HARPENDEN METHODIST CHURCH

England & Wales · Charity number 1128950

Details

Other names	HIGH STREET METHODIST CHURCH
Status	Registered
Legal form	Previously excepted
Registered	2009-04-01
Register	View on the Charity Commission register

Contact

Address	Harpenden Methodist Church High Street Harpenden AL5 2RU
Phone	01582713056
Email	OFFICE@HIGHSTREETMETHODIST.ORG.UK
Website	www.highstreetmethodist.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 dicipline 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 subsiduary 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: Provision of regular public acts of worship open to members, non-members of the church; provision of sacred space for prayer, contemplation; teaching Christianity through sermons, short courses, small groups; pastoral work including visiting the sick and bereaved; provision of youth club, women's meetings, etc. with Christian ethos; taking religious assemblies in schools, hosting school visits

Classification

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

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Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL
- Hertfordshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£767,798	£510,237	£2,984,831	8
2024-08-31	£1,320,043	£417,759	£2,774,168	7
2023-08-31	£408,140	£416,014	-	-
2022-08-31	£368,834	£358,931	-	-
2021-08-31	£489,455	£348,354	-	-

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Trustees

Name	Role	Appointed
Rev Mark Paul Hammond	Chair	2013-09-22
ADEOLA OLUTOYIN SONOLA		2025-06-28
Adesola Efunbajo		2024-06-01
Amanda Jane Bowran		2026-01-05
CHRISTINE MEILTON		2016-06-01
Charmian Knightley		2022-06-12
Christine Walden		2023-03-26
Claire Alison Lewis-Lim		2022-06-12
David Pain		2026-04-29
Dongbin Choi		2023-10-10
Graham Knightley		2022-06-12
Hazel Jones		2023-06-01
Jane Marie Brooke-Hughes		2022-06-12
Jennifer Anne Polley		2022-06-12
Jennifer Anne Prentice		2021-03-21
Juliet Jacobs		2021-11-09
Ka Ying So		2025-06-01
Kelvin Jackson-Robbins		2025-06-28
LOUISE MARY SCHLICH		2017-10-17
MARGARET GRAND		
Margaret Rose Woods		2019-09-01
Marilyn Beatrice Richardson		2022-04-05
Michael John Pearson		2023-03-26
Michael Lawford		2024-06-01
Nina Gurra		2021-11-09
PETER RICHARD BLACK ACIB		2015-03-15
Pameel Andrra Crowther-Newman		2019-06-01

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Name	Role	Appointed
Pamela Atkins BSc		2015-10-15
Paul Winyard		2022-06-12
RICHARD JOHN ATKINS		
Rebecca Elizabeth Jackson-Robbins		2025-06-01
Revd Dr Caroline Wickens		2025-09-01
SALLY ELIZABETH HAMMOND		2015-05-01
Sally Elizabeth Pearson		2023-03-26
Selwyn Griffith Morris		2024-03-16

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HARPENDEN METHODIST CHURCH

England & Wales - Charity number 1128950

Accounts

REGISTERED CHARITY NUMBER: 1128950

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2025

Harpenden Methodist Church

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for the Year Ended 31 August 2025

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Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2025

The trustees present their report with the financial statements of the charity for the year ended 31 August 2025. 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).

With the grants and donations received in the year for the Shaped for Mission project (see below), the church's 2024/2025 annual turnover has again exceeded the £0.5m threshold and has therefore to be treated as a 'large' charity under the provisions of the Charities Statement of Recommended Practice. Trustees believe that, whilst the causes of this increase in annual turnover are primarily one-off financial events (unlikely to be repeated in future years), annual income going forward, whilst lower than £0.5m, are approaching this level so a cash flow statement may be required in future years. Trustees stress that the underlying scale and complexity of the church's operation has not altered. The content of this report, whilst addressing the increased disclosure requirements for trustees to consider, also reflect this lack of any material change to the church's operational circumstances.

As required by the Statement of Recommended Practice for large charities, a Statement of Cash Flow is included in the Financial Statements below.

OBJECTIVES AND AIMS
OUR VISION is:
Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:
Encounter God;
Equip God's people;
Extend God's Kingdom.

THE SIX VALUES THAT SHAPE US:
1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fueled, person-to-person and attentive)
3. Non-judgmental Welcome (which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
6. Authentic Witness (which is honest, real and confident).

The Leadership Team currently comprises:

- Rev Mark Hammond Presbyterial Minister
- Deacon Sarah Wickett Diaconal Minister
- Pameel Crowther Newman Chair
- Juliet Jacobs Deputy Chair
- Lewis Cox Co-ordinator for Encountering God and Communications
- Sally Pearson Coordinator for Equipping God's People
- Nina Gurra Coordinator for Extending God's Kingdom
- Ruth Lindridge Coordinator for Children and Youth
- Peter Black Operational Coordinator
- Margaret Woods Treasurer
- Marilyn Richardson Co Senior Steward
- Charmain Knightley Co Senior Steward

This year our Church Stewards, Leadership Team and Church Council have met regularly in person with the ability to hold hybrid meetings for those who cannot attend in person to join via video link.

OBJECTIVES AND AIMS (continued)
Our Leadership Team have worked to complete the Mission Action Plan for 2024-2025 (the renamed annual Executive Plan) which was agreed by Church Council on 9th July 2024. This set out an overview of the scope of our church's activities and priorities for the period from 1st September 2024 to 31st August 2025. What follows is not meant as a comprehensive report of all our activities, but rather a sample indicative of scope.

Volunteers are at the core of all that the church undertakes and, without such volunteer support, the church would not be able to mount all the initiatives it currently supports. In excess of 200 volunteers work across many of the church's programmes.

It is not possible to capture the hours worked by volunteers or their direct contribution as so many work remotely of direct managerial control but utilise the action plans developed by the church.

Charitable status and public benefit
As in past years, High Street Methodist Church has continued to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Many of our members continue to help those locally who are in need by supporting our SHARE scheme. Our Christmas appeal raised funds to provide local families with supermarket vouchers at Christmas. Our Summer Share Scheme provided support to a local school to enable them to offer holiday club places to families most in need. Craft bags and essential food supplies were taken to identified families through the Share team during the school breaks. In addition, this year's SHARE money was also used to pay for drama holiday club places at the Circuit's performing arts SPACE project.

Our volunteer-run Wesleys Cafe has continued to provide a comfortable, friendly and affordable coffee shop which, as an aside, makes a welcome contribution to church funds. In partnership with Watling View School, we have continued to offer work experience to volunteers with additional needs.

From mid-October to April in this financial year, our volunteers ran "Souper Thursday" where our Wesleys cafe remained open on Thursdays until 2pm and serve soup between 12 and 2.

In seeking to provide support to those local households most affected by the cost of living crisis, we continued to partner Harpenden Money Advice Centre by allowing them to meet with clients and potential clients on our premises once a fortnight.

As in previous years, we also raised money for our agreed charities, including The Haven, All We Can (the Methodist relief and development fund), Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees consider that our church is clearly charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

The church does not make direct grants to third parties but provides support to the community in many far-reaching initiatives. The church does not incur any direct expenditure on raising funds for the future. Its giving programmes are operated by volunteers.

ACHIEVEMENT AND PERFORMANCE
CHARITABLE ACTIVITIES

Worship

Every week we have continued to livestream our two different styles of Sunday morning worship and to operate a "hybrid" model of church - seeking to include both those who join us on site at the same time as continuing to reach those who join us online. We have continued to reach through our livestreamed onsite worship and social media presence many new people who may never come to our site, and many Methodists from across the nation are still connecting with God through our weekly online worship. We are pleased to be able to offer families at weddings and funerals the opportunity to livestream services to family and friends who are often overseas or housebound.

We are delighted that a number of other churches in and beyond our own Methodist circuit, have used our online resources (sermon videos and song/hymn recordings) within their own worship, especially where they lack preachers or musicians.

Our sermon series topics are led by suggestions and feedback - and this year's have included: "What is... Communion... Faith... Evangelism... Fellowship... Justification... Intercession... Sanctification?"; "Questions of Jesus"; and "Journey in the Wilderness". Work is continuing to aid communication between groups regarding our sermon series. This is being seen mainly in related resources being made available and reviews by the Resource Centre team.

Our Dementia Friendly and Gathering services (worship designed for adults with learning difficulties) continued during this past year, although the former has now been taken into local care homes, where a regular monthly provision of worship is now established.

Inclusive Church

Our Ministry Team has continued actively to seek out conversations with those whose experience of church has been one of exclusion, and the findings from these have helped shape some of our worship and preaching. This remains a work in progress and is taken into our next executive plan under the heading of "Justice, Dignity and Solidarity".

Pastoral care

Our Pastoral Secretary, Maggie Grand, has continued to oversee the work of our Pastoral Team, which continues to consist of herself, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond. They have continued to meet monthly to ensure that those most in need of pastoral care receive appropriate levels of contact. This has been especially important as we have an increasingly ageing demographic and many people to care for.

The members of Batford Methodist Church continued to receive pastoral care through High Street's pastoral system. The majority of the members of the former Southdown Methodist Church are now well established as members at High Street.

Our Pastoral Team led our annual bereavement service on Sunday 3rd November 2024.

Shaped for Mission Building Project

Background

Prior to the onset of the Covid pandemic, our Project Team had been close to finalising proposals for a substantial building scheme, designed to make our premises more fit for our current and future mission activities. In the Church's Executive Plan, the Project Team had been tasked with reviewing the proposed scheme to ascertain which elements of the larger scheme may be sensible to progress. In January 2024, the Project Team presented proposals to the Church Council for a reduced project - involving the reordering of the church nave and transepts. A consultation of the church members was launched with a further presentation at an extended General Church Meeting ("Big Day In") in March 2024. Final proposals were agreed by Church Council in July 2024, and the Project and Leadership Teams were authorised by Church Council to progress these through the remaining consents process (Circuit, District and Connexion).

ACHIEVEMENT AND PERFORMANCE (continued)
CHARITABLE ACTIVITIES (continued)

Shaped for Mission Building Project (continued)
Agreed scope of the project
This project was to reorder the Church and included:
a. The removal and disposal of pews and red chairs from the nave and transepts;
b. The purchase of up to 350 stackable wooden chairs (with trolleys and some cushions) and up to 8 tables;
c. The refurbishment of the floor;
d. The replacement of the steps to dais (to include step-free access);
e. The installation of a new lighting system and electronic window blinds;
f. The redecoration of the Church;
g. The enlargement of the fire exit in the South Transept.

Project completion
In the financial period covered by this report, the Project and Leadership Teams successfully:

a. Gained project consent from:
   - The Circuit Meeting;
   - The District Property Officer;
   - The Listed Building Advisory Committee; and
   - The Planning Authority regarding the fire exit.

b. Gained grant funding approval from:
   - The Circuit Meeting; and
   - The District Grants Committee

c. Finalised the project specification (including final chair selection) in consultation with the Connexional Conservation Officer.

d. Finalised overall project costs.

e. Carried out a successful project fundraising campaign.

f. Planned and managed the onsite implementation and completion of the project.

The on-site works for the project started on Monday 10th February 2025 and were completed on schedule to enable a grand reopening for worship on Easter Sunday 20 April 2025. Responsibility for the day-to-day project management was held by a Project Management Team consisting of the combined members of the Project Team, Property Team and Technical, Comms and Worship Coordinator. Whilst the major items of work were carried out by specialist contractors, members of the Project Management Team did a huge amount of preparatory work, including delivery of pews and chairs to their new homes and cleaning stonework. During the period of the works our two Sunday morning services (Informal and Traditional) continued in the church hall, with children's church operating from a number of smaller rooms.

For financial impact see Financial Review below.

Project success and outcomes
This project was the culmination of many years of planning, and its completion on schedule and on budget is a remarkable achievement. This has included the generous financial support of the church members, the Circuit, and the District. Since reopening on Easter Day, the church has hosted and/or run a number of large scale events which have greatly benefitted from the much enhanced flexibility and capability gained through this project, including: A Community Fun Day on 10 May 2025, to which over 300 members of the community came; Games & Glue craft and games sessions for primary school children held throughout August 2025, to which a total of over 100 children came; Stay and Play mornings for carers and toddler also held during August 2025, to which a total of over 100 children attended; and our Train Fun Day held on 16 August 2025 at which we welcomed on to the premises over 300 visitors and raised over £1,000 for our two chosen charities The Haven and All We Can.

ACHIEVEMENT AND PERFORMANCE (continued)

Building Maintenance
In addition to the extra work involved in supporting the Shaped for Mission Project, our property maintenance team have continued to work hard to keep our buildings in excellent condition and decoration. The period covered by this report included redecoration and renewal of furniture in Wesleys.

The Ministry Team
Our Ministry Team consists of two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus one lay member, Lewis Cox (Communications and Worship Coordinator). This team has continued to meet regularly to plan our sermon series and worship to ensure we make full use of the gifts and graces of our membership.

At the end of February 2026, Deacon Sarah Wickett will be leaving High Street to take up her new appointment in the Reading Circuit. At this stage a profile is not being prepared for a new Deacon, and further consideration is to be given regarding the shape and make up of High Street's future staff team in order to reflect both the needs of High Street and the availability of ordained ministers throughout the Methodist Church in Britain.

Support Staff
Our staff team, made up of employees plus a number of practically full-time volunteers, has continued to support and help develop and communicate all that we do as a church. As has always been the case, the staff team supports and is supported by a vast team of volunteers, who are engaged in all activities across the church. Recruitment of new volunteers continues to be an important part of the process and we are continually short of volunteers to do all that we wish to do.

Youth Work
Our Lead Youth Worker, Ruth Lindridge continues to work among us with enthusiasm and care. Ruth continues to build strong relationships with the young people, parents and church members. A small but very committed group of volunteers work with Ruth on the youth team, and it remains a priority to grow this team and develop the youth programme.

Children's Church
Children's Church continues to operate at each Sunday morning service. The Children's Team worked with the youth worker, Ruth Lindridge to plan this year's transition. The year 6 children moved into the LX at the start of June.

Examples of Some of Our Many Initiatives:
Tea @ 3 - This weekly afternoon meeting for older members, for fellowship, friendship and spiritual conversation continues to thrive.

Home Communion - Our Home Communion Team have continued to offer extended Communion to those of our Church Community who are housebound.

Building Blocks - Building Blocks has continued and is still very popular for parents and toddlers.

Alpha and Bible Courses, and homegroups - During this year we have run regular Alpha and Bible courses to support the spiritual growth of all comers, and we have continued to encourage and support our many church home groups.

ACHIEVEMENT AND PERFORMANCE (continued)

Mission Action Plan (2025-2026)

On 29 July 2025, the Church Council agreed a new Mission Action Plan for the twelve months starting 1st September 2025, following a process of consultation with those involved in the work of the church, including input from our Big Day In (General Church Meeting) on 28 June 2025.

FINANCIAL REVIEW

Financial position

The financial results for the year are shown on pages 17 and 18.

Key financial events:

Overall income for the church in the year fell by £599,143 to £720,900. However, the 2023/4 figure includes both a one-off donation following the transfer, at no cost, of the freehold interest in the Co-op supermarket at 130 Southdown Road, Harpenden, Herts AL5 1PU to High Street, valued at £800,000, as well as Southdown's closing cash balance of £70,694. Of this, £49,694 was allocated to the Medium-Term Property Fund and £21,000 to the Designated Youth Fund. The 2024/25 figure includes donations, related gift aid and grants for the Shaped for Mission project totalling £295,378. Recurrent income fell by £23,826 to £425,523 in 2024/25.

Overall expenditure increased by £92,478 to £510,237. However, this includes revenue costs for the Shaped for Mission project of £47,783; recurrent expenditure was up by £44,691 to £462,453.

Thus, although there is an overall reported net surplus of £210,663 in these accounts, there is an overall recurrent net deficit of £36,954 (2023/24: surplus of £31,587).

Total income in the unrestricted funds (before fund transfers) fell by £44,758 to £457,189, but the 2023/24 figure includes the £70,694 from Southdown mentioned above. Recurrent unrestricted income rose by £25,937. Overall unrestricted expenditure rose by £46,227 to £435,796 reflecting primarily the inclusion of the Southdown assessment of £24,000.

Total income in the Restricted funds increased by £292,513 to £310,609 on the back of donations and grants for the Shaped for Mission Project, while total costs on Restricted funds rose by £46,251 with £47,783 attributable to the Shaped for Mission Project.

Reserves policy

The Church's Financial Reserves Policy deals with our General Unrestricted Fund. Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

Medium Term Property Fund (Designated)
Youth Work Fund (Designated)
Youth Work Project (Restricted)
Audio Visual Fund (Restricted)
Special Collections (Restricted)
Church Premises (Permanent Endowment)
Mission Development Fund (Designated)
Organ Refurbishment Fund (Designated)
Benevolence Fund (Restricted)
Legacy Fund for Flowers (Restricted)
Heating Project Fund (Restricted)
Shaped for Mission Fund (Restricted)

FINANCIAL REVIEW (continued)

1. General Fund

In the General Fund, overall income rose by £35,932, primarily due to the inaugural inclusion of the Southdown Co-op rental income of £34,375. The Barclays lease ran to 30th June 2025 but was not renewed due to the opening of a banking hub in Harpenden. Revenue from Herts County Council held constant as they continue to occupy the space in the rear rooms under licence and pay rent. The annual licence for 2025 has yet to be renewed but as the tenant is continuing to occupy the premises and pay the licence fee at the 2024 rate, trustees are confident that the 2025 licence will be renewed. Income from giving including Gift Aid rose by a diminutive £466 to £261,091. There were again no legacies. Wesleys' donations slipped by £2,063 to £19,110.

Expenditure in the General Fund totalled £427,761, some £54,870 up the previous year. Our assessment rose by £28,672 due to the inclusion for the first time of the Southdown assessment. Repairs, including for Wesleys, rose by £3,040. Legal & professional fees were £8,639 higher, although £1,700 of these were covered by a corresponding donation.

Required transfers to top up the Organ, Heating and Audio-Visual Funds totalling £16,313 were made, as well as an initial transfer of £3,652 to the Shaped for Mission fund to provide for the depreciation of the chairs, tables, lighting and blinds from 1st March 2025 when the assets were deemed to be in use. Together these totalled £19,965. No transfer was made to the Medium Term Property Fund, as explained below. This leaves a recurrent Operating Deficit in the General Fund of £35,396. The Youth Funds were drawn down by £46,749 to fund youth expenditures, offsetting this deficit. The church also benefited from a Circuit utility grant of £16,674 (2023/24: £17,631), introduced after the sharp increase in electricity costs that followed the Ukraine war and which will continue until June 2026.

As a large church with a considerable range of local and overseas mission activities, the church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' or 50% of annual recurrent expenditures. In calculating the Reserves Ratio, we exclude unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Any significant reduction in gross income or increase in costs that the trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on a historic basis but also against medium and longer-term financial projections which they review regularly and at least annually.

The 2024/25 financial year opened with the Reserves Ratio at 48.2% and it ended the year on target at 50.1% after a £12,000 transfer to the Mission Development Fund.

The accumulation of unrestricted and designated reserves over past years is proving prudent to meet the current challenging environment. The trustees are of the view that the financial position of the church is sound but will be vigilant to react as necessary to any deterioration. Longer term improvements in giving are being sought to ensure continuing financial stability.

FINANCIAL REVIEW (continued)
2. Restricted Funds

The Shaped for Mission Fund was established to record the finances relating to the Shaped for Mission building project. Donations, associated Gift Aid and grants totalled £295,378. The project itself included removing the pews from the church, sanding and re-sealing the floor, redecorating the inside of the church, the acquisition of new wooden stackable chairs to replace the pews, new eco-friendly lighting and electric blinds for the south transept. Costs on depreciable Fixtures and Fittings in the year totalled £182,590 and depreciation of £3,652 was provided. £30,149 was expended on additions to freehold premises at High Street and added to the Endowed Property Fund. Property assets totalling £46,898 were scrapped as a result of these works. £44,131 was expended on property repairs needed as a result of the project, primarily re-decorating the main church space. Bank deposits of £42,182 remain at the Central Finance Board representing a) door widening in the South Transept, b) the provision of a new piano, c), additional improvement works currently being specified for completion in 2025/2026 and d) the first tranche of annual depreciation transferred from the General Fund.

The Benevolence Fund accommodates all our SHARE activities while simultaneously meeting the requirements of Standing Order 651. Donations totalled £7,128 and onward donations of £6,633 were made, including vouchers for Christmas SHARE and a variety of children's and family activities for Summer SHARE. The Standing Orders of the Methodist Church place restrictions on the Benevolence Fund and it is necessary to keep a portion back for one-off items; surplus funds will be used to support people in need.

The Special Collections Fund houses collections mounted regularly in support of third-party charities that share the church's charitable objectives. These funds are clearly restricted as to use and are passed to the third-party charities without delay. In 2024/25, these totalled £4,910 (2023/24: £8,009).

The restricted Youth Work Fund was drawn down to its full extent in 2023/24, with only interest of £186 remaining at year end. This was transferred to the Designated Youth Fund during the current year and the fund closed.

New audio visual and public address equipment was installed in 2020/2021 at a cost of £119,531. It is capitalised in the restricted Audio-Visual Fund and is being depreciated over 10 years.

The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,573 at 31 August 2024, of which £800 was drawn during the year and earmarked for the provision of flowers in the Church in line with the settlor's restriction. The remaining balance of £838 will cover this objective for a while yet.

The heating system project was completed in 2014/15 and the fixed property element of the expenditure was transferred to the Endowed Property Fund. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted fund. It has been capitalised and will be depreciated over 30 years.

3. Designated Funds

The designated Medium Term Property Fund recognises both the long-term repair commitments of our premises as well as their unpredictable timing and nature. The trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. It was drawn upon during the year for the new electric side door to facilitate disabled access, for a felt repair of the South Transept roof, for the skimming and re-sealing of Wesleys' floor and for new fencing between the rear rooms and the car park. The opening balance at 1 September 2024 was £103,263. A few major items such as sanding and re-sealing the Church floor and redecorating internally were included in the Shaped for Mission Project (see above) due to ease of access with the pews being taken out and have therefore been removed from the 20-year property plan.

The result is that the Fund is financially strong, and the decision was made to take a 'holiday' this financial year and next from top-ups from the General Fund. The closing balance was £99,878, held at the Central Finance Board. The Trustees believe that the net balance is adequate for future major repair liabilities.

FINANCIAL REVIEW (continued)
3. Designated Funds (continued)

The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the Church's Strategy Days. The opening balance at 1 September 2024 was £297,300. The fund benefited in the year from a £12,000 injection from the General Fund and £13,349 of interest received on bank deposits. The closing fund balance after interest was £322,649, held at the Central Finance Board (£176,591) and in a Model Trust Fund account at TMCP (£146,058).

The designated Youth Work Fund opened the year at £148,256. It was drawn down from the General Fund by £46,749 to fund youth activities. The fund benefited in the year from £6,671 of interest received on bank deposits plus unpledged giving of £2,677. The closing balance after interest income was £111,084, split as to £34,612 in a Model Trust Fund account at TMCP and £76,471 at the Central Finance Board.

The annual transfer from the General Fund to the Organ Refurbishment Fund of £2,000 was made, taking its year-end balance to £20,365.

4. Endowment Funds

Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 (see Accounting Policies). Additions and deletions from this fund occasioned as a result of the Shaped for Mission project are dealt with above.

STRUCTURE, GOVERNANCE AND MANAGEMENT
Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity. The charity has no subsidiary undertakings.

Organisational structure and management
Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Herts, AL5 2RU. Its constitution is governed by an Act of Parliament and, on 1 April 2009, it became a registered charity with registered number 1128950.

The charity is a constituent church in the West Herts and Borders Methodist Circuit, an umbrella grouping of 22 local Methodist churches and through them to the Beds, Essex and Herts Methodist District. These umbrella organisations exercise a degree of control over the church's operation through the Connexional rule book, Constitutional Practice and Discipline to which the church is committed.

The Leadership Team (see above) is constituted and agreed annually by the Church Council (all trustees) and prepares an annual Executive Plan, to be approved by trustees, of actions to be taken to further the church's charitable objectives. The Plan is reviewed at each Leadership Team meeting (monthly) and progress noted and remediation agreed if required. All major decisions outside the Executive Plan are taken by trustees, as a whole, at their quarterly meetings with more meetings scheduled if required. Day to day operational decisions are delegated by the Leadership Team to employed staff and/or volunteers.

New trustees are invited to participate in trustee induction and training on appointment. Policies are in place covering safeguarding, serious incidents and complaints.

The remuneration of employees is governed by the Finance Committee and approved by Church Council. Remuneration for lower paid staff, is governed by the rate set nationally by the Living Wage Foundation

Correspondence relating to financial matters should be sent to the Treasurer at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise. The Rev Mark Hammond, Presbyterial Minister, is the Chair of the Church Council and Pameel Crowther-Newman is the Chair of the Leadership Team

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the Church's operations and consider the major risks faced in each of these areas. The church has developed a set of Financial Control procedures, to which management/staff are committed, that ensure proper internal control is maintained. These are reviewed annually to ensure they remain appropriate for the charity's operation.

The Leadership Team regularly develops a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. Church Council then considers the risks identified by the Leadership Team's review, the actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Trustees undertake regular reviews of the Church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in January 2022 and the increases in sums assured actioned with effect from that date.

The church does not maintain a defined benefit pension scheme but makes contributions (defined in employment contracts), under auto-enrolment to the government sponsored NEST pension scheme. The church therefore has no longer term pension liabilities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1128950

Principal address

Harpenden Methodist Church
High Street
Harpenden
Hertfordshire
AL5 2RU

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity Number
1128950

Principal address
Harpenden Methodist Church
High Street
Harpenden
AL5 2RU

Trustees - principal officers
Rev M Hammond Minister
Deacon S Wickett Deacon
M R Woods Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team:
Rev M Hammond
Deacon S Wickett

Circuit Appointees:
Rev R Hawkins (retired 31/07/2025)
D Edney

Church Stewards:
H Jones
K Jackson-Robbins (retired 01/06/2025)
A Sonola (retired 01/06/2025)
N Gurra
J Jacobs (retired 01/06/2025)
G Knightley
C Knightley
M Richardson
D Choi
M Lawford
A Efunbajo
K So (appointed 01/06/2025)
S Williams-Ganta (appointed 01/06/2025)
R Jackson-Robbins (appointed 01/06/2025)

Secretary of the Church Council:
P Bayfield

Church Treasurer:
M R Woods

Pastoral Secretary:
M Grand

Members appointed by Council:
S Pearson
P Black
P Crowther-Newman
L Cox
J Jacobs (appointed 01/06/2025)
E Wane (retired 01/06/2025)

Those who served as trustees during the year and to the date of this report are as follows (continued):

Representatives from the General Church Meeting:
R Atkins
P Atkins
D Crew (retired 01/10/2025)
R Manning (retired 28/06/2025)
J Prentice
J Brooke-Hughes
C Fletcher (retired 28/06/2025)
S Hammond
C Lewis-Lim
C Meilton
S Morris
M Pearson
J Polley
L Schlich
C Walden
P Winyard
C Wollaston (retired 28/06/2025)
K Jackson-Robbins (appointed 28/06/2025)
A Sonola (appointed 28/06/2025)
C Wickens (appointed 01/09/2025)

Auditors
Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
Hertfordshire
AL5 4EE

Bankers
HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

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

Unity Trust Bank plc
Nine Brindley Place Birmingham B1 2JB
(until 09/05/2025)

TRUSTEES' RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 26 November 2025 and signed on its behalf by:

Rev M Hammond – Trustee

Report of the Independent Auditors to the Trustees of
Harpenden Methodist Church

Opinion
We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (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 2025 and of its incoming resources and application of resources, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the limited company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the companies' financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the directors and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the client's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Companies House
- reading the minutes of board of directors' resolutions
- checking for any actual and potential litigation and claims including inspecting legal costs
- checking for any actual and potential enquires from regulatory bodies

Our responsibilities for the audit of the financial statements (continued)
There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.

Philip Dean BA, FCA (Senior Statutory Auditor)
For and on behalf of Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
Hertfordshire
AL5 4EE

Date: 27-NOV-25

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.25 Total funds £**	31.8.24 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	**270,196**	**307,415**	-	**577,611**	1,169,579
Other trading activities	3	**151,988**	-	-	**151,988**	115,268
Investment income	4	**34,966**	**3,194**	-	**38,160**	35,196
Other income	5	**39**	-	-	**39**	-
Total		**457,189**	**310,609**	-	**767,798**	1,320,043
EXPENDITURE ON						
Charitable activities	6					
Charitable activities		**435,796**	**74,441**	-	**510,237**	417,759
Other		-	-	**46,898**	**46,898**	-
Total		**435,796**	**74,441**	**46,898**	**557,135**	417,759
NET INCOME/(EXPENDITURE)		**21,393**	**236,168**	**(46,898)**	**210,663**	902,284
Transfers between funds	16	**(17,775)**	**(12,374)**	**30,149**	-	-
Net movement in funds		**3,618**	**223,794**	**(16,749)**	**210,663**	902,284
RECONCILIATION OF FUNDS						
Total funds brought forward		**810,093**	**199,359**	**1,764,716**	**2,774,168**	1,871,884
TOTAL FUNDS CARRIED FORWARD		**813,711**	**423,153**	**1,747,967**	**2,984,831**	2,774,168

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2025

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	31.8.25 Total funds £	31.8.24 Total funds £
FIXED ASSETS						
Tangible assets	12	**3,967**	**293,510**	**1,747,967**	**2,045,444**	1,898,161
CURRENT ASSETS						
Debtors	13	**66,588**	-	-	**66,588**	77,521
Cash at bank	14	**766,062**	**129,643**	-	**895,705**	815,913
		832,650	**129,643**	-	**962,293**	893,434
CREDITORS						
Amounts falling due within one year	15	**(22,906)**	-	-	**(22,906)**	(17,427)
NET CURRENT ASSETS		**809,744**	**129,643**	-	**939,387**	876,007
TOTAL ASSETS LESS CURRENT LIABILITIES		**813,711**	**423,153**	**1,747,967**	**2,984,831**	2,774,168
NET ASSETS		**813,711**	**423,153**	**1,747,967**	**2,984,831**	2,774,168
FUNDS	16					
Unrestricted funds					**813,711**	810,093
Restricted funds					**423,153**	199,359
Endowment funds					**1,747,967**	1,764,716
TOTAL FUNDS					**2,984,831**	2,774,168

The financial statements were approved by the Board of Trustees and authorised for issue on 26th November 2025 and were signed on its behalf by:

Rev M Hammond - Trustee

M R Woods - Trustee

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Cash Flows
for the Year Ended 31 August 2025

	Notes	31.8.25 £	31.8.24 £
Cash flows from operating activities			
Cash generated from operations	1	**302,357**	73,761
Net cash provided by operating activities		**302,357**	73,761
Cash flows from investing activities			
Purchase of tangible fixed assets		**(213,866)**	(803,648)
Sale of tangible fixed assets		**39**	-
Interest received		**38,160**	35,196
Net cash used in investing activities		**(175,667)**	(768,452)
Cash flows from financing activities			
Income attributable to endowment		**-**	800.000
Expenditure attributable to endowment		**(46,898)**	-
Net cash (used in)/provided by financing activities		**(46,898)**	800.000
Change in cash and cash equivalents in the reporting period		**79,792**	105,309
Cash and cash equivalents at the beginning of the reporting period		**815,913**	710,604
Cash and cash equivalents at the end of the reporting period		**895,705**	815,913

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 August 2025

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.25 £	31.8.24 £
Net income for the reporting period (as per the Statement of Financial Activities)	**210,663**	902,284
Adjustments for:		
Depreciation charges	**19,685**	16,315
Loss on disposal of fixed assets	**46,859**	-
Interest received	**(38,160)**	(35,196)
Income attributable to endowment	**-**	(800,000)
Expenditure attributable to endowment	**46,898**	-
Decrease/(increase) in debtors	**10,933**	(11,083)
Increase in creditors	**5,479**	1,441
Net cash provided by operations	**302,357**	73,761

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.24 £	Cash flow £	**At 31.8.25 £**
Net cash			
Cash at bank	**815,913**	**79,792**	**895,705**
Total	**815,913**	**79,792**	**895,705**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that Church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the Church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure
Income, which is mainly donations, is accounted in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations and is accounted for on an accruals basis.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the Church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the Church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs
Costs are allocated to the specific fund to which they relate.

Tangible fixed assets
Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd (now Neville Trust) and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost, at 31st August 20158, of £964,716. Subsequent additions have been capitalised at cost, including £30,149 in 2024/2025. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

During 2023/2024, the Circuit agreed to transfer, for no consideration, the local managing trusteeship of the freehold property at 130 Southdown Road to High Street with effect from 31st August 2024. As Harpenden Methodist Church with the existing High Street premises, the Trustees for Methodist Church Purposes are custodian trustee for the church land and premises and they hold the freehold title.

continued...

1. ACCOUNTING POLICIES - continued

Tangible fixed assets - continued
These premises (the Halls) are sub-divided into a) the supermarket premises occupied by the Co-op under a 99-year lease from June 1980 and b) the upper parts to Harpenden Trust under a 999-year lease from December 2022. The supermarket lease currently commands an annual rent of £37,500 per annum (review June 2025) but the Harpenden Trust lease is at a peppercorn rent. The rental income from these leases has flown to High Street with effect from 1st September 2024.

In view of the length of the Harpenden Trust lease and the lack of any rental stream, it is not considered that this property has any current capital value. However, the Co-op lease still has 55 years to run and an informal valuation received suggests that, at an investment yield of 5% based on current rental value of £40,000 per annum, this property has a current capital value of £800,000 and, as the property is owned by Trustees for Methodist Church Purposes as custodian trustee and High Street has no capability to turn this capital into income, the freehold property has been treated as Endowed and capitalised at the above-mentioned value.

The depreciation policy for Church Premises is 2% per annum on cost. As the deprecation calculation is based on cost/valuation less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:
Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Following the completion of the Shaped for Mission project during 2024/2025, the equipment element (£182,590) has been capitalised and depreciated over 25 years on a straight-line basis from the date of the project's completion (28/02/2025).

Computer and PA/AV equipment are depreciated at 20% per annum on cost.

Trustees have adopted a revised policy for asset capitalisation with effect from 1st September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation
The Church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting
Details of the nature and purpose of each fund is set out in note 16.

Legacies
Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.25 Total funds £**	31.8.24 Total funds £
Pledged collections	**193,578**	**-**	**-**	**193,578**	192,215
Gifts and donations	**6,428**	**145,442**	**-**	**151,870**	898,401
Income tax refunds	**48,351**	**31,987**	**-**	**80,338**	47,548
Grants received	**2,677**	**129,986**	**-**	**132,663**	-
Unpledged collections	**19,162**	**-**	**-**	**19,162**	21,415
Sundry income	**-**	**-**	**-**	**-**	10,000
	270,196	**307,415**	**-**	**577,611**	1,169,579

continued...

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	31.8.25	31.8.24
	£	£
Other grants	132,663	-

During the year grants totalling £132,663 were received, £129,986 of which were in support of the Shaped for Mission project. Of this total, £71,327 was received from the West Herts and Borders Methodist Circuit and £58,659 from the Beds, Essex and Herts Methodist District.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Endowment funds	31.8.25 Total funds	31.8.24 Total funds
	£	£	£	£	£
Contributions for use of premises	71,922	-	-	71,922	74,892
Ground rent Davenport House	26,581	-	-	26,581	19,203
Coffee lounge	19,110	-	-	19,110	21,173
Rental Income - Co-Op	34,375	-	-	34,375	-
	151,988	-	-	151,988	115,268

4. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds	31.8.25 Total funds	31.8.24 Total funds
	£	£	£	£	£
Interest and investment income	34,966	3,194	-	38,160	35,196

5. OTHER INCOME

	Unrestricted funds	Restricted funds	Endowment funds	31.8.25 Total funds	31.8.24 Total funds
	£	£	£	£	£
Sundry receipts on sales of equipment	39	-	-	39	-

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7)	Support costs (see note 8)	Totals
	£	£	£
Charitable activities	288,970	221,267	510,237

continued...

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.25	31.8.24
	£	£
Ministerial / Administrative staff costs	**198,898**	169,357
Encountering God costs	**4,449**	4,017
Equipping God's People costs	**654**	(3)
Extending God's Kingdom costs	**36,525**	37,543
Youth Work costs	**48,444**	46,444
	288,970	257,358

8. SUPPORT COSTS

	Operations	Finance	Comms / Marketing	Totals
	£	£	£	£
Charitable activities	**134,832**	**20,121**	**66,314**	**221,267**

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2025 nor for the year ended 31 August 2024.

10. STAFF COSTS

	2025	2024
	£	£
Wages and salaries	**126,620**	114,342
Employer's pension contributions	**6,616**	6,024
Employer's social security costs	**11,373**	8,337
Total Staff Costs	**144,609**	128,703

With effect from 1 September 2015, qualifying employees are 'opted-into' the government's auto-enrolment pension scheme with matched contributions from the Church to a maximum of 6%.

Other than as shown below and in Note 17, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the Church. The contracts of employment for the 3 trustees detailed below were entered into by the church with the due authority of Church Council.

Lewis Cox, the church's Co-ordinator for Encountering God and Communications, is (and was at 1 September 2024) a trustee. He received remuneration of £38,480 in 2024/2025 under his employment contract (2023/2024 - £37,001). Additionally, the church paid £2,309 of employer pension contributions in 2024/2025 under this contract (2023/2024 - £2,220).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2024), a trustee and her services were provided to date under a contract of employment with the church. In 2024/2025, she received remuneration of £13,117 under her employment contract (2023/2024 - £12,612). Additionally, the church paid £656 of employer pension contributions in 2024/2025 under this contract (2023/2024- £631).

continued...

10. STAFF COSTS – continued

Sally Hammond is (and was at 1 September 2024), a trustee and her services as an assistant caretaker were provided to date under a contract of employment with the church. In 2024/2025, she received remuneration of £7,954 under her employment contract (2023/2024 - £7,681). Additionally, the church paid £477 of employer pension contributions in 2024/2025 under this contract (2023/2024 - £457).

The average monthly number of employees during the year was as follows:

	31.8.25	31.8.24
	8	7

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	354,994	14,585	800,000	1,169,579
Other trading activities	115,268	-	-	115,268
Investment income	31,685	3,511	-	35,196
Total	501,947	18,096	800,000	1,320,043
EXPENDITURE ON				
Charitable activities				
Charitable activities	389,569	28,190	-	417,759
NET INCOME/(EXPENDITURE)	112,378	(10,094)	800,000	902,284
Transfers between funds	743	(743)	-	-
Net movement in funds	113.121	(10,837)	800,000	902,284
RECONCILIATION OF FUNDS				
Total funds brought forward	696,972	210,196	964,716	1,871,884
TOTAL FUNDS CARRIED FORWARD	810.093	199,359	1,764,716	2,774,168

continued...

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2024	**1,764,716**	**70,807**	**157,687**	**1,993,210**
Additions	**30,149**	**182,590**	**1,127**	**213,866**
Disposals	**(46,898)**	**-**	**-**	**(46,898)**
At 31 August 2025	**1,747,967**	**253,397**	**158,814**	**2,160,178**
DEPRECIATION				
At 1 September 2024	**-**	**23,600**	**71,449**	**95,049**
Charge for year	**-**	**6,012**	**13,673**	**19,685**
At 31 August 2025	**-**	**29,612**	**85,122**	**114,734**
NET BOOK VALUE				
At 31 August 2025	**1,747,967**	**223,785**	**73,692**	**2,045,444**
At 31 August 2024	1,764,716	47,207	86,238	1,898,161

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises were stated at capitalised historic cost of £964,716 at 31st August 2018.

In the year to 31st August 2024, the freehold premises of the supermarket premises at 130 Southdown Road, Harpenden were transferred to High Street were valued, by reference to the then passing rent, at £800,000.The upper parts of these premises are let to the Harpenden Trusts on a 999 year lease from December 2022 at a peppercorn rent and no capital value is assumed for this element.

During the year to 31st August 2025, the church completed its Shaped for Mission project (see Trustee Annual Report above) to maximise the effective use of the main church space and expended £30,149 on property improvements (and scrapped property assets of £46,498) and £182.590 on related Fixtures and Fittings.

continued...

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.25	31.8.24
	£	£
Other debtors	19,577	27,618
Prepayments	47,011	49,903
	66,588	77,521

14. CASH AT BANK

	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
Trustee for Methodist Purposes accounts	180.670	838	-	181.508
Deposits with Central Finance Board	541,557	128,805	-	670,362
Other bank accounts	43.836	-	-	43.836
	766.063	129.643	-	895.706

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.25	31.8.24
	£	£
Trade creditors	-	309
Social security and other taxes	2,656	2,196
Other creditors	80	1.061
Accruals and deferred income	20,170	13,861
	22,906	17,427

continued...

16. MOVEMENT IN FUNDS

	At 1.9.24 £	Net movement in funds £	Transfers between funds £	At 31.8.25 £
Unrestricted funds				
General fund	243,707	1,243	14,784	259,734
Designated fund - Property Fund	103,263	(3,384)	-	99,879
Designated fund - Mission Development	297,300	13,350	12,000	322,650
Designated fund - Youth Work	148,256	9,386	(46,559)	111,083
Designated fund - Organ Repair Fund	17,567	798	2,000	20,365
	810,093	21,393	(17,775)	813,711
Restricted funds				
Special Collections	3	(3)	-	-
Heating Project	72,691	(1,202)	2,360	73,849
Youth Work	185	5	(190)	-
Legacies	1,573	(735)	-	838
AV Project	121,431	(10,143)	11,953	123,241
Benevolence/SHARE	3,476	629	-	4,105
Shaped for Mission	-	247,617	(26,497)	221,120
	199,359	236,168	(12,374)	423,153
Endowment funds				
Church Premises	1,764,716	(46,898)	30,149	1,747,967
TOTAL FUNDS	2,774,168	210,663	-	2,984,831

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	429,004	(427,761)	1,243
Designated fund - Property Fund	4,652	(8,036)	(3,384)
Designated fund - Mission Development	13,349	1	13,350
Designated fund - Youth Work	9,386	-	9,386
Designated fund - Organ Repair Fund	798	-	798
	457,189	(435,796)	21,393
Restricted funds			
Special Collections	4,910	(4,913)	(3)
Heating Project	1,158	(2,360)	(1,202)
Youth Work	4	1	5
Legacies	66	(801)	(735)
AV Project	1,810	(11,953)	(10,143)
Benevolence/SHARE	7,261	(6,632)	629
Shaped for Mission	295,400	(47,783)	247,617
	310,609	(74,441)	236,168
Endowment funds			
Church Premises	-	(46,898)	(46,898)
TOTAL FUNDS	767,798	(557,135)	210,663

continued...

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	215,555	15,929	12,221	243,705
Designated fund - Property Fund	47,267	39,128	16,869	103,264
Designated fund - Mission Development	266,397	30,904	-	297,301
Designated fund - Youth Work	149,772	28,831	(30,347)	148,256
Designated fund - Organ Repair Fund	17,981	(2,414)	2,000	17,567
	696,972	112,378	743	810,093
Restricted funds				
Heating Project	71,539	(1,206)	2,360	72,693
Youth Work	14,490	751	(15,056)	185
Legacies	1,496	77	-	1,573
AV Project	120,043	(10,564)	11,953	121,432
Benevolence/SHARE	2,628	848	-	3,476
	210,196	(10,094)	(743)	199,359
Endowment funds				
Church Premises	964,716	800,000	-	1,764,716
TOTAL FUNDS	1,871,884	902,284	-	2,774,168

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	388,881	(372,952)	15,929
Designated fund - Property Fund	52,392	(13,264)	39,128
Designated fund - Mission Development	30,903	1	30,904
Designated fund - Youth Work	28,831	-	28,831
Designated fund - Organ Repair Fund	940	(3,354)	(2,414)
	501,947	(389,569)	112,378
Restricted funds			
Special Collections	8,009	(8,009)	-
Heating Project	1,152	(2,358)	(1,206)
Youth Work	753	(2)	751
Legacies	77	-	77
AV Project	1,388	(11,952)	(10,564)
Benevolence/SHARE	6,717	(5,869)	848
	18,096	(28,190)	(10,094)
Endowment funds			
Church Premises	800,000	-	800,000
TOTAL FUNDS	1,320,043	(417,759)	902,284

continued...

16. MOVEMENT IN FUNDS - continued

Restricted funds:
Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2025, the balances available were as follows - for use in relation to the provision of church flowers (Fund No.19706) - £838

Endowment funds:
In accordance with the provisions of FRS 102, the freehold of the High Street church premises has been stated at its historic cost at 31st August 2018 plus additions/deletions since then at cost value. Freehold premises also includes the premises at Southdown Road at a valuation based on investment yields. Total Endowed funds total £1,747,967 (see Note 12).

17. CAPITAL COMMITMENTS

There are no liabilities, contingent or otherwise, that are not provided for in these accounts.

18. RELATED PARTY DISCLOSURES

The church received aggregate donations from trustees of £65,721 in 2024/2025 (2023/2024 - £41,325)

HARPENDEN METHODIST CHURCH

England & Wales - Charity number 1128950

Accounts

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2024

Harpenden Methodist Church

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for the Year Ended 31 August 2024

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Harpenden Methodist Church

Report of the Trustees
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).

With the donated freehold property received on the year (see below), the church's 2023/2024 annual turnover has exceeded the £0.5m threshold and has therefore to be treated as a 'large' charity under the provisions of the Charities Statement of Recommended Practice. It is more than likely that 2024/2025, which will see potential donations/grants in excess of £0.25m for the Shaped for Mission project (see below), will similarly require the church to be deemed a large charity. Trustees believe that the causes of this increase in annual turnover are primarily one-off financial events that are unlikely to be repeated in future years and these do not alter the essential scale and complexity of the church's operation. The content of this report, whilst addressing the increased disclosure requirements for trustees to consider, also reflect this lack of any material change to the church's operational circumstances.

As required by the Statement of Recommended Practice for large charities, a Statement of Cash Flow is included in the Financial Statements below.

OBJECTIVES AND AIMS
OUR VISION is:
Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:
Encounter God;
Equip God's people;
Extend God's Kingdom.

THE SIX VALUES THAT SHAPE US:
1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fuelled, person-to-person and attentive)
3. Non-judgemental Welcome (which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
6. Authentic Witness (which is honest, real and confident).

The Leadership Team currently comprises:

• Rev Mark Hammond	Presbyterial Minister
• Deacon Sarah Wickett	Diaconal Minister
• Pameel Crowther Newman	Chair
• Esther Wane	Deputy Chair
• Lewis Cox	Co-ordinator for Encountering God and Communications
• Sally Hammond	Coordinator for Equipping God's People
• Nina Gurra	Coordinator for Extending God's Kingdom
• Ruth Lindridge	Coordinator for Children and Youth
• Peter Black	Operational Coordinator
• Margaret Woods	Treasurer
• Juliet Jacobs	Lead Steward

This year our Church Stewards, Leadership Team and Church Council have met regularly in person with the ability to hold hybrid meetings for those who cannot attend in person to join via video link.

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OBJECTIVES AND ACTIVITIES (continued)
Our Leadership Team have continued working to complete the extended Executive Plan which was agreed by Church Council in November 2022. This set out an overview of the scope of our church's activities and priorities for the period up until 31st August 2024. What follows is not meant as a comprehensive report of all our activities, but rather a sample indicative of scope.

Volunteers are at the core of all that the church undertakes, and, without such volunteer support, the church would not be able to mount all the initiatives it currently supports. In excess of 200 volunteers work across many of the church's programmes.

It is not possible to capture the hours worked by volunteers or their direct contribution as so many work remotely of direct managerial control but utilise the action plans developed by the church.

Charitable status and public benefit
As in past years, High Street Methodist Church has continued to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Many of our members continue to help those locally who are in need by supporting our SHARE scheme. Our Christmas appeal raised funds to provide local families with supermarket vouchers at Christmas. Our Summer Share Scheme provided support to a local school to enable them to offer holiday club places to families most in need. Craft bags and essential food supplies were taken to identified families through the Share team during the school breaks.

Started initially as part of Harpenden own Council's "Warm Spaces" initiative, Thursday soup lunches were trialled by invitation only. Following this trial, the decision was taken to expand the reach and create "Souper Thursday" where our Wesleys café would remain open on Thursdays until 2pm and serve soup between 12 and 2. A church member who is a qualified chef prepared homemade soup each week. Souper Thursdays ran from mid-October to April in this financial year.

Our volunteer-run Wesleys Café has continued to provide a comfortable, friendly and affordable coffee shop which, as an aside, makes a significant contribution to church funds. In partnership with Watling View School, we have continued to offer work experience to volunteers with additional needs.

In seeking to provide support those local households most affected by the cost-of-living crisis, we are continuing to partner Harpenden Money Advice Centre by allowing them to meet with clients and potential clients on our premises once a fortnight.

As in previous years, we also raised money for our agreed charities, including The Haven, All We Can, Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

A number of High Street members continued to support Ukrainian families. Most of those who were initially hosting families helped transition their families into accommodation in the UK or elsewhere. Church members who had pledged funds supported families with needed furnishings. High Street continues to host Council- provided English lessons.

Our World and Society team continued to hold Just Dessert evenings, at which a visiting speaker has given a talk on a justice theme. There have been three evenings all very well supported. As well as equipping those who attend with information and ideas, these events have raised funds for the nominated charities.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees consider that our church is clearly charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

The church does not make direct grants to third parties but provides support to the community in many far-reaching initiatives. The church does not incur any direct expenditure on raising funds for the future. Its giving programmes are operated by volunteers.

ACHIEVEMENT AND PERFORMANCE
CHARITABLE ACTIVITIES

Worship

Every week we have continued to livestream our two different styles of Sunday morning worship and to operate a "hybrid" model of church - seeking to include both those who join us on site at the same time as continuing to reach those who join us online. We have continued to reach through our livestreamed onsite worship and social media presence many new people who may never come to our site, and many Methodists from across the nation are still connecting with God through our weekly online worship. We are pleased to be able to offer families at weddings and funerals the opportunity to livestream services to family and friends who are often overseas or housebound.

We have introduced some new ideas at both morning services, including interviews and testimonies. We have a new list of church members willing to prepare and lead prayers of intercession at our 11am services. Our sermon series topics are led by suggestions and feedback - and recent ones, particularly 'And the Rest' and 'What is the meaning of...' have been well received. Work is continuing to aid communication between groups at Harpenden Methodist Church regarding our sermon series. This is being seen mainly in related resources being made available and reviews by the Resource Centre team.

Our Dementia Friendly and Gathering services (worship designed for adults with learning difficulties) continue to be well supported.

Inclusive Church

Our Ministry Team has continued actively to seek out conversations with those whose experience of church has been one of exclusion, and the findings from these have helped shape some of our worship and preaching. This remains a work in progress and is taken into our next executive plan under the heading of "Justice, Dignity and Solidarity".

Pastoral care

Our Pastoral Secretary, Maggie Grand, has continued to oversee the work of our Pastoral Team, which continues to consist of herself, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond. They have continued to meet monthly to ensure that those most in need of pastoral care receive appropriate levels of contact. This has been especially important as we have an increasingly ageing demographic and many people to care for.

The members of Batford Methodist Church and Southdown Methodist Church have continued to receive pastoral care through High Street's pastoral system. The care for the Southdown members has been especially important over this year because it has included the closure of their church. Support has been given as those members have transferred to other local churches, the majority finding a new home with High Street.

Our Pastoral Team led our annual bereavement service on Sunday 5th November 2023.

Longer Term Objectives

At its meeting in July 2024, Church Council approved the following two plans for implementation in 2024/2025 to provide mission benefit for the new and subsequent years. Trustees will receive progress reports during 2024/2025 to ensure maximin benefit is derived.

These two plans are the cornerstone for the church's medium-term development and will continue to shape Executive Plans going forward. Trustees will ensure regular reviews of these initiatives (and the Executive Plans as a whole) take account of changing circumstances and develop reactive adjustments to ensure continuity of delivery of the core objectives.

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ACHIEVEMENT AND PERFORMANCE (continued)
Mission Action Plan (2024-2025)
In order to establish our future priorities, we have followed the process set out in the Methodist Church's "Our Church's Future Story" guidance pack and developed a Mission Action Plan for the twelve months starting 1 September 2024. Our current church activities and initiatives were reviewed, a community audit carried out, and the findings from these were shared with our General Church Meeting at our "Big Day In" on 16 March 2024. The resulting Mission Action Plan (2024/2025) was agreed by the Church Council in July 2024.

Shaped for Mission Building Project
Prior to the onset of the Covid pandemic, our Project Team had been close to finalising proposals for a substantial building scheme, designed to make our premises more fit for our current and future mission activities. In the Church's Executive Plan, the Project Team had been tasked with reviewing the proposed scheme to ascertain which elements of the larger scheme may be sensible to progress. In January 2024, the Project Team presented proposals to the Church Council for a reduced project - involving the reordering of the church nave and transepts. A consultation of the church members was launched with a further presentation at an extended General Church Meeting ("Big Day In") in March 2024. Final proposals were agreed by Church Council in July 2024, and the Project and Leadership Teams have been authorised by Church Council to progress these through the remaining consents process (Circuit, District and Connexion). It is envisaged that the project will be completed sometime during 2025.

The current project proposed is a 'slimmed down' version of the original plan, designed to deliver maximum mission benefit and focuses on implementing phase 2 (chairs) and 3 (lighting and blinds) of the original project plan together with some other basic items of improvement within the Church space that are required regardless of whether this project proceeds.

The total capital expenditure and related remedial works is therefore estimated at £206,360 but it is to be borne in mind that upward inflationary cost pressures will be felt so a 10% contingency has been included to result in overall capital expenditure of £226,996. Because Church Council is also keen to ensure that the main church space, after undertaking the above capital expenditure is fully 'fit for purpose', the project proposal also Harpenden Methodist Church includes re-decoration (£30,000); step-free access to dais (£13,655) and replacement dais steps (£6,000).

The overall cost to be funded under the proposal is therefore £276,651 and grant support of £71,328 has been confirmed by the Circuit and £58,659 by the District. In both cases, the project has satisfied the grant criteria.

As historic funds are fully committed to other projects, particularly Youth Work, it is not intended to draw down from other existing designated funds to help finance this project.

Fundraising commenced on 22nd September and the full total to be funded by the membership has now been raised and the project is therefore fully funded.

As all the approvals for the project have not yet been received and no contracts have been agreed with potential suppliers, it is not proposed to treat this prospect expenditure as either a Post Balance Sheet Event or a Capital Commitment in the Notes to the Accounts (below).

Building Maintenance
Our maintenance team have continued to work hard to keep our buildings in excellent condition and decoration. During the period covered by this report this has included dealing with leaking roofs and the redecoration of our LX Youth Centre.

The Ministry Team
Our Ministry Team consist of two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus one lay member, Lewis Cox (Communications and Worship Coordinator). This team continues to meet regularly to plan our sermon series and worship to ensure we make full use of the gifts and graces of our membership. Sadly, Deacon Sarah was unable to work because of health issues, but we are delighted that she has now started her phased return to full time ministry.

ACHIEVEMENT AND PERFORMANCE (continued)

Support Staff

Our staff team - made up of employees plus a number of practically full-time volunteers - has continued to support and help develop and communicate all that we do as a church. As has always been the case, the staff team supports and is supported by, a vast team of volunteers, who are engaged in all activities across the church. Recruitment of new volunteers continues to be an important part of the process, and we are continually short of volunteers to do all that we wish to do.

Youth Work

A particular highlight of this past year has been the employment of our new Lead Youth Worker, Ruth Lindridge, who commenced work with us from Sunday 1st October 2023. The enthusiasm and care that Ruth brings to this important role is much appreciated as we continue to build back our youth-work following a number of years without a paid youth worker. Ruth is building strong relationships with the young people, parents and church members. A small but very committed group of volunteers work with Ruth on the youth team, and it remains a priority to grow this team and develop the youth programme.

Children's Church

Children's Church continues to operate at each Sunday morning service. The Children's Team worked with the youth worker, Ruth Lindridge to plan this year's transition. The year 6 children moved into the LX at the start of June. Parents were also invited for coffee between the services so that they could see the LX and meet some of the youth team.

Examples of Some of Our Many Initiatives:

Tea @ 3 - This weekly afternoon meeting for older members, for fellowship, friendship and spiritual conversation continues to thrive.

Home Communion - Our Home Communion Team have continued to offer extended Communion to those of our Church Community who are housebound.

Building Blocks - Building Blocks has continued and is still very popular for parents and toddlers. A puppet nativity with songs was performed in the church for the last two Christmases for all those attending Building Blocks. It was hugely enjoyed.

Alpha and Bible Courses, and homegroups - During this year we have run regular Alpha and Bible courses to support the spiritual growth of all comers, and we have continued to encourage and support our many church home groups.

FINANCIAL REVIEW

Financial position

The financial results for the year are shown on pages 16 and 17.

The charity, like most other organisations primarily reliant on giving, has felt the impact of the national cost of living crisis and, whilst regular giving has declined by some 5% in the year, this has been more than compensated by increases secured in lettings income plus increased interest on bank deposits.

The church holds all its liquid assets at cash deposits at its bankers and holds no financial investments. Accordingly, it does not require an investment policy.

The major financial event for expenditure in the year was the recruitment of a Youth Worker from October 2023 which has increased in the year by some £43k. This is a long-term investment in Youth Work which trustees deem crucial in securing the church's longer-term security.

The church has amassed substantial historic liquid reserves, and these allow the church to comfortably fund the short-term deficits currently being experienced.

FINANCE REVIEW (continued)
The church prepares annual budgets and a longer term (5 year) financial plan so that it can be financially comfortable going forward. Trustees are aware that these plans do show a depletion of available reserves as a result of employing the Youth Worker and feel confident that giving and other income sources can be improved to ensure these costs can be covered in the longer term.

Overall income for the church in the year rose by £911,903 to £1,320,043 in 2023/24. However, arising out of the closure of Southdown Methodist Church, this includes the one-off transfer at no cost of the freehold interest in the Co-op supermarket at 130 Southdown Road, Harpenden, Herts AL5 1PU to High Street, valued at £800,000, and of Southdown's closing cash balance of £70,694. Of this, £49,694 was allocated to the Medium-Term Property Fund and £21,000 to the Designated Youth Fund. Recurrent income is thus up by £41,209 to £449,349.

Overall expenditure has increased, but only slightly, by £1,745 to £417,759. However, this too is distorted by a one-off item, the non-recurrence of the fixed asset write-off of £54,113 made in 2022/23. Recurrent expenditure was thus actually up by £55,858 to £417,759.

Therefore, although there is an overall reported net surplus of £902,284 in these accounts, the overall recurrent net surplus amounts to £31,590 (2022/23: deficit of £7,874).

Total income in the unrestricted funds (before fund transfers) rose by £109,338 to £501,947, including the £70,694 from Southdown mentioned above. Overall unrestricted expenditure rose by £51,670 to £389,569 reflecting the resumption of youth activities with the arrival of our Lead Youth Worker.

Total income in the Restricted funds increased by £2,565 to £18,096 on the back of donations to Special Collections and the Benevolence Fund, while total costs on Restricted funds fell by £49,925 due to the fixed asset write-off mentioned above. Actual outgoings rose by £4.190.

Reserves policy
The Church's Financial Reserves Policy deals with our General Unrestricted Fund (balance 31 August 2024: £243.705).

Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

- Medium Term Property Fund (Designated) - Balance at 31 August 2024: £103,264 to cover long term cyclical property liabilities
- Youth Work Fund (Designated) - Balance at 31 August 2024: £148,256 to cover medium term Youth Work costs
- Mission Development Fund (Designated) - Balance at 31 August 2024: £297,301 to provide funding for mission development projects
- Organ Refurbishment Fund (Designated) - Balance at 31 August 2024: £17,567 to cover long term cyclical organ refurbishment liabilities
- Youth Work Project (Restricted) - Balance at 31 August 2024: £185
- Audio Visual Fund (Restricted) - Balance at 31 August 2024: £121,432
- Special Collections (Restricted) - Balance at 31 August 2024: £0
- Benevolence Fund (Restricted) - Balance at 31 August 2024: £3,476
- Legacy Fund for Flowers (Restricted) - Balance at 31 August 2024: £1,573
- Heating Project Fund (Restricted) - Balance 31st August 2024: £72,693
- Church Premises (Permanent Endowment) - Balance 31st August 2024: £1,764,716 - can only be realised by selling tangible fixed assets

- Total Funds - £2,774,168

FINANCE REVIEW (continued)

1. General Fund

In the General Fund, overall income rose by £13,086 on the back of an £18,000 increase in rental income. Barclays signed a one-year lease for £10,000 and revenue from Herts County Council rose by £2,690 following the renewal of their annual agreement in December 2023. Income from giving including Gift Aid slipped by £1,901. There were again no legacies. Wesleys' donations held steady at £21,173.

Expenditure in the General Fund totalled £390,583, some £77,707 higher than the previous year, due primarily to the arrival of our Lead Youth Worker in October 2023: youth expenditures rose to a more normal £46,444 (2022/23: £2,684).

Required transfers to top up the Organ, Medium Term Property, Heating and Audio-Visual Funds totalling £33,182 were made, leaving a recurrent Operating Deficit in the General Fund of £34,884. The Youth Funds were drawn down by £45,403 to fund the youth expenditures, offsetting the deficit. We also benefited from a Circuit utilities grant of £17,631 (2022/2023: £973), introduced after the sharp increase in electricity costs that followed the Ukraine war, and which will continue until June 2026.

As a large church with a considerable range of local and overseas mission activities, the church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' or 50% of annual recurrent expenditures. In calculating the Reserves Ratio, we exclude unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Any significant reduction in gross income or increase in costs that the trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on a historic basis but also against medium and longer-term financial projections which they review regularly and at least annually.

The 2023/24 financial year opened with the Reserves Ratio at 48.3% and it ended the year at 48.2%, still comfortably within range of the targeted 50%. The current 5-year Finance Plan indicates that the General Fund reserves ratio can be maintained at or around 50% to 2027/2028 though improved income and judicious but prudent use of historic reserves, all within our charitable objectives

The accumulation of unrestricted and designated reserves over past years is proving fortuitous to meet the current challenging environment. For example, the Designated Youth Fund is forecast to meet youth expenditures for the next three years. The trustees are of the view that the financial position of the church is sound but will be vigilant to react as necessary to any deterioration. Longer term improvements in giving are being sought to ensure continuing financial stability and should these circumstances change then alternative measures would be considered to maintain financial stability.

2. Restricted Funds

The Benevolence Fund accommodates all our SHARE activities while simultaneously meeting the requirements of Standing Order 651. Donations including Gift Aid totalled £6,576 and onward donations of £5,869 were made, including vouchers for to Christmas SHARE and a variety of children's and family activities for Summer SHARE. The Standing Orders of the Methodist Church place restrictions on the Benevolence Fund and it will be necessary to keep a portion back for one-off items; surplus funds will be used to support people in need.

The Special Collections Fund houses collections mounted regularly in support of third-party charities that share the church's charitable objectives. These funds are clearly restricted as to use and are passed to the third-party charities without delay. In 2023/2024, these totalled £8,009 (2022/23: £5,220).

The restricted Youth Work Fund was drawn down to its full extent of £15,056 as youth activities gathered momentum. Apart from the closing interest receipt of £185, this fund is now exhausted.

FINANCE REVIEW (continued)

2. Restricted Funds (continued)

New audio visual and public address equipment was installed in 2020/2021 at a cost of £119,531. It is capitalised in the restricted Audio-Visual Fund and is being depreciated over 10 years.

The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,573 at 31 August 2024. There was no drawdown on the fund during the year. The remaining balance is subject to the settlor's restriction that the funds be used to finance the provision of flowers in the church and will cover this objective for a while yet.

The heating system project was completed in 2014/2015, and the fixed property element of the expenditure was transferred to the Endowed Property Fund. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted fund. It has been capitalised and will be depreciated over 30 years.

3. Designated Funds

The designated Medium Term Property Fund recognises both the long-term repair commitments of our premises as well as their unpredictable timing and nature. The trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. The opening balance at 1 September 2023 was £47,267. During the year, expenditures of £13,264 were incurred (net of VAT recovery), including repairing roof leaks above the transepts and Wesleys, refurbishing the LX and a new CCTV system. The top-up contribution from the General Fund at year end was £16,869. This was bolstered by the injection from Southdown of £49,694 mentioned above and resulted in a closing balance of £103,264, held at the Central Finance Board. The Trustees believe that the net balance is adequate for future major repair liabilities.

The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the Church's Strategy Days. The opening balance at 1 September 2023 was £266,397. The fund benefited during the year from a £5,000 one-off donation plus Gift Aid and the return, with interest, by the Connexion of High Street's 2021/2022 voluntary donation of £10,000 (paid from the Mission Development Find CFB bank account) to the Connexional pension fund; it transpires this was not needed as the pension fund had returned to a substantial surplus. The closing fund balance was £297,300, held at the Central Finance Board (£146,603) and in a Model Trust Fund account at TMCP (£139,842), with the donation to the Connexion's pension received in October but recognised as a debtor at 31st August 2024 in these accounts.

The designated Youth Work Fund opened the year at £149,772. It was drawn down by £30,347 following the emptying of the Restricted Youth Fund to help fund the youth activities but benefited from the £21,000 injection from Southdown (mentioned above). The closing fund balance after interest income was £148,256, split as to £33,139 in a Model Trust Fund account at TMCP and £115,117 at the Central Finance Board.

The annual transfer from the General Fund to the Organ Refurbishment Fund of £2,000 was made, taking its year-end balance to £17,567.

4. Endowment Funds

Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 and the opening value has adjusted for the above-mentioned increase in the value of Endowed Funds caused by the donation of the freehold property at 130 Southdown Road at a value of £800,000 (see Accounting Policies).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisational structure and management

Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Herts, AL5 2RU. Its constitution is governed by an Act of Parliament, and, on 1 April 2009, it became a registered charity with registered number 1128950.

The charity is a constituent church in the West Herts and Borders Methodist Circuit, an umbrella grouping of 22 local Methodist churches and through them to the Beds, Essex and Herts Methodist District. These umbrella organisations exercise a degree of control over the church's operation through the Connexional rule book, Constitutional Practice and Discipline to which the church is committed.

The Leadership Team (see above) is constituted and agreed annually by the Church Council (all trustees) and prepares an annual Executive Plan, to be approved by trustees, of actions to be taken to further the church's charitable objectives. The Plan is reviewed at each Leadership Team meeting (monthly) and progress noted and remediation agreed if required. All major decisions outside the Executive Plan are taken by trustees, as a whole, at their quarterly meetings with more meetings scheduled if required. Day to day operational decisions are delegated by the Leadership Team to employed staff and/or volunteers

New trustees are invited to participate in trustee induction and training on appointment. Policies are in place covering safeguarding, serious incidents and complaints.

The remuneration of employees is governed by the Finance Committee and approved by Church Council. Remuneration for lower paid staff, is governed by the rate set nationally by the Living Wage Foundation.

Correspondence relating to financial matters should be sent to the Treasurer at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise. The Rev Mark Hammond, Presbyterial Minister, is the Chair of the Church Council and Pameel Crowther Newman is the Chair of the Leadership Team

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the Church's operations and consider the major risks faced in these areas. The church has developed a set of Financial Control procedures, to which management/staff are committed, that ensure proper internal control is maintained. These are reviewed annually to ensure they remain appropriate for the charity's operation.

The Leadership Team regularly develops a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. Church Council then considers the risks identified by the Leadership Team's review. the actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Trustees undertake regular reviews of the Church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in January 2022 and the increases in sums assured actioned with effect from that date.

The church does not maintain a defined benefit pension scheme but makes contributions (defined in employment contracts), under auto-enrolment to the government sponsored NEST pension scheme. The church therefore has no longer term pension liabilities.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1128950

Principal address
Harpenden Methodist Church
High Street
Harpenden
AL5 2RU

Trustees - principal officers
Rev M Hammond Minister
Deacon S Wickett Deacon
M R Woods Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team:
Rev M Hammond
Deacon S Wickett

Circuit Appointees:
Rev R Hawkins
D Edney

Church Stewards:
H Jones
M Michels (retired 01/09/2023)
C Wollaston
K Jackson-Robbins
A Sonola
N Gurra
J Jacobs
G Knightley
C Knightley
M Richardson
D Choi (appointed 10/10/2023)
M Lawford (appointed 01/06/2024)
A Efunbajo (appointed 01/06/2024)

Secretary of the Church Council:
P Bayfield

Church Treasurer:
M R Woods

Pastoral Secretary:
M Grand

Members appointed by Council:
S Hammond
P Black
P Crowther-Newman
L Cox
E Wane
L Schlich (retired 30/01/2024 but see below as re-appointed 16/03/2024)

Those who served as trustees during the year and to the date of this report are as follows (continued):

Representatives from the General Church Meeting:
R Atkins
P Atkins (appointed 16/03/2024)
D Crew
R Manning
B Carter (resigned 12/01/2023)
J Prentice
F Gardner (retired 16/03/2024)
J Brooke-Hughes
C Fletcher
C Lewis-Lim
C Meilton
A Lusty (retired 01/09/2023)
M Pearson
S Pearson
J Polley
C Walden
P Winyard
L Schlich (appointed 16/03/2024)
S Morris (appointed 16/03/2024)

Auditors
Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bankers
HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

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

Unity Trust Bank plc
Nine Brindley Place Birmingham B1 2JB

TRUSTEES' RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 26th November 2024 and signed on its behalf by:

Mark P. Hammond.

Rev M Hammond – Trustee

Opinion
We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows 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 (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, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the limited company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the companies' financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the directors and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

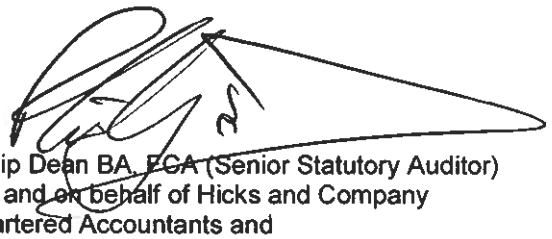
In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the client's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Companies House
- reading the minutes of board of directors' resolutions
- checking for any actual and potential litigation and claims including inspecting legal costs
- checking for any actual and potential enquires from regulatory bodies

Our responsibilities for the audit of the financial statements (continued)
There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.



Philip Dean BA, FCA (Senior Statutory Auditor)
For and on behalf of Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Date: 28-NOV-24

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.24 Total funds £**	31.8.23 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	**354,994**	**14,585**	**800,000**	**1,169,579**	286,014
Other trading activities	3	**115,268**	**-**	**-**	**115,268**	101,460
Investment income	4	**31,685**	**3,511**	**-**	**35,196**	20,666
Total		**501,947**	**18,096**	**800,000**	**1,320,043**	408,140
EXPENDITURE ON						
Charitable activities	5					
Charitable activities		**389,569**	**28,190**	**-**	**417,759**	416,014
NET INCOME/(EXPENDITURE)		**112,378**	**(10,094)**	**800,000**	**902,284**	(7,874)
Transfers between funds	15	**743**	**(743)**	**-**	**-**	**-**
Net movement in funds		**113,121**	**(10,837)**	**800,000**	**902,284**	(7,874)
RECONCILIATION OF FUNDS						
Total funds brought forward		**696,972**	**210,196**	**964,716**	**1,871,884**	1,879,758
TOTAL FUNDS CARRIED FORWARD		**810,093**	**199,359**	**1,764,716**	**2,774,168**	1,871,884

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2024

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.24 Total funds £**	31.8.23 Total funds £
FIXED ASSETS						
Tangible assets	11	**4,558**	**128,887**	**1,764,716**	**1,898,161**	1,110,828
CURRENT ASSETS						
Debtors	12	**76,968**	**553**	**-**	**77,521**	66,438
Cash at bank	13	**745,994**	**69,919**	**-**	**815,913**	710,604
		822,962	**70,472**	**-**	**893,434**	777,042
CREDITORS						
Amounts falling due within one year	14	**(17,427)**	**-**	**-**	**(17,427)**	(15,986)
NET CURRENT ASSETS		**805,535**	**70,472**	**-**	**876,007**	761,056
TOTAL ASSETS LESS CURRENT LIABILITIES		**810,093**	**199,359**	**1,764,716**	**2,774,168**	1,871,884
NET ASSETS		**810,093**	**199,359**	**1,764,716**	**2,774,168**	1,871,884
FUNDS	15					
Unrestricted funds					**810,093**	696,972
Restricted funds					**199,359**	210,196
Endowment funds					**1,764,716**	964,716
TOTAL FUNDS					**2,774,168**	1,871,884

The financial statements were approved by the Board of Trustees and authorised for issue on 26th November 2024 and were signed on its behalf by:

Mark P. Hammond

Rev M Hammond - Trustee

M. R. Woods

M R Woods - Trustee

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Cash Flows
for the Year Ended 31 August 2024

	Notes	31.8.24 £	31.8.23 £
Cash flows from operating activities			
Cash generated from operations	1	73,761	32,595
Net cash provided by operating activities		73,761	32,595
Cash flows from investing activities			
Purchase of tangible fixed assets		(803,648)	-
Sale of tangible fixed assets		-	(1)
Interest received		35,196	20,666
Net cash (used in)/provided by investing activities		(768,452)	20,665
Cash flows from financing activities			
Income attributable to endowment		800,000	-
Net cash provided by financing activities		800,000	-
Change in cash and cash equivalents in the reporting period	2	105,309	53,260
Cash and cash equivalents at the beginning of the reporting period		710,604	657,344
Cash and cash equivalents at the end of the reporting period		815,913	710,604

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 August 2024

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.8.24 £	31.8.23 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	**902,284**	(7,874)
Adjustments for:		
Depreciation charges	**16,315**	18,885
Loss on disposal of fixed assets	**-**	54,114
Interest received	**(35,196)**	(20,666)
Income attributable to endowment	**(800,000)**	-
Increase in debtors	**(11,083)**	(10,202)
Increase/(decrease) in creditors	**1,441**	(1,662)
Net cash provided by operations	**73,761**	32,595

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	**710,604**	**105,309**	**815,913**
Total	**710,604**	**105,309**	**815,913**

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that Church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the Church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure
Income, which is mainly donations, is accounted in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations, and is accounted for on an accruals basis.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the Church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the Church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs
Costs are allocated to the specific fund to which they relate.

Tangible fixed assets
Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd (now Neville Trust), and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

1. ACCOUNTING POLICIES – continued

Tangible fixed assets - continued
During the year, the Circuit agreed to transfer, for no consideration, the local managing trusteeship of the freehold property at 130 Southdown Road to High Street with effect from 31st August 2024. As with the existing High Street premises, the Trustees for Methodist Church Purposes are custodian trustee for the church land and premises and they hold the freehold title. These premises (the Halls) are sub-divided into a) the supermarket premises occupied by the Co-op under a 99-year lease from June 1980 and b) the upper parts to Harpenden Trust under a 999-year lease from December 2022. The supermarket lease currently commands an annual rent of £37,500 per annum (next review June 2025) but the Harpenden Trust lease is at a peppercorn rent. The rental income from these leases will flow to High Street with effect from 1st September 2024.

In view of the length of the Harpenden Trust lease and the lack of any rental stream, it is not considered that this property has any current capital value. However, the Co-op lease still has 55 years to run and an informal valuation received suggests that, at an investment yield of 5% based on current rental value of £40,000 per annum, this property has a current capital value of £800,000 and, as the property is owned by Trustees for Methodist Church Purposes as custodian trustee and High Street has no capability to turn this capital into income, the freehold property has been treated as Endowed and capitalised at the above-mentioned value. The receipt of this freehold property interest at £800,000 has been treated as a donation.

The depreciation policy for Church Premises is 2% per annum on cost. As the deprecation calculation is based on cost/valuation less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:
Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Computer and PA/AV equipment are depreciated at 20% per annum on cost.

Trustees have adopted a revised policy for asset capitalisation with effect from 1st September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation
The Church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting
Details of the nature and purpose of each fund is set out in note 16.

Legacies
Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.24 Total funds £**	31.8.23 Total funds £
Pledged collections	**192,215**	**-**	**-**	**192,215**	201,657
Gifts and donations	**84,369**	**14,032**	**800,000**	**898,401**	23,298
Income tax refunds	**46,995**	**553**	**-**	**47,548**	48,480
Unpledged collections	**21,415**	**-**	**-**	**21,415**	12,449
Sundry income	**10,000**	**-**	**-**	**10,000**	130
	354,994	**14,585**	**800,000**	**1,169,579**	286,014

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.24 Total funds £**	31.8.23 Total funds £
Contributions for use of premises	**74,892**	-	-	**74,892**	61,240
Ground rent Davenport House	**19,203**	-	-	**19,203**	19,203
Coffee lounge	**21,173**	-	-	**21,173**	21,017
	115,268	-	-	**115,268**	101,460

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.24 Total funds £**	31.8.23 Total funds £
Interest and investment income	**31,685**	**3,511**	-	**35,196**	20,666

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	**257,358**	**160,401**	**417,759**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.24 £	31.8.23 £
Ministerial / Administrative staff costs	**169,357**	161,694
Encountering God costs	**4,017**	3,433
Equipping God's People costs	**(3)**	1,043
Extending God's Kingdom costs	**37,543**	30,342
Youth Work costs	**46,444**	2,684
Loss on sale of assets	-	54,114
	257,358	253,310

7. SUPPORT COSTS

	Operations	Finance	Comms / Marketing	Totals
	£	£	£	£
Charitable activities	**84,615**	**10,255**	**65,531**	**160,401**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

There were no trustees' expenses paid for the year ended 31 August 2024 nor for the year ended 31 August 2023.

9. STAFF COSTS

	31.8.24	31.8.23
	£	£
Wages and salaries	**114,342**	77,128
Employer's pension contributions	**6,024**	3,893
Employer's social security costs	**8,337**	4,848
Total staff costs	**128,703**	85,869

With effect from 1 September 2015, qualifying employees are 'opted-into' the government's auto-enrolment pension scheme with matched contributions from the Church to a maximum of 6%.

Other than as shown below and in Note 17, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the Church. The contracts of employment for the three trustees detailed below were entered into by the church with the due authority of Church Council.

Lewis Cox, the church's Co-ordinator for Encountering God and Communications, is (and was at 1 September 2023) a trustee. He received remuneration of £37,001 in 2023/2024 under his employment contract (2022/2023: £35,335). Additionally, the church paid £2,220 of employer pension contributions in 2023/2024 under this contract (2022/2023: £2,120).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2023), a trustee and her services were provided to date under a contract of employment with the church. In 2023/2024, she received remuneration of £12,612 under her employment contract (2022/2023: £12,398). Additionally, the church paid £631 of employer pension contributions in 2023/2024 under this contract (2022/2023: £620).

Sally Hammond is (and was at 1 September 2023), a trustee and her services were provided to date under a contract of employment with the church. In 2023/2024, she received remuneration of £7,681 under her employment contract (2022/2023: £6,813). Additionally, the church paid £457 of employer pension contributions in 2023/2024 under this contract (2022/2023: £405).

The average monthly number of employees during the year was as follows:

31.8.24	31.8.23
No.	No.
7	5

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	273,700	12,314	-	286,014
Other trading activities	101,460	-	-	101,460
Investment income	17,449	3,217	-	20,666
Total	392,609	15,531	-	408,140
EXPENDITURE ON				
Charitable activities				
Charitable activities	337,899	78,115	-	416,014
NET INCOME/(EXPENDITURE)	54,710	(62,584)	-	(7,874)
Transfers between funds	38,064	(38,064)	-	-
Net movement in funds	92,774	(100,648)	-	(7,874)
RECONCILIATION OF FUNDS				
Total funds brought forward	604,198	310,844	964,716	1,879,758
TOTAL FUNDS CARRIED FORWARD	696,972	210,196	964,716	1,871,884

11. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2023	**964,716**	**70,807**	**154,039**	**1,189,562**
Additions	**800,000**	-	**3,648**	**803,648**
At 31 August 2024	**1,764,716**	**70,807**	**157,687**	**1,993,210**
DEPRECIATION				
At 1 September 2023	-	**21,240**	**57,494**	**78,734**
Charge for year	-	**2,360**	**13,955**	**16,315**
At 31 August 2024	-	**23,600**	**71,449**	**95,049**
NET BOOK VALUE				
At 31 August 2024	**1,764,716**	**47,207**	**86,238**	**1,898,161**
At 31 August 2023	964,716	49,567	96,545	1,110,828

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716.

11. TANGIBLE FIXED ASSETS - continued

As mentioned in the Trustees Annual Report (above), the freehold premises at 130 Southdown Road, Harpenden, have been transferred to High Street with effect from 31st August 2024. The current rent under a lease to the Co-op (55 years left to run), set at June 2020, of the supermarket element of the property is £37,500 but the market rent is assumed at £40,000 based in the evidence provided for the last review but updated to 2024 terms. At an investment yield of 5% seemed appropriate for the property a capital value of £800,000 is derived and this has been adopted above. The upper parts are let to the Harpenden Trusts on a 999 lease from December 2022 at a peppercorn rent and no capital value is assumed for this element.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Other debtors	**27,618**	22,775
Prepayments	**49,903**	43,663
	77,521	66,438

13. CASH AT BANK

	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
Trustee for Methodist Purposes accounts	172,982	1,573	-	174,555
Deposits with Central Finance Board	443,323	68,346	-	511,669
Other bank accounts	129,689	-	-	129.689
	745,994	69,919	-	815,913

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.24	31.8.23
	£	£
Trade creditors	**309**	163
Social security and other taxes	**2,196**	2,898
Other creditors	**1,061**	12,925
Accruals and deferred income	**13,861**	-
	17,427	15,986

15. MOVEMENT IN FUNDS

	At 1.9.23 £	Net movement in funds £	Transfers between funds £	At 31.8.24 £
Unrestricted funds				
General fund	215,555	15,929	12,221	243,705
Designated fund - Property Fund	47,267	39,128	16,869	103,264
Designated fund - Mission Development	266,397	30,904	-	297,301
Designated fund - Youth Work	149,772	28,831	(30,347)	148,256
Designated fund - Organ Repair Fund	17,981	(2,414)	2,000	17,567
	696,972	112,378	743	810,093
Restricted funds				
Heating Project	71,539	(1,206)	2,360	72,693
Youth Work	14,490	751	(15,056)	185
Legacies	1,496	77	-	1,573
AV Project	120,043	(10,564)	11,953	121,432
Benevolence/SHARE	2,628	848	-	3,476
	210,196	(10,094)	(743)	199,359
Endowment funds				
Church Premises	964,716	800,000	-	1,764,716
TOTAL FUNDS	1,871,884	902,284	-	2,774,168

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	388,881	(372,952)	15,929
Designated fund - Property Fund	52,392	(13,264)	39,128
Designated fund - Mission Development	30,903	1	30,904
Designated fund - Youth Work	28,831	-	28,831
Designated fund - Organ Repair Fund	940	(3,354)	(2,414)
	501,947	(389,569)	112,378
Restricted funds			
Special Collections	8,009	(8,009)	-
Heating Project	1,152	(2,358)	(1,206)
Youth Work	753	(2)	751
Legacies	77	-	77
AV Project	1,388	(11,952)	(10,564)
Benevolence/SHARE	6,717	(5,869)	848
	18,096	(28,190)	(10,094)
Endowment funds			
Church Premises	800,000	-	800,000
TOTAL FUNDS	1,320,043	(417,759)	902,284

15. MOVEMENT IN FUNDS – continued

Comparatives for movement in funds

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	208,295	62,919	(55,661)	215,553
Designated fund - Property Fund	52,161	(21,762)	16,869	47,268
Designated fund - Mission Development	172,549	9,259	84,590	266,398
Designated fund - Youth Work	144,905	4,867	-	149,772
Designated fund - Organ Repair Fund	15,881	(900)	3,000	17,981
Designated fund - Video Production	10,407	327	(10,734)	-
	604,198	54,710	38,064	696,972
Restricted funds				
Heating Project	70,879	(1,699)	2,360	71,540
Youth Work	15,544	465	(1,521)	14,488
Legacies	1,454	42	-	1,496
Development Project	54,326	(54,106)	(220)	-
Cost Alleviation	49.094	1,542	(50,636)	-
AV Project	119,547	(11,457)	11,953	120,043
Benevolence/SHARE	-	2.629	-	2,629
	310,844	(62,584)	(38,064)	210.196
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1.879,758	(7,874)	-	1,871,884

15. MOVEMENT IN FUNDS – continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	375,795	(312,876)	62,919
Designated fund - Property Fund	1,807	(23,569)	(21,762)
Designated fund - Mission Development	9,259	-	9,259
Designated fund - Youth Work	4,867	-	4,867
Designated fund - Organ Repair Fund	554	(1,454)	(900)
Designated fund - Video Production	327	-	327
	392,609	(337,899)	54,710
Restricted funds			
Special Collections	5,220	(5,220)	-
Heating Project	661	(2,360)	(1,699)
Youth Work	465	-	465
Legacies	42	-	42
Development Project	8	(54,114)	(54,106)
Cost Alleviation	1,542	-	1,542
AV Project	496	(11,953)	(11,457)
Benevolence/SHARE	7,097	(4,468)	2,629
	15,531	(78,115)	(62,584)
TOTAL FUNDS	408,140	(416,014)	(7,874)

Restricted funds:
Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2024, the balances available were as follows: £1,572 for use in relation to the provision of church flowers (Fund No. 19706).

Endowment funds:
Under the provisions of FRS 102, the freehold of the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. The freehold premises at Southdown Road have been valued (see Note 10 above) at a valuation based on investment yields at £800,000. Total Endowed funds therefore total £1,764,716.

16. CAPITAL COMMITMENTS

There are no liabilities, contingent or otherwise, that are not provided for in these accounts.

17. RELATED PARTY DISCLOSURES

David Noble, a church member, retired as a trustee on 26th March 2023 but received, in 2022/2023, an honorarium for services provided to the church as a self-employed contractor in the period from 1st September 2022 to 26th March 2023 of £1,015 in respect of these services.

The church received aggregate donations from trustees of £41,325 in 2023/2024 (2022/2023: £46.344).

HARPENDEN METHODIST CHURCH

England & Wales - Charity number 1128950

Accounts

REGISTERED CHARITY NUMBER: 1128950

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2023

Harpenden Methodist Church

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for the Year Ended 31 August 2023

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Harpenden Methodist Church

Report of the Trustees
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).

OBJECTIVES AND ACTIVITIES
CONTINUING AS A HYBRID CHURCH AS WE BEGIN TO LIVE WITH COVID
This year has seen us continuing to slowly build back our capacity and activities following the lockdown years of the Covid Pandemic. In doing so we have continued with our commitment to operate in a hybrid mode (onsite and online) as we develop our work, worship and witness in line with our Vision, Strategy and Values

As part of the Methodist "discipleship movement shaped for mission":

OUR VISION is:
Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:

Encounter God;
Equip God's people;
Extend God's Kingdom.

THE SIX VALUES THAT SHAPE US
1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fuelled, person-to-person and attentive)
3. Non-judgemental Welcome (which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
6. Authentic Witness (which is honest, real and confident).

The Leadership Team currently comprises:

• Rev Mark Hammond	Presbyteral Minister
• Deacon Sarah Wickett	Diaconal Minister
• Pameel Crowther Newman	Chair
• Claire Wollaston	Deputy Chair
• Lewis Cox	Co-ordinator for Encountering God and Communications
• Sally Hammond	Coordinator for Equipping God's People
• Louise Schlich	Coordinator for Extending God's Kingdom
• Pamela Atkins	Coordinator for Children and Youth
• Peter Black	Operational Coordinator
• Margaret Woods	Treasurer
• Esther Wane	Lead Steward

This year our Church Stewards, Leadership Team and Church Council have met regularly in person with the ability to hold hybrid meetings for those who cannot attend in person to join via video link.

In November 2022, our Church Council agreed a new executive plan setting out an overview of the scope of our church's activities and priorities for the period up until September 2024. This plan remains in force and is being pursued by trustees.

OBJECTIVES AND ACTIVITIES (continued)
Charitable status and public benefit
As in past years, High Street Methodist Church has continued to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Many of our members continue to help those locally who are in need by supporting our SHARE scheme. Our Christmas appeal raised funds to provide local families with supermarket vouchers at Christmas. In partnership with the Harpenden Trust, 44 families received a £50 voucher with a Christmas card from High Street. Funds donated to Share were also used to offer Warm Welcome Lunches to those identified or referred as being in particular need. A team led by Deacon Sarah ran these sessions. Our Summer Share Scheme provided support to a local school to enable them to offer holiday club places to families most in need.

In seeking to provide support those local households most affected by the cost of living crisis, we are continuing to partner Harpenden Money Advice by allowing them to meet with clients and potential clients on our premises.

As in previous years, we also raised money for our agreed charities, including The Haven, All We Can, Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

The trustees will continue to consider how to move forward the long-planned for building project, recognising that the impact of the ongoing economic crisis will require us to reduce the scale and scope of this endeavour. Please see Note 11 below for the financial impact of the scaling back of our aspirations.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees consider that our church is clearly charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

ACHIEVEMENT AND PERFORMANCE
CHARITABLE ACTIVITIES
We continue to livestream our Sunday morning worship and operate a "hybrid" model of church - seeking to include both those who join us on site at the same time as continuing to reach those who join us online. We have continued to reach through our new livestreamed onsite worship and social media presence many new people who may never come to our site, and many Methodists from across the nation are still connecting with God through our weekly online worship. We enjoyed a particularly popular Christmas theme this year which attracted interest on social media entitled "Christmas Number One". We are pleased to be able to offer families at weddings and funerals the opportunity to livestream services to family and friends who are often overseas or housebound.

Pastoral care
Our Pastoral Secretary Maggie Grand has continued to oversee the work of our Pastoral Team, which continues to consist of Maggie Grand, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond. They have continued to meet monthly to ensure that those most in need of pastoral care receive appropriate levels of contact. This has been especially important as we have an increasingly aging demographic and many people to care for.

Mission Shaped Premises
We have been making full use of the AV system that was installed in the summer of 2021 and we continue to livestream both our Sunday acts of worship and we are able to offer the livestream of weddings, funerals and school concerts etc. The remaining phases of our larger building project continue to be on hold at present but will be reviewed during the coming year albeit on a scaled-down basis.

ACHIEVEMENT AND PERFORMANCE (continued)

Building Maintenance

Work to repair aged masonry on the front façade to the main church building has now been completed. Our maintenance team have continued to work hard to keep our buildings in excellent condition and decoration.

The Ministry Team

For many years the work of ministry has been ably supported by Charlotte Ballard Scott (voluntary Executive Assistant to Rev Mark Hammond) who is returning to practice law from September 2023. Charlotte will be greatly missed by Rev Mark Hammond and the rest of the Ministry Team who now continue with two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus one lay member, Lewis Cox (Communications and Worship Coordinator). This team continues to meet regularly to plan our sermon series and worship to ensure we make full use of the gifts and graces of our membership. This year, both Ministers have been on sabbaticals covering the period from March to July inclusive between them. Charlotte and Lewis have together ensured a smooth operation of the church during this period and we have welcomed many visiting preachers from around the Methodist Connexion which has been appreciated by our members and friends.

Support Staff

Our staff team - made up of employees plus a number of practically full-time volunteers - has continued to support and help develop and communicate all that we do as a church. As has always been the case, the staff team supports and is supported by, a vast team of volunteers, who are engaged in all activities across the church. Recruitment of new volunteers continues to be an important part of the process and we are continually short of volunteers to do all that we wish to do.

Youth Work

Our youth work has continued to operate, led by a very able team of volunteers. Recruitment for a paid youth worker was momentarily paused in the autumn of last year to ensure that we could also appropriately respond to the increases in the cost of utilities. Following interviews in August 2023, we are now in the process of finalising the appointment of a new Lead Youth Worker, whom we hope will commence working with us from Sunday 1st October 2023.

Children's Church

Children's Church continues to operate at each Sunday morning service. One of our Children's Church team leaders has retired after 20 years of service; however, the remaining team leaders feel able and prepared to continue to lead without any change to what we can provide.

Examples of Some of Our Many Initiatives

We are again as busy as we were pre Covid and have been able to offer the following ministry and mission activities:

Wesleys Café - Our Wesleys Café opens Monday to Saturday mornings on a donation only basis. It is a popular café and known to be welcoming in the town.

Home 4 Ukraine - High Street, having worked in partnership with the European Partnership Coordinator of the Methodist Church in Britain (Rev Barry Sloan), to match several Harpenden hosts with Ukrainian guests, has been providing meeting spaces for such things as social gatherings and English lessons for Ukrainians in Harpenden. Many of our guests have now been helped to settle in Harpenden independently. A number of Ukrainian guests continue to worship with us on Sunday mornings.

Dementia Friendly Worship - During this year we have built on the newly established monthly act of mid-week worship for those who are living with dementia and this is proving a lifeline for several families.

Tea @ 3 - This weekly afternoon meeting for older members, for fellowship, friendship and spiritual conversation continues to thrive.

Alpha and Bible Courses, and homegroups - During this year we have re-established the provision of regular Alpha and Bible courses to support the spiritual growth of all comers, and we have continued to encourage and support our many church home groups. We are trialling an express Alpha course this coming autumn.

Southdown Methodists - During the summer of 2023, a decision was made to close the nearby Southdown Methodist Church. Since January 2022, the Southdown Methodists have come under the pastoral care of High Street's pastoral system. With the closure of their church, those members who wish to do so are being warmly welcomed into the membership of High Street Methodist Church.

FINANCIAL REVIEW

Financial position

Overall income for the church in the year rose by £39,306 to £408,140 in 2022/23. Overall expenditure increased by £57,083 to £416,014, with almost all of the increase attributable to writing off the capitalised balance in the Development Project Fund of £54,114. There was consequently an overall net deficit of £7,874 (2022/23: surplus of £9,903). Without the afore-mentioned write-off, the surplus for the year would have been £46,240. These changes are dealt with in more detail below.

Total income in the unrestricted funds rose by £33,413 to £392,609.

In the General Fund, a £4,000 fall in regular giving to £201,657 was offset by a rise of £7,325 in ad hoc giving and donations. Gift Aid rose a little in line with giving, but there were no legacies (2021/22: £10,000).

Ground rent income from Davenport House held constant in line with their lease while revenue from Herts County Council rose by £1,687 on the back of the renewal of their annual agreement in December 2022. Lettings income rose exuberantly as hirers absorbed a 10% rate increase on 1st September 2022 and finished the year at a record £40,210, well ahead of the previous year's £30,930. Wesleys similarly recorded a strong rise in net operating profit to £14,053 (2021/22: £10,062), reflecting the continuing success of the donations-based pricing system and the steady return of customers post Covid. Youth expenditures were again nominal at £2,684 in the absence of a Lead Youth Worker. With the rise in interest rates, interest income rose by £4,040 to £4,385.

Overall income in the General Fund at £375,795 was £27,898 higher than in 2021/22.

Overall unrestricted expenditure rose by £2,402 to £337,899.

Expenditure in the General Fund totalled £312,874, some £13,448 higher than the previous year. The main factors were an increase in our Ministerial costs of £3,427, Wesleys' costs rising by £3,675 on the back of the increase in turnover, and the non-recurrence of last year's £6,872 write back of an historic provision that was no longer needed.

After a drawdown of £1,521 from the restricted Youth Work Fund and transfers to the Organ Fund of £3,000, the Property Fund of £16,869, the Heating fund of £2,360 (depreciation) and the new Audio Visual (AV) Fund of £11,953 (also depreciation), the net operating surplus on the General Fund for the year was £29,287 (2021/22: surplus of £8,298). This enabled a transfer to the Mission Development fund of £23,000 while still leaving the Reserves Ratio at 48.3%.

Expenditure in the Property Fund was significant at £23,569 as a number of coping stones on the front of the Church and some of the roof leadwork had to replaced. The organ blower needed repair work, requiring a drawdown on the Organ Fund of £1,454.

Thus net income in the unrestricted funds (before fund transfers) for 2022/23 of £54,710, well up on 2021/22's £23,699.

Reserves policy

The Church's Financial Reserves Policy deals with our General Unrestricted Fund. Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

FINANCIAL REVIEW (continued)
Reserves policy (continued)

Property Repair Fund (Designated)
Mission Development Fund (Designated)
Youth Work Project (Restricted)
Youth Work Fund (Designated)
Special Collections (Restricted)
Development Project (Restricted)*
Church Premises (Permanent Endowment)
Organ Refurbishment Fund (Designated)
Video Production Fund (Designated) *
Cost Alleviation Fund (Restricted) *
Audio Visual Fund (Restricted)
Heating Project Fund (Restricted)
Legacy Fund for Flowers (Restricted)
Benevolence Fund (Restricted)

* Closed during the year - see below.

1. General Fund

As a large church with a considerable range of local and overseas mission activities, the church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' or 50% of annual recurrent expenditures. We exclude from the Reserves Ratio calculation unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Any significant reduction in gross income or increase in costs that the trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on a historic basis but also against medium and longer-term financial projections which they review regularly and at least annually.

The 2022/23 financial year opened with the Reserves Ratio at 49.8%. At 31 August 2023, it stood at 48.3%, close to the targeted 50%.

As the church enters the new financial year, we welcome the arrival of our new Lead Youth Worker which will enable youth activities to ramp back up to normal. Youth costs will however be financed, for probably the next 3 years, from the restricted and designated Youth Funds, so not impacting the General Fund.

The dark cloud hanging over the church's financial position has been the geometric rise in energy costs. Our fixed price contract ended on 30 June 2023 and our Assistant Treasurers renewed the fixed price contract for our electricity and gas prices at the then-market rates through to 30 June 2025. We are most grateful that our Circuit Treasurer, David Edney, has offered an energy support grant for the next 3 years to cover electricity & gas expenditures in excess of a 5% increase over the levels experienced in 2021/2022.

The accumulation of unrestricted and designated reserves over past years is proving prudent to meet the current challenging environment, and the trustees are of the view that the financial position of the church is sound. They will, of course, be vigilant to react as necessary to any deterioration. Longer term improvements in giving are being sought to ensure continuing financial stability.

With the exception of the balance between the General Fund and a) the Medium-Term Property Fund (amount due to the General Fund at 31 August 2023: £483.21) and b) the Benevolence Fund (SHARE) (amount due to the General Fund at 31 August 2023: £412.74), all other inter-fund balances between unrestricted, designated and restricted funds were settled at the year-end by cash transfers.

2. Restricted Funds

The Special Collections Fund houses collections mounted regularly in support of third-party charities that share the church's charitable objectives. These funds are clearly restricted as to use and are passed to the third-party charities without delay. In 2022/23, these totalled £5,220, significantly less than the previous year's £9,116.

FINANCIAL REVIEW (continued)

2. Restricted Funds (continued)

So as to be fully compliant with current Methodist guidance, we have formalised the accounting for High Street's SHARE activities into a new restricted fund, the Benevolence Fund, set up with its own bank account at the Central Finance Board. It will accommodate all our SHARE activities while simultaneously meeting the requirements of Standing Order 651. These funds were previously held in Contras in the General Fund, but not formally earmarked as donated for a restricted purpose; now that the sums involved are significant, this needed to be corrected. Accordingly, £1,201 was transferred in from the General Fund at the start of the financial year, augmented during the year by donations totalling £7,094. Onward donations of £4,468 were made including vouchers for to Christmas SHARE and a variety of children's and family activities for Summer SHARE. The Standing Orders of the Methodist Church place restrictions on the Benevolence Fund and it will be necessary to keep a portion back for one-off items; surplus funds will be used to support people in need.

There was a small net drawdown on the restricted Youth Work Fund of just £1,521 given the limited nature of youth activities in the absence of a paid Youth Worker. The balance on this fund of £14,488 will be used to contribute towards youth expenditures. It is anticipated that it will be exhausted in the year ahead following the appointment of the Lead Youth Worker.

New audio visual and public address equipment was installed in 2020/2021 at a cost of £119,531. It is capitalised in the restricted Audio-Visual Fund and is being depreciated over 10 years.

The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,496 at 31 August 2023. There was no drawdown on the fund during the year. The remaining balance is subject to the settlor's restriction that the funds be used to finance the provision of flowers in the church and will cover this objective for a while yet.

The heating system project was completed in 2014/15 and the fixed property element of the expenditure was transferred to the Endowed Property Fund. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted fund. It has been capitalised and will be depreciated over 30 years.

The Cost Alleviation Fund housed significant one-off donations which were available to fund/contribute to one-off projects such as the 2020/21 audio visual project. However, it was dormant for the second consecutive year in 2022/23 and the decision was taken, with Church Council approval, to transfer the balance of £50,684 to the Mission Development Fund and close the Central Finance Board bank account.

The restricted Development Project Fund was similarly again dormant during the year with the project currently on hold. When the project was being planned, the fees incurred in 2018 and 2019 in drawing up the plans were capitalised pending their implementation. While there are elements that we hope still to carry out, such as replacing the pews with chairs, simply doing small elements that have no real connection to the original project does not warrant the £54,113 'carrying value'. The balance was therefore also written off in this year's accounts, again with Church Council approval, the cash balance of £220 transferred to the Mission Development Fund and the account at the Central Finance Board closed.

3. Designated Funds

The designated Medium Term Property Fund recognises both the long-term repair commitments of our premises as well as their unpredictable timing and nature. The trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. The opening balance at 1 September 2022 was £52,160. During the year, planned expenditure of £23,569 was incurred (net of VAT recovery), detailed above. In the year just ended the contribution from the General Fund was £16,869, giving a closing balance of £47,267, held at the Central Finance Board. This was reduced post year end by a transfer to the General Fund of £483.21 to fund an outstanding balance. The Trustees believe that the net balance is adequate for future major repair liabilities.

The designated Video Production Fund's opening balance was £10,407. However, it too was dormant over the course of the year after funding the production of several one-off videos in 2021/22 and the decision was taken to transfer the balance to the MDF and close the Central Finance Board account.

FINANCIAL REVIEW

3. Designated Funds (continued)

The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the church's Vision Days. The opening balance at 1 September 2022 was £172,548. The fund benefited during the year from a £3,000 one-off gift plus Gift Aid, as well as from the transfers in after closure of the Cost Alleviation Fund, the Development Project Fund and the Video Production Fund. The closing fund balance was £266,455, held at the Central Finance Board (£133,422) and in a Model Trust Fund account at TMCP (£133,034).

The designated Youth Work Fund opened the year at £144,905. As a suitable candidate for the position of Lead Youth Worker had not been found before the year end, youth expenditures were nominal and the closing fund balance after interest income was £149,772, split as to £31,526 in a Model Trust Fund account at TMCP and £118,246 at the Central Finance Board.

The annual transfer from the General Fund to the Organ Refurbishment Fund was held at £3,000, taking its year-end balance to £17,981.

4. Endowment Funds

Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 (see Accounting Policies).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisational structure and management

Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Herts, AL5 2RU. Its constitution is governed by an Act of Parliament and, on 1 April 2009, it became a registered charity with registered number 1128950.

Correspondence relating to financial matters should be sent to the Treasurer at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the Church's operations and consider the major risks faced in each of these areas.

The Leadership Team regularly develops a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. Church Council then considers the risks identified by the Leadership Team's review. and the actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Trustees undertake regular reviews of the Church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in January 2022 and the increases in sums assured actioned with effect from that date.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1128950

Principal address
Harpenden Methodist Church
High Street
Harpenden
AL5 2RU

Trustees - principal officers
Rev M Hammond Minister
Deacon S Wickett Deacon
M R Woods Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team:
Rev M Hammond
Deacon S Wickett

Circuit Appointees:
Rev R Hawkins
D Edney

Church Stewards:
P Carr (resigned 04/04/2023
P Crowther-Newman
H Jones (appointed 01/06/2023)
M Michels (appointed 01/06/2023)
C Wollaston
A Schlich (retired 31/08/2023)
K Jackson-Robbins
E Wane
A Sonola
N Gurra
J Jacobs
G Knightly
C Knightly
M Richardson

Secretary of the Church Council:
P Bayfield

Church Treasurer:
M R Woods

Pastoral Secretary:
M Grand

Members appointed by Council:
S Hammond
P Black
R Atkins (retired 26/03/2023)
P Atkins
L Cox
R Atkins
C Ballard Scott (retired 01/09/2022)
L Schlich

Those who served as trustees during the year and to the date of this report are as follows (continued):

Representatives from the General Church Meeting:
R Atkins (appointed 26/03/2023)
D Crew
D Noble (retired 26/03/2023)
P Scott (retired 26/03/2023)
R Manning
B Carter (resigned 12/01/2023)
J Prentice
F Gardner
J Brooke-Hughes
C Fletcher
C Lewis-Lim
C Meilton
A Lusty (appointed 26/03/2023)
M Pearson (appointed 26/03/023)
S Pearson (appointed 26/03/023)
J Polley
C Walden (appointed 26/03/2023)
P Winyard

Auditors:
Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
Hertfordshire
AL5 4EE

Bankers:
HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

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

Unity Trust Bank plc
Nine Brindley Place Birmingham B1 2JB

TRUSTEES' RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 29 November 2023 and signed on its behalf by:

Rev M Hammond - Trustee

Opinion
We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 (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, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the limited company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the companies' financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the directors and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

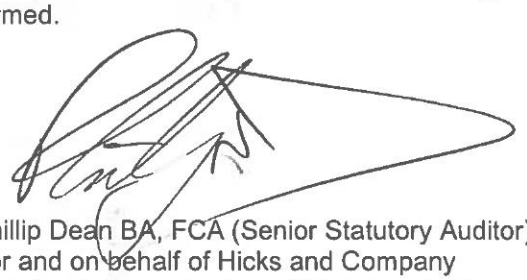
- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the client's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Companies House
- reading the minutes of board of directors' resolutions
- checking for any actual and potential litigation and claims including inspecting legal costs
- checking for any actual and potential enquires from regulatory bodies

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.



Phillip Dean BA, FCA (Senior Statutory Auditor)
For and on behalf of Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Date: 29 November 2023

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	**31.8.23 Total funds £**	31.8.22 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	**273,700**	**12,314**	**-**	**286,014**	284,000
Other trading activities	3	**101,460**	**-**	**-**	**101,460**	82,827
Investment income	4	**17,449**	**3,217**	**-**	**20,666**	2,007
Total		**392,609**	**15,531**	**-**	**408,140**	368,834
EXPENDITURE ON						
Charitable activities	5					
Charitable activities		**337,899**	**78,115**	**-**	**416,014**	358,931
NET INCOME/(EXPENDITURE)		**54,710**	**(62,584)**	**-**	**(7,874)**	9,903
Transfers between funds	15	**38,064**	**(38,064)**	**-**	**-**	-
Net movement in funds		**92,774**	**(100,648)**	**-**	**(7,874)**	9,903
RECONCILIATION OF FUNDS						
Total funds brought forward		**604,198**	**310,844**	**964,716**	**1,879,758**	1,869,855
TOTAL FUNDS CARRIED FORWARD		**696,972**	**210,196**	**964,716**	**1,871,884**	1,879,758

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	**31.8.23 Total funds £**	31.8.22 Total funds £
FIXED ASSETS						
Tangible assets	11	**2,912**	**143,200**	**964,716**	**1,110,828**	1,183,826
CURRENT ASSETS						
Debtors	12	**65,994**	**444**	**-**	**66,438**	56,236
Cash at bank	13	**643,540**	**67,064**	**-**	**710,604**	657,344
		709,534	**67,508**	**-**	**777,042**	713.580
CREDITORS						
Amounts falling due within one year	14	**(15,474)**	**(512)**	**-**	**(15,986)**	(17,648)
NET CURRENT ASSETS		**694,060**	**66,996**	**-**	**761,056**	695,932
TOTAL ASSETS LESS CURRENT LIABILITIES		**696,972**	**210,196**	**964,716**	**1,871,884**	1,879,758
NET ASSETS		**696,972**	**210,196**	**964,716**	**1,871,884**	1,879,758
FUNDS	15					
Unrestricted funds					**696,972**	604,198
Restricted funds					**210,196**	310,844
Endowment funds					**964,716**	964,716
TOTAL FUNDS					**1,871,884**	1,879,758

The financial statements were approved by the Board of Trustees and authorised for issue on 29 November 2023 and were signed on its behalf by:

.....
Rev M Hammond - Trustee

.....
M R Woods - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that Church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the Church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure
Income, which is mainly donations, is accounted in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations, and is accounted for on an accruals basis.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the Church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the Church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs
Costs are allocated to the specific fund to which they relate.

Tangible fixed assets
Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd (now Neville Trust) and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

The expenditure mentioned in note 12 on professional fees for the Development Project has been capitalised in restricted funds (to match the restricted donation) but will be transferred to Endowment Funds when the project is complete. It is not depreciated.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets
The depreciation policy for Church Premises is 2% per annum on cost. As the deprecation calculation is based on cost less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:

Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Computer and PA/AV equipment are depreciated at 20% per annum on cost.

Trustees have adopted a revised policy for asset capitalisation with effect from 1st September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation
The Church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting
Details of the nature and purpose of each fund is set out in note 15.

Legacies
Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.23 Total funds £**	31.8.22 Total funds £
Pledged collections	**201,657**	-	-	**201,657**	205,657
Gifts and donations	**10,984**	**12,314**	-	**23,298**	15,031
Income tax refunds	**48,480**	-	-	**48,480**	45,846
Legacies received	-	-	-	-	10,000
Unpledged collections	**12,449**	-	-	**12,449**	7,353
Sundry income	**130**	-	-	**130**	113
	273,700	**12,314**	-	**286,014**	284,000

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.23 Total funds £**	31.8.22 Total funds £
Contributions for use of premises	**61,240**	-	-	**61,240**	50,273
Ground rent Davenport House	**19,203**	-	-	**19,203**	19,203
Coffee lounge	**21,017**	-	-	**21,017**	13,351
	101,460	-	-	**101,460**	82,827

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.23 Total funds £**	31.8.22 Total funds £
Interest and investment income	**17,449**	**3,217**	**-**	**20,666**	2,007

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 6) £	Support costs (see note 7) £	Totals £
Charitable activities	**253,310**	**162,704**	**416,014**

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.23 £	31.8.22 £
Ministerial / Administrative staff costs	**161,694**	160,285
Encountering God costs	**3,433**	4,031
Equipping God's People costs	**1,043**	107
Extending God's Kingdom costs	**30,342**	26,976
Youth Work costs	**2,684**	1,813
Loss on sale of assets	**54,114**	-
	253,310	193,212

7. SUPPORT COSTS

	Operations £	Finance £	Comms / Marketing £	Totals £
Charitable activities	**87,889**	**9,631**	**65,184**	**162,704**

8. TRUSTEES' REMUNERATION AND BENEFITS

Details of trustees' expenses and benefits are included in notes 9 and 17 below.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2023 nor for the year ended 31 August 2022.

9. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	**77,128**	64,664
Employer's pension contributions	**3,893**	3,432
Employer's social security costs	**4,848**	4,029
Total Staff Costs	**85,869**	72,125

With effect from 1 September 2015, qualifying employees are 'opted-into' the government's auto-enrolment pension scheme with matched contributions from the Church to a maximum of 6%.

Other than as shown below and in Note 17, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the Church. The contracts of employment for the 3 trustees detailed below were entered into by the church with the due authority of Church Council.

Lewis Cox, the church's Co-ordinator for Encountering God and Communications, is (and was at 1 September 2022) a trustee. He received remuneration of £35,335 in 2022/2023 under his employment contract (2021/2022 - £33,495). Additionally, the church paid £2,120 of employer pension contributions in 2022/2023 under this contract (2021/2022 - £2,010).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2022), a trustee and her services were provided to date under a contract of employment with the church. In 2022/2023, she received remuneration of £12,398 under her employment contract (2021/2022 - £11,440). Additionally, the church paid £620 of employer pension contributions in 2022/2023 under this contract (2021/2022 - £572).

Sally Hammond is (and was at 1 September 2022), a trustee and her services were provided to date under a contract of employment with the church. In 2022/2023, she received remuneration of £6.813 under her employment contract (2021/2022 - £3,301 from 1st March 2022). Additionally, the church paid £405 of employer pension contributions in 2022/2023 under this contract (2021/2022 - £198).

The average monthly number of employees during the year was as follows:

	31.8.23	31.8.22
Total Staff Costs	**5**	5

No employees received emoluments in excess of £60,000.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	274,724	9,276	-	284,000
Other trading activities	82,827	-	-	82,827
Investment income	1,645	362	-	2,007
Total	359,196	9,638	-	368,834
EXPENDITURE ON				
Charitable activities				
Charitable activities	335,497	23,434	-	358,931
NET INCOME/(EXPENDITURE)	23,699	(13,796)	-	9,903
Transfers between funds	(13,430)	13,430	-	-
Net movement in funds	10,269	(366)	-	9,903
RECONCILIATION OF FUNDS				
Total funds brought forward	593,929	311,210	964,716	1,869,855
TOTAL FUNDS CARRIED FORWARD	604,198	310,844	964,716	1,879,758

11. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2022	**1,018,829**	**70,807**	**154,039**	**1,243,675**
Disposals	**(54,113)**	**-**	**-**	**(54,113)**
At 31 August 2023	**964,716**	**70,807**	**154,039**	**1,189,562**
DEPRECIATION				
At 1 September 2022	**-**	**18,880**	**40,969**	**59,849**
Charge for year	**-**	**2,360**	**16,525**	**18,885**
At 31 August 2023	**-**	**21,240**	**57,494**	**78,734**
NET BOOK VALUE				
At 31 August 2023	**964,716**	**49,567**	**96,545**	**1,110,828**
At 31 August 2022	1,018,829	51,927	113,070	1,183,826

11. TANGIBLE FIXED ASSETS – continued

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. Expenditure on architect and other professional fees on the proposed Buildings Project totalling £54,113 were capitalised as freehold additions in 2018/2019 and 2019/2020. However, it is not now considered that this project will be undertaken in line with the original plans and trustees have therefore decided that this expenditure should be written off in the current financial year.

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Other debtors	**22,775**	13,099
Prepayments	**43,663**	43,137
	66,438	56,236

13. CASH AT BANK

	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
Trustee for Methodist Purposes accounts	164,560	1,496	-	166,056
Deposits with Central Finance Board	358,187	65,569	-	423,756
Other bank accounts	120,794	-	-	120,794
	643,541	67,065	-	710,606

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.23	31.8.22
	£	£
Trade creditors	**163**	219
Social security and other taxes	**2,898**	2,470
Other creditors	**12,925**	1,350
Accruals and deferred income	**-**	13,609
	15,986	17,648

15. MOVEMENT IN FUNDS

	At 1.9.22 £	Net movement in funds £	Transfers between funds £	At 31.8.23 £
Unrestricted funds				
General fund	**208,295**	**62,919**	**(55,661)**	**215,553**
Designated fund - Property Fund	**52,161**	**(21,762)**	**16,869**	**47,268**
Designated fund - Mission Development	**172,549**	**9,259**	**84,590**	**266,398**
Designated fund - Youth Work	**144,905**	**4,867**	**-**	**149,772**
Designated fund - Organ Repair Fund	**15,881**	**(900)**	**3,000**	**17,981**
Designated fund - Video Production	**10,407**	**327**	**(10,734)**	**-**
	604,198	**54,710**	**38,064**	**696,972**
Restricted funds				
Heating Project	**70,879**	**(1,699)**	**2,360**	**71,540**
Youth Work	**15,544**	**465**	**(1,521)**	**14,488**
Legacies	**1,454**	**42**	**-**	**1,496**
Development Project	**54,326**	**(54,106)**	**(220)**	**-**
Cost Alleviation	**49,094**	**1,542**	**(50,636)**	**-**
AV Project	**119,547**	**(11,457)**	**11,953**	**120,043**
Benevolence/SHARE	**-**	**2,629**	**-**	**2,629**
	310,844	**(62,584)**	**(38,064)**	**210,196**
Endowment funds				
Church Premises	**964,716**	**-**	**-**	**964,716**
TOTAL FUNDS	**1,879,758**	**(7,874)**	**-**	**1,871,884**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	**375,795**	**(312,876)**	**62,919**
Designated fund - Property Fund	**1,807**	**(23,569)**	**(21,762)**
Designated fund - Mission Development	**9,259**	**-**	**9,259**
Designated fund - Youth Work	**4,867**	**-**	**4,867**
Designated fund - Organ Repair Fund	**554**	**(1,454)**	**(900)**
Designated fund - Video Production	**327**	**-**	**327**
	392,609	**(337,899)**	**54,710**
Restricted funds			
Special Collections	**5,220**	**(5,220)**	**-**
Heating Project	**661**	**(2,360)**	**(1,699)**
Youth Work	**465**	**-**	**465**
Legacies	**42**	**-**	**42**
Development Project	**8**	**(54,114)**	**(54,106)**
Cost Alleviation	**1,542**	**-**	**1,542**
AV Project	**496**	**(11,953)**	**(11,457)**
Benevolence/SHARE	**7,097**	**(4,468)**	**2,629**
	15,531	**(78,115)**	**(62,584)**
TOTAL FUNDS	**408,140**	**(416,014)**	**(7,874)**

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	193,124	48,470	(33,299)	208,295
Designated fund - Property Fund	60,423	(25,131)	16,869	52,161
Designated fund - Mission Development	172,128	421	-	172,549
Designated fund - Youth Work	144,376	529	-	144,905
Designated fund - Organ Repair Fund	12,826	55	3,000	15,881
Designated fund - Video Production	11,052	(645)	-	10,407
	593,929	23,699	(13,430)	604,198
Restricted funds				
Heating Project	70,808	(2,289)	2,360	70,879
Youth Work	16,360	67	(883)	15,544
Legacies	1,451	3	-	1,454
Development Project	54,170	156	-	54,326
Cost Alleviation	48,890	204	-	49,094
AV Project	119,531	(11,937)	11,953	119,547
	311,210	(13,796)	13,430	310,844
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1,869,855	9,903	-	1,879,758

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	347,896	(299,426)	48,470
Designated fund - Property Fund	249	(25,380)	(25,131)
Designated fund - Mission Development	10,421	(10,000)	421
Designated fund - Youth Work	529	-	529
Designated fund - Organ Repair Fund	55	-	55
Designated fund - Video Production	46	(691)	(645)
	359,196	(335,497)	23,699
Restricted funds			
Special Collections	9,116	(9,116)	-
Heating Project	71	(2,360)	(2,289)
Youth Work	67	-	67
Legacies	3	-	3
Development Project	161	(5)	156
Cost Alleviation	204	-	204
AV Project	16	(11,953)	(11,937)
	9,638	(23,434)	(13,796)
TOTAL FUNDS	368,834	(358,931)	9,903

15. MOVEMENT IN FUNDS - continued

Restricted funds:

Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2023, the balances available were as follows - for use in relation to the provision of church flowers (Fund No. 19706) - £1,496

Endowment funds:

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716.

16. CAPITAL COMMITMENTS

There are no liabilities, contingent or otherwise, that are not provided for in these accounts.

17. RELATED PARTY DISCLOSURES

David Noble, the church organist, was appointed as a trustee on 1st April 2017 and retired as a trustee on 26th March 2023. He receives an annual honorarium for services provided to the church as a self-employed contractor, not as a trustee. In the period from 1st September 2022 to 26th March 2023, he was paid £1,015 in respect of these services (2022/2023 full year - £1,740).

The church received aggregate donations from trustees of £46,344 in 2022/2023 (2021/2022- £52,704)

HARPENDEN METHODIST CHURCH

England & Wales - Charity number 1128950

Accounts

REGISTERED CHARITY NUMBER: 1128950

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2022

Harpenden Methodist Church

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for the Year Ended 31 August 2022

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Harpenden Methodist Church

Report of the Trustees
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 2019).

OBJECTIVES AND ACTIVITIES

Continuing as a hybrid church as we begin to live with covid

This year has seen the slow return to our onsite activities as we also continue to support those members and friends who are only able to relate to us online. In this new hybrid mode, we have continued to work, worship and witness in line with our Vision, Strategy and Values.

As part of the Methodist "discipleship movement shaped for mission":

OUR VISION is:
Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:
Encounter God;
Equip God's People;
Extend God's Kingdom.

GOING FORWARD:
We would like:
More members of all ages
More worshippers of all ages
More joyfully generous givers

And proportionally:
More children and teenagers
More men
More young adults

THE SIX VALUES THAT SHAPE US

1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fuelled, person-to-person and attentive)
3. Non-judgemental Welcome (Which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
5. Authentic Witness (which is honest, real and confident).

The Leadership Team is currently comprised of:

• Rev Mark Hammond	Presbyteral Minister
• Deacon Sarah Wickett	Diaconal Minister
• Pameel Crowther-Newman	Chair
• Claire Wollaston	Deputy Chair
• Lewis Cox	Co-ordinator for Encountering God and Communications
• Sally Hammond	Coordinator for Equipping God's People
• Louise Schlich	Coordinator for Extending God's Kingdom
• Pamela Atkins	Coordinator for Children and Youth
• Peter Black	Operational Coordinator
• Margaret Woods	Treasurer
• Alex Schlich	Lead Steward

This year saw us transition from operating under Covid-19 pandemic restrictions, with various levels of lockdown, to gradually opening up our buildings for worship and other activities. Over this time the Church Stewards and Leadership Teams transitioned from holding their monthly meetings mainly via Zoom to returning onsite, and likewise the trustees fulfilled their governance duties meeting as a Church Council initially via Zoom and increasingly onsite.

OBJECTIVES AND ACTIVITIES (continued)
Charitable status and public benefit
High Street Methodist Church continues to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Our SHARE scheme continued to provide the means by which our membership could help those locally who are in need. Through this we have also made monetary donations to Azalea and the Harpenden Cares food bank and supported the Harpenden Hygiene Bank. In addition, we also supported a number of local families over the holiday times with food and craft boxes. The SHARE Christmas Appeal raised £2,465, which was donated to the Harpenden Trust who distributed supermarket vouchers on our behalf. For our Summer SHARE Appeal, we once again partnered local schools to fund eight local children who are most in need of support to have twenty days at a summer activity club, including activity bags. In addition, food bags were taken out to ten families.

We also raised money for our agreed charities, including The Haven, All We Can, Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

In partnership with Our Lady of Lourdes Roman Catholic Church in Harpenden, we hosted a Jigsaw Festival in September 2021 at which over a 1,000 completed Jigsaw puzzles were sold, 50% of the proceeds going to Azalea, the other 50% to a charity chosen by the Roman Catholic Church.

Following a request from the Methodist Conference, our trustees agreed to contribute £10,000 to the Methodist Ministers' Pension Reserve Fund.

The trustees will continue to consider how to move forward the long-planned for building project, recognising that the ongoing global pandemic and current economic crisis may require us to reconsider the scale and scope of this endeavour.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The Trustees consider that our church is clearly charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

ACHIEVEMENT AND PERFORMANCE
Charitable activities
Throughout this year we transitioned from operating under COVID restrictions, where we were connecting with the vast majority of our congregation either online or through the delivery of CDs and DVDs for those not online, to increasingly reopening our buildings for Sunday morning worship and midweek activities. From September 2021 we have livestreamed our Sunday morning worship and sought to operate a "hybrid" model of church, seeking to include both those who join us on site at the same time as continuing to reach those who join us online. We have continued to reach through our new livestreamed onsite worship and social media presence many new people who may never come to our site, and many Methodists from across the nation are still connecting with God through our weekly online worship.

During this period of transition our paid staff and volunteers gradually returned to mainly onsite working.

Pastoral care
Our Pastoral Secretary Maggie Grand has continued to oversee the work of our Pastoral Team, which consists of Maggie Grand, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond. They have continued to meet monthly to ensure that those most in need of pastoral care receive appropriate levels of contact. This has been especially important as we have supported those who have been nervous about returning to activities on site.

Mission shaped premises
A new audio visual system, including live-streaming technology, was installed and has been in full use since September 2021. This was the first phase of a larger building project which has been otherwise placed "on ice" as we focus our energies upon learning how to live with COVID and operate as a hybrid church.

ACHIEVEMENT AND PERFORMANCE (continued)

Building maintenance

Following various leaks, repairs have been carried out to replace the roof-covering over parts of our main building, and work to repair aged masonry has also begun. Our maintenance team have continued to work hard to keep our buildings in excellent condition and decoration.

The Ministry Team

Our Ministry Team continues to include our two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus two lay members, Charlotte Ballard Scott (volunteer Executive Assistant to Rev Hammond) and Lewis Cox (Communications and Worship Coordinator). This Team has continued to meet weekly and has continued to work through the practicalities of helping High Street to be a "hybrid" church, ministering both onsite and on-line.

Support staff

Our staff team, made up of employees plus a number of practically full-time volunteers, has continued to support and help develop and communicate all that we do as a church. During pandemic restrictions the staff met weekly via Zoom, to coordinate their work and provide prayerful mutual support. Latterly the team were able to recommence their weekly meetings onsite. As has always been the case, the staff team supports and is supported by, a vast team of volunteers, who are engaged in all activities across the church. Recruitment of new volunteers continues to be an important part of the process of our post-pandemic recovery.

Youth work

Our youth work has continued to operate, led by a very able team of volunteers. We had been seeking to employ a new full-time youth worker, a job profile had been agreed and funding put in place to employ someone for an initial period of three years. Sadly, despite one round of interviews, we are yet to find the right candidate. We hope to do so for a start date in 2023 but this is now subject to ensuring that we can also appropriately respond to the current increases in the cost of utilities.

The lack of a youth worker has necessarily required us to limit what we can provide each week, but our volunteer youth leaders continue to serve a critical mass of teenagers very diligently.

Children's Church

During this year, our Children's Church Team transitioned from working online to onsite each Sunday morning, and we have seen a good number of children and young families return to on site Children's Church.

Examples of some of our many initiatives

As we have returned to the use of buildings, we have re-established some of our ministry and mission activities at the same time as introducing new ones. These have included:

Wesleys Café - Our Wesleys Café re-opened this year, having had a lockdown "makeover". The introduction of contactless donations has been very successful, and the café, now open again every Monday to Saturday morning, is proving popular once more.

Home 4 Ukraine - High Street have worked in partnership with the European Partnership Coordinator of the Methodist Church in Britain (Rev Barry Sloan) to match several Harpenden hosts with Ukrainian guests. More than twenty Ukrainian refugees have been housed through this scheme, and High Street now provides meeting spaces for such things as social gatherings and English lessons for Ukrainians in Harpenden. A number of Ukrainian guests now worship with us on Sunday mornings.

Dementia Friendly Worship - During this year we established a new monthly act of mid-week worship for those who are living with dementia.

Tea @ 3 - We now hold a weekly afternoon meeting for older members, for fellowship, friendship and spiritual conversation.

ACHIEVEMENT AND PERFORMANCE (continued)
Examples of some of our many initiatives (continued)
Alpha and Bible Courses, and home groups - During this year we have re-established the provision of regular Alpha and Bible courses to support the spiritual growth of all comers, and we have continued to encourage and support our many church home groups.

Registration for same sex marriages
Following the decision of the Methodist Conference 2021 to allow Methodist Churches to register their premises for the conduct of weddings for two people of the same sex, our trustees agreed (by a vote of 93% in favour) to register High Street for this purpose. The building is now so registered.

FINANCIAL REVIEW
Financial position
Overall income from donations and legacies for the church in the year fell by £148,910 to £284,000 over 2021/22, due primarily to the non-recurrence of one-off donations for the Audio-Visual project (£72,536), the Video Production Fund (£12,500) and the Cost Alleviation fund (£7,795). On the back of the reduced donations, Gift Aid was lower by £18,731 while legacies received were also lower by £45,000. Overall expenditure however increased by £10,577 to £358,931, the increase mainly a result of the £10,000 voluntary contribution to the Connexion's Pension Reserve Fund (see below). Changes within the General and other funds are dealt with in more detail below. The overall net surplus was £9,903 (2020/1: £141,101).

The church re-opened after the pandemic on 1 September 2021, the beginning of the financial year. Activities made a slow start but gathered pace as the year progressed.

In the General Fund, regular giving via standing orders came in at £205,657 for the year, some £4,683 below both 2020/21 and our budget. Gift Aid was lower too, but mitigated by a £369 rise in unpledged giving with services again being held in the church. Overall giving was therefore £7,865 down on 2020/21 and £4,640 below budget, with post-pandemic pressures taking their toll.

Ground rent income from Davenport House held constant in line with their lease while revenue from Herts County Council rose by £462 on the back of the renewal of their agreement in December 2021. In contrast, lettings income rose exuberantly as hirers returned post the pandemic and finished the year at a record £30,930, well ahead of a conservative budget. Routine gifts and donations at £4,015 were ahead of budget, buoyed by a £1,000 legacy. Wesleys recorded a net operating profit of a little over £10,000 reflecting the success of the new donations-based pricing system but a subdued return of customers. Income from internal organisations was almost in line with budget at £1,428.

Overall income in the General Fund at £347,896 was £27,728 higher than in 2020/21 and £9,113 above budget.

Expenditure in the General Fund totalled £299,426, a little over £8,500 higher than the previous year as activities resumed but £33,266 under budget mainly due to not filling the budgeted post of a paid youth worker. Worship, pastoral, musical provision and choir, outreach, etc. were all, as expected, up on the previous year. Reflecting the resumption of activities, utilities also rose relative to the previous year by some £2,100 but were well behind budget. Routine repairs were relatively unchanged but under budget and Wesley's was refurbished at a cost of £1,351. Operations overall was under budget by nearly £10,000, despite the loss of the previous year's £4,751 in furlough income, but up on the previous year by £3,400. Communications had continued at full throttle through COVID with services and weekday meetings online, so only increased in line with inflation by £2,135.

After a drawdown of £883 from the restricted Youth Work Fund and transfers to the Organ Fund of £3,000, the Property Fund of £16,869, the Heating fund of £2,360 (depreciation) and the new Audio Visual (AV) Fund of £11,953 (also depreciation), the net operating surplus on the General Fund for the year was £8,298, a fall on 2020/2021's surplus of £13,450 but a considerable improvement on the budgeted deficit of £19,829. The Reserves Ratio ended the year at 49.8%, almost at the targeted 50%, so no top-up from the Mission Development Fund (MDF) was warranted.

FINANCIAL REVIEW (continued)
Financial position (continued)
The MDF benefited from a legacy of £10,000 (2020/21: £50,000). A voluntary contribution to the Connexion's Pension Reserve Fund of £10,000 in response to Conference's appeal following the deficits revealed in the August 2020 triennial valuation was voted for by Church Council, against the Treasurer's recommendation. Total income in the unrestricted funds fell by £29,027 on last year to £359,196.

Expenditure in the Property Fund at £25,380 (down by £17,475 on the previous year) included extensive roof repairs costing £20,590 (net of VAT). Overall unrestricted expenditure totalled £335,497, almost unchanged on last year.

The upshot of all of the above was a net surplus (after funds transfers) in the unrestricted funds for 2021/22 of £10,269, significantly lower than 2020/21's £48,412.

Reserves policy
The church's Financial Reserves Policy deals with our General Unrestricted Fund. Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

Property Repair Fund (Designated)
Mission Development Fund (Designated)
Youth Work Project (Restricted)
Youth Work Fund (Designated)
Special Collections (Restricted)
Development Project (Restricted)
Church Premises (Permanent Endowment)
Organ Refurbishment Fund (Designated)
Video Production Fund (Designated)
Cost Alleviation Fund (Restricted)
Audio Visual Fund (Restricted)
Heating Project Fund (Restricted)
Legacy Fund for Flowers (Restricted)

1. General Fund
As a large church with a considerable range of local and overseas mission activities, the church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' or 50% of annual recurrent expenditures. We exclude from the Reserves Ratio calculation unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Any significant reduction in gross income or increase in costs that the trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on a historic basis but also against medium and longer-term financial projections which they review regularly and at least annually.

The 2021/2022 financial year opened with the Reserves Ratio at 50.1% and it slipped only a little to 49.8% at 31 August 2022: because of the slow re-opening of the church post the pandemic, expenditures were below long running averages; had the church been operating as normal, it would have fallen further.

As the church enters the new financial year, most activities are now back to normal, with the exception of youth work where activities are volunteer-based only: we have been unable to attract a suitable candidate for the position of paid youth worker.

The dark cloud hanging over the church's financial position is the extraordinary, geometric rise in energy costs. We are fortunate that our Assistant Treasurer fixed our electricity and gas prices through to 30 June 2023, but from 1 July next year, the church will bear the brunt of the rise and utilities are a fixed cost, not something that can easily be cut.

The accumulation of unrestricted and designated reserves over past years is proving prudent to meet the challenging environment, and the trustees are of the view that the financial position of the church is currently sound. They will, of course, be vigilant to react as necessary to any deterioration. Longer term improvements in giving are being sought to ensure continuing financial stability.

FINANCIAL REVIEW (continued)

1. General Fund (continued)

With the exception of the balance between the General Fund and a) the Medium-Term Property Fund (amount due to the General Fund at 31 August 2022: £1,399) and b) the Restricted Youth Fund (amount due from the from the General Fund at 31 August 2022: £2,160), all other inter-fund balances between unrestricted, designated and restricted funds were settled at the year-end by cash transfers.

2. Restricted Funds

The Special Collections Fund houses collections mounted regularly in support of third-party charities that share the church's charitable objectives. These funds are clearly restricted as to use and are passed to the third-party charities without delay. In 2021/22, these totalled £9,116, a significant increase on the previous year's £585 (reflecting the church's closure) and 2019/20's £6,558.

After meaningful support of the new AV project in 2020/1, there was no activity in the restricted Cost Alleviation Fund, which houses significant one-off donations and is available to fund/contribute to one-off projects. It ended the year with a balance of £49,094.

There was a small drawdown on the restricted Youth Work Fund of just £883 given the limited nature of youth activities in the absence of a paid youth worker. The balance on this fund of £15,544 will be used to contribute towards youth expenditures. It is anticipated that it will be exhausted no later than three years after the recruitment of a paid youth worker.

New audio visual and public address equipment was installed in 2020/2021 at a cost of £119,531. It is capitalised in the restricted Audio-Visual Fund and is being depreciated over 10 years.

The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,454 at 31 August 2022. There was no drawdown on the fund during the year. The remaining balance is subject to the settlor's restriction that the funds be used to finance the provision of flowers in the church and will cover this objective for a while yet.

The heating system project was completed in 2014/15 and the fixed property element of the expenditure was transferred to the Endowed Property Fund. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted fund and capitalised and depreciated over 30 years.

The restricted Development Project Fund was dormant during the year with the project currently on hold.

3. Designated Funds

A designated Medium Term Property Fund (MTPF) was established some years ago to recognise both the long-term repair commitments of our premises as well as their unpredictable timing and nature. The trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. The opening balance at 1 September 2021 was £60,423. During the year, planned expenditure of £25,380 was incurred (net of VAT recovery), detailed above. As in the previous year, these expenditures came in above the estimates in the 20-year plan, and the annual contribution to the Property Fund from the General Fund has consequently been increased with the aim of ensuring that the church can at all times finance the necessary expenditures. In the year just ended the contribution was £16,869, an increase of 10.8% on 2019/20's £15,228. The closing balance was £52,161, held at the Central Finance Board. This was reduced post year end by a transfer to the General Fund of £1,399 to fund an outstanding balance. The Trustees are comfortable that the net balance is adequate for future major repair liabilities.

Since the year end, our surveyor has undertaken the quinquennial survey and will report in due course. The Property Steward is seeking quotes to repair the deteriorating coping stonework on the front of church. A stonemason who recently visited was critical of previous repairs which were carried out with cement rather than lime mortar - which has probably led to some of the existing problems.

FINANCIAL REVIEW (continued)
3. Designated Funds (continued)
The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the church's Vision Days. The opening balance of the Mission Development Fund at 1 September 2021 (post year end transfers) was £172,128. The fund benefited during the year from a £10,000 legacy and funded the one-off voluntary contribution to the Connexion's Pension Reserve Fund, approved by Church Council (see above). The closing balance was £172,549, held at the Central Methodist Board (£43,296) and in a Model Trust Fund account at TMCP (£129,253 - unrestricted).

The designated Youth Work Fund opened the year at £144,376 after the transfer in of £50,000 with Church Council approval of a legacy and a further £55,000 from the MDF with the aim of ringfencing the cost of a paid Youth Worker for three years. As a suitable candidate for the position was not found, the closing balance was little changed at £144,905, split as to £30,630 in a Model Trust Fund account at TMCP (unrestricted) and £114,275 at the Central Methodist Board.

The designated Video Production Fund funded the production of several one-off videos at a cost of £691 and finished the year at £10,407, held at the Central Methodist Board.

The annual transfer from the General Fund to the Organ Refurbishment Fund was raised to £3,000 in recognition of escalating costs and the age of the organ, taking its year-end balance to £15,881.

4. Endowment Funds
Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 (see Accounting Policies).

STRUCTURE, GOVERNANCE AND MANAGEMENT
Governing document
The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisational structure and management
Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Hertfordshire, AL5 2RU. Its constitution is governed by an Act of Parliament and, on 1 April 2009, it became a registered charity with registered number 1128950.

Correspondence relating to financial matters should be sent to M. R. Woods at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise.

Risk management
The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the church's operations and consider the major risks faced in each of these areas.

The Leadership Team regularly develops a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. Church Council then considers the risks identified by the Leadership Team's review. The actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

The Finance Committee undertakes regular reviews of the church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in 2014/2015 and the increases in sums assured actioned with effect from that date. A further review is now due and is being implemented.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1128950

Principal address
Harpenden Methodist Church
High Street
Harpenden
Hertfordshire
AL5 2RU

Trustees
Trustees - principal officers

Rev M Hammond	Minister
Deacon S Wickett	Deacon
M R Woods	Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team:
Rev M Hammond
Deacon S Wickett

Circuit Appointees:
R Hawkins (appointed 26 July 2022)
S Dyer (retired 26 July 2022)
D Edney

Church Stewards:
P Carr
P Crowther-Newman
J Hall (retired 12 June 2022)
C Wollaston
A Schlich
K Jackson-Robbins
E Wane
A Sonola
N Gurra (appointed 09 November 2021)
J Jacobs (appointed 09 November 2021)
G Knightly (appointed 12 June 2022)
C Knightly (appointed 12 June 2022)
M Richardson (appointed 05 April 2022)

Secretary of the Church Council:
P Bayfield

Church Treasurer:
M R Woods

Pastoral Secretary:
M Grand

Those who served as trustees during the year and to the date of this report are as follows (continued):

Members appointed by Council:
S Hammond
P Black
P Atkins
L Cox
R Atkins
C Ballard Scott (retired 01 September 2022)
L Schlich
D Crew

Representatives from the General Church Meeting:
A Bird (retired 12 June 2022)
C Meilton
K Crew (retired 12 June 2022)
J Buchanan (retired 12 June 2022)
D Noble
P Scott
R Swain
B Carter
J Prentice
F Gardner
J Brooke-Hughes (appointed 12 June 2022)
C Fletcher (appointed 12 June 2022)
C Lewis-Lim (appointed 12 June 2022)
J Polley (appointed 12 June 2022)
P Winyard (appointed 12 June 2022)

At 31 August 2022, there were 355 members.

Auditors:
Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden, AL5 4EE

Bankers:
HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

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

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2JB

TRUSTEES' RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 29 November 2022 and signed on its behalf by:

Mark P. Hammond.

.....

Rev M Hammond - Trustee

Opinion
We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 (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, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the limited company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the companies' financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the directors and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the client's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charities Commission
- reading the minutes of board of directors' resolutions
- checking for any actual and potential litigation and claims including inspecting legal costs
- checking for any actual and potential enquires from regulatory bodies

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.

Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
Hertfordshire
AL5 4EE

Date: 30 November 2022

Hicks and Company 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.

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	**31.8.22 Total funds £**	31.8.21 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	**274,724**	**9,276**	**-**	**284,000**	432,910
Other trading activities	3	**82,827**	**-**	**-**	**82,827**	51,045
Investment income	4	**1,645**	**362**	**-**	**2,007**	749
Other income	5	**-**	**-**	**-**	**-**	4,751
Total		**359,196**	**9,638**	**-**	**368,834**	489,455
EXPENDITURE ON CHARITABLE ACTIVITIES	6					
Charitable activities		**335,497**	**23,434**	**-**	**358,931**	348,354
NET INCOME/ (EXPENDITURE)		**23,699**	**(13,796)**	**-**	**9,903**	141,101
Transfers between funds	16	**(13,430)**	**13,430**	**-**	**-**	-
Net movement in funds		**10,269**	**(366)**	**-**	**9,903**	141,101
RECONCILIATION OF FUNDS						
Total funds brought forward		**593,929**	**311,210**	**964,716**	**1,869,855**	1,728,754
TOTAL FUNDS CARRIED FORWARD		**604,198**	**310,844**	**964,716**	**1,879,758**	1,869,855

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2022

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	31.8.22 Total funds £	31.8.21 Total funds £
FIXED ASSETS						
Tangible assets	12	**7,484**	**211,626**	**964,716**	**1,183,826**	1,204,728
CURRENT ASSETS						
Debtors	13	**56,236**	**-**	**-**	**56,236**	57,772
Cash at bank	14	**560,286**	**97,058**	**-**	**657,344**	635,534
		616,522	**97,058**	**-**	**713,580**	693,306
CREDITORS						
Amounts falling due within one year	15	**(19,808)**	**2,160**	**-**	**(17,648)**	(28,179)
NET CURRENT ASSETS		**596,714**	**99,218**	**-**	**695,932**	665,127
TOTAL ASSETS LESS CURRENT LIABILITIES		**604,198**	**310,844**	**964,716**	**1,879,758**	1,869,855
NET ASSETS		**604,198**	**310,844**	**964,716**	**1,879,758**	1,869,855
FUNDS	16					
Unrestricted funds					**604,198**	593,929
Restricted funds					**310,844**	311,210
Endowment funds					**964,716**	964,716
TOTAL FUNDS					**1,879,758**	1,869,855

The financial statements were approved by the Board of Trustees and authorised for issue on 29 November 2022 and were signed on its behalf by:

Mark P. Hammond.

.....
Rev M Hammond - Trustee

M. R. Woods

.....
M R Woods - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure

Income, which is mainly donations, is accounted in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by the trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations and is accounted for on an accruals basis.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs

Costs are allocated to the specific fund to which they relate.

Tangible fixed assets

Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd (now Neville Trust) and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

The expenditure mentioned in note 12 on professional fees for the Development Project has been capitalised in restricted funds (to match the restricted donation) but will be transferred to Endowment Funds when the project is complete. It is not depreciated.

The depreciation policy for Church Premises is 2% per annum on cost. As the deprecation calculation is based on cost less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:

Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Computer, public address and audio visual equipment are depreciated at 20% per annum on cost. The new audio visual and public address equipment that was installed in 2020/2021 is depreciated over 10 years on cost.

Trustees adopted a revised policy for asset capitalisation with effect from 1 September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation

The church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting

Details of the nature and purpose of each fund is set out in note 16.

Legacies

Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.22 Total funds £**	31.8.21 Total funds £
Pledged collections	**205,657**	-	-	**205,657**	210,340
Gifts and donations	**5,755**	**9,276**	-	**15,031**	96,009
Income tax refunds	**45,846**	-	-	**45,846**	64,577
Legacies received	**10,000**	-	-	**10,000**	55,000
Unpledged collections	**7,353**	-	-	**7,353**	6,984
Sundry income	**113**	-	-	**113**	-
	274,724	**9,276**	-	**284,000**	432,910

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.22 Total funds £**	31.8.21 Total funds £
Contributions for use of premises	**50,273**	-	-	**50,273**	30,530
Ground rent Davenport House	**19,203**	-	-	**19,203**	19,203
Coffee lounge	**13,351**	-	-	**13,351**	1,312
	82,827	-	-	**82,827**	51,045

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.22 Total funds £**	31.8.21 Total funds £
Interest and investment income	**1,645**	**362**	-	**2,007**	749

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.22 Total funds £**	31.8.21 Total funds £
Furlough income	-	-	-	-	4,751

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Charitable activities	**193,212**	**165,719**	**358,931**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.22 £	31.8.21 £
Ministerial / Administrative staff costs	**160,285**	155,364
Encountering God costs	**4,031**	3,435
Equipping God's People costs	**107**	329
Extending God's Kingdom costs	**26,976**	14,226
Youth Work costs	**1,813**	1,660
Coffee Lounge costs	-	1,113
	193,212	176,127

8. SUPPORT COSTS

	Operations	Finance	Comms / Marketing	Totals
	£	£	£	£
Charitable activities	**89,216**	**9,536**	**66,967**	**165,719**

9. TRUSTEES' REMUNERATION AND BENEFITS

Details of trustees' remuneration and benefits are included in notes 10 and 18 below.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022, nor for the year ended 31 August 2021.

10. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	**64,664**	73,221
Employer's pension contributions	**3,432**	3,075
Employer's social security costs	**4,029**	4,035
Total Staff Costs	**72,125**	80,331

With effect from 1 September 2015, qualifying employees are 'opted-in' to the NEST auto-enrolment pension scheme with matched contributions from the church to a maximum of 6%.

Other than as shown below and in Note 18, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the church. The contracts of employment for the three trustees detailed below were entered into by the church with the due authority of Church Council.

During the year, the church benefited by £NIL (2020/2021- £4,751) from receipts under the government's Job Retention Scheme for furloughed members of staff. The staff costs shown in this note are before any such subsidy.

Lewis Cox, the church's Co-ordinator for Encountering God and Communications, is (and was at 1 September 2021) a trustee. He received remuneration of £33,495 in 2021/2022 under his employment contract (2020/2021 - £33,000). Additionally, the church paid £2,010 of employer pension contributions in 2021/2022 under this contract (2020/2021 - £1,980).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2021), a trustee and her services were provided to date under a contract of employment with the church. In 2021/2022, she received remuneration of £11,440 under her employment contract (2020/2021 - £11,270). Additionally, the church paid £572 of employer pension contributions in 2021/2022 under this contract (2020/2021 - £564).

Sally Hammond was employed from 1st March 2022 as a caretaking assistant and is (and was at 1 September 2021), a trustee. She received remuneration of £3,301 in 2021/2022 under her employment contract. Additionally, the church paid £198 of employer pension contributions in 2021/2022 under this contract.

The average monthly number of employees during the year was as follows:

	31.8.22	31.8.21
	6	6

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	331,814	101,096	-	432,910
Other trading activities	51,045	-	-	51,045
Investment income	613	136	-	749
Other income	4,751	-	-	4,751
Total	388,223	101,232	-	489,455
EXPENDITURE ON CHARITABLE ACTIVITIES				
Charitable activities	335,229	13,125	-	348,354
NET INCOME	52,994	88,107	-	141,101
Transfers between funds	(4,582)	4,582	-	-
Net movement in funds	48,412	92,689	-	141,101
RECONCILIATION OF FUNDS				
Total funds brought forward	545,517	218,521	964,716	1,728,754
TOTAL FUNDS CARRIED FORWARD	593,929	311,210	964,716	1,869,855

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2021 and 31 August2022	**1,018,829**	**70,807**	**154,039**	**1,243,675**
DEPRECIATION				
At 1 September 2021	-	**16,520**	**22,427**	**38,947**
Charge for year	-	**2,360**	**18,542**	**20,902**
At 31 August 2022	-	**18,880**	**40,969**	**59,849**
NET BOOK VALUE				
At 31 August 2022	**1,018,829**	**51,927**	**113,070**	**1,183,826**
At 31 August 2021	1,018,829	54,287	131,612	1,204,728

12. TANGIBLE FIXED ASSETS - continued

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. Expenditure on architect and other professional fees on the proposed Buildings Project totalling £54,113 have been capitalised as freehold additions in 2018/2019, 2019/2020 and 2020/2021.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Other debtors	**13,099**	18,115
Prepayments	**43,137**	39,657
	56,236	57,772

14. CASH AT BANK

	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
Trustee for Methodist Purposes accounts	159,883	1,454	-	161,337
Deposits with Central Finance Board	306,405	95,604	-	402,009
Other bank accounts	93,998	-	-	93,998
	560,286	97,058	-	657,344

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.22	31.8.21
	£	£
Trade creditors	**219**	504
Social security and other taxes	**2,470**	9,172
Other creditors	**1,350**	5,362
Accruals and deferred income	**13,609**	13,141
	17,648	28,179

16. MOVEMENT IN FUNDS

	At 1.9.21 £	Net movement in funds £	Transfers between funds £	At 31.8.22 £
Unrestricted funds				
General fund	193,124	48,470	(33,299)	208,295
Designated fund - Property Fund	60,423	(25,131)	16,869	52,161
Designated fund - Mission Development	172,128	421	-	172,549
Designated fund - Youth Work	144,376	529	-	144,905
Designated fund - Organ Repair Fund	12,826	55	3,000	15,881
Designated fund - Video Production	11,052	(645)	-	10,407
	593,929	23,699	(13,430)	604,198
Restricted funds				
Heating Project	70,808	(2,289)	2,360	70,879
Youth Work	16,360	67	(883)	15,544
Legacies	1,451	3	-	1,454
Development Project	54,170	156	-	54,326
Cost Alleviation	48,890	204	-	49,094
AV Project	119,531	(11,937)	11,953	119,547
	311,210	(13,796)	13,430	310,844
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1,869,855	9,903	-	1,879,758

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	347,896	(299,426)	48,470
Designated fund - Property Fund	249	(25,380)	(25,131)
Designated fund - Mission Development	10,421	(10,000)	421
Designated fund - Youth Work	529	-	529
Designated fund - Organ Repair Fund	55	-	55
Designated fund - Video Production	46	(691)	(645)
	359,196	(335,497)	23,699
Restricted funds			
Special Collections	9,116	(9,116)	-
Heating Project	71	(2,360)	(2,289)
Youth Work	67	-	67
Legacies	3	-	3
Development Project	161	(5)	156
Cost Alleviation	204	-	204
AV Project	16	(11,953)	(11,937)
	9,638	(23,434)	(13,796)
TOTAL FUNDS	368,834	(358,931)	9,903

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	172,497	34,281	(13,654)	193,124
Designated fund - Property Fund	87,929	(42,734)	15,228	60,423
Designated fund - Mission Development	234,957	50,326	(113,156)	172,127
Designated fund - Youth Work	39,323	54	105,000	144,377
Designated fund - Organ Repair Fund	10,811	15	2,000	12,826
Designated fund - Video Production	-	11,052	-	11,052
	545,517	52,994	(4,582)	593,929
Restricted funds				
Heating Project	70,809	(2,360)	2,360	70,809
Youth Work	17,080	30	(750)	16,360
Legacies	1,449	2	-	1,451
Development Project	53,190	-	980	54,170
Cost Alleviation	70,513	5,191	(26,815)	48,889
Video Production	5,480	(5,480)	-	-
AV Project	-	90,724	28,807	119,531
	218,521	88,107	4,582	311,210
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1,728,754	141,101	-	1,869,855

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	325,207	(290,926)	34,281
Designated fund - Property Fund	121	(42,855)	(42,734)
Designated fund - Mission Development	50,326	-	50,326
Designated fund - Youth Work	54	-	54
Designated fund - Organ Repair Fund	15	-	15
Designated fund - Video Production	12,500	(1,448)	11,052
	388,223	(335,229)	52,994
Restricted funds			
Special Collections	585	(585)	-
Heating Project	-	(2,360)	(2,360)
Youth Work	30	-	30
Legacies	2	-	2
Cost Alleviation	7,891	(2,700)	5,191
Video Production	8	(5,488)	(5,480)
AV Project	92,716	(1,992)	90,724
	101,232	(13,125)	88,107
TOTAL FUNDS	489,455	(348,354)	141,101

16. MOVEMENT IN FUNDS - continued

Restricted funds:

Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2022, the balances available were as follows: for use in relation to the provision of church flowers £1,454 (Fund No. 19706).

Endowment funds:

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716.

17. CAPITAL COMMITMENTS

During 2017/2018, Trustees authorised expenditure on architects and other professional fees to a maximum of £50,000 with regard to the Buildings Development Project currently being considered. A further £20,000 was authorised by trustees for expenditure to allow the project to progress to the next stage. Expenditure of £42,936 was expended in 2018/2019, £7,064 in 2019/2020 and £4,113 in 2020/2021 on professional fees relating to the project. An anonymous donation for the same amount (including Gift Aid) was received in September 2018 to finance these costs.

It remains the church's intention to continue with this project over time. Trustees are therefore comfortable carrying forward this aggregate expenditure to date of £54,113 as freehold additions.

There are no other liabilities, contingent or otherwise, that are not provided for in these accounts.

18. RELATED PARTY DISCLOSURES

David Noble, the church organist, was appointed as a trustee on 1 April 2017 and receives an annual honorarium for services provided to the church as a self-employed contractor, not as a trustee. Because of the COVID pandemic and the fact that the church was not open during the year, he agreed to waive his remuneration entitlement for the whole of 2020/2021 but this arrangement recommenced for 2021/2022 during which year he received £1,740.

The church received aggregate donations from trustees of £52,704 in 2021/2022 (2020/2021 - £78,030).

HARPENDEN METHODIST CHURCH

England & Wales - Charity number 1128950

Accounts

REGISTERED CHARITY NUMBER: 1128950

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2021

Harpenden Methodist Church

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for the Year Ended 31 August 2021

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Harpenden Methodist Church

Report of the Trustees
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 2019).

OBJECTIVES AND ACTIVITIES
Continuing the church's mission in the midst of pandemic
In this year of global pandemic, we have sought to find new and creative ways to enable our work, worship and witness to continue in line with our Vision, Strategy and Values

As part of the Methodist "discipleship movement shaped for mission":

OUR VISION is:
Lives, relationships and communities in this world transformed by the love of God in Jesus Christ.

OUR STRATEGY for sharing in this work of God is to:

Encounter God;
Equip God's people;
Extend God's Kingdom.

GOING FORWARD:
We would like:

More members of all ages
More worshippers of all ages
More joyfully generous givers

And proportionally:
More children and teenagers
More men
More young adults

THE SIX VALUES THAT SHAPE US:
1. Christ-centred Discipleship (which is God-reliant, Spirit-filled and disciplined in prayer and Bible reading)
2. Other-centred Care (which is love-fuelled, person-to-person and attentive)
3. Non-judgemental Welcome (Which is open, hospitable and genuine)
4. All-embracing Unity (which is unconditionally-loving, mutually-concerned and non-partisan)
5. Outward-focused Service (which is humble, generous and self-sacrificial)
5. Authentic Witness (which is honest, real and confident).

The Leadership Team is currently comprised of:

- Rev Mark Hammond Presbyteral Minister
- Deacon Sarah Wickett Diaconal Minister
- Richard Atkins Chair
- Charlotte Ballard Scott Deputy Chair
- Lewis Cox Worship and Communications Coordinator
- Sally Hammond Coordinator for Equipping God's People
- Louise Schlich Coordinator for Extending God's Kingdom
- Pamela Atkins Coordinator for Children and Youth
- Peter Black Operational Coordinator
- Margaret Woods Treasurer
- Fran Gardner Co-lead Steward
- Claire Wollaston Co-lead Steward

As the Covid-19 pandemic continued, and we experienced various levels of lockdown, the Church Stewards and Leadership Teams continued to meet monthly via Zoom, and the trustees were also able to fulfil their governance duties meeting as a Church Council via Zoom on five occasions.

OBJECTIVES AND ACTIVITIES

Charitable status and public benefit

High Street Methodist Church continues to provide many opportunities for the wider community to raise funds for good causes, and we see this as a key part of our world-transforming work. We also support and encourage our members to get involved in local, national and international charities.

Our SHARE scheme continued to provide the means by which our membership could help those locally who are in need. Through this we have also made monetary donations to Azalea and the Harpenden Cares food bank and supported the Harpenden Hygiene Bank. In addition, we also supported a number of local families over the holiday times with food and craft boxes. The SHARE Christmas Appeal raised £2,020, which was donated to the Harpenden Trust who distributed supermarket vouchers on our behalf. During May our church staff team covered over 2000 miles under their own steam, raising over £3,000 for Azalea. For our Summer SHARE Appeal, we partnered local schools to fund the provision of age-appropriate craft and activity bags for more than 20 children most in need of such support and paid for 31 weeks of summer holiday camp provision for the schools to allocate.

We also raised money for our agreed charities, including Azalea, All We Can, Christian Aid, MHA, Action for Children and the Prison Fellowship Angels.

In partnership with Our Lady of Lourdes Roman Catholic Church in Harpenden, we ended August by hosting a Jigsaw Festival at which over a 1000 completed Jigsaw puzzles were sold, 50% if the proceeds going to Azalea, the other 50% to a charity chosen by the Roman Catholic Church.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

The Trustees therefore consider that our church is charitable both in its intention and practice and provides substantial public benefit to the local community and wider world.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

For much of the year, we continued to operate mainly off-site, connecting with the vast majority of our congregation either online or through the delivery of CDs and DVDs for those not online. We continued to set up pastoral support groups and many new friendships have continued to develop. In addition, we have reached through our online worship many new people who would never have come to our site, and many Methodists from across the nation have connected with God through our weekly online worship.

Our Property Secretary Peter Black has continued carry out the duties of preparing risk assessments and ensuring we complied with the various government and church guidelines as we planned our transition back to the re-use of our buildings. We continued, as seemed sensible for operational purposes, to take advantage of the Government's furlough scheme for our caretaking staff.

From 1 September 2020 Deacon Sarah Wickett joined our ministry team and, despite for much of the time being unable to meet physically with people, she has settled in very well and made a tremendous contribution to church life and mission.

PASTORAL CARE

Our Pastoral Secretary Maggie Grand has continued to oversee our adapted pastoral system, ensuring that all are known and cared for. We are delighted that, having earlier in the crisis answered the call for retired NHS nurses to return to help meet the pandemic crisis, our former Lay Pastoral Worker Fran Gardner has re-joined our Pastoral Team as volunteer Pastoral Visitor with particular responsibility for bereavement support and our extended communion team. The Pastoral Team now meets regularly and consists of Maggie Grand, Fran Gardner, Deacon Sarah Wickett and Rev Mark Hammond.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

MISSION SHAPED PREMISES

Whilst the larger part of our building project has been put on hold due to the pandemic, we have this year successfully completed the first phase, which comprises a full upgrade of our audio-visual systems. This required a rather involved process of seeking consents, raising funds, installing the equipment and then starting the ongoing process of recruiting and training a team of volunteers.

This first phase of our larger building project has been completed in time to enable our on-site services to be live streamed online from 5 September 2021. We plan, in the coming year, to progress the consents/permissions required for the remaining phases of the building project and, at the same time, explore possible sources of funding.

BUILDING IMPROVEMENTS

As well as installing the new audio-visual system, this year we refurbished our Wesley's café, laid a new parquet floor in the Hall, resurfaced the parquet floor in the Foyer, and decorated much of the outside paintwork.

THE MINISTRY TEAM

Our Ministry Team now includes our two ordained staff, Rev Mark Hammond and Deacon Sarah Wickett, plus two lay members, Charlotte Ballard Scott (volunteer PA to Rev Hammond) and Lewis Cox (whose employed role was expanded to Communications and Worship Coordinator from 1 September 2020). This newly reshaped Ministry Team has met weekly and has been instrumental in helping to transition High Street into a "hybrid" church beginning to operate and minister both onsite and on-line.

SUPPORT STAFF

Our staff team, made up of employees plus a number of practically full-time volunteers, has continued to support and help develop and communicate all that we do as a church. Throughout the pandemic this team has continued to meet weekly via Zoom, to coordinate their work and provide prayerful mutual support. As has always been the case, the staff team supports and is supported by, a vast team of volunteers, who are engaged in all activities across the church.

YOUTH WORK

Our youth work has continued to operate online, led by a very able team of volunteers. We will be seeking to employ a new full time youth worker from January 2022. A job profile has now been agreed and funding is in place to employ for an initial period of three years.

CHILDREN'S CHURCH

Our Children's Church Team have been tireless in their provision of weekly online content and occasional delivery of goody-bags to 130 children plus 90 youth.

WORSHIP AND PRAYER

During November 2020, just before the winter lockdown, we trialled opening up our building for two hours a week for private prayer, and this provided valuable experience in planning for our later phased reopening.

At Christmas 2020, though our buildings remained closed, we were able to provide a full range of festive online services, including a pre-recorded carol service led by our choir, a Christingle and nativity led by our Children's Church, and a series of advent dramas led by our drama team. Likewise, during Lent and Holy Week 2021 we were able to provide a range of creative opportunities for prayer and worship. A huge number of people from across our diverse church community have participated in these endeavours.

Throughout the lockdown we were able to continue to provide various themed preaching series, including one with guest preachers from around the globe which was picked up and plugged by the British Methodist Church's World Church Office. Throughout Advent and Lent, and at various other times, our church windows, which front the High Street, have contained creative displays through which we have been able to communicate the message of God's love to the thousands of shoppers who pass-by, a number of whom have clearly engaged with our messaging and connected with us online and through our social media.

WORSHIP AND PRAYER (continued)
Our social media campaigns have been ably led by a volunteer, Janice Stephens, who has provided a phenomenal amount of mainly sermon-theme-related output via our Facebook, Twitter and Instagram accounts. These have included posting regular "three-second-prayers".

Following the winter lockdown, a route map for gradual reopening of our building was presented to our General Church Meeting which met via Zoom on Sunday 21 March 2021. The route map comprised the following three steps, alongside an ongoing commitment to keep providing online services:

- Step 1 - Opening weekly for Private Prayer (this began on 29 March 2021);
- Step 2 - Opening weekly for a single service of Sunday morning worship for limited numbers and using a pre-booking service, with social distancing, face coverings and no live singing (this began on 2 May 2021); and
- Step 3 - The resumption of our weekly 09:15 Informal and 11:00 Traditional Sunday morning worship, with live music and singing, plus provision for children and youth, following any recommended guidelines (this final step started from 5 September 2021).

In the event, not long after we had taken step 2, we were then soon able to incorporate live music into our Sunday morning onsite worship (alternating each week between informal and traditional styles) with congregational singing permitted with masks on.

Towards the end of this past church year, we were deeply saddened by the sudden death of our Choir Director Malcolm Thatcher. His thanksgiving service on Monday, 23 August 2021 was the first time in eighteen months that our choir led worship in our building. This was also our first live streamed broadcast using our new technology.

OUTREACH
We held an online Alpha course during the autumn of 2020 and are planning to hold an onsite course this coming autumn.

Our refurbished Wesley's coffee shop reopened in the Summer of 2021, with the introduction of a new no-charge policy where our "guests" are invited to make a donation of their choosing for the food and drink we provide for them. We have also introduced the technology for contactless payment of donations and gifts.

FINANCIAL REVIEW
Financial position
Overall income for the church in the year increased by £20,804 to £489,455 over 2019/2020 with major contributory factors being higher legacies received and donations for the Audio-Visual project offset by lower major gifts and grants. Overall expenditure increased by £35,257 to £348,354 in the year with the major contributory factor being the repairs incurred in the Property Fund which were up £40,924 on 2019/2020 primarily as a result of the replacing the hall floor. These factors are dealt with in more detail below.

Sadly, Coronavirus continued to restrict the operations of the Church throughout the financial year. An overall surplus after fund transfers on unrestricted funds of £48,412 was recorded, but this was significantly lower than 2019/2020's £86,983.

Total income in the unrestricted funds rose by £19,423 on last year to £388,223. However, this is only thanks to two non-recurring items, a legacy of £50,000 which, with Church Council approval, will be applied to Youth Work, and a designated gift of £12,500 for the production of videoed services for online transmission. Overall giving income actually fell by 3.0% to £266,721.

Pledged giving for the year came in at £210,340, a little over £10k ahead of our conservative budget but some £7,222 below 2019/20: the growth in giving from existing members did not quite make up for the loss arising from the death last year of two significant donors. In contrast, Gift Aid rose by £2,308 on last year due to prior year claims. Unpledged giving, primarily in the form of appeals during online services, was £3,516 below budget. Overall giving was therefore £8,113 down on 2019/20 but £12,221 ahead of budget. This can be regarded as a solid and pleasing outcome in a pandemic year.

FINANCIAL REVIEW

Financial position (continued)

Ground rent income from Davenport House and revenue from Herts County Council held constant in line with their budgets. Lettings were depressed by COVID last autumn, ceased completely during the winter and re-opened only cautiously in the spring. Lettings' income finished the year at circa £11,934, again ahead of a conservative budget but down £4,578 on last year and materially down on 2018/19, the last 'normal' year. Routine gifts and donations at £2,593 were in line with budget and earlier years. Wesley's re-opened on 'Freedom Day', 19 July 2021, with a new donations-based pricing system and, despite the costs of a full re-stocking, booked a small profit. There was no income from internal organisations.

Overall income in the General Fund at £325,207 (including government furlough receipts, see below) was £21,056 lower than in 2019/20 but £11,335 above the original budget for 2020/21.

Overall unrestricted expenditure totalled £335,229, a net increase of £33,211 on last year with expenditure in the General Fund totalling £290,926 (up £5,108 on 2019/2020) and expenditure in the Property Fund at £42,855 (up from £1,931 in the previous year).

Maintenance of on the Church buildings was therefore substantial, the major elements of which were: a) a new hall floor (£27,314), b) the foyer floor skimmed and re-sealed (£2,259), c) the outside of the Church re-decorated (£9,550) and d) the vestry and Wesleys re-decorated (£3,732). These were all financed out of the Property Fund. There was also a drawdown of £1,448 on the new designated Video Production Fund, financing online services as the restricted Video Production Fund had been exhausted.

Costs in the General Fund were also higher than in 2019/2020 by £5,108 but £22,613 below the budget which had been based on a March 2021 re-opening. We were delighted to welcome Deacon Sarah Wickett to the High Street team, having struggled through the previous year without a deacon. Our Circuit assessment rose accordingly by £39,893 but other costs were much lower, particularly Youth Activities without a paid Youth Worker (£22,968 down on 2019/2020). Training, worship, prayer team, outreach, etc. were all down on the previous year with activities curtailed across the board for the majority of the year.

The Operations staff were furloughed but brought back gradually in the spring as needed. This produced income of £4,751 from the government's job retention scheme (JRS) but this has now ceased. Utilities were nearly £3k below budget with the extended closure and routine repairs £4.8k under budget. Operations overall was £7,129 under budget before the JRS receipt mentioned above.

Communications continued at full throttle with services, virtual Wesleys and weekday meetings online, but came in £4,862 below budget with the costs of the video production of online services, including Children's Church, booked directly to the two Video Production Funds.

After a drawdown of £750 from the restricted Youth Work Fund and transfers to the Organ Fund of £2,000, the Property Fund of £15,228, the Heating fund of £2,360 (depreciation) and the new Audio Visual (AV) Fund of £1,992 (also depreciation), the net operating surplus on the General Fund for the year was £13,450 in contrast to 2019/2020's surplus of £76,639 and the budgeted deficit of £15,619.

The upshot of all of the above was a net surplus (after funds transfers) in the unrestricted funds for 2020/21 of £48,412 (2019/2020: surplus of £86,983).

The trustees have agreed to transfer £7,176 from the designated Mission Development Fund to support the activities in the General Fund and ensure that the Reserves Ratio in the General Fund is maintained at the agreed 50% level. This stands in contrast to 2019/2020 when a transfer from the General Fund to the Mission Development Fund was agreed to reflect the higher surplus in that year. A further £105,000 has been approved for transfer to the designated Youth Work Fund, including the £50,000 legacy mentioned above.

FINANCIAL REVIEW

Reserves policy

The Church's Financial Reserves Policy deals with our General Unrestricted Fund. Other Funds, detailed in these accounts but which do not form part of Reserves for purposes of measurement of the Financial Reserves Policy below, are:

Property Repair Fund (Designated)
Mission Development Fund (Designated)
Youth Work Project (Restricted)
Video Production Fund (Restricted)
Cost Alleviation Fund (Restricted)
Development Project (Restricted)
Heating Project Fund (Restricted)
Organ Refurbishment Fund (Designated)
Youth Work Fund (Designated)
Video Production Fund (Designated)
Audio Visual Fund (Restricted)
Special Collections (Restricted)
Legacy Fund for Flowers (Restricted)
Church Premises (Permanent Endowment)

1. General Fund

As a large Church with a considerable range of local and overseas mission activities, the Church aims to hold sufficient liquid reserves in the unrestricted General Fund to cover circa six months' expenditure of a non-discretionary nature. We exclude from the Reserves Ratio calculation unrestricted donations to Methodist Funds and discretionary transfers to/from other Funds.

Thus, the Trustees' long-term policy is cover of 50% of the annual expenditure levels as defined above. Any significant reduction in gross income that the Trustees considered likely to be permanent would activate cost reduction measures. In framing this policy, the Trustees are mindful of establishing the correct balance between financial prudence and properly expending funds raised for the Church's charitable objectives. They acknowledge that the Reserves Policy should be assessed not just on an historic basis but also against medium and longer-term financial projections which they review on an annual basis.

The 2020/2021 financial year opened with the Reserves Ratio at 52.47% and it only fell to 47.6% at 31 August 2021 because of the unusually low expenditures during the past financial year, had the Church been operating as normal, it would have fallen significantly further. As mentioned above, £7,176 was transferred from the designated Mission Development Fund to the General Fund post year end in order to restore the Reserves Ratio to the targeted 50%.

The year ahead is uncertain, but hopefully less so than a year ago! The Church re-opened in early September 2021 with our regular informal and traditional Sunday services. Lettings have resumed and Wesleys re-opened. Our Circuit Assessment has risen with inflation. Church Council has approved recruiting a paid Youth Worker early in 2022 which will increase operating costs by some £26.0k in 2021/2022 and by £37.6k in 2022/2023. The Operational staff have returned more fully to maintain our building but also to support re-emergent lettings. The new audio visual and public address system was installed following a successful fundraising, enabling our Sunday services to be livestreamed; however, the required depreciation of £12,000 p.a. will have a material adverse impact on operating performance. The restricted Video Production Fund was exhausted during the year but a further unrestricted donation of £12,500 was received and placed in a new designated Video Production Fund, the balance of which will continue to be used to finance an experimental new online midweek service (see below).

Based on current estimates and having agreed to recruit a Youth Worker, material operating deficits are to be expected in the General Fund in the church's latest 5-year plan - but these deficits will be covered by transfers from designated funds, both the Youth Worker Fund (see below) and the Mission Development Fund. Trustees have noted that the augmentation of the designated Youth Work Fund has been specially tailored to allow for the increased Youth Work expenditure to be sanctioned bearing in mind that the Youth Funds now cover this level of expenditure for 5 years. The accumulation of unrestricted and designated reserves over past years is proving prudent, and the Trustees are of the view that the financial position of the Church is currently sound. They will however, of course, be vigilant to react should any of the current assumptions be called into question. Longer term improvements in giving will be sought in any event, in order to ensure continuing financial stability.

FINANCIAL REVIEW
Reserves policy (continued)
1. General Fund (continued)
With the exception of the balances between the General Fund and the Mission Development Fund (amount due at 31 August 2021: £7,176) and the Mission Development Fund and the designated Youth Fund (amount due at 31 August 2021: £105,000), all the remaining inter-fund balances between unrestricted, designated and restricted funds were settled at the year-end by cash transfers. New bank accounts were opened for the designated Video Production and the restricted Audio-Visual Funds for this purpose.

At the 2021 Methodist Conference, a decision was taken to ask all churches, circuits and districts to make a voluntary contribution to the Connexional Pension Reserve Fund. This was in response to the triennial actuarial valuations of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church at 31 August 2020 being in deficit. The Pension Reserve Fund (PRF) has sufficient reserves to cover the existing deficits, but further funding is requested from within the Church to replenish the PRF and reduce risk. Contributions are only for a reserve, not to fund actual deficits, and would not be returned in the event of not being required. Guidance from both the Connexion and the District indicates, rightly, that the request was designed to release excess reserves and not to jeopardise mission development. Therefore, restricted and designated funds should not be so denuded and unrestricted funds (the General Fund) are only to be considered if they exceed the 50% cover. In these circumstances, a contribution from High Street's reserves would not be appropriate as any such contribution would dilute our identified mission objectives and our reserves strategy. However, in the spirit of Conference asking all churches *"to consider giving freely, generously and according to their ability"*, Church Council nevertheless decided to contribute £10,000 in 2021/2022 to support of this request. This approval does come with the request that Pension Trustees meet with our Treasurer to discuss substantive unanswered questions over the investment management of the pension schemes.

2. Restricted Funds
One new restricted fund was opened during the year, the Audio-Visual Fund, to house the new equipment, which cost £119,531. Of this, £92,716 was financed by donations/legacies and related Gift Aid and the remainder by a transfer from the Cost Alleviation Fund (see below). The equipment will be depreciated over 10 years.

The restricted Cost Alleviation Fund, which houses significant one-off donations and is available to fund/contribute to one-off projects, benefited from one donation during the year of £7,795. As mentioned above, there was a transfer, with donor consent, of £26,815 to top up the fundraising for the AV equipment. The Fund also financed a drum kit at a cost of £2,700. The Fund ended the year with a balance of £48,889.

The restricted Video Production Fund was opened last year to hold a generous one-off gift of £10,000 (including Gift Aid) received in January 2020 to fund a trial period of videoing Sunday services - prescient (God inspired?) given the subsequent arrival of the coronavirus! The fund defrayed the costs of the production of videoed services in 2019/2020 and continued to do so through most of the financial year just ended until it was exhausted. The remaining costs during the financial year were financed by a further gift from the original donor which has been booked to a new designated fund for greater flexibility (see below).

Following the termination of the Youth Work joint venture in 2013, the Trustees decided to continue with this important initiative and to seek funding to secure this objective. Significant external funding from the Circuit, the District and charitable trusts was secured in the period from then to 31 August 2016 and these funds, together with the £15,000 received in 2018/2019 and £12,500 in 2019/2020, have ensured that the project was fully funded for the period to 31 August 2021. An amount of £750 was transferred from this restricted Fund to the unrestricted General Fund in 2020/21 in order to finance the year's (very limited) Youth expenditures. The balance on this fund (£16,360) will be used to contribute towards such expenditures over the next three years when it is anticipated it will be exhausted.

Special collections are regularly mounted in support of third-party charities that share the Church's charitable objectives. These funds (which are clearly restricted as to use) are passed to the third-party charities without delay. In 2020/21, these totalled £585, a significant reduction on the previous year's £6,558 reflecting the Church's closure.

FINANCIAL REVIEW
Reserves policy (continued)
2. Restricted Funds (continued)
The one restricted legacy fund held at TMCP (account 19706) had a balance of £1,451 at 31 August 2021. There was no drawdown on the fund during the year. The remaining balance is subject to the settlor's restriction that the funds be used to finance the provision of flowers in the Church and will cover this objective for a while yet.

The heating system project was completed in 2014/15 and the fixed property element of the expenditure was transferred to the Endowed Property Fund where it was revalued to the new insurance value. The balance of the expenditure, primarily the new boilers and controls, has been charged against this restricted Fund and capitalised and depreciated over 30 years (see below).

The restricted Development Project Fund was dormant during the year with the project currently on hold.

3. Designated Funds
As mentioned above, one new designated fund was opened during the year, the designated Video Production Fund, following another generous unrestricted gift of £12,500 (including Gift Aid) from the donor who initiated the restricted Video Production Fund. This gift is to fund a new, experimental midweek service using the previous Sunday's sermon but presented in a more informal style to reach new audiences. The decision to make this designated enables greater flexibility going forward.

A designated Property Fund was established some years ago to recognise both the long-term repair commitments of our premises as well as their unpredictable timing and nature. Trustees undertake a comprehensive assessment of such longer-term cyclical liabilities annually, estimating their likely cost and probable timing. The opening balance at 1 September 2020 was £87,928. During the year, planned expenditure of £42,855 was incurred (net of VAT recovery), detailed above. Each of these items came in above the estimate in the 20-year plan, and the annual contribution to the Property Fund from the General Fund has consequently been increased with the aim of ensuring that the Church can at all times finance the necessary expenditures. In the year just ended it was £15,228, an increase of 5% on 2019/20's £14,510. The closing balance was £60,423, held at the Central Finance Board. The Trustees are comfortable that this is adequate for future major repair liabilities.

One outstanding major repair is an existing leak in the roof above the hall, for which the Property Steward is having difficulty finding a qualified contractor but will continue his search.

Since the year end, the Property Steward, concerned about continuing water ingress in the church roof and external surfaces, met with our Quinquennial Surveyor. He advises that three pieces of coping stonework have eroded and there are issues with the type of plaster on the prayer room wall. Replastering and stone masonry will be required at a preliminary estimated cost of £13,300. However, similar issues almost certainly exist elsewhere and a more comprehensive survey will be carried out. The potential costs will be refined, based on expert external advice, during 2021/2022 and a transfer from the designated Mission Development Fund to the designated Property Fund will be made to fund the expected expenditure when known. As this potential liability is not currently certain with any precision, no provision is being made in the accounts this year.

The objective of the Mission Development Fund is to support the cost of implementing the mission strategy developed at the Church's Vision Days. It benefited in 2020/21 from an unrestricted legacy of £50,000 which Church Council has therefore agreed should be applied toward the cost of the paid Youth worker over 3 years. This sum has been transferred post year end to the designated Youth Work fund. A further transfer of £55,000 has been undertaken in 2020/2021 from this Fund to the designated Youth Work Fund and will also be transferred post year end. These transfers will underpin this important work for the next five years. As above, a transfer of £7,176 is being made, also post year end, to the General Fund to shore up the Reserve Ratio to the targeted 50%. The closing balance of the Mission Development Fund at 31 August 2021 was £284,303, held at the Central Methodist Board (£155,288) and in a Model Trust Fund account at TMCP (£129,015 - unrestricted). The three post year end transfers will reduce this to £172,127, which could be put toward the Development project if approved.

FINANCIAL REVIEW

Reserves policy (continued)

3. Designated Funds (continued)

During 2016/2017, the Trustees agreed to supplement a major legacy by establishing a designated Youth Work Fund to ensure that, over the time, the Church's reliance on external grant funding to finance this core activity could be underpinned by financing from the General Fund. As above, another legacy of £50,000 was received during 2020/2021 and, with Church Council approval, was transferred post year end to this fund, supplemented by a further £55,000 from the Mission Development Fund in order to underwrite this vital activity for the next five years. As at 31 August 2021, the designated Youth Work fund had £39,376 in the bank, split as to £30,574 in a Model Trust Fund account at TMCP (unrestricted) and £8,803 at the Central Methodist Board. The two post year end transfers will take this balance to £144,376.

The annual transfer from the General Fund to the Organ Refurbishment Fund of £2,000 took its year-end balance to £12,826.

4. Endowment Funds

Following the implementation of FRS 102, a revised accounting policy was established and implemented as at 31 August 2017 (see Accounting Policies).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Organisational structure and management

Harpenden Methodist Church was originally formed during the 19th century but moved to its current premises in 1929 and is a church within the Methodist Connexion in Great Britain. Its address is High Street, Harpenden, Herts, AL5 2RU. Its constitution is governed by an Act of Parliament and, on 1 April 2009, it became a registered charity with registered number 1128950.

Correspondence relating to financial matters should be sent to M. R. Woods at the Church Office at the address shown below. All other correspondence should be directed to the Minister, also at the Church Office at the address shown below.

Trustees are appointed to Church Council by the General Church Meeting and Church Council as and when vacancies arise.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees, advised by the Finance and Property Committees, regularly examine the principal areas of the Church's operations and consider the major risks faced in each of these areas.

The Leadership Team has developed a detailed plan to ensure the identified risks are reviewed at least annually and, where possible, action is taken to minimise such risks. The last such review was undertaken for Church Council's November 2020 meeting and trustees considered the risks identified by the Leadership Team's review (particularly in the light of the current COVID pandemic). They agreed the actions proposed and the systems established to allow these risks to be mitigated to an acceptable level in its day-to-day operations.

The Finance Committee undertakes regular reviews of the Church's inventory of assets and ensures that the sums assured under its global insurance policy adequately reflect the replacement value of such assets. A comprehensive review of such values was last undertaken in 2014/2015 and the increases in sums assured actioned with effect from that date. A further review was due for the insurance renewal at end of September 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1128950

Principal address
Harpenden Methodist Church
High Street
Harpenden
Hertfordshire
AL5 2RU

Trustees - principal officers
Rev M Hammond Minister
Deacon S Wickett Deacon
M R Woods Treasurer

Those who served as trustees during the year and to the date of this report are as follows:

Ministerial Team
Rev M Hammond
Deacon S Wickett (appointed 01/09/2020)

Circuit Appointees
S Dyer (Minister - Southdown Methodist Church)
K Spall (Circuit Steward) (retired 01/09/20)
D Edney (appointed 26/01/2021)

Church Stewards
P Carr
S Carr (retired 27/07/2021)
P Crowther-Newman
J Allwright (retired 29/09/2020)
C Meilton
D Lambert (retired 29/09/2020)
J Polley (retired 27/07/2021)
F Gardner
J Hall
C Wollaston
A Schlich
K Jackson-Robbins
E Wane (appointed 28/09/2020)
A Sonola (appointed 28/09/2020)

Secretary of the Church Council
P Bayfield

Church Treasurer
M R Woods (appointed 01/09/2019)

Pastoral Secretary
M Grand

Those who served as trustees during the year and to the date of this report are as follows (continued):

Members appointed by Council
S Hammond
P Black
P Atkins
L Cox
R Atkins
C Ballard Scott
L Schlich

Representatives from the General Church Meeting
A Bird
D Crew
K Crew
J Buchanan
D Noble
P Scott
R Swain

B Richards (retired 21/03/2021)
R Swanston (retired 21/03/2021)
B Carter (appointed 21/03/2021)
J Prentice (appointed 21/03/2021)

Auditors
Hicks and Company
Chartered Accountants and
Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

Bankers
HSBC Bank Plc
1 High Street
Harpenden
AL5 2RS

Central Finance Board
9 Bonhill Street
London
EC2A 4PE

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

Unity Trust Bank plc
Nine Brindley Place
Birmingham
B1 2JB

TRUSTEES' RESPONSIBILITY STATEMENT

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

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 9 November 2021 and signed on its behalf by:

Rev M Hammond - Trustee

Opinion
We have audited the financial statements of Harpenden Methodist Church (the 'charity') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 (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, 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 Auditors' 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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:
- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the trustees are responsible for the preparation of the financial statements which 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.

Our responsibilities for the audit of the financial statements
We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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:

Based on our understanding of the entity and sector in which it operates, we identified the principal risks of non-compliance with laws and regulations relating to the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by making enquiries of the trustees and management as to where they considered there was susceptibility to fraud and considering the internal controls in place to mitigate fraud risks and non-compliance with laws and regulations.

In response to the risk of fraud through management bias (including the risk of override of controls) and the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify unusual or unexpected transactions
- assessing whether judgements and assumptions made in determining accounting estimates were indicative of potential bias
- reviewed a sample of transactions from the charity's records
- performing completeness of income tests
- test checking the appropriateness of journal entries
- agreeing financial statement disclosures to the underlying supporting documentation
- checking for correspondence with the Charity Commission
- reading the minutes of board of trustees' meetings
- checking for any actual and potential litigation and claims

There are inherent limitations in our audit procedures outlined above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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 auditors' 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.

Philip Dean BA, FCA (Senior Statutory Auditor)
for and on behalf of Hicks and Company
Chartered Accountants and Statutory Auditor
Vaughan Chambers
Vaughan Road
Harpenden
AL5 4EE

25 November 2021

Harpenden Methodist Church

Statement of Financial Activities
for the Year Ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	**31.8.21 Total funds £**	31.8.20 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	**331,814**	**101,096**	-	**432,910**	388,465
Other trading activities	3	**51,045**	-	-	**51,045**	67,923
Investment income	4	**613**	**136**	-	**749**	3,378
Other income	5	**4,751**	-	-	**4,751**	8,885
Total		**388,223**	**101,232**	-	**489,455**	468,651
EXPENDITURE ON						
Charitable activities	6					
Charitable activities		**335,229**	**13,125**	-	**348,354**	313,097
NET INCOME		**52,994**	**88,107**	-	**141,101**	155,554
Transfers between funds	16	**(4,582)**	**4,582**	-	-	-
Net movement in funds		**48,412**	**92,689**	-	**141,101**	155,554
RECONCILIATION OF FUNDS						
Total funds brought forward		**545,517**	**218,521**	**964,716**	**1,728,754**	1,573,200
TOTAL FUNDS CARRIED FORWARD		**593,929**	**311,210**	**964,716**	**1,869,855**	1,728,754

The notes form part of these financial statements

Harpenden Methodist Church

Statement of Financial Position
31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment fund £	**31.8.21 Total funds £**	31.8.20 Total funds £
FIXED ASSETS						
Tangible assets	12	**14,073**	**225,939**	**964,716**	**1,204,728**	1,096,451
CURRENT ASSETS						
Debtors	13	**57,772**	**-**	**-**	**57,772**	52,456
Cash at bank	14	**550,263**	**85,271**	**-**	**635,534**	617,998
		608,035	**85,271**	**-**	**693,306**	670,454
CREDITORS						
Amounts falling due within one year	15	**(28,179)**	**-**	**-**	**(28,179)**	(38,151)
NET CURRENT ASSETS		**579,856**	**85,271**	**-**	**665,127**	632,303
TOTAL ASSETS LESS CURRENT LIABILITIES		**593,929**	**311,210**	**964,716**	**1,869,855**	1,728,754
NET ASSETS		**593,929**	**311,210**	**964,716**	**1,869,855**	1,728,754
FUNDS	16					
Unrestricted funds					**593,929**	545,516
Restricted funds					**311,210**	218,522
Endowment funds					**964,716**	964,716
TOTAL FUNDS					**1,869,855**	1,728,754

The financial statements were approved by the Board of Trustees and authorised for issue on 9 November 2021 and were signed on its behalf by:

Rev M Hammond - Trustee

M R Woods - Trustee

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
Harpenden Methodist Church is a church within the Methodist Connexion in Great Britain and these accounts are prepared in accordance with the constitution, practice and discipline of that Church. They are also prepared in accordance with the Charities SORP (FRS 102) '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 the Republic of Ireland (FRS 102) (effective 1st January 2019)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets. These accounts relate to the Church and its various internal organisations. Harpenden Methodist Church is a public benefit entity under FRS 102.

Income and expenditure
Income, which is mainly donations, is accounted for in the accounting period to which it relates providing that any unpaid income at the end of each accounting period is considered by Trustees to be fully recoverable. Expenditure is accounted for on an accruals basis.

Income tax is recoverable from the HM Revenue and Customs on Gift Aid donations and is accounted for on an accruals basis.

Expenditure
Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

The trustees have undertaken a review of the disclosure of charitable activities costs in the accounts. In their opinion, the Church has only one overall activity for accounts disclosure purposes. Also in their opinion, it would be more appropriate to analyse the charitable activities costs in line with the expenditure headings used in the Church's management accounts. The accounts have therefore been prepared on this basis and the comparatives shown similarly.

Allocation of costs
Costs are allocated to the specific fund to which they relate.

Tangible fixed assets
Church land and buildings:

The Trustees for Methodist Church Purposes are custodian trustee for the church land and premises, which is Model Trust property, and they hold freehold title. In 1978, two leases for terms of 125 years were granted on land at the rear of the church. One, a head lease was granted to T&E Neville Ltd. (now Neville Trust) and Davenport House was built by them on that leased land. The other lease was granted to St Albans District Council, at a peppercorn rent, for what is now the council car park. In accordance with the implications of Standing Orders, these funds are shown as Endowed.

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or at capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. This similarly applies to the Church Organ which has a capitalised historic cost of £nil.

The expenditure mentioned in note 12 on professional fees for the Development Project has been capitalised in restricted funds (to match the restricted donation) but will be transferred to Endowment Funds when the project is complete. It is not depreciated.

1. ACCOUNTING POLICIES – continued

Tangible fixed assets (continued)
The depreciation policy for Church Premises is 2% per annum on cost. As the deprecation calculation is based on cost less residual value and as the residual value is not expected to fall below cost, the depreciation charge is £nil.

Other fixed assets:

Following the completion of the heating system project during 2014/2015, the equipment element has been capitalised and depreciated over 30 years on a straight-line basis.

Historic computer and AV Equipment has an estimated useful life of 5 years and is therefore being depreciated at 20% per annum on a straight-line basis. However, trustees believe the expenditure on the major project to install additional updated AV Equipment in the church has a longer estimated useful life of 10 years and is therefore being depreciated at 10% per annum on a straight-line basis.

Trustees have adopted a revised policy for asset capitalisation with effect from 1st September 2012. Items of fixed capital expenditure above £3,000 are capitalised and depreciated at an appropriate rate.

Taxation
The Church's surpluses are derived from, and are applied towards, the maintenance of charitable activities and as such are not subject to taxation.

Fund accounting
Details of the nature and purpose of each fund is set out in note 16.

Legacies
Legacies are credited on receipt to the relevant fund as indicated by the wishes of the testator.

2. DONATIONS AND LEGACIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.21 Total funds £**	31.8.20 Total funds £
Pledged collections	**210,340**	-	-	**210,340**	217,561
Gifts and donations	**15,093**	**80,916**	-	**96,009**	93,632
Income tax refunds	**49,397**	**15,180**	-	**64,577**	47,089
Legacies received	**50,000**	**5,000**	-	**55,000**	-
Grants received	-	-	-	-	20,000
Unpledged collections	**6,984**	-	-	**6,984**	10,183
	331,814	**101,096**	-	**432,910**	388,465

Grants received, included in the above, are as follows:

	31.8.21 £	31.8.20 £
West Herts and Borders Methodist Circuit	-	10,000
Beds, Essex Herts Methodist District	-	2,500
Williams Church Music Trust	-	7,500
	-	20,000

The first two of the above grants recognised in 2020 were received in support of the Church's Youth Work activities and the third towards the cost of urgent repairs needed to the organ.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.21 Total funds £**	31.8.20 Total funds £
Contributions for use of premises	**30,530**	-	-	**30,530**	36,097
Ground rent Davenport House	**19,203**	-	-	**19,203**	18,765
Coffee lounge	**1,312**	-	-	**1,312**	13,061
	51,045	-	-	**51,045**	67,923

4. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.21 Total funds £**	31.8.20 Total funds £
Interest and investment income	**613**	**136**	-	**749**	3,378

5. OTHER INCOME

	Unrestricted funds £	Restricted funds £	Endowment funds £	**31.8.21 Total funds £**	31.8.20 Total funds £
Furlough income	**4,751**	-	-	**4,751**	8,885

6. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 7) £	Support costs (see note 8) £	Totals £
Charitable activities	**176,127**	**172,227**	**348,354**

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	31.8.21 £	31.8.20 £
Ministerial / Administrative staff costs	**155,364**	120,804
Encountering God costs	**3,435**	5,371
Equipping God's People costs	**329**	1,256
Extending God's Kingdom costs	**14,226**	22,690
Youth Work costs	**1,660**	24,628
Coffee Lounge costs	**1,113**	3,559
	176,127	178,308

8. SUPPORT COSTS

	Operations	Finance	Comms / Marketing	Totals
	£	£	£	£
Charitable activities	**105,332**	**7,771**	**59,124**	**172,227**

9. TRUSTEES' REMUNERATION AND BENEFITS

Details of trustees' remuneration and benefits are included in notes 10 and 18 below.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2021 nor for the year ended 31 August 2020.

10. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	**73,221**	90,509
Employer's pension contributions	**3,075**	2,780
Employer's social security costs	**4,035**	4,236
Total Staff Costs	**80,331**	97,525

With effect from 1 September 2015, qualifying employees are 'opted-into' the government's auto-enrolment pension scheme with matched contributions from the Church to a maximum of 6%.

Other than as shown below and in Note 18, none of the trustees nor persons connected with them received any remuneration, expenses or other benefits from the Church. The contracts of employment for the 2 trustees detailed below were entered into by the church with the due authority of Church Council.

The church benefited by £4,751 in 2020/2021 from the receipts under the government's Job Retention Scheme for furloughed members of staff. The staff costs shown in this note are before any such subsidy.

Lewis Cox, the church's Worship and Communications Coordinator, is (and was at 1 September 2020) a trustee. He received remuneration of £33,000 in 2020/2021 under his employment contract (2019/2020 - £25,722). Additionally, the church paid £1,980 of employer pension contributions in 2020/2021 under this contract (2019/2020 - £1,543).

Louise Schlich, the church's Office Administrator is (and was at 1 September 2020), a trustee and her services were provided to date under a contract of employment with the church. In 2020/2021, she received remuneration of £11,270 under her employment contract (2019/2020 - £11,103). Additionally, the church paid £564 of employer pension contributions in 2020/2021 under this contract (2019/2020 - £555).

The average monthly number of employees during the year was as follows:

31.8.21	31.8.20
6	9

No employees received emoluments in excess of £60,000.

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	288,907	99,558	-	388,465
Other trading activities	67,923	-	-	67,923
Investment income	3,085	293	-	3,378
Other income	8,885	-	-	8,885
Total	368,800	99,851	-	468,651
EXPENDITURE ON				
Charitable activities				
Charitable activities	302,018	11,079	-	313,097
NET INCOME	66,782	88,772	-	155,554
Transfers between funds	20,201	(20,201)	-	-
Net movement in funds	86,983	68,571	-	155,554
RECONCILIATION OF FUNDS				
Total funds brought forward	458,533	149,951	964,716	1,573,200
TOTAL FUNDS CARRIED FORWARD	545,516	218,522	964,716	1,728,754

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Fixtures and Fittings £	Computer and PA/AV Equipment £	Totals £
COST				
At 1 September 2020	**1,018,829**	**70,807**	**34,508**	**1,124,144**
Additions	**-**	**-**	**119,531**	**119,531**
At 31 August 2021	**1,018,829**	**70,807**	**154,039**	**1,243,675**
DEPRECIATION				
At 1 September 2020	**-**	**14,160**	**13,533**	**27,693**
Charge for year	**-**	**2,360**	**8,894**	**11,254**
At 31 August 2021	**-**	**16,520**	**22,427**	**38,947**
NET BOOK VALUE				
At 31 August 2021	**1,018,829**	**54,287**	**131,612**	**1,204,728**
At 31 August 2020	1,018,829	56,647	20,975	1,096,451

12. TANGIBLE FIXED ASSETS – continued

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716. Expenditure on architect and other professional fees on the proposed Buildings Project totalling £54,113 were capitalised as freehold additions in 2018/2019 and 2019/2020.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Other debtors	**18,115**	14,326
Prepayments	**39,657**	38,130
	57,772	52,456

14. CASH AT BANK

	Unrestricted funds	Restricted funds	Endowment fund	Total funds
	£	£	£	£
Trustee for Methodist Purposes accounts	159,589	1,451	-	161,040
Deposits with Central Finance Board	272,693	83,780	-	356,473
Other bank accounts	117,982	41	-	118,023
	550,264	85,272	-	635,536

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.21	31.8.20
	£	£
Trade creditors	**504**	13,125
Social security and other taxes	**9,172**	8,323
Other creditors	**5,362**	3,399
Accruals and deferred income	**13,141**	13,304
	28,179	38,151

16. MOVEMENT IN FUNDS

	At 1.9.20 £	Net movement in funds £	Transfers between funds £	At 31.8.21 £
Unrestricted funds				
General fund	172,497	34,281	(13,654)	193,124
Designated fund - Property Fund	87,929	(42,734)	15,228	60,423
Designated fund - Mission Development	234,957	50,326	(113,156)	172,127
Designated fund - Youth Work	39,323	54	105,000	144,377
Designated fund - Organ Repair Fund	10,811	15	2,000	12,826
Designated fund - Video Production	-	11,052	-	11,052
	545,517	52,994	(4,582)	593,929
Restricted funds				
Heating Project	70,809	(2,360)	2,360	70,809
Youth Work	17,080	30	(750)	16,360
Legacies	1,449	2	-	1,451
Development Project	53,190	-	980	54,170
Cost Alleviation	70,513	5,191	(26,815)	48,889
Video Production	5,480	(5,480)	-	-
AV Project	-	90,724	28,807	119,531
	218,521	88,107	4,582	311,210
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1,728,754	141,101	-	1,869,855

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	325,207	(290,926)	34,281
Designated fund - Property Fund	121	(42,855)	(42,734)
Designated fund - Mission Development	50,326	-	50,326
Designated fund - Youth Work	54	-	54
Designated fund - Organ Repair Fund	15	-	15
Designated fund - Video Production	12,500	(1,448)	11,052
	388,223	(335,229)	52,994
Restricted funds			
Special Collections	585	(585)	-
Heating Project	-	(2,360)	(2,360)
Youth Work	30	-	30
Legacies	2	-	2
Cost Alleviation	7,891	(2,700)	5,191
Video Production	8	(5,488)	(5,480)
AV Project	92,716	(1,992)	90,724
	101,232	(13,125)	88,107
TOTAL FUNDS	489,455	(348,354)	141,101

16. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.19 £	Net movement in funds £	Transfers between funds £	At 31.8.20 £
Unrestricted funds				
General fund	166,464	60,445	(54,412)	172,497
Designated fund - Coffee Lounge	9,395	9,502	(18,897)	-
Designated fund - Property Fund	74,809	(1,391)	14,510	87,928
Designated fund - Mission Development	156,869	1,088	77,000	234,957
Designated fund - Youth Work	39,060	263	-	39,323
Designated fund - Organ Repair Fund	11,936	(3,125)	2,000	10,811
	458,533	66,782	20,201	545,516
Restricted funds				
Heating Project	70,807	-	-	70,807
Youth Work	27,584	12,698	(23,201)	17,081
Legacies	1,439	10	-	1,449
Development Project	50,121	71	3,000	53,192
Cost Alleviation	-	70,513	-	70,513
Video Production	-	5,480	-	5,480
	149,951	88,772	(20,201)	218,522
Endowment funds				
Church Premises	964,716	-	-	964,716
TOTAL FUNDS	1,573,200	155,554	-	1,728,754

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	346,263	(285,818)	60,445
Designated fund - Coffee Lounge	13,061	(3,559)	9,502
Designated fund - Property Fund	540	(1,931)	(1,391)
Designated fund - Mission Development	1,088	-	1,088
Designated fund - Youth Work	263	-	263
Designated fund - Organ Repair Fund	7,585	(10,710)	(3,125)
	368,800	(302,018)	66,782
Restricted funds			
Special Collections	6,558	(6,558)	-
Youth Work	12,698	-	12,698
Legacies	10	-	10
Development Project	71	-	71
Cost Alleviation	70,513	-	70,513
Video Production	10,001	(4,521)	5,480
	99,851	(11,079)	88,772
TOTAL FUNDS	468,651	(313,097)	155,554

16. MOVEMENT IN FUNDS - continued

Restricted funds:

Legacies Fund: Unless a Model Trust Direction has been secured to allow for local use, legacies received are deposited with the Trustees for Methodist Church Purposes (TMCP). All applications for the release of such monies must be made to, and approved by, TMCP. As at 31 August 2021, the balances available were as follows - for use in relation to the provision of church flowers (Fund No. 19706) - £1,451.

Endowment funds:

Under the provisions of FRS 102, the Church Premises can either be stated at a value based on a formal valuation or revert to capitalised historic cost. In view of the difficulty and expense in obtaining such a formal valuation, the Church Premises have been stated at capitalised historic cost of £964,716.

17. CAPITAL COMMITMENTS

During 2017/2018, Trustees authorised expenditure on architects and other professional fees to a maximum of £50,000 with regard to the Buildings Development Project currently being considered. Expenditure of £42,936 was expended in 2018/2019 and £7,064 in 2019/2020 on professional fees relating to the project thereby utilising the £50,000 approval limit. An anonymous donation for the same amount (including Gift Aid) was received in September 2018 to finance these costs.

A further £20,000 was authorised by trustees for expenditure to allow the project to the next stage and £4,113 was expended in 2019/2020.

It remains the church's intention to continue with this project over time. Trustees are therefore comfortable carrying forward this aggregate expenditure to date of £54,113 as freehold additions.

There are no other liabilities, contingent or otherwise, that are not provided for in these accounts.

18. RELATED PARTY DISCLOSURES

David Noble, the church organist, was appointed as a trustee on 1 April 2017 and receives an annual honorarium for services provided to the church as a self-employed contractor, not as a trustee. Because of the COVID pandemic and the fact that the church was not open during the year, he agreed to waive his remuneration entitlement for the whole of 2020/2021 (2019/2020 - £1,740).

The church received aggregate donations from trustees of £78,030 in 2020/2021 (2019/2020 - £114,004). Of these donations, £16,100 was restricted by the donors to support of the Audio-Visual project and this donation has therefore been placed in the restricted Audio-Visual Fund. Furthermore, of these donations, the donor of a gift of £10,000 expressed a wish that this donation should be applied in support of the church's video production activity and, accordingly, this donation has been placed in the church's designated Video Production Fund.