

REGISTERED CHARITY NUMBER: 1128950

Harpenden Methodist Church

Report of the Trustees and

Financial Statements for the Year Ended 31 August 2022

Contents of the Financial Statements
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.

Harpenden Methodist Church

Report of the Trustees for the Year Ended 31 August 2022

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 2020/21'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 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.

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2022

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

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2022

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:



.....
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 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

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

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 | | | | | | |
| Charitable activities | 6 | 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:



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 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 depreciation 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 | - |
| | <u>274,724</u> | <u>9,276</u> | <u>-</u> | <u>284,000</u> | <u>432,910</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

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 |
| | <u>82,827</u> | <u>-</u> | <u>-</u> | <u>82,827</u> | <u>51,045</u> |

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 |
| | <u>193,212</u> | <u>176,127</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

8. SUPPORT COSTS

| | Operations £ | Finance £ | Comms / Marketing £ | Totals £ |
|-----------------------|-----------------|--------------|---------------------------|----------------|
| Charitable activities | <u>89,216</u> | <u>9,536</u> | <u>66,967</u> | <u>165,719</u> |

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 | <u>72,125</u> | <u>80,331</u> |

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:

| | |
|----------------|----------------|
| <u>31.8.22</u> | <u>31.8.21</u> |
| <u>6</u> | <u>6</u> |

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

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 August 2022 | 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 |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

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 |
| | <u>56,236</u> | <u>57,772</u> |

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 |
| | <u>560,286</u> | <u>97,058</u> | <u>-</u> | <u>657,344</u> |
| | ===== | ===== | ===== | ===== |

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 |
| | <u>17,648</u> | <u>28,179</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

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 |
| | <u>593,929</u> | <u>23,699</u> | <u>(13,430)</u> | <u>604,198</u> |
| 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 |
| | <u>311,210</u> | <u>(13,796)</u> | <u>13,430</u> | <u>310,844</u> |
| Endowment funds | | | | |
| Church Premises | 964,716 | - | - | 964,716 |
| TOTAL FUNDS | <u>1,869,855</u> | <u>9,903</u> | <u>-</u> | <u>1,879,758</u> |

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) |
| | <u>359,196</u> | <u>(335,497)</u> | <u>23,699</u> |
| 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) |
| | <u>9,638</u> | <u>(23,434)</u> | <u>(13,796)</u> |
| TOTAL FUNDS | <u>368,834</u> | <u>(358,931)</u> | <u>9,903</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 August 2022

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).