

**Methodist Conference
Property at Central Hall
Westminster**

**Annual Report and Consolidated
Financial Statements**

31 August 2022

Charity Commission registered number: 1133912

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Reference and administrative information

Trustees	Rev Nigel Cowgill (Chair) Bala Gnanapragasam (Secretary) Mr Nevil Tomlinson (Treasurer) Mrs Ama Ackah-Yensu Mr Kojo Amoah-Arko Mr Joseph Anoom Ms Ruby Beech Mr Michael Davies Mr Alan Eccles Mr Wesley Gibbs Mr Martin Lougher Rev Anthony Miles Rev Lansford Penn-Timothy Dr Joanna Williamson
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Executive Directors	Sarah Ainsworth Sarah Franczak Gary Savage
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Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank PLC The Peak 333 Vauxhall Bridge Road London SW1V 1EJ
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Solicitors	Pothecary Witham Weld 70 St George's Square London SW1V 3RD
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Trustees' report 31 August 2022

The Trustees present their statutory report together with the accounts of Methodist Conference Property at Central Hall Westminster for the year ended 31 August 2022. The accounts have been prepared in accordance with the accounting policies set out on pages 16 to 19 of the attached accounts and comply with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

STRUCTURE, GOVERNANCE AND MANAGEMENT

The governing body of the Methodist Church is the Conference. The authority under which the Conference acts is legally given by the 1976 Methodist Church Act. The names and addresses of the advisors to the Conference can be found in the Trustees' Report of the Methodist Church Fund.

Each year the Conference appoints the Managing Trustees ("the Trustees") of the Methodist Conference Property at Central Hall Westminster ("the Trust"). The Trustees hold the property upon the model trusts contained in the Methodist Church Act 1976. The governing document is the Model trusts. The Trustees are responsible for making recommendations to the Conference for the appointment of Trustees for the following year. The Chair and Secretary of the Trust offer training to new Trustees on appointment in the form of personal induction.

Trustees

The Trustees work closely with the ministerial staff and officers of the church known as Methodist Central Hall Westminster (the Church) which is based at Central Hall Westminster. The superintendent minister (Rev Anthony Miles) and five other members of the Church are Trustees. A trading company (Central Hall Westminster Limited) is wholly owned by the Trust. The principal activity of the company is the letting and rental of facilities at Central Hall Westminster.

The current Trustees and those who served in the year to 31 August 2022 and up to the date of signature of this report are as follows:

Trustee

Rev Nigel Cowgill (Chair) (from 1 September 2021)	Mr Alan Eccles
Mr Nevil Tomlinson (Treasurer)	Rev Lansford Penn-Timothy (from 1 September 2021)
Bala Gnanapragasam (appointed 1 July 2022)	Mr Martin Lougher
Mrs Ama Ackah-Yensu	Rev Anthony Miles
Mr Kojo Amoah-Arko	Ms Genevieve Patnelli (to 31 August 2022)
Mr Joseph Anoom	Mr Wesley Gibbs (from 1 September 2021)
Ms Ruby Beech	Dr Joanna Williamson
Mr Michael Davies	

Trustees meet three times a year and are supported in their work by the following committees:

- ◆ Audit Committee*
- ◆ Hall Fabric Committee*
- ◆ Nominations Committee

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Trustees (continued)

The Board of Directors of Central Hall Westminster Limited meet quarterly. They delegate the day-to-day management of the commercial activities to the Managing Director, assisted by a Finance Director and a Sales and Events Director all of whom have an ex officio position on the Board of Directors. The Board of Directors is supported in its oversight by the following committees:

- ◆ Audit Committee*
- ◆ Hall Fabric Committee*
- ◆ Finance and Operations Committee
- ◆ Remuneration Committee
- ◆ Health and Safety Committee

* Denotes a joint Committee of the Trust and Central Hall Westminster Limited

No Trustees received remuneration for their services as Trustees. Pay and remuneration of the key management personnel is set by the Remuneration Committee who pay due regard to market rates and take advice from external consultants, where necessary. Performance related pay is determined in the context of pre-set performance targets. Pay progression is informed through formalised appraisals and performance against objectives.

OBJECTIVES AND ACTIVITIES

The object of the Trust is the provision of funds to support the work of the Church and to maintain an on-going programme of refurbishment of the Methodist Central Hall Westminster, which is its principal asset.

Careful consideration of the Charity Commission's general guidance on public benefit has been borne in mind in reviewing the objectives of the Trust and planning activities. The Trustees consider the current activities as detailed in this report deliver public benefit.

The Trustees are responsible for the following:

- ◆ providing resources to support the work of the Church;
- ◆ ensuring that maximum use is made of the building to the benefit of the Trust;
- ◆ maintaining a programme of maintenance and refurbishment of the Methodist Central Hall; and
- ◆ the overall strategic direction of the subsidiary, Central Hall Westminster Limited.

OBJECTIVES AND ACTIVITIES (continued)

Main objectives for the year

The main objectives for the year were:

- ◆ to continue to support the mission of the local church, through the annual grant;
- ◆ to support the company as it rebuilt its business following the lifting of Covid-19 restrictions;
- ◆ to ensure that maintenance of the building continued; and
- ◆ to operate within the financial restraints of our borrowing facilities and ensure loan repayment obligations are met

Grant making policy

An annual grant is made directly to the Church in support of its mission and in fulfilment of the Trust's charitable objectives. The Trustees agree the amount of the grant with representatives of the Church.

ACHIEVEMENTS AND PERFORMANCE

The Church returned to normal operation following the lifting of Covid-19 restrictions. As well as running its in-person services and activities, it continued with its popular online services first introduced at the start of the pandemic. The Trust's grant to the Church remains reduced from its normal level and the Church continues to accommodate this from its contingency fund.

Central Hall Westminster reopened for commercial business in September 2021 and its revenue for the financial year was around 60% of pre-Covid levels. Events can take some time to plan which means that revenue will build over a period of time. The great flexibility of our building and our staff was displayed following the death of Queen Elizabeth II when long planned arrangements led to Central Hall becoming a hive of activity and our views over Westminster Abbey were central to television broadcasts.

The latest quinquennial inspection report was received in April 2022. We are pleased that the building 'is well maintained and is in good condition' and we continued a programme of proactive maintenance, but keeping capital expenditure restricted due to financial constraints.

Borrowings remained under control and our total net debt was reduced by 10% during the year.

FINANCIAL REVIEW

The year under review saw an increase in income to £5,789,000 compared to the prior year (2021: £933,000) reflecting the re-opening of the conference centre following the Covid-19 pandemic, although trading was still below the pre-pandemic level. There was a net loss (expenditure exceeding income) of £376,000 (2021: £2,111,000 loss). The Trust allocated £478,000 (2021: £523,000) for charitable activities, including a grant of £130,000 (2021: £130,000) to the Church. The Trust has invested in a further £160,000 (2021: £108,000) of improvements to Central Hall Westminster in addition to its annual maintenance spend, in the region of £500,000 and a programme of redecoration. Total net debt reduced from £3,348,000 at 31 August 2021 to £3,017,000 at 31 August 2022.

Risks

The Trustees have examined the principal areas of their operations and considered what major risks could arise in each of these areas. In the opinion of the Trustees, resources and review systems have been established which, in normal conditions, should allow the risks identified by them to be mitigated to an acceptable level in their day-to-day operations. The most significant risk identified by the Trustees to the continued achievement of their objectives is the reliance upon the trading subsidiary, Central Hall Westminster Limited, meeting its financial targets.

Strategies that the Trustees have adopted to mitigate this risk include regular meetings of the Chair and Treasurer with senior representatives of the Company and the Church, as well as a review of the Company's financial position and outlook at each meeting of the Trustees.

Reserves

The Trustees have considered the amounts that they need to hold in reserve to ensure financial sustainability. Most of the income for the Trust comes from its trading subsidiary Central Hall Westminster Limited ('the Company'). Therefore, in developing this policy, the Trust has considered the business model of the Company and the Trust's charitable commitments and operational costs.

The Trust aims to have immediately available cash resources to cover three months of operating expenditure for the Trust and the Company; this is estimated to be £0.7m. The Trust and the Company have arranged bank facilities to allow them to continue in operation until the effects of the Covid pandemic subside and business returns to normal. This includes an overdraft facility of £1.5m, of which £0.6m was used at 31 August 2022.

In case further cash is required, the Trust would seek further bank funding and grants, as well as specific support from the Methodist Connexion. The Trust's principal asset is the freehold of Methodist Central Hall Westminster, which has a market value significantly in excess of its book value of £10m. Ownership of this asset is fundamental to the Trust's charitable purposes and this asset would only be realised under extreme circumstances.

The Company's business model is that clients hiring the facilities must pay in advance, which gave rise to a current liability of £1.2m at 31 August 2022. This does not represent a future cash outflow provided the Company continues in operation and the level of advance bookings and deposits are maintained.

FINANCIAL REVIEW (continued)

Assessment of going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group's forecasts and existing bank loans and overdraft facility. Projections prepared on a cautious basis indicate that, during the period of one year from the date of this report, borrowings will not exceed the overdraft facility of £1,500,000. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

FUTURE PLANS

As the Company rebuilds its revenue, it is anticipated that the consolidated results will show a return to profitability soon. This will support our ability to increase the grant to the Church and undergo the building work identified by the quinquennial inspection and by commercial demands. However, the recent increase in interest rates presents a challenge and we are likely to be under financial constraints for a few more years.

Throughout this time, we will seek God's guidance to ensure that mission and ministry will be nurtured and continue to grow in order to meet the needs and aspirations of the 21st century.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the Trustees' Report 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 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 the group, and of the income and expenditure of the group for that period. In preparing these financial statements, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

STATEMENT OF TRUSTEES' RESPONSIBILITIES (continued)

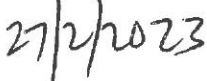
- ♦ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:

Trustee 

Date: 

Independent auditor's report to the Trustees of Methodist Conference Property at Central Hall Westminster

Opinion

We have audited the financial statements of Methodist Conference Property at Central Hall Westminster (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities, consolidated and charity balance sheets, consolidated statement of cash flows, the principal accounting policies and the notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 August 2022 and of their income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group and parent 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 and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' annual report is inconsistent in any material respect with the financial statements; or
- ◆ sufficient accounting records have not been kept by the parent charity; or
- ◆ the parent charity 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 and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- ◆ We identified the laws and regulations applicable to the charity through discussions with key management and from our knowledge and experience of the sector in which the charity operates;
- ◆ We focused on specific laws and regulations which we considered may have a direct material effect on the accounts or the activities of the charity. These included but were not limited to the Charities Act 2011, Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102); and
- ◆ We assessed the extent of compliance with the laws and regulations identified above through making enquiries of key management and review of minutes of Trustees' meetings.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ Making enquiries of key management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- ◆ Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ Performed analytical procedures to identify any unusual or unexpected relationships;
- ◆ Tested and reviewed journal entries to identify unusual transactions;

Auditor's responsibilities for the audit of the financial statements (continued)

- ♦ Tested the authorisation of expenditure;
- ♦ Assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- ♦ Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ♦ Agreeing financial statement disclosures to underlying supporting documentation;
- ♦ Reviewing the minutes of meetings of the Trustees; and
- ♦ Enquiring of as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described 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 required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date:

10 May 2023

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities Year to 31 August 2022

	Note	Unrestricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Unrestricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Income from:							
Trading activities							
. Lettings and hiring		4,166,237	—	4,166,237	437,844	—	437,844
. Catering		1,353,251	—	1,353,251	201	—	201
Investment income from bank deposits		2,176	—	2,176	1	—	1
Other income							
. Insurance claims		275,960	—	275,960	—	—	—
. Other		81,396	—	81,396	494,348	—	494,348
Total income		5,879,020	—	5,879,020	932,394	—	932,394
Expenditure							
Expenditure on raising funds:							
. Letting and hiring	3	4,415,979	—	4,415,979	2,269,908	—	2,269,908
. Catering	3	1,249,083	—	1,249,083	240,928	—	240,928
Expenditure on charitable activities	3	471,199	6,575	477,774	516,545	6,575	523,120
Interest payable		112,538	—	112,538	51,808	—	51,808
Total expenditure		6,248,799	6,575	6,255,374	3,079,189	6,575	3,085,764
Net expenditure	2	(369,779)	(6,575)	(376,354)	(2,146,795)	(6,575)	(2,153,370)
Taxation	9	—	—	—	42,208	—	42,208
		(369,779)	(6,575)	(376,354)	(2,104,587)	(6,575)	(2,111,162)
Funds brought forward at 1 September 2021		6,555,585	184,108	6,739,693	8,660,172	190,683	8,850,855
Fund carried forward at 31 August 2022		6,185,806	177,533	6,363,339	6,555,585	184,108	6,739,693

The statement of financial activities contains all gains and losses recognised in the year and the results reported relate to continuing operations.

The total income of the parent charity amounted to £428,238 (2021: £739,742) and total expenditure was £833,381 (2021: £802,643) giving net expenditure for the year of £405,143 (2021: net expenditure of £62,091).

The notes on pages 20 to 28 form part of these financial statements.

Consolidated balance sheet 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	6		10,249,801		10,431,533
Equity share in manse	7		220,325		220,325
			<u>10,470,126</u>		<u>10,651,858</u>
Current assets					
Debtors	10	1,049,506		1,410,865	
Cash on deposit at the Central Finance Board		7,251		5,076	
Cash at bank and in hand		<u>55,817</u>		<u>51,293</u>	
			<u>1,112,574</u>	<u>1,467,234</u>	
Liabilities					
Creditors: amounts falling due within one year	11	<u>(3,260,773)</u>		<u>(2,949,814)</u>	
Net current liabilities			<u>(2,148,199)</u>		<u>(1,482,580)</u>
Total assets less current liabilities			<u>8,321,927</u>		<u>9,169,278</u>
Creditors: amounts falling due in after one year	12		<u>(1,958,588)</u>		<u>(2,429,585)</u>
Total net assets			<u>6,363,339</u>		<u>6,739,693</u>
Represented by:					
Income funds – Unrestricted funds	16		6,185,806		6,555,585
Capital funds – Endowment funds	16		177,533		184,108
Total funds			<u>6,363,339</u>		<u>6,739,693</u>

The notes on pages 20 to 28 form part of these financial statements.

27/2/23

N. T. Sussan

Trustee

NE Tania

Treasurer

Trust balance sheet 31 August 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible fixed assets	6		10,001,640		10,167,645
Equity share in manses	7		220,325		220,325
Investment in trading subsidiary	8		500,000		500,000
			<u>10,721,965</u>		<u>10,887,970</u>
Current assets					
Debtors	10	506,615		293,968	
Cash on deposit at the Central Finance Board		4,855		4,831	
Cash at bank and in hand		<u>54,710</u>		<u>50,343</u>	
		566,180		349,142	
Liabilities					
Creditors: amounts falling due within one year	11	(1,373,337)		(546,159)	
Net current liabilities			<u>(807,157)</u>		<u>(197,017)</u>
Total assets less current liabilities					10,690,953
Creditors: amounts falling due after more than one year	12		<u>(1,558,584)</u>		<u>(1,929,585)</u>
Total net assets			<u>8,356,224</u>		<u>8,761,368</u>
Represented by:					
Income funds – Unrestricted funds	16		8,178,691		8,577,260
Capital funds – Endowment funds	16		177,533		184,108
Total funds			<u>8,356,224</u>		<u>8,761,368</u>

The notes on pages 20 to 28 form part of these financial statements.

The financial statements were approved by the Managing Trustees, and authorised for issue on 27/4/23 and are signed on their behalf by:

N T. Gussell NE Tanton

Consolidated statement of cash flows Year to 31 August 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	489,611	(1,760,177)
Cash flows from investing activities:			
Investment income and interest received		2,151	1
Purchase of tangible fixed assets		(160,180)	(108,319)
Net cash used in investing activities		(158,029)	(108,318)
Cash flows from financing activities:			
Repayments of amounts borrowed		(257,004)	(185,736)
Cash inflows from new borrowing		—	2,000,000
Net cash (used in) provided by financing activities		(257,004)	1,814,264
Change in cash and cash equivalents in the year		74,578	(54,231)
Cash and cash equivalents at 1 September 2021	B	(654,709)	(600,478)
Cash and cash equivalents at 31 August 2022	B	(580,131)	(654,709)

A Reconciliation of net movement in funds to net cash used in operating activities

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(376,354)	(2,111,162)
Adjustments for:		
Depreciation charge	341,912	344,234
Investment income and interest receivable	(2,151)	(1)
Decrease (increase) in debtors	361,359	(195,917)
Increase in creditors	164,845	202,669
Net cash (used in) provided by operating activities	489,611	(1,760,177)

B Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	55,817	51,293
Short term deposits	7,251	5,076
Bank overdraft	(643,199)	(711,078)
Total cash and cash equivalents	(580,131)	(654,709)

C Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank	56,369	6,699	63,068
Bank overdraft	(711,078)	67,879	(643,199)
	(654,709)	74,578	(580,131)
RBS loan	(693,408)	175,581	(517,827)
HSBC loans	(2,000,000)	81,423	(1,918,577)
	(2,693,408)	257,004	(2,436,404)
Total net debt	(3,348,117)	331,582	(3,016,535)

Basis of accounting

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Methodist Conference Property at Central Hall Westminster meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. The functional currency is sterling and the financial statements are rounded to the nearest pound.

Going concern

The Trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The Trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Trustees have considered the charitable group's forecasts and existing bank loans and overdraft facility. Projections prepared on a cautious basis indicate that, during the period of one year from the date of this report, borrowings will not exceed £700,000 out of the overdraft facility of £1,500,000. After making enquiries the Trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue in operational existence for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

Basis of consolidation

The consolidated (group) financial statements comprise the Trust and its wholly owned subsidiary Central Hall Westminster Limited.

The results of the trading subsidiary company are presented in the consolidated statement of financial activities by disclosing the income and expenditure derived from its non-charitable trading activities separately from those of the Trust. A summary profit and loss account for the trading subsidiary is included in note 1. The Trust has not prepared its own statement of financial activities, as permitted by paragraph 393 of the SORP.

The subsidiary company's assets and liabilities are consolidated in the balance sheet on a line-by-line basis.

Tangible fixed assets and depreciation

Freehold buildings and improvements

The Trust has control over and responsibility for a Grade II* listed structure, the freehold of which is ultimately vested in the Trustees for Methodist Church Purposes. Major improvements to the premises are capitalised and depreciated over their estimated useful life. Balancing obligations of listing against the prospective income flows, the Trustees consider that the historic cost figures are acceptable for the purposes of the financial statements. Depreciation has been provided at 2% per annum, commencing on 1 September 1999 and on improvements which have been capitalised since that date.

Equity share in manses

The Trust and the Westminster Circuit jointly own two manses for ministers. As these are functional assets the value shown in the balance sheet is the Trust share at cost. No provision for depreciation is provided in respect of the equity share in manses as the maintenance programme to which the properties are subject ensures that the estimated residual value is not less than cost. The Trustees review the value of the equity shares annually for impairment in order to ensure that the carrying value is not materially different from the residual value of the asset.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their estimated useful lives as follows:-

- ◆ Property improvements over 20 to 50 years
- ◆ Computer and office equipment 25% straight line
- ◆ Fixtures and fittings 10% straight line

Individual items costing less than £500 are written off as incurred.

Trading income, investment income and other income

Income is recognised in the period in which the Trust is entitled to receipt and the amount can be measured reliably and it is probable that the income will be received.

Income from Central Hall Westminster Limited comprises lettings, hiring and catering income which is measured at the fair value of the consideration received or receivable.

Income also comprises investment income and income from insurance claims.

Investment income from bank deposits is recognised in the period it is receivable, the amount can be measured reliably and it is probable that the income will be received.

Receipts from insurance claims are recognised gross of any expenditure required to rectify related work and are classified as other income.

Principal accounting policies 31 August 2022

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Grant making policy

Grants payable are accounted for when approved by the Trust and the approval has been communicated to the recipient.

Cash on deposit

Cash on deposit includes deposits held at call with the Central Finance Board of the Methodist Church.

Cash at bank and in hand

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

Fund structure

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the charity's charitable objects.

The Endowment Fund relates to the original amounts, totalling £328,758, given by members and friends of the Methodist Church to provide finance to build the Central Hall Westminster. Depreciation on the original cost of the building has been charged to this fund since 1 September 1999 in line with the building depreciation policy.

Pensions

During the year, the Company contributed to the Pension and Assurance Scheme for Lay Employees of the Methodist Church, a defined benefit scheme operated by the Methodist Church. This is a multi-employer scheme, as a result of which it is not possible to identify the assets and liabilities of the Scheme that are attributable to Central Hall Westminster Limited. Contributions are charged to the statement of income and retained earnings as they become payable, including any payments in respect of past service deficits. The Scheme closed to future accrual on 31 May 2019. Since that date, the Company has contributed to a defined contribution scheme operated by Royal London. Contributions are charged to the statement of income and retained earnings as they become payable. In the year to 31 August 2022 contributions to the scheme amounted to £83,235 (2021: £91,532).

Operating leases

Rentals payable under operating leases are charged to expenditure on a straight line basis over the period to which they relate.

Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. Notes 10, 11 and 12 provide details of debtors and creditors.

Judgements and key sources of estimation uncertainty

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

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

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to:

Useful economic lives of tangible fixed assets - The annual depreciation charge for tangible fixed assets is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances. Depreciation rates are set out on page 17.

Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Operating profit of trading subsidiary

The Trust owns 100% of the issued share capital of Central Hall Westminster Limited, a company incorporated in the United Kingdom and registered in England, company number 3802387.

The Company lets out the conference property and donates under Gift Aid its taxable profit to the Trust to provide resources to support the work of the church known as Methodist Central Hall Westminster (the 'Church').

The net gain of the Company at 31 August 2022 was £28,787 (2021: net loss of £2,048,260) after Gift Aid donations.

Its trading results, extracted from its audited accounts were as follows:

	2022 £	2021 £
Turnover	5,451,488	438,045
Cost of sales	(4,592,216)	(1,749,121)
Gross profit (loss)	859,272	(1,311,076)
Administrative expenses	(1,277,131)	(1,273,413)
Operating loss	(417,859)	(2,584,489)
Interest receivable	2,151	1
Interest payable	(43,398)	(29,398)
Other income	487,893	523,418
Profit (loss) before Gift Aid and Taxation	28,787	(2,090,468)
Taxation	—	42,208
Retained profit (loss) for the year	28,787	(2,048,260)

Included within 'other income' is a contribution of £120,000 from Methodist Conference Property at Central Hall Westminster (2021: £120,000); insurance claims income of £275,690 (2021: £33,089) and Coronavirus Job Retention Scheme income of £7,691 (2021: £310,454).

Net (liabilities) of trading subsidiary	2022 £	2021 £
Total assets	1,915,282	1,625,882
Total liabilities	(3,408,167)	(3,147,554)
Net liabilities	(1,492,885)	(1,521,672)

Notes to the consolidated financial statements Year to 31 August 2022

2 Net expenditure

Net expenditure is stated after charging:

	2022 £	2021 £
Operating lease rentals	7,620	15,421
Depreciation – owned assets	341,192	344,234
Auditor's remuneration		
· current year (group)	18,150	17,600
· other services	6,245	8,484

3 Total expenditure

	2022 £	2021 £
Expenditure on raising funds		
Letting and hiring costs		
Hiring expenses and commissions	524,863	154,923
Wages and salaries (note 5)	1,584,321	1,242,278
Advertising and publicity	17,718	9,057
Maintenance, insurance, heating and lighting	1,096,660	593,425
Office and administration costs	80,550	39,139
Legal and professional	144,358	52,021
Depreciation	61,661	65,952
Bad debts	(1,885)	(20,397)
Other costs	907,733	133,510
	4,415,979	2,269,908

	2022 £	2021 £
Expenditure on raising funds		
Catering costs		
Subcontracted catering costs	1,249,083	240,928

	2022 £	2021 £
Charitable activities		
Grants to the church	130,000	130,164
Depreciation of the building	280,251	278,282
Wages and salaries (note 5)	43,543	45,054
Legal and professional fees (note 4)	5,830	52,020
Auditor's remuneration – current year (note 4)	18,150	17,600
	477,774	523,120

4 Governance costs

	Costs of raising funds £	Charitable activities £	Total 2022 £
2022			
Auditor's remuneration – current year	—	18,150	18,150
Legal and professional fees	144,358	5,830	150,188
	144,358	23,924	168,338
	Costs of raising funds £	Charitable activities £	Total 2021 £
2021			
Auditor's remuneration – current year	—	17,600	17,600
Legal and professional fees	52,021	52,020	104,041
	52,021	69,620	121,641

5 Staff costs – Group

The average number of employees during the year was:

	2022 No.	2021 No.
Hirings and lettings	36	25
Support services	1	1
	37	26

Cost for these employees was:

	2022 £	2021 £
Wages and salaries	1,369,270	1,087,990
Social security costs	143,523	107,186
Pension costs	96,819	92,156
Temporary staff	18,252	—
	1,627,864	1,287,332

The number of employees in the group whose emoluments (excluding pension contributions) exceeded £60,000 were:

	2022 No.	2021 No.
£110,000 - £119,999	—	—
£90,000 - £99,999	1	1
£80,000 - £89,999	—	—
£70,000 - £79,999	2	1

In connection with these higher paid employees, employer pension contributions were paid totalling £25,170 (2021: £11,379).

Notes to the consolidated financial statements Year to 31 August 2022

5 Staff costs – Group (continued)

The Trust considers its key management personnel comprise the Trustees, the Chief Executive Officer and three executive directors. The total employment benefits including employer pension and national insurance contributions of the key management personnel were £349,952 (2021: £279,463). Those employees which exceeded £60,000 are considered key management personnel and are included in the above disclosure.

No Trustees received remuneration during the year (2021: none).

6 Tangible fixed assets

Group	Freehold buildings and improvements £	Fixtures and fittings £	Computer and office equipment £	Total £
Cost				
At 1 September 2021	14,081,664	924,862	23,837	15,030,363
Additions	114,247	—	45,933	160,180
At 31 August 2022	<u>14,195,911</u>	<u>924,862</u>	<u>69,770</u>	<u>15,190,543</u>
Depreciation				
At 1 September 2021	3,914,019	671,689	13,122	4,598,830
Charge for the year	280,251	56,464	5,197	341,912
At 31 August 2022	<u>4,194,270</u>	<u>728,153</u>	<u>18,319</u>	<u>4,940,742</u>
Net book value				
At 31 August 2022	<u>10,001,641</u>	<u>196,709</u>	<u>51,451</u>	<u>10,249,801</u>
At 31 August 2021	<u>10,167,645</u>	<u>253,173</u>	<u>10,715</u>	<u>10,431,533</u>

Trust	Freehold buildings and improvements £	Total £
Cost		
At 1 September 2021	14,081,664	14,081,664
Additions	114,246	114,246
At 31 August 2022	<u>14,195,910</u>	<u>14,195,910</u>
Depreciation		
At 1 September 2021	3,914,019	3,914,019
Charge for the year	280,251	280,251
At 31 August 2022	<u>4,194,270</u>	<u>4,194,270</u>
Net book value		
At 31 August 2022	<u>10,001,640</u>	<u>10,001,640</u>
At 31 August 2021	<u>10,167,645</u>	<u>10,167,645</u>

7 Equity share in manses

Group and Trust	Leasehold properties £
Cost	
At 1 September 2021 and 31 August 2022	220,325

8 Investment in trading subsidiary

Trust	2022 £	2021 £
Share capital	500,000	500,000

The summarised balance sheet of the subsidiary company is as follows:

	2022 £	2021 £
Fixed assets	248,161	263,888
Current assets	1,667,121	1,361,994
Liabilities	(3,408,167)	(3,147,554)
Net funds	(1,492,885)	(1,521,672)

9 Taxation

The Trust as a registered charity, is exempt from taxation on its income and gains falling within Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year in the Trust.

For the year ended 31 August 2022 there is no tax charge as a result of the company recording a loss in 2020 and 2021. The Company will continue to pay all of its taxable profits to the parent undertaking in the future. No gift aid was payable to the Trust due to the taxable losses arising.

10 Debtors

Group	2022 £	2021 £
Trade debtors	461,038	811,494
Other debtors	345,341	423,349
Prepayments and accrued income	243,127	129,814
Taxation debtor	—	46,208
	1,049,506	1,410,865

Trust	2022 £	2021 £
Amounts due from subsidiary undertaking	222,450	—
Other debtors	271,841	271,841
Prepayments	12,324	22,127
	506,615	293,968

Notes to the consolidated financial statements Year to 31 August 2022

11 Creditors: amounts falling due within one year

Group	2022 £	2021 £
Bank overdraft	643,199	711,078
Royal Bank of Scotland loan (note 12)	182,400	182,400
HSBC loans (note 12)	295,416	81,423
Trade creditors	461,321	127,578
Deferred income (see below)	1,233,374	1,507,861
Other taxes and social security	—	42,501
Other creditors and accruals	171,601	167,999
VAT payable	273,462	128,974
	3,260,773	2,949,814

Trust	2022 £	2021 £
Royal Bank of Scotland loan (note 12)	182,400	182,400
HSBC loan (note 12)	195,420	81,423
Trade creditors	140,914	110,070
Amounts owed to subsidiary undertaking (note 1)	620,000	53,972
Income in advance from subsidiary undertaking	185,374	92,687
Other creditors and accruals	45,648	9,021
VAT payable	3,581	16,586
	1,373,337	546,159

Deferred income for the Group includes letting deposits and other sales invoiced for events to be held in the next financial year and is analysed as follows:

2022	Brought forward £	Invoiced in the year £	Released in the year £	Carried forward £
Letting deposits in advance	1,507,861	6,415,793	(6,690,280)	1,233,374

2021	Brought forward £	Invoiced in the year £	Released in the year £	Carried forward £
Letting deposits in advance	1,296,531	731,003	(519,673)	1,507,861

12 Creditors: amounts falling due after more than one year

Group	2022 £	2021 £
Royal Bank of Scotland loan	335,427	511,008
HSBC loan	1,623,161	1,918,577
	1,958,588	2,429,585

12 Creditors: amounts falling due after more than one year (continued)

Trust	2022 £	2021 £
Royal Bank of Scotland loan	335,427	511,008
HSBC loan	1,223,157	1,418,577
	1,558,584	1,929,585

The Trust loan from the Royal Bank of Scotland is unsecured, carries interest at 1% over the Bank of England's base rate and is repayable by substantially equal monthly instalments over a period of 18 years commencing April 2007. In addition to the balance falling due after more than one year as shown above, £182,400 (2021: £182,400) is due within one year (note 11).

The Trust loan from HSBC, £1,500,000 is unsecured and carries interest at 3.5% over the Bank of England's base rate. The loan is repayable over 5 years, with monthly repayments in years 2 to 5 equivalent to the repayment schedule for a loan repayable over 9 years. The balance remaining at the end of year 5 is due for payment at the end of the 5-year repayment term. £1,223,157 is included within amounts due after more than one year and £195,420 is included within amounts due within one year (note 11).

The company loan from HSBC, £500,000, is unsecured, carries interest at 3.99% over the Bank of England's base rate and is repayable by substantially equal monthly instalments over a period of 5 years commencing September 2022. £99,996 is included within current creditors and £400,004 is included within creditors due after more than one year.

13 Capital commitments

At 31 August 2022 the Group had no capital commitments (2021: none).

14 Operating leases – Group

The following total commitments existed at 31 August 2022 in respect of non-cancellable operating leases:

	Office equipment	
	2022 £	2021 £
Within 1 year	7,620	15,241
Between two and five years	—	7,620
	7,620	22,861

15 Related parties

Parent undertaking

The ultimate holding entity of the Trust is the Methodist Church. During the year the Trust donated £130,000 (2021: £130,164) to the Church.

There were no material transactions with other entities controlled by the Methodist Church with exception of the Pension and Assurance Scheme for Lay Employees of the Methodist Church as detailed in the accounting policies.

15 Related parties (continued)

Parent undertaking (continued)

One Trustee was reimbursed travelling expenses during the year of £56 (2021: none). One Trustee occupies a manse rent free in his capacity as a Minister of the Church. The manse is a property in which the Trust has an equity share.

Trading subsidiary

The Trust owns 100% of the issued share capital of Central Hall Westminster Limited, a company incorporated in the United Kingdom and registered in England, company number 3802387 (note 1).

The Trust has issued guarantees to HSBC in respect of amounts owed to HSBC by its trading subsidiary, Central Hall Westminster Limited, under a £500,000 loan facility and a £1,500,000 overdraft facility. Drawings under the overdraft facility were £643,199 at 31 August 2022 (2021: £711,078).

16 Analysis of net assets between funds

	Unrestricted funds £	Endowment funds £	Total 2022 £
Group – 2022			
Tangible fixed assets	10,072,268	177,533	10,249,801
Equity share in manses	220,325	—	220,325
Net current liabilities	(2,148,199)	—	(2,148,199)
Long term liabilities	(1,958,588)	—	(1,958,588)
	6,185,806	177,533	6,363,339
	Unrestricted funds £	Endowment funds £	Total 2021 £
Group – 2021			
Tangible fixed assets	10,247,425	184,108	10,431,533
Equity share in manses	220,325	—	220,325
Net current liabilities	(1,482,580)	—	(1,482,580)
Long term liabilities	(2,429,585)	—	(2,429,585)
	6,555,585	184,108	6,739,693
	Unrestricted funds £	Endowment funds £	Total 2022 £
Trust – 2022			
Tangible fixed assets	9,824,107	177,533	10,001,640
Equity share in manses	220,325	—	220,325
Investment in trading subsidiary	500,000	—	500,000
Net current liabilities	(807,157)	—	(807,157)
Long term liabilities	(1,558,584)	—	(1,558,584)
	8,178,691	177,533	8,356,224

16 Analysis of net assets between funds (continued)

	Unrestricted funds £	Endowment funds £	Total 2021 £
Trust – 2021			
Tangible fixed assets	9,983,537	184,108	10,167,645
Equity share in manse	220,325	—	220,325
Investment in trading subsidiary	500,000	—	500,000
Net current liabilities	(197,017)	—	(197,017)
Long term liabilities	(1,929,585)	—	(1,929,585)
	<u>8,577,260</u>	<u>184,108</u>	<u>8,761,368</u>