

Harpenden Methodist Church
Report of the Trustees and
Financial Statements for the Year Ended 31 August 2024

Contents of the Financial Statements
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.

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 maximum 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.

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 Fund 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, Presbyterian 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.

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 2024

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)

Harpenden Methodist Church

Report of the Trustees
for the Year Ended 31 August 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

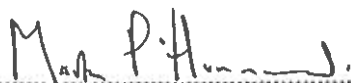
The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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:



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

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

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	389,569	28,190	-	417,759	416,014
NET INCOME/(EXPENDITURE)						
Transfers between funds	15	112,378 743	(10,094) (743)	800,000 -	902,284 -	(7,874) -
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

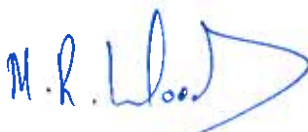
Harpenden Methodist Church

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

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:


.....
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 2024

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

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	<u>1,441</u>	<u>(1,662)</u>
Net cash provided by operations	<u>73,761</u>	<u>32,595</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.9.23 £	Cash flow £	At 31.8.24 £
Net cash			
Cash at bank	<u>710,604</u>	<u>105,309</u>	<u>815,913</u>
Total	<u>710,604</u>	<u>105,309</u>	<u>815,913</u>

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 depreciation 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
	<u>354,994</u>	<u>14,585</u>	<u>800,000</u>	<u>1,169,579</u>	<u>286,014</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

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
	<u>115,268</u>	<u>-</u>	<u>-</u>	<u>115,268</u>	<u>101,460</u>

4. INVESTMENT INCOME

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

5. CHARITABLE ACTIVITIES COSTS

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

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	<u>-</u>	<u>54,114</u>
	<u>257,358</u>	<u>253,310</u>

7. SUPPORT COSTS

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

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	<u>8,337</u>	<u>4,848</u>
Total staff costs	<u>128,703</u>	<u>85,869</u>

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 No.	31.8.23 No.
<u>7</u>	<u>5</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

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
	<u>77,521</u>	<u>66,438</u>

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
	<u>745,994</u>	<u>69,919</u>	<u>-</u>	<u>815,913</u>
	=====	=====	=====	=====

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	-
	<u>17,427</u>	<u>15,986</u>

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2024

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).