately £105,000) to fund planned activities should normal revenue earning be suspended.

Structure, Governance and Management

Legal framework

Notting Hill Methodist Church is the sole church in the Notting Hill Methodist Circuit.

The governing document for the Church is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of :

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;
- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

Reference and administrative details

Name of charity : Notting Hill Methodist Church
Charity registration number : 1127356
Date of registration : 31 December 2008

The registered office and operational address of the Church is :
240 Lancaster Road
London W11 4AH

A full list of Church Council members and key lay employees is as shown below.

Church Council members during 2019/20

Revd Dr. Michael Long	Pauline Mullings	Esther Samuels
Gladwyn Samuels	Suzie Long	Portia Thaxter
Elaine Spence	Stacey Gerald	Audrey Jones
Wendy Yarde-Chase	Sonia Barnes	Elaine Brackett
Stephen Duckworth	Lynette Yarde	
Sephra Dorsett-Peters (Safeguarding officer)		
Brenda Sadler (to 12 September 2019)		

Senior lay staff

Tony Bryan - Operations Manager (to March 2020)
Loraine Ophelia – Facilities Manager (from June 2020)
Susannah Yarde – Youth and Family Worker

Management

Day to day management of the church is undertaken by the Church Leadership team along with the Minister.

Superintendent Minister : Revd Dr Michael Long

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

Treasurer : Mrs Elaine Spence

Elaine Spence acted as the principal officer overseeing the day to day financial management and accounting for the Church during the year.

Auditors :
Banks & Co. Limited
1 Carnegie Road
Newbury
Berkshire RG14 5DJ

Solicitors :
Colman Coyle LLP
80 Upper Street
London N1 0NU

Chartered Surveyors :
Colliers International
50 George Street
London W1U 7GA

Bankers :
HSBC Bank
Westminster Branch
22 Victoria Street
London SW1H 0NJ

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

Governance

The members of the Notting Hill Methodist Church Council are the Charity Trustees, membership being made up of Church and Circuit office holders, the Minister and up to eight representatives appointed by the Church at its Annual Church Meeting.

A range of guidance produced by the Methodist Connexion to support the effective running of the Church and the role of Trustees is given to the Church Trustees at various meetings and training sessions held throughout the year.

Public benefit

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

- The organisation must have an identifiable benefit.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

- 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.

Related parties

The Church is the sole church in the Notting Hill Circuit, which is part of the London District and also accountable to the Methodist Conference.

The Church controls the membership of the Denbigh Methodist Housing Association which is a charitable housing association registered under the Cooperative and Community Benefit Societies Act 2014.

Risk management

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is to be undertaken, with documentation of the strategy to be employed for risk mitigation.

Major risks will continue to accrue from the condition of the properties of the church and a quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Church's plans for maintenance of its properties. Due to the Covid-19 pandemic fresh risks have arisen, both to the health of the Church's members and to its lettings and other income. Full risk assessments have been regularly carried out to the Church buildings.

Safeguarding

Methodist Connexional practice outlines commitment to the following principles:

- the care and nurture of, and respectful pastoral ministry with all children, young people and adults
- the safeguarding and protection of all children, young people and adults when they are vulnerable
- the establishing of safe, caring communities which provide a loving environment where there is informed vigilance as to the dangers of abuse.
- We will carefully select and train all those with any responsibility within the Church, in line with Safer Recruitment principles, including the use of criminal records disclosures and registration with the relevant vetting and barring schemes.

NOTTING HILL METHODIST CHURCH

Trustees Annual Report (Continued...) For the year ended 31 August 2020

- We will respond without delay to every complaint made which suggests that an adult, child or young person may have been harmed, cooperating with the police and local authority in any investigation.
- We will seek to work with anyone who has suffered abuse, developing with them an appropriate ministry of informed pastoral care.
- We will seek to challenge any abuse of power, especially by anyone in a position of trust.
- We will seek to offer pastoral care and support, including supervision and referral to the proper authorities, to any member of our church community known to have offended against a child, young person or vulnerable adult.
- In all these principles we will follow legislation, guidance and recognised good practice.

The Notting Hill Methodist Church commits itself to ensuring the implementation of Connexional Safeguarding Policy, government legislation, guidance and safe practice in the circuit and in the churches.

The Notting Hill Methodist Church commits itself to the provision of support, advice and training for lay and ordained people that will ensure people are clear and confident about their roles and responsibilities in safeguarding and promoting the welfare of children and adults who may be vulnerable.

Church Council Members' Responsibilities

The members of Church Council are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Legislation requires the Council members to prepare financial statements for each financial year, which give a true and fair view of the Church's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Council members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Council members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NOTTING HILL METHODIST CHURCH

**Trustees Annual Report (Continued...)
For the year ended 31 August 2020**

Approved by the Church Council on 2 March 2021 and signed on their behalf by :

Revd Dr. Michael Long, Superintendent Minister

Independent Auditor's Report to the Trustees of Notting Hill Methodist Church

Opinion

We have audited the financial statements of Notting Hill Methodist Church (the 'charity') for the year ended 31 August 2020 which comprise a statement of financial activity, balance sheet, cash flow statement and notes to the financial statements, 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020, 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Banks & Co Limited
Chartered Certified Accountants
Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

NOTTING HILL METHODIST CHURCH

Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	General Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Total £
Income				
1 Offerings	7,493			7,493
2 Donations	9,070		33,857	42,927
3 Gift aid	3,440			3,440
4 Interest and investment income	1,624			1,624
5 Income from investment properties (note 2)	468,043			468,043
6. DMHA rental income (note 3)	112,079			112,079
7 Other charitable income (note 4)	67,583			67,583
8 Total income	669,332	0	33,857	703,189
Expenditure				
9 Circuit assessment or share (note 5)	113,461			113,461
10 Grants and donations (note 6)	85,000		8,480	93,480
11 Property maintenance (note 7)	72,392	107,038		179,430
12 Insurance, utilities etc.	33,593			33,593
13 Depreciation (note 9)	49,170			49,170
14 Ministry expenses (note 8)	78,374		25,577	103,951
15 Other expenditure (note 8)	120,234			120,234
16 Total charitable expenditure	552,224	107,038	34,057	693,319
17 Realised gains/(losses) on monetary investments	0			0
18 Realised gains/(losses) on disposal of investment properties	0			0
19 Net income/(expenditure)	117,108	(107,038)	(200)	9,870
20 Transfers between funds	(86,720)	90,000	(3,280)	0
21 Revaluation gains/(losses)	(260,000)			(260,000)
22 Net movement in funds	(229,612)	(17,038)	(3,480)	(250,130)
23 Total funds brought forward (as restated)	20,612,437	27,655	20,338	20,660,430
24 Total funds carried forward	20,382,825	10,617	16,858	20,410,300

NOTTING HILL METHODIST CHURCH

Balance Sheet as at 31 August 2020

	Notes to the accounts	General Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2020 £	Totals 2019 (as restated) £
Fixed Assets							
Church building and other property	9	5,499,120				5,499,120	5,548,290
Investment properties	9	14,630,000				14,630,000	14,890,000
Investments							0
Total fixed assets		20,129,120	0	0	0	20,129,120	20,438,290
Current Assets							
Debtors and prepayments	10	77,186				77,186	1,395
Loans by the Churches		0				0	0
Investments with TMCP		0				0	0
Central Finance Board Deposits		199,493	10,617	14,613		224,723	231,985
Cash at Bank and in hand		112,801		2,245		115,046	90,572
Total current assets		389,480	10,617	16,858	0	416,955	323,952
Current liabilities							
Creditors (due in under 1 year)	11	50,162				50,162	50,106
Amounts due to/(from) Notting Hill Methodist Circuit		84,583				84,583	42,976
Grants payable within 2020/21		1,030				1,030	8,730
Total current liabilities		135,775	0	0	0	135,775	101,812
Net current assets/liabilities		253,705	10,617	16,858	0	281,180	222,140
Total assets less current liabilities		20,382,825	10,617	16,858	0	20,410,300	20,660,430

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2020	Totals 2019 (as restated)
		£	£	£	£	£	£
Long term liabilities (due after more than one year)							
Grants payable after 2020/21		0				0	0
Loans to the Church		0				0	0
Net assets		20,382,825	10,617	16,858	0	20,410,300	20,660,430

Funds of the Church

General Fund (Unrestricted)		20,382,825				20,382,825	20,612,437
Designated Funds (Unrestricted)			10,617			10,617	27,655
Total Unrestricted Funds						20,393,442	20,640,092
Restricted Funds				16,858		16,858	20,338
Endowment Funds					0		
Total Funds	17	20,382,825	10,617	16,858	0	20,410,300	20,660,430

Signed

Chair

Treasurer

Notting Hill Methodist Church

Cash flow statement for the year ended 31 August 2020

Statement of cash flows	2020	2019
	£	£
Cash from operating activities		
Net cash used in operating activities (Note 1)	(564,534)	(797,223)
Cash flows from investing activities		
Dividends, interest and rents from investments	581,746	582,306
Proceeds from the sale of property ,plant and equipment		
Purchase of property, plant and equipment		
Purchase of intangible assets		
Proceeds from the sale of investments		
Purchase of investments		
Other		
Net cash provided by investing activities	581,746	582,306
Cash flows from financing activities		
New borrowing		
Repayments of borrowing		
Net cash used in financing activities	0	0
Change in cash and cash equivalents in the reporting period	17,212	(214,917)
Cash and cash equivalents at the beginning of the reporting period	322,557	537,474
Cash and cash equivalents at the end of the reporting period (Note 2)	339,769	322,557

Notting Hill Methodist Church
Notes to cash flow statement for the year ended 31
August 2020

Note 1:	2020	2019
Reconciliation of net income to net cash flow from operating activities	£	£
Net income for the reporting period (as per statement of financial activities)	9,870	(325,436)
Adjustments for:		
Depreciation and amortisation charges	49,170	49,170
Profit on the sale of fixed assets		
Loss on the sale of fixed assets		
Gains on investments		
Dividends, interest and rents from investments	(581,746)	(582,306)
Decrease/(increase) in stocks		
(increase)/decrease in debtors	(75,791)	36,471
increase/(decrease) in creditors	33,963	24,878
Net cash used in operating activities	(564,534)	(797,223)
	2020	2019
Note 2:		
Analysis of cash and cash equivalent	£	£
Cash in hand	115,046	90,572
Short term deposit (less than 3 months)	224,723	231,985
Total cash and cash equivalents	339,769	322,557

NOTTING HILL METHODIST CHURCH

Notes to the financial statements For the year ended 31 August 2020

1. Accounting Policies

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern other than those noted below. There were no significant areas of adjustment or key assumptions that effect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty are the effects of the Covid pandemic on the extent of maintenance and major works carried out following the 2020 quinquennial report and also on the letting of the commercial properties and collection of their rents.

b) Funds

The funds held constitute : general funds held for any purpose of the Church which are unrestricted; designated funds which are also unrestricted but which are set aside for particular areas of future expenditure as decided by the trustees; and restricted funds which are subject to restrictions imposed by the donor and can only be used for specific purposes.

c) Incoming resources

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Church becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

d) Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants

Grants made by the Church from its own funds are recognised in full at the time of agreement or when the Church accepts that there is a legal or operational obligation to make the payment. When the grant is recurrent over more than one year the balance payable in future years is treated as a provision for future commitments in the Balance Sheet against the appropriate fund, the provision being released in future years as instalments are paid in accordance with the originally agreed terms.

f) Taxation

Notting Hill Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

g) Tangible fixed assets

The Land & Buildings disclosed in the accounts are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee.

The Church premises at Lancaster Road and Etheline Holder Hall and the pavilion at Kelfield Gardens have from the 2016/17 accounting year been valued based on their insurance valuation in 2017 with the intention that this be the deemed value under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

Commercial properties are treated as investment properties and have been valued in March 2017 by Justin Knight MRICS based on rental yield of 5% as they are held in perpetuity. Advice received subsequently is that there has not been a material change.

Residential rental properties are also treated as investment properties. Their valuations are based on vacant possession values reduced by one third to reflect their tenanted status.

h) Depreciation

It is the Church's policy to capitalise its non-building fixed assets, including vehicles, furniture and equipment assets, with costs over £5,000 and to charge depreciation on these. All building fixed assets are capitalised with only the building element depreciated.

Depreciation is charged as follows on building and non-building fixed assets :

Buildings (other than investment properties)	over 50 years
Organ	over 10 years
Furniture, equipment and vehicles	over 4 years

2. Income from Investment Properties

The income from lettings of £468,043 (2019 - £471,181) comes from the letting of five retail premises.

3. Income from DMHA rentals

The Church and Circuit lease their residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Church and Circuit are required to charge a market rental under the 7 year lease to DMHA. The rental is based on the market rents of the properties established in 2018, less an allowance for all the costs of management and maintenance other than major works.

4. Other Charitable Income

This income of £67,583 (2019 - £95,127) comes principally from the letting of space in Church properties.

5. Circuit assessment or share

The charge of £113,461 (2019 - £107,935) is borne by the Church for Ministry expenses.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

6. Grants and donations

The grants and donations made from unrestricted funds went to charities under the following headings :

	2020	2019
	£	£
Denbigh Methodist Housing Association	85,000	85,000
Local Charities	-	12,000
Transfer costs	-	48
	<u>85,000</u>	<u>97,048</u>

The grant to Denbigh Methodist Housing Association is to assist the association to continue to charge social housing rents rather than market rents to most of its tenants.

7. Property maintenance

Works to the Lancaster Road Church have been exceptionally high in this and the previous year - £100,347 (2019 - £473,672) due to the need to complete the related remedial works due to subsidence.

8. Salaries, NIC and Pension costs

Ministry expenses and Other expenditure include relevant staff employment costs.

The Church operates a payroll and recharges the relevant costs to the appropriate organisations.

The average number of staff employed by the Church during the year were 3.6 (full time equivalents) (2019 – 3.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions. During the year total employer's pension contributions before recharge totalled £6,652.

No employees are paid in excess of £60,000.

	2020	2019
	£	£
Gross wages, salaries and benefits in kind	73,416	77,264
Employer's National Insurance costs	7,994	7,572
Employer's pension costs	4,027	3,438
	<u>85,437</u>	<u>88,274</u>

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2019

9. Tangible Fixed Assets

9.1 Property fixed assets for the Church's own use

The church in Lancaster Road was built in the late 19th Century and has been in continuous use by the Methodists since then. In 1994 work on a major refurbishment scheme included reducing the size of the church interior and creating ancillary offices. The works were completed in 1997 at a cost of £1,070,000, funded principally from the sale of proceeds of the church in Denbigh Road.

Etheline Holder Hall, a community hall built on a retained part of the Denbigh Road site, opened in 1992, at a cost of £215,000.

These church properties are insured for £6,112,000. Kelfield Garden is a private open space with pavilion gifted to the Church in the early 20th century. The pavilion is insured for £280,000.

9.2 Property fixed assets for investment

The freehold and leasehold of the Denbigh Estate were acquired by the Church in the 1890s. The estate is insured for £6,260,000. A valuation carried out in early 2017 showed a value of £14,400,000 and this has been incorporated in the accounts since 2015/16. A prior year correction to this has been made – see note 9.3. Professional advice has confirmed that there had not been a material change by 2019 to the commercial properties valuation. A reappraisal of the residential properties values in November 2020 against local comparables indicates an impairment of £260,000 since 2017.

9.3 Investment property – prior year correction

During the year ended 31 August 2020, the Trustees became aware that the valuation of the investment property reported in the 2019 financial statements was incorrect and understated by £490,000. Due to the material value of the misstatement a prior year adjustment has been made. The effect is that the valuation of investment property has increased from £20,218,056 to £20,708,056 (note 10) and total funds have increased from £20,170,430 to £20,660,430 (note 18).

9.4 Depreciation

Depreciation is charged on building and non-building fixed assets at the rates shown under Church Accounting Policies above.

NOTTING HILL METHODIST CHURCH

Tangible Fixed Assets	Church (non investment) land and buildings £	Other non investment land and buildings £	Investment properties (land and buildings) £	Other fixed assets including motor vehicles £	Fixtures, fittings and equipment £	Total £
Balance brought forward	5,567,000	98,000	14,400,000	114,556	38,500	20,218,056
Prior year correction (note 9.3)	-	-	490,000	-	-	490,000
Balance Brought forward as at 1.09.2019 as restated	5,567,000	98,000	14,890,000	114,556	38,500	20,708,056
Additions						
Revaluations (+/-)	-	-	(260,000)	-	-	(260,000)
Disposals (-)						
Transfers * (+/-)						
Balance carried forward	5,567,000	98,000	14,630,000	114,556	38,500	20,448,056

Accumulated depreciation

Balance brought forward	133,620	2,340		114,556	19,250	269,766
Depreciation charge for year (-)	44,540	780		-	3,850	49,170
Revaluations (+/-)						
Disposals (-)						
Transfers* (+/-)						
Balance carried forward	178,160	3,120	-	114,556	23,100	318,936

Net book value

Brought forward (as restated)	5,433,380	95,660	14,890,000	-	19,250	20,438,290
Carried forward	5,388,840	94,880	14,630,000	-	15,400	20,129,120

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

10. Debtors

	2020 £	2019 £
Rent in arrears	71,580	2,384
Other debtors and prepayments	5,606	(989)
	<u>77,186</u>	<u>1,395</u>

11. Creditors

	2020 £	2019 £
Rent in advance	24,208	24,208
Grants payable	1,030	8,730
Other creditors and accruals	25,954	25,897
	<u>51,192</u>	<u>58,835</u>

12. Fees for audit of the accounts

The independent auditors' fee is paid by Notting Hill Methodist Circuit (£9,636 including other fees paid to the auditor (2019 - £4,500). The Circuit assessment (note 4) includes the recharge to the Church of an appropriate part of this fee (£4,740).

13. Restricted Funds

During 2019/20 restricted funds of £32,768 were received in donations related to the Church's Food Bank. Donations were principally received with the intention that they support individuals and families affected by the Covid pandemic.

14. Related party transactions

During the year three Trustees were reimbursed a total of £662 (2019 - £358) by the Notting Hill Methodist Church in respect of expenses incurred in the day to day operations of the charity.

The following trustees had a related interest during the year :

- Sonia Barnes is a tenant of Denbigh Methodist Housing Association living in a Notting Hill Methodist Church property.
- Rev Michael Long was a trustee of the 240 Project, to which the Church makes an annual grant.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

15. Commitment under operating leases

At 31 August 2020 the Church had annual commitments under non-cancellable operating leases as follows :

	2020	2019
	£	£
Expiry date:		
Within one year	759	3,305
Between two and five years	-	759

16. Capital commitments and contingent liabilities

16.1 Capital commitments

The Church had capital commitments at the year-end of £8,000 (2019 - £85,189).

16.2 Contingent assets

A claim has been lodged against the Royal Borough of Kensington and Chelsea relating to the remedial costs incurred in rectifying damage caused by nearby trees. Due to the nature of this matter any estimate would be impractical.

16.3 Contingent liability

An employment tribunal case is in progress and managed by the insurers but the matter is not expected to be concluded until after the finalisation of the financial statements. Due to the nature of this matter it is impractical to estimate the financial effect.

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

17. Movements on reserves

	General £	Designated £	Restricted £	Total £
Opening balance as at 01.09.2019 (as restated)	20,612,437	27,655	20,338	20,660,430
Income	669,332	-	33,857	703,189
Expenses	(552,224)	(107,038)	(34,057)	(693,319)
Transfers	(86,720)	90,000	(3,280)	-
Revaluation of Investment properties	(260,000)	-	-	(260,000)
Closing balance as at 31.08.2020	20,382,825	10,617	16,858	20,410,300

Included within the General reserve listed above are revaluation reserves related to property fixed assets totalling £20,113,720 (2019 as restated - £20,419,040)

Prior year	General £	Designated £	Restricted £	Total £
Opening balance as at 01.09.2018	20,324,642	154,635	16,589	20,495,866
Income	694,870	-	29,941	724,811
Expenses	(547,883)	(473,672)	(28,692)	(1,050,247)
Transfers	(349,192)	346,692	2,500	-
Restatement of Investment properties (note 9.3)	490,000	-	-	490,000
Closing balance as at 31.08.2019 (as restated)	20,612,437	27,655	20,338	20,660,430

Included within the General reserve listed above are revaluation reserves related to property fixed assets totalling, as restated, £20,419,040 (2018 - £19,974,360)

NOTTING HILL METHODIST CHURCH

Notes to the financial statements (Continued ...) For the year ended 31 August 2020

18. Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	General Fund (Unrestricted) As restated £	Designated Funds (Unrestricted) £	Restricted Funds £	Total As restated £
Income				
1 Offerings	9,258			9,258
2 Donations	6,706		29,891	36,597
3 Gift aid	1,523			1,523
4 Interest and investment income	2,055		50	2,105
5 Income from investment properties (note 2)	471,181			471,181
6. DMHA rental income (note 3)	109,020			109,020
7 Other charitable income (note 4)	95,127			95,127
8 Total income	694,870	0	29,941	724,811
Expenditure				
9 Circuit assessment or share (note 5)	107,935			107,935
10 Grants and donations (note 6)	97,048		28,692	125,740
11 Property maintenance (note 7)	59,820	473,672		533,492
12 Insurance, utilities etc.	30,737			30,737
13 Depreciation (note 9)	49,170			49,170
14 Ministry expenses (note 8)	92,795			92,795
15 Other expenditure (note 8)	110,378			110,378
16 Total charitable expenditure	547,883	473,672	28,692	1,050,247
17 Gains/(losses) on monetary investments	0			0
18 Gains/(losses) on investment properties	0			0
19 Net income/(expenditure)	146,987	(473,672)	1,249	(325,436)
20 Transfers between funds	(349,192)	346,692	2,500	0
21 Other gains/(losses)	490,000			490,000
22 Net movement in funds	287,795	(126,980)	3,749	164,564
23 Total funds brought forward	20,324,642	154,635	16,589	20,495,866
24 Total funds carried forward	20,612,437	27,655	20,338	20,660,430

