

THE NEW ROOM / JOHN WESLEY'S CHAPEL



**TRUSTEES' ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

The New Room/John Wesley's Chapel
Year ended 31st August 2020
Charity Reference and Administrative Details

Charity Registration No 1137957

Trustees

Mr John Savage
Rev David Alderman
Ms Jane Allin
Mr Gary Best
Rev Josette Crane
Mr Geoffrey Gollop
Mr John Hirst
Mrs Linda Jones
Rev A Ward Jones
Mrs Rachael Newton

Mr Niall Phillips
Rev Jonathan Pye
Mr Michael Rose
Mrs Aroona Smith
Ms Anne Topping*
Rev David Weeks
Rev Steve Wild
Mr Robert Wood*
Rev Jonathan Hustler

*All Trustees served for the full year, except for Ms Anne Topping who stepped down on 6th February 2020 and Mr Robert Wood who stepped down on 31 August 2020.

Director

Mr David Worthington

Registered office

36 The Horsefair
Bristol
BS1 3JE

Independent Examiner

Haines Watts Partnership (Bristol) Limited
6-8 Bath Street
Redcliffe
Bristol
BS1 6HL

Bankers

Bank of Scotland
33 Old Broad Street
London
EC2N 1HZ

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

Investment Managers

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

The New Room/John Wesley's Chapel

Year ended 31st August 2020

Trustees' Annual Report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Objectives and activities

The Trustees are responsible to the Methodist Church for maintaining the New Room and Charles Wesley's House and promoting them as a community facility, educational resource, heritage attraction, and cultural venue in Bristol. This involves:

- a. setting, developing, and maintaining the vision and mission of the New Room and Charles Wesley's House as places of pilgrimage, enabling visitors to understand the historical and religious importance of John and Charles Wesley and their continuing influence, especially on worldwide Methodism.
- b. maintaining John Wesley's Chapel at the New Room as a place of worship and prayer and spiritual refreshment and for concerts, recitals, celebrations, and other events for which it is suited;
- c. maintaining the upstairs rooms at the New Room as an accredited Museum, highlighting the role of the Wesleys and their links with Bristol;
- d. maintaining Charles Wesley's House in a manner indicative of its use by his family, with particular reference to his contribution to hymnody and the musical achievements of his sons;
- e. maintaining an archive and library for public use that particularly focuses on eighteenth century Methodism and, more locally, on the history of Methodism in Bristol and the surrounding area;
- f. engaging with the local community through various educational and other activities and through its cafe;
- g. overseeing the property, finances, staffing, volunteers, organisation and activities and all matters pertaining to the work of the New Room and Charles Wesley's House. This includes ensuring that the Trust complies with charity law and other legislation.

In order to fulfil these objectives over a hundred and fifty volunteers contribute and the wide range of activities taking place are a product of engaging not only with many local churches, schools, youth groups, charities, places of higher education, and other organisations but also with Bristol City community initiatives, with other Methodist heritage sites across the country, and with national and international organisations linked to Methodism.

Fund-raising Standards Information

No professional fundraiser or commercial organisation is employed to fund raise. Some of the charity's income is derived from its activities:

- a. income received from museum visitors;
- b. income from profits made by the cafe and shop and from commercial letting of facilities;
- c. income from activities for which there is a charge.

Other fund-raising is planned by the Executive Committee and authorised by the Trustees as a whole. The fund-raising takes various forms;

- a. some individuals are asked to volunteer as 'ambassadors' for the work of the New Room both in Britain and abroad (mainly in the USA and Korea). They are asked to identify and encourage potential donors;
- b. some individuals are asked to volunteer as 'fund-raisers' working through the Friends of the New Room. This may involve:
 - i) making applications for grants to trusts or other organisations;
 - ii) organising fund-raising events;
 - iii) encouraging individuals to give regular gift-aided donations;
- c. having donation boxes within the New Room and Charles Wesley's House;
- d. seeking financial support through information provided in leaflets and on the web site.

It is made clear to all those involved in fund-raising that no undue pressure must be placed on anyone to give money or other property and the Trustees will not permit any fund-raising activity that might be judged to be an unreasonable intrusion on a person's privacy or unreasonably persistent or unreasonable to anyone who might be judged to be vulnerable.

All the money raised is processed via the Treasurer and Assistant Treasurer and there are strict guidelines regulating the handling of monies. The Finance and Property Committee oversee that these regulations are followed.

There have been no complaints received about the charity's fund-raising activity or about the activities of any of our volunteer fundraisers.

Public benefit statement

The trustees have had regard to the Charity Commission guidance on public benefit.

Achievements and Performance

The New Room is open to visitors six days a week (Monday to Saturday) all the year round and is the most visited Methodist heritage site in the UK.

The opening of the new visitor centre in the Horsefair Courtyard in June 2017 has seen a significant step-change at the New Room and its operation. The new facilities have enabled the New Room to develop its work as a place of pilgrimage, worship, exploration, community building and spiritual growth through its state-of-the-art museum and library space, meeting room for education and training, café, and shop. Overall visitor numbers since the new facilities opened have seen higher than ever figures recorded; with over 50,000 visitors per annum, double the amount who visited prior to the opening of the new visitor centre.

The challenge moving forward is to ensure that what has been achieved can be expanded and sustained beyond the point at which the ongoing financial support from Heritage Lottery Fund (HLF) ends. During the course of 2019/20, over £200,000 funding was secured through until 2024 from a number of different funding streams from within the Methodist Church based on a plan to deliver a range of events and activities using the existing staff team. It should also be noted that, as a result of COVID19, the end date of the HLF project has been extended to the end of June 2021 in order to give the New Room a better opportunity to deliver a revised Activity Plan. The current staff team is made up of 8 paid roles which are Director (F/T), Assistant Manager (P/T), Education Officer (F/T), Collections Manager & Community Engagement Officer (F/T), Operations Manager (F/T), Café Manager (F/T) and Assistant Café Manager (F/T). In addition, a new role was created this year being that of a Finance Officer (P/T) to reflect the more complex financial needs of the charity given its growth over the last five years.

Other than the Director, Finance Officer and two café roles, the HLF remain the primary funders of the other four roles.

The current income streams need to increase to supplement the funding provided by the Methodist Church. Based on current projections, it is anticipated that this will need to be @£50K per annum. During 2020, it was decided to make the Assistant Manager (P/T) role redundant and replace it with the appointment of a Marketing & Communications Officer (P/T) role. This will help the New Room develop its digital offer and ensure that its voice is more widely heard and understood. In addition, the New Room also plans to appoint a Fundraising Officer (P/T) as part of its wider fundraising strategy. It was acknowledged that the skill-set required to effectively deliver this type of role was not found within the current trustee body and so it was agreed to recruit for a paid role. The pandemic has illustrated the vulnerability of seeking to generate income through onsite events and activities and so a number of measures have been introduced to address this. These include the installation of A/V equipment within the chapel so as to allow events to be streamed via the internet. In addition, an online shop was created for the website which allows items to be sold to a worldwide audience. There has been a much stronger emphasis on asking for donations and the New Room's PayPal account has now been updated to reflect its charity status. Finally, although the New Room has not been able to offer on-site services during much of the pandemic, it does now stream a weekly service via its Facebook page and weekly reflections via its website and social media channels. It is hoped that once present guidelines are eased, that the New Room can re-open and begin to generate income again through its new and existing streams.

Volunteers remain at the heart of the New Room's activity and there is a particular focus on expanding the numbers to support the increased size of the operation. There are a wide range of volunteering opportunities available including hospitality, retail, and museum collections so it is hoped that this will widen the backgrounds of those who offer their services. The New Room has been successful in recruiting students from both universities in the city as well as offering work experience and internships.

The trustees adopted a new governance structure which came into force on 1st September 2018. The number of trustees reduced from 19 to 17 and the revised committee structure, including the monthly meeting of the executive committee, has introduced a more streamlined reporting process to the trustee body.

Financial review (including reserves policy)

The Achievements and Performance section above highlights the significant changes that have taken place during the year under report. The main financial aim in that period was to carry out the project within budget and manage the expanded operations without needing to utilise reserves. That aim appears to have been achieved. At the year end, free reserves of £251,131 (2019 - £162,005) were held with a further £95,823 (2019 - £65,823) held as designated funds and £363,149 (2019 - £409,531) in restricted reserves of which £134,219 (2019 - £148,647) relates to endowments.

The following section indicates the plans to establish a sustainable operating model for those activities. The trustees recognise that there will be a need to increase the level of reserves in the future but intend to use the current HLF funding to support the current Activity Plan. Monthly management accounts are prepared and monitored to ensure budget is maintained and therefore the General Fund reserves level is considered adequate and the Trustees intend to maintain reserves at that level with a further review in June 2021 when the current funding ceases.

COVID-19

The trustees have considered the impact that the COVID-19 pandemic will have on the charity's current and future financial position. The charity is taking the following steps to mitigate the threats that COVID-19 may pose to the organisation:

- All staff have, at various stages, either been fully or partly furloughed in order to minimise costs whilst the business is unable to operate.

- All expenditure is being reviewed and only essential costs are being incurred.
- Cash flow forecasts are maintained and updated on a regular basis and the business will be managed within the available cash flow.

The trustees consider that the charity will continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved for the following reasons:

- The charity holds reserves as detailed in the financial review section above.
- The reserves and cash balances are adequate to maintain the organisation for at least 12 months.

The trustees therefore consider it appropriate to adopt the going concern basis of preparation of the accounts, as detailed in note 1 to the financial statements.

Plans for future periods

The New Room trustees are committed to continuing with the same level of operation as presently until, at least 2024, although it is recognised that existing funding streams will need to generate more income, and new income streams will need to be identified and secured. Income generation from new sources, such as online sales and events, will be critical to achieving that objective. It is also planned to relaunch the Friends of the New Room and encourage people to make legacies in favour of the New Room.

In the meantime, staff will continue to deliver the previously agreed Activity Plan which will be subject to a final evaluation by the HLF in 2021. This work includes education outreach, community engagement, museum, library, and archive research and learning opportunities and volunteering skill development in hospitality and retail.

As the pandemic is ongoing, it is not possible, at this time, to project as to when it will end and how quickly people's confidence will be restored. However, the additional funding secured in the last year provides a better opportunity of continuing to develop the work begun since 2017 when its new facilities were opened. The New Room is in a stronger and more resilient position than before the pandemic as it has taken the opportunity during lockdown to develop its online and digital offering. As the oldest Methodist building in the world, it occupies a unique position that will continue to attract visitors locally, nationally, and internationally. However, it is recognised that the New Room will need to be pro-active in developing its income streams and re-active to changes still to come once the pandemic is over.

Structure, governance, and management

The Trustees of John Wesley's Chapel (the New Room) and 4-5 Charles Street are appointed to manage the affairs of the Trust on behalf of the British Methodist Church. They operate under Methodist Church Act 1976 Standing Order 220 and 910 (5) of the Constitutional Practice and Discipline of the Methodist Church.

The Trustees are responsible for proposing new trustees as and when required but the decision on who becomes a trustee is then taken by the Methodist Church at its annual Conference. There are normally up to twenty trustees appointed and these cover a wide range of specialisms. It is the aim that 75% of the trustees should be Methodists or come from a Methodist background and to have representation from circuit, district and Connexional levels of the Methodist Church. The Secretary of the Methodist Conference or a designated substitute is an ex-officio trustee. Each trustee is normally appointed for a period not exceeding six years, although a person can seek re-appointment if that is in the interests of the charity. There is an expectation that each trustee will serve either on a committee or in some other direct way.

A trustee must be over eighteen years old, satisfactorily meet the regulations that apply with regard to child protection and be free of any criminal convictions. He or she must not be in a position to benefit from the charity and must be willing to attend in-service training as deemed appropriate. The in-service training programme is determined by the Chair and Director working in liaison with the Education Officer, the Management and Engagement Committee, and agencies of the Methodist Church, such as the Heritage Committee. The Heritage

Committee is an important support network, which contains a wide body of expertise and representatives from all the key Methodist heritage sites.

The Trustees appoint from within their number a Chair and a range of other voluntary officers, including a Deputy-Chair, a Chair of the Finance and Property Committee, a Chair of the Management and Engagement Committee, a Secretary, a Treasurer, a Historical Consultant, two Chaplains, and a representative who sits on the Methodist Church's Heritage Committee.

The Trustees normally meet three times a year. The Secretary gives at least two weeks' notice of meetings and for a meeting to be quorate there must be 50% of the total number plus one in attendance. Where decisions are taken each trustee, present has one vote and, if there is an equality of votes, the Chair has a casting vote. There are two committees that also normally meet three times a year (the Management and Engagement Committee and the Finance and Property Committee). There is also an Executive Committee which meets as and when required (normally once between each of the full meetings of the Trustee body). It operates under the delegated authority of the Trustees and is answerable to them. Its membership comprises the Chair of Trustees (who acts as its Chair), the Deputy-Chair, the Chair of the Management and Engagement Committee, the Chair of the Finance and Property Committee, the Secretary of the Trustees, and, in a non-voting capacity, the Director. The Committee has the authority to co-opt people with particular skills as may be appropriate to attend a meeting or undertake specific tasks to assist the Committee. Its terms of reference are:

1. to formulate the overall strategy for the future operation of the Trust which is consistent with the Mission Statement and approved by the Trustees;
2. to oversee the Five-Year Strategic Plan which incorporates the strategic requirements of the Trust and is approved by the Trustees and, in line with this, the annual Activity Plan;
3. to oversee that the day-to-day running of the New Room is effective;
4. to oversee the activities of the Management and Engagement Committee and the Property and Finance Committee and any working group that is set up, giving guidance and/or authority where necessary;
5. to keep itself informed of the financial position of the Trust and to recommend to the Trustees strategic decisions in the light of this.

The Trustees have the power to employ staff and set terms, conditions, and remuneration rates of such employment, having regard to employment law and to lay employment guidelines set by the Methodist Church. There is an annual review of salaries to take account of inflation (undertaken in conjunction with the Methodist Church) but every three years there is a wider review to compare salaries with what is happening in the marketplace for comparable roles and to take into account any significant changes in responsibility. The Trustees delegate day to day decision making to the Director who also line-manages the other staff (the Education Officer, the Community Engagement Officer, the Collections Manager, the Cafe Manager, etc.). Regular reports are expected from the staff to the Trustees (and, whenever judged necessary, staff may be requested to attend a part of the Trustees' meeting to answer questions, etc.).

The Chair of Trustees line manages the Director and works with him and the Executive Committee to develop strategic proposals and these are then discussed and developed within the Committees or working parties before being decided upon by the Trustee body as a whole. The Director attends Trustee meetings and committees but in a non-voting capacity. The Director and appropriate members of the staff team are responsible for recruiting a range of volunteers (working as guides, working in the cafe and shop, working in the archives, library or museum, fund-raising, etc.) and ensuring these are properly trained. In addition, the Trustees identify and invite people to become patrons or ambassadors for the New Room (abroad as well as in the UK).

The Trustees are required to ensure that the Trust remains solvent through its activities and through donations and other fund-raising exercises. To this end a Five-Year Strategic Plan is drawn up and there is an annual Activity

Plan which is reviewed and evaluated. No trustee or volunteer can benefit financially except from the receipt of payment for expenses incurred in the course of duties and there is an agreed policy on expenses. Any funds raised, grants obtained, loans secured, or income received in any other way can only be used for the purposes of the Trust. Trustees take care in investing the funds of the Trust and seek to avoid undertaking any activities that might place the Trust's endowments, funds, assets, or reputation at risk.

Since 2015 the Trustees have been working very closely with the Heritage Lottery Fund because it made a major grant (£2.6 million) towards 'the Horsefair Project' - the creation of a new Museum and a new Visitors' Centre (including a Cafe and new Archives and Library) and the development of greater community engagement programme. The Trust has also been reporting back to other donors to the Project, including the Joseph Rank Trust, Leonard Laity Stoa Charitable Trust, and the Wolfson Foundation. As part of this process, a major risk assessment was undertaken and that is being subsequently monitored and, where necessary, updated by the Chair of the Finance and Property Committee working in conjunction with various staff and volunteers. A specialist risk assessment relating to the Museum Collection has also been drawn up. The Horsefair Project will continue until June 2021.

Funds held as Custodian Trustee on behalf of others

No funds are held on behalf of others

Financial instruments

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Approved on behalf of the board of trustees:

Mr John Savage - Trustee

Mr Geoff Gollop - Trustee

18 February 2021

Independent Examiner's Report to the Trustees of The New Room/John Wesley's Chapel

Independent examiner's report to the trustees of The New Room/John Wesley's Chapel

I report to the charity trustees on my examination of the accounts of The New Room/John Wesley's Chapel for the year ended 31 August 2020.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns, other than the matter set out below, and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Matter of concern identified

The trustees' view on the impact of Covid-19 is disclosed in the Trustees' Report and accounting policies note. However, not all future events or conditions can be predicted. The Covid-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity.

Geoffrey SpeirsFCA
Haines Watts
Chartered Accountants
Bath House
6-8 Bath Street
Bristol
BS1 6HL

18 February 2021

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

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2019-20
		£	£	£	£	£
Income						
1 Donations, Legacies and Grants	2	170,994		112,073		283,067
2 Charitable Activities	3	50,504				50,504
3 Other Trading Activities	4	103,564				103,564
4 Interest and investment income	5	7,425				7,425
5 Other	6	2,151				2,151
6 Total income		334,638	0	112,073	0	446,711
Expenditure						
7 Raising Funds	7	119,355				119,355
8 Charitable Activities	8	95,234		144,602		239,836
9 Other						
10 Total charitable expenditure		214,589	0	144,602	0	359,191
11 Gains/(losses) on monetary investments		(923)		575	(14,428)	(14,776)
12 Net income/(expenditure)		119,126	0	(31,954)	(14,428)	72,744
13 Transfers between funds		(30,000)	30,000			0
14 Other gains/(losses)						0
15 Net movement in funds		89,126	30,000	(31,954)	(14,428)	72,744
16 Total funds brought forward		162,005	65,823	260,884	148,647	637,359
17 Total funds carried forward		251,131	95,823	228,930	134,219	710,103

Year ended 31 August 2019

		General Fund (Unrestricted)	Designated Funds (unrestricted)	Restricted Funds	Endowment Funds	Total 2018-19
		£	£	£	£	£
Income						
1 Donations, Legacies and Grants		85,657		137,874		223,531
2 Charitable Activities		66,477				66,477
3 Other Trading Activities		162,431				162,431
4 Interest and investment income		7,907				7,907
5 Other		3,698				3,698
6 Total income		326,170	0	137,874	0	464,044
Expenditure						
7 Raising Funds		135,800				135,800
8 Charitable Activities		106,097		172,212		278,309
9 Other						
10 Total charitable expenditure		241,897	0	172,212	0	414,109
11 Gains/(losses) on monetary investments		2,800		3,356	(2,308)	3,848
12 Net income/(expenditure)		87,073	0	(30,982)	(2,308)	53,783
13 Transfers between funds		(30,000)	30,000			0
14 Other gains/(losses)						0
15 Net movement in funds		57,073	30,000	(30,982)	(2,308)	53,783
16 Total funds brought forward		104,932	35,823	291,866	150,955	583,576
17 Total funds carried forward		162,005	65,823	260,884	148,647	637,359

The New Room/John Wesley's Chapel

Balance Sheet as at 31 August 2020

	Notes to the accounts	General Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2020	Totals 2019
		£	£	£	£	£	£
Fixed Assets							
Church building and other property							
Investment properties							
Investments	16			131,799	134,219	266,018	280,795
Total fixed assets		0	0	131,799	134,219	266,018	280,795
Current Assets							
Shop Stock		11,586				11,586	8,883
Debtors and prepayments	17	21,319		46,685		68,004	17,613
Cash Deposits with Trustees for Methodist Church Purposes (TMCP)	18	69,588		35,429		105,017	105,017
Central Finance Board (CFB) Deposits	17	157,790	95,823	15,017		268,630	257,841
Cash at Bank and in hand	17	8,967				8,967	12,226
Total current assets		269,250	95,823	97,131	0	462,204	401,580
Current liabilities							
Creditors (due in under 1 year)	19	18,119				18,119	45,016
Total current liabilities		18,119		0	0	18,119	45,016
Net current assets/liabilities		251,131	95,823	97,131	0	444,085	356,564
Total assets less current liabilities		251,131	95,823	228,930	134,219	710,103	637,359
Long term liabilities (due after more than one year)							
NET ASSETS		251,131	95,823	228,930	134,219	710,103	637,359
Funds of the New Room							
General Fund (Unrestricted)	21	251,131				251,131	162,005
Designated Funds (Unrestricted)	21		95,823			95,823	65,823
Total Unrestricted Funds						346,954	227,828
Restricted Funds	21			228,930		228,930	260,884
Endowment Funds	21				134,219	134,219	148,647
TOTAL FUNDS		251,131	95,823	228,930	134,219	710,103	637,359

The financial statements were approved by the board on 9th February 2021

Approved on behalf of the Board of Trustees on 18 February 2021

Mr John Savage - Trustee

Mr Geoff Gollop - Trustee

The notes on pages 11 to 20 form part of these financial statements

Year ended 31st August 2020
Notes to the accounts

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been 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 Republic of Ireland (FRS 102) (effective 1 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.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 2015 (FRS 102) (effective 1 January 2019) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic is likely to have a profound impact on the global economy and has in turn affected the charity. The trustees have considered the impact of this issue on the charity's current and future financial position as explained in the Trustees' Report Financial Review section. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Income

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Charity. No attempt is made to measure the value of services donated by volunteers. Individual amounts categorised as Other Income in the SOFA will be shown separately if they are considered material. Grants are recognised in full in the SOFA in the year in which they are receivable, where all the conditions of the grant have been met. Where conditions exist which remain unsatisfied, the grant is treated as a liability until the conditions have been substantially met.

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 cost 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.

Governance costs

Governance costs comprise all costs involved in the public accountability of the charity and its compliance with regulation and good practice.

The New Room/John Wesley's Chapel
Year ended 31st August 2020
Notes to the accounts

1. ACCOUNTING POLICIES (continued)

VAT

The Trust is registered for VAT and accounts for VAT under a partial exemption special method approved by HMRC.

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the Trust without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate. Endowment funds represent restricted gifts, the capital normally being unavailable for spending. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Financial Instruments

The charity 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 when the charity 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the charity's contractual obligations are discharged, cancelled, or they expire.

The New Room/John Wesley's Chapel
Year ended 31st August 2020
Notes to the accounts

1. ACCOUNTING POLICIES (continued)

Judgements and key sources of estimation uncertainty

No judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies.

Donated goods and services

No value is included in the financial statements in respect of the receipt of items donated to the museum and library collections. If items are donated for resale then the income from sale will be recognised at the point of sale. In accordance with Charities SORP (FRS 102) the time of volunteers is not recognised.

Allocation and apportionment of support costs

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources. Premises overheads have been allocated on floor area basis and other overheads have been allocated on estimated management time spent in support of the relevant activity.

Stock

Stock is valued at cost which is estimated at selling price less 50%.

Investments

Investments are made in various TMCP funds and recognised at the fund market value at balance sheet date. Current asset investments with TMCP are mainly short term highly liquid investments.

Cash

Cash at bank is held to meet short-term cash commitments as they fall due rather than for investment purposes. Cash on deposit with the Central Finance Board can normally be accessed within two working days' notice.

Debtors

Debtors are measured on initial recognition at settlement amount after any amounts advanced by the charity. Subsequently, they are measured at the cash or other consideration expected to be received.

Creditors

The charity has creditors which are measured at settlement amounts.

Going concern accounting policy

The accounts have been prepared on the assumption that the charity is able to continue as a going concern. However, the COVID-19 pandemic is likely to have a profound impact on the global economy and has in turn affected the charity. The trustees have considered the impact of this issue on the the charity's current and future financial position. The charity holds unrestricted, general reserves of £251k and designated reserves that can be drawn down if necessary of £95k. The trustees consider that the charity has sufficient cash reserves to continue as a going concern for a period of at least 12 months from the date on which these financial statements are approved.

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2. Donations, Legacies	Unrestricted	Designated	Restricted	2020 Total	2019 Total
and Grants	£	£	£	£	£
Tax credits	1,559			1,559	2,771
Donations	73,316			73,316	15,080
Grants	96,119		112,073	208,192	205,680
Total	170,994	0	112,073	283,067	223,531

3. Charitable activities	Unrestricted	Designated	Restricted	2020 Total	2019 Total
	£	£	£	£	£
Museum, Tours etc	12,072			12,072	30,153
Education and Community Engagement	11,764			11,764	10,174
5 Charles St Rent	26,668			26,668	26,150
Total	50,504	0	0	50,504	66,477

4. Other trading activities	Unrestricted	Designated	Restricted	2020 Total	2019 Total
	£	£	£	£	£
Shop	14,677			14,677	23,803
Café	74,322			74,322	120,893
Lettings	14,565			14,565	17,735
Total	103,564	0	0	103,564	162,431

5. Investment income	Unrestricted	Designated	Restricted	2020 Total	2019 Total
	£	£	£	£	£
Central Finance Board & TMCP	7,425			7,425	7,907
Total	7,425	0	0	7,425	7,907

6. Other	Unrestricted	Designated	Restricted	2020 Total	2019 Total
	£	£	£	£	£
Other Income	2,151			2,151	869
VAT				0	2,829
Total	2,151	0	0	2,151	3,698

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7. Analysis of expenditure on Raising Funds	Activities undertaken directly		Support Costs	Total
2019-20	£		£	£
Shop	19,552		3,670	23,222
Café	83,550		12,583	96,133
	103,102		16,253	119,355
2018-19				
Shop	20,944		3,453	24,397
Café	99,024		12,379	111,403
	119,968		15,832	135,800

8. Analysis of expenditure on Charitable Activities	Activities undertaken directly	Grant Funding of Activities	Support Costs	Total
2019-20	£	£	£	£
Development of New Museum and Visitor Centre	0			0
Museum & Collections	51,122		17,297	68,419
Education & Community Engagement	83,901		9,436	93,337
Other	47,683		30,397	78,080
	182,706	0	57,130	239,836
2018-19				
Development of New Museum and Visitor Centre	14,676			14,676
Museum & Collections	60,672		19,714	80,386
Education & Community Engagement	96,263		9,601	105,864
Other	40,814		36,569	77,383
	212,425	0	65,884	278,309

9. Allocation of Support Costs	Governance	Office Costs	Property Running Costs	Total
2019-20	£	£	£	£
Raising Funds - Shop	220	1,878	1,572	3,670
- Café	660	5,635	6,288	12,583
Charitable Activities - Museum & Collections	440	3,756	13,101	17,297
- Education & Community Engagement	440	3,756	5,240	9,436
- Other	440	3,756	26,201	30,397
Total Support Costs	2,200	18,781	52,402	73,383
2018-19				
Raising Funds - Shop	276	1,154	2,023	3,453
- Café	828	3,460	8,091	12,379
Charitable Activities - Museum & Collections	552	2,307	16,855	19,714
- Education & Community Engagement	552	2,307	6,742	9,601
- Other	552	2,307	33,710	36,569
Total Support Costs	2,760	11,535	67,421	81,716

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10. Independent Examiner's/Auditor's Remuneration

Amounts payable to the independent examiner comprise £2,200 + VAT (2019 £2,500 + VAT) for the independent examination and £ 2,594+VAT (2019 £1,300 + VAT) for accounting advice.

11. Trustees' Remuneration and benefits

There was no Trustees' remuneration for the year ended 31st August 2020. (2019 £ nil)

	2019-20	2018-19
Number of trustees who were paid expenses	3	7
Nature of the expenses : Travel Expenses		
Total amount paid	£254	£820

The total employment benefits, including national insurance and pension contributions, of the key management personnel were £ 43,681 (2019 £45,510).

	2019-20	2018-19
	£	£
12. Staff Costs		
Gross wages, salaries and benefits in kind	182,698	187,340
Employer's National Insurance costs	15,520	16,314
Pension costs	<u>11,717</u>	<u>11,076</u>
Total staff costs	<u>209,935</u>	<u>214,730</u>
Average number of staff employed during the year were:	9	9
Average number of full time equivalent staff employed:	7	7

No employees received total emoluments of more than £60,000

13. Pension Benefits

The charity operates a defined contribution pension plan for its employees. The amount recognised as an expense in the year was £ 11,717 (2019 £11,076).

Pension costs are allocated to activities based on estimated time to support the relevant activity and are recognised in the general fund and development fund as appropriate.

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14. Volunteers Note

The volunteers at the New Room are a critical part of its operation and, without them, the site could not function. There are a wide variety of volunteering opportunities at the New Room, ranging from chapel welcomers to café helpers, from trustees to collections volunteers. The time that volunteers give to the New Room enable it to remain open to visitors six days a week and there is a wide range of activity that is delivered across the site during 300+ days of opening in a normal year. During 2019-20 opening has been significantly curtailed due to the Government's coronavirus restrictions. The volunteers are supported in the respective roles by individual staff team members and training is provided to develop specific knowledge and skill sets.

15. Tangible Fixed Assets

No valuation is attached to tangible fixed assets. The trustees act only as managing trustees for the premises which belong to the Methodist Connexion. For insurance purposes the chapel and visitor centre and Charles Street premises and contents are valued at £6,810,656 (2019 £6,609,841).

16. Investments

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

Analysis of investment movements	2019-20	2018-19
	£	£
Carrying (market) value at beginning of year	280,795	276,946
Net gain (loss) on revaluation	<u>(14,777)</u>	<u>3,849</u>
Carrying (market) value at end of year	<u>266,018</u>	<u>280,795</u>

These investments are managed by TMCP and held in the CFB Managed Equity and Fixed Interest Funds and shown at market value at the balance sheet date.

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17. Analysis of other current assets		2019-20		2018-19
		£		£
Debtors and prepayments				
Trade Debtors		556		4,144
Prepayments & Accrued Income		67,111		13,469
Other Debtors		337		0
Total Debtors and prepayments		68,004		17,613
Analysis of cash at bank				
Bank balance (Bank of Scotland)		8,004		11,814
Bank balance (Central Finance Board)		268,630		257,841
Other		963		412
Total Cash at Bank		277,597		270,067

18. Cash Deposits with TMCP		2019-20		2018-19
		£		£
Trustees Interest Fund		105,017		105,017
Total		105,017		105,017

19. Analysis of current liabilities		2019-20		2018-19
		£		£
Trade Creditors		4,958		8,822
Other Creditors		3,457		28,106
Taxation and Social Security costs		9,704		8,088
Total Current Liabilities		18,119		45,016

20. Related Party Transactions

No related party transactions took place during the year (2019 nil)

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21. Detailed analysis of individual fund movements 2019/20

	Opening Balance £	Income £	Expenditure £	Transfers £	Revaluation gains (losses) £	Closing Balance £
Unrestricted Funds						
General	162,005	334,638	214,589	(30,000)	(923)	251,131
Totals	162,005	334,638	214,589	(30,000)	(923)	251,131
Designated Funds						
Major Repairs	26,313					26,313
Broadmead Courtyard	9,510					9,510
Grants awaiting application	30,000			30,000		60,000
Totals	65,823	0	0	30,000	0	95,823
Restricted Funds						
Development	94,231	112,073	144,602			61,702
Chapel Appeal and Maintenance	166,653				575	167,228
Totals	260,884	112,073	144,602	0	575	228,930
Endowment Funds						
Gift of C C Posnett	96,491				(9,366)	87,125
Various Bequests	52,156				(5,062)	47,094
Totals	148,647	0	0	0	(14,428)	134,219

Fund purposes

Major Repairs Fund : For major repairs and maintenance of both The New Room and 4-5 Charles Street.

Broadmead Courtyard Fund : For ongoing development and maintenance of the Broadmead Courtyard.

Grants awaiting application: Grants received in advance - the trustees plan to apply this fund towards expenditure in 2020-21 and 2021-22.

Development Fund : For HLF project costs relating to the new building in the Horsefair Courtyard.

Chapel Appeal and Maintenance: For use in maintaining and improving the premises.

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21. Detailed analysis of individual fund movements (comparative) 2018/19

	Opening Balance £	Income £	Expenditure £	Transfers £	Revaluation gains (losses) £	Closing Balance £
Unrestricted Funds						
General	104,932	326,170	241,897	(30,000)	2,800	162,005
Totals	104,932	326,170	241,897	(30,000)	2,800	162,005
Designated Funds						
Major Repairs	26,313					26,313
Broadmead Courtyard	9,510					9,510
Grants awaiting application				30,000		30,000
Totals	35,823	0	0	30,000	0	65,823
Restricted Funds						
Development	128,569	137,874	172,212			94,231
Chapel Appeal and Maintenance	163,297				3,356	166,653
Totals	291,866	137,874	172,212	0	3,356	260,884
Endowment Funds						
Gift of C C Posnett	97,989				(1,498)	96,491
Various Bequests	52,966				(810)	52,156
Totals	150,955	0	0	0	(2,308)	148,647

22. Analysis of assets between funds (comparative) 2018/19

Fund Name	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total £
Fixed assets	0	0	0	148,647	148,647
Cash and current investments	160,198	65,823	281,211	0	507,232
Other current assets	18,192	0	8,304	0	26,496
Liabilities - Creditors (due in under 1 year)	(16,385)	0	(28,631)	0	(45,016)
Totals	162,005	65,823	260,884	148,647	637,359