

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

England & Wales · Charity number 1140225

Details

Status Registered

Legal form Previously excepted

Registered 2011-02-04

Register [View on the Charity Commission register](#)

Contact

Address Chelsea Methodist Church
155a Kings Road
London
SW3 5TX

Phone 02073529305

Email faith.nyota@methodist.org.uk

Website www.chelseamethodist.org.uk

Activities

Objects: The purposes of the Methodist Church are and shall be deemed to have been since the date of union the advancement of -(a) the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;(b) any charitable purpose for the time being of any Connexional, district, circuit, local or other organisation of the Methodist Church;(c) any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church;(d) any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

Activities: To provide Christian Worship and Pastoral Care for the Members of the church, adherents and members of the wider community. To carry out Christian mission and outreach within the wider church/community. To receive and manage income from shops to enable above activities.

Classification

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

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Kensington And Chelsea

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£289,872	£347,461	-	-
2023-08-31	£288,739	£291,306	-	-
2022-08-31	£355,909	£349,256	-	-
2021-08-31	£242,485	£304,869	-	-
2020-08-31	£289,224	£378,434	-	-

Trustees

Name	Role	Appointed
Rev Faith Mwari Nyota	Chair	2022-09-01
ALAN FREDERICK MILLS		
Alvin Roncal		2022-09-01
Colmeta Arletta Thorpe		
David Tamby Rajah		2022-09-01
Mary Jean Roncal		2022-09-01
NOEMI VILA		

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

England & Wales - Charity number 1140225

Accounts

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

**REPORT OF THE TRUSTEES AND AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023**

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

CONTENTS

ADMINISTRATIVE DETAILS 3

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023..... 4

INDEPENDENT AUDITOR’S REPORT TO THE TRUSTEES OF CHELSEA METHODIST CHURCH AND
PASTORAL CENTRE 7

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023 10

BALANCE SHEET AS AT 31 AUGUST 2023 11

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023..... 12

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

ADMINISTRATIVE DETAILS

Charity registration number	1140225
Principal address	155a King's Road, Chelsea, London SW3 5TX
Bankers	HSBC plc, 8 Victoria Street, London SW1H 0NJ Central Finance Board, 9 Bonhill Street, London EC2A 4PE
Auditors	Banks & Co, 1 Carnegie Road, Newbury, Berkshire, RG14 5DJ
Solicitors	Pothecary Witham Weld Solicitors, 70 St, George Square, London SW1V 3RD

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2023

TRUSTEES

Minister	Rev. Faith Nyota (appointed October 2022) Rev. Mark Davenport (resigned August 2022)
Church Treasurer	Alan Mills
Church Trustees	Alan Mills Colmeta Thorpe Noemi Vila David Tamby-Raja (appointed September 2022) Marilyn Neufville (appointed September 2022) Mercy A Egyri (appointed September 2022) Jean Roncal (appointed September 2022) Alvin Roncal (appointed September 2022)

STRUCTURE, GOVERNANCE and MANAGEMENT

The Chelsea Methodist Church is managed by a Leadership Team drawn from the above officials and the Church Council, who are the Church Trustees, constituted as above. The Church also employs, normally, five staff and uses several volunteers to manage our homelessness project. Our volunteers are all suitably DBS checked as are our full-time staff. Training is given to any new volunteers and is arranged by the Resourcing Mission Executive Officer who has oversight of the daily running of the entire premises. Trustees are drawn from the Church congregation, usually on a voluntary basis unless a specific area of expertise which is unavailable in the Church is needed, in which case outside help from the wider Methodist community is enlisted.

The Trustees for Methodist Church Purposes (TMCP) own all land and buildings on behalf of the Methodist Church and local Trustees, the Church Council in this case, manage the assets on behalf of TMCP. Sale or purchase of these assets must be agreed with TMCP in Manchester before any local activity can take place. There is a centralised computer system, the Methodist Consent System, for controlling and approving any development, renovation, sale or purchase of the Methodist Church assets.

The Methodist Church in the UK is governed by Deed of Union (1932) and the Methodist Church Act (1976). These govern all Methodist Churches at local, Circuit, District and National levels and a copy of this Deed is available in C.P.D. (the Constitutional Practice and Discipline) of the Methodist Church.

OBJECTIVES and ACTIVITIES

The objectives of the Church are:

- To provide Christian worship and pastoral care for members of the Church, adherents and members of the wider community
- To conduct mission and outreach for the wider Church community
- To receive and manage income from our owned shops
- To encourage and develop use of the premises for church activities
- To maintain and care for the premises

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

FINANCIAL REVIEW

Our main income is from the four shops in King's Road which have been fully occupied from December 2020. We still have an ongoing rental debt from one of our shops. Our attendance at Church has declined post Covid and hence our income from collections also suffered. The suite of offices on the second floor were vacated and have remained empty for most of this last financial year.

Our Circuit assessment has continued at a reduced rate due to Circuit policy and is now £20166.68 p.a. ; 6.98% of our total income. The assessment is reviewed annually by Chelsea, Hammersmith and Fulham Circuit and is based on the requirements to present a balanced Circuit budget.

INCOME

Church income is derived potentially from four shop lets, room bookings, office space rents, church offerings and occasional donations.

Chelsea Methodist Church is one of five churches in the Chelsea, Hammersmith and Fulham Methodist Circuit (Registered Charity No. 1133940) and retains control of Chelsea Surplus Funds (Trust No. 18632) and now the Ruby Edwards legacy (22595). Both are held by TMCP and interest derived from both Funds is / will be transferred into the Church current account for distribution as necessary. There is also a Trust Fund, held within Circuit accounts, which is ring fenced for use by Chelsea Methodist Church (Trust Fund 21747), also held within TMCP.

At the direction of Church Council management and rent collection of our four shop premises will be transferred to an authorised agent who will liaise with our Solicitors on any new lease agreements. Rent collection from the rental premises has been managed in house this year.

Rental deposits for the shops are held in a designated ring fenced account and interest on the account will be repaid to tenants at the end of their term. This account is a restricted account.

RISK ANALYSIS

The Trustees make every effort to ensure that potential financial and operational risks are reduced to the minimum by maintaining strict oversight through regular financial reports to the Church Council and Leadership Team. Church Council meetings are usually held at least twice per year. The Church strives to maintain at least six months reserves to cover normal running expenses; this year our outgoings totalled £291,456 and our liquid unrestricted balances £207,280, representing 71.11% of a normal year's expenses.

STATEMENT of TRUSTEES' RESPONSIBILITIES

Under the supervision of the Treasurer and the oversight of the auditors, the Trustees are required to approve the prepared financial statements every year which give a true and fair view of the financial activities of the Church and of its financial position at the end of the year. In preparing those statements, the Trustees are required to :

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the policies adopted are in accordance with the Charities Act 1993 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statement on a "going concern" basis unless it is inappropriate to assume that the Church will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Church and enable them to ensure that the financial statements comply with the Charities Act 1993. They are responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and any other irregular activities.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

POST BALANCE EVENTS

Two of our staff were made redundant during the period after 31st August 2023 and this has resulted in redundancy payments and, in one case, a potential tribunal hearing which has also resulted in compensation being paid. The full financial impacts of these events will be shown in the 2024 accounts.

APPROVAL

This report was approved by the Trustees on David Nyota and signed on their behalf by :
Reverend Faith Nyota FNyota Superintendent Minister

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Opinion

We have audited the financial statements of Chelsea Methodist Church and Pastoral Centre (the 'charity') for the year ended 31 August 2023 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including significant accounting policies. 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 charity's affairs as at 31 August 2023, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 5 & 6, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- Enquiry of management and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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.



Banks & Co Ltd, Statutory Auditor
Chartered Certified Accountants
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

Banks & Co Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Date: 9.03.2025

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
		£	£	£	£
INCOME					
Offerings		4,639	-	4,639	5,323
Donations		885	-	885	56,935
Gift Aid		91	-	91	558
Investment income	2	283,124	-	283,124	291,123
TOTAL INCOME		288,739	-	288,739	353,939
EXPENDITURE					
Expenditure on investment income		1,110	-	1,110	1,200
Expenditure on charitable activities	3	146,328	150	146,478	207,859
Administrative expenses		61,594	-	61,594	46,165
Premises expenses		35,440	-	35,440	47,198
Bad Debts		-	-	-	-
Governance costs - audit fee	4	4,000	-	4,000	4,000
Depreciation		42,834	-	42,834	42,834
TOTAL EXPENDITURE		291,306	150	291,456	349,256
Net gain/(deficit) before investment and revaluation gains/(losses)		(2,567)	(150)	(2,717)	4,683
Net gain on investments		2,658	-	2,658	2,558,810
NET INCOME/(DEFICIT) FOR THE YEAR		91	(150)	(59)	2,563,493
BALANCE BROUGHT FORWARD		9,818,227	3,759	9,821,986	7,258,493
BALANCE CARRIED FORWARD		9,818,318	3,609	9,821,927	9,821,986

All activities are derived from continuing operations

There are no further recognised gains /(losses) other than the surplus/deficit for the financial year

The notes on pages 11 to 16 form part of these financial statements

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

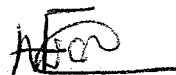
BALANCE SHEET AS AT 31 AUGUST 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 £	2022 £
FIXED ASSETS					
Tangible assets	6	9,594,126	-	9,594,126	9,636,960
CURRENT ASSETS					
Investments	7	95,269	-	95,269	93,013
Debtors	8	91,497	-	91,497	109,705
Bank and Cash Balance	9	136,075	3,609	139,684	93,899
		322,841	3,609	326,450	296,617
CREDITORS: Amounts falling due within one year	10	24,064	-	24,064	39,468
TOTAL NET CURRENT ASSETS		298,777	3,609	302,386	257,149
TOTAL ASSETS LESS CURRENT LIABILITIES		9,892,903	3,609	9,896,512	9,894,109
CREDITORS: Amounts falling due after one year	11	74,585	-	74,585	72,123
TOTAL ASSETS		9,818,318	3,609	9,821,927	9,821,986
FUNDS					
Restricted	12		3,609	3,609	3,759
Unrestricted		9,818,318		9,818,318	9,818,227
TOTAL FUNDS		9,818,318	3,609	9,821,927	9,821,986

Approved by the Circuit Trustees on [09/09] 2025 and signed on their behalf by:



ALAN MILLS
Treasurer



REV. FAITH NYOTA
Superintendent Minister

The notes on pages 12 to 17 form an integral part of these financial statements.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Charities Statement of Recommended Practice issued in October 2019 and the Charities Act 2011.

Chelsea Methodist Church and Pastoral Centre is a public benefit entity, as defined by FRS 102.

The financial statements are presented in Pounds Sterling, rounded to the nearest pound.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern.

b) Fund accounting

Unrestricted funds represent the funds of the Church that are not subject to any restrictions regarding their use and are available for application in the furtherance of the general objectives of the Church.

Restricted funds which are held for specific use in accordance with the specific restrictions imposed by donors.

The financial statements only include transactions, assets and liabilities for which the Church can be held responsible. They do not include the financial statements of church groups that owe an affiliation to another body nor those of informal gatherings of church members.

c) Income recognition

All incoming resources are included within the Statement of Financial Activities (SOFA) when the Church is legally entitled to the income after any performance conditions have been met, the amount can be reliably measured and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

The charity receives grants from the government in respect of the covid pandemic. These grants are recognised at fair value when the Church has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income is earned through holding certain assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where the management costs can be identified with reasonable accuracy, these are included. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Church's right to receive payment is established.

d) Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants and donations

Grants and donations made by the Church from its own funds are recognised in full at the time of the agreement or when the Church accepts that there is a legal or operational obligation to make the payment.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2023 continued

f) Tangible fixed assets

The investment properties and Church building disclosed in the Accounts are legally owned by the Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee. The freehold property is shown in the Accounts at its deemed historical cost under FRS102 represented by its insurable value in 2017. No depreciation is provided because the trustees consider the current residual fair value of the building, in its present condition, to be not less than its historical cost.

All fixed assets with a cost in excess of £1,000 are capitalised. Otherwise, such costs are written off in the year of expenditure.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over its expected useful life as follows:

Church organ – 10% on a straight line basis.

Equipment - 20% on the net book value

g) Investment properties

Investment properties which comprise four retail shops are shown in the Accounts at their deemed historical cost under FRS102.

h) Investments

The Church's investments are monetary assets classified as financial instruments under FRS102 and are held by the Trustees for Methodist Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains/(losses) arising on investments at the end of the year are shown in the SOFA.

i) Taxation

Chelsea Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

i) Reserves policy

Chelsea Methodist Church holds sufficient balances in the general fund to meet at least 6 month's expenditure at the current level and a small balance to meet unanticipated expenditure and programmed works which cannot be funded from a single year's budget.

j) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees have therefore continued to adopt the going concern basis in preparing the Church's financial statements.

k) Financial instruments

Financial assets and liabilities are recognised when the Church becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, 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 of the asset expire or are settled, or when the Church transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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 rate of interest. Financial liabilities are

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2023 continued

derecognised when, and only when, the Church's contractual obligations are discharged, cancelled, or they expire.

2. INVESTMENT INCOME

	2023	2022
	£	£
Shop rent and insurance	251,509	240,750
Other rental income	26,267	49,928
Other church activities	3,520	398
TMCP interest	-	-
Central Finance Board interest	1,828	47
Other interest	-	-
	<u>283,124</u>	<u>291,123</u>

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	2023	2022
	£	£
Circuit assessment	20,167	60,500
Donations	56	699
Salaries, employer's national insurance and pension, net of government grants	119,408	141,038
Worship expenses	6,231	4,667
Church Activities	466	955
Staff costs	-	-
	<u>146,328</u>	<u>207,859</u>

There were no employees who received total employee benefits of more than £60,000 during the year.

4. GOVERNANCE COSTS

	2023	2022
	£	£
Audit Fee	<u>4,000</u>	<u>4,000</u>

5. SALARIES, NIC and PENSION COSTS

	2023	2022
	£	£
Salaries and wages	111,022	131,879
Employer's national insurance contribution	6,014	3,807
Employer's pension contribution	2,372	5,352
	<u>119,408</u>	<u>141,038</u>

Salary costs of £11,094 (2022: £18,678) were incurred during the year representing the Church's total cost of fundraising.

The average number of staff employed by the Church during the year was 5 (2022: 8).

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2023 continued

6. TANGIBLE ASSETS

Freehold land and building

	Investment Properties £	Church Building £	Organ £	Equipment £	Total £
Cost/valuation at 1 September 2022	4,050,000	5,332,720	414,502	8,306	9,805,528
Revaluation during the year					-
Cost/valuation at 31 August 2023	<u>4,050,000</u>	<u>5,332,720</u>	<u>414,502</u>	<u>8,306</u>	<u>9,805,528</u>
Accumulated depreciation					
At 1 September 2022	-	-	165,800	2,768	168,568
Charge for the year	-	-	41,450	1,384	42,834
At 31 August 2023	<u>-</u>	<u>-</u>	<u>207,250</u>	<u>4,152</u>	<u>211,402</u>
Net book value at 31 August 2023	<u>4,050,000</u>	<u>5,332,720</u>	<u>207,252</u>	<u>4,154</u>	<u>9,594,126</u>
Net book value at 31 August 2022	<u>4,050,000</u>	<u>5,332,720</u>	<u>248,702</u>	<u>5,538</u>	<u>9,636,960</u>

7. INVESTMENTS

General surplus funds are held by TMCP within their Trustees Interest and CFB Management Equity Funds. These funds are available to the Church as and when required.

8. DEBTORS

	2023 £	2022 £
Rent	48,333	58,006
Other debtors	844	2,402
Amount due from Chelsea, Hammersmith & Fulham circuit	-	599
Amount due from other Methodist Church	40,310	47,183
Prepayments	2,010	1,515
	<u>91,497</u>	<u>109,705</u>

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2023 continued

9. CASH AT BANK

	2023			2022
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Current account	37,754	3,609	41,363	11,697
Methodist Central Finance Board	98,321	-	98,321	82,202
	136,075	3,609	139,684	93,899

10. CREDITORS: AMOUNTS DUE WITHIN 12 MONTHS

	2023	2022
	£	£
Rent paid in advance	-	17,465
Other creditors	14,235	525
Accruals	9,829	21,478
	24,064	39,468

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

The creditors falling due after one year relate to rent deposits of £74,585 (2022 - £72,123), which are held in a separate bank account and the interest earned is for the benefit of the tenants.

12. FUNDS

	Unrestricted funds		Restricted Funds		Total
	General fund	External Organ	Benevolent fund	Internal organisations	
	£		£	£	£
Balance at 1 September 2022	9,818,227	196	314	3,249	9,821,986
Movement during the year	91		(150)		(59)
Balance at 31 August 2023	9,818,318	196	164	3,249	9,821,927

13. TRUSTEES

One Trustee received a total of £1,000 during the year for services rendered (2022: £730). There was a total of £65 paid to two other Trustees for reimbursement of expenses (2022: £588).

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2023 continued

14. COMMITMENTS UNDER OPERATING LEASES

The Church had the following operating lease commitments:

	2023	2022
Within 12 months	£	£
Switchboard		1,482
Photocopier	2,520	2,520
	<u>2,520</u>	<u>4,002</u>
2 -5 years		
Switchboard	-	-
Photocopier	4,410	6,930
	<u>4,410</u>	<u>6,930</u>

15. CAPITAL COMMITMENTS

There were no capital commitments at the year end (2022: nil)

16. VOLUNTEER CONTRIBUTION

Every wing of the Methodist Church (Local Churches, Circuits, Districts, Connexion) in the United Kingdom is heavily reliant on volunteers who contribute their skills, time, money and their resources in the furtherance of the work of the church. Principally, this contribution is by serving on committees of the Church that deal with mission, finances, policy, grants, training developments. The contribution of volunteers is not included within the income of the Church.

The Trustees are grateful to all of the volunteers for their held and commitment.

17. POST YEAR END EVENTS

The Trustees held a meeting on 14 April 2024 and it was decided to write off the outstanding debt of £40,310, dating back to the Covid era, due to Chelsea Methodist Church from Fulham Methodist Church.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

England & Wales - Charity number 1140225

Accounts

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

**REPORT OF THE TRUSTEES AND AUDITED FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

CONTENTS

ADMINISTRATIVE DETAILS	3
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022.....	4
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHELSEA METHODIST CHURCH AND PASTORAL CENTRE	7
STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022	10
BALANCE SHEET AS AT 31 AUGUST 2022	11
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022.....	12

ADMINISTRATIVE DETAILS

Charity registration number	1140225
Principal address	155a King's Road, Chelsea, London SW3 5TX
Bankers	HSBC plc, 8 Victoria Street, London SW1H 0NJ Central Finance Board, 9 Bonhill Street, London EC2A 4PE
Auditors	Banks & Co, 1 Carnegie Road, Newbury, Berkshire, RG14 5DJ
Solicitors	Pothecary Witham Weld Solicitors, 70 St, George Square, London SW1V 3RD

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2022

TRUSTEES

Minister	Rev. Faith Nyota (appointed October 2022) Rev. Mark Davenport (resigned August 2022)	
Church Treasurer	Alan Mills	
Church Trustees	Alan Mills Colmeta Thorpe Noemi Vila Gloria Stewart (resigned) Angela Eyamba (resigned) Ruby Edwards (resigned)	David Tamby-Raja (appointed September 2022) Marilyn Neufville (appointed September 2022) Mercy A Egyri (appointed September 2022) Jean Roncal (appointed September 2022) Alvin Roncal (appointed September 2022) Valerie Campbell (resigned)

STRUCTURE, GOVERNANCE and MANAGEMENT

The Chelsea Methodist Church is managed by a Leadership Team drawn from the above officials and the Church Council, who are the Church Trustees, constituted as above. The Church also employs, normally, five staff and uses several volunteers to manage our homelessness project. Our volunteers are all suitably DBS checked as are our full-time staff. Training is given to any new volunteers and is arranged by the Resourcing Mission Executive Officer who has oversight of the daily running of the entire premises. Trustees are drawn from the Church congregation, usually on a voluntary basis unless a specific area of expertise which is unavailable in the Church is needed, in which case outside help from the wider Methodist community is enlisted.

The Trustees for Methodist Church Purposes (TMCP) own all land and buildings on behalf of the Methodist Church and local Trustees, the Church Council in this case, manage the assets on behalf of TMCP. Sale or purchase of these assets must be agreed with TMCP in Manchester before any local activity can take place. There is a centralised computer system, the Methodist Consent System, for controlling and approving any development, renovation, sale or purchase of the Methodist Church assets.

The Methodist Church in the UK is governed by Deed of Union (1932) and the Methodist Church Act (1976). These govern all Methodist Churches at local, Circuit, District and National levels and a copy of this Deed is available in C.P.D. (the Constitutional Practice and Discipline) of the Methodist Church.

During the approved leave of absence by the Minister Rev. Mark Davenport, the post was covered consecutively by Rev. Michaela Youngson, Rev. Peter Cornick and Rev. Nigel Cowgill with pastoral support offered by Rev. Lesinga Vunipola and Rev. Ayodeji Okegbile.

OBJECTIVES and ACTIVITIES

The objectives of the Church are:

- To provide Christian worship and pastoral care for members of the Church, adherents and members of the wider community
- To conduct mission and outreach for the wider Church community
- To receive and manage income from our owned shops
- To encourage and develop use of the premises for church activities
- To maintain and care for the premises

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

FINANCIAL REVIEW

Our main income is from the four shops in King's Road which have been fully occupied from December 2020. As most places of worship went into lockdown in March 2020 because of Covid 19, similarly our shop tenants are still finding these circumstances particularly challenging as well and we had to accommodate requests for reduced or modified arrangements for collecting rent. Our income from collections also suffered as Church services were cancelled and direct collections were not taken. The suite of offices on the second floor were fully let but our other facilities within the building were hardly used.

Chelsea Methodist Church and Fulham Broadway Methodist Church works in Church unity as separate legal entities operating on two sites because of the difficulties that lock down posed and the ability of both Churches to provide sufficient stewards to run both sites.

Both Chelsea and Fulham Broadway Methodist Churches are under the pastoral oversight of the same Methodist Minister with separate Trustees.

We were gifted a legacy from the late Ruby Edwards' estate and this has been invested with TMCP in Manchester, it is Trust number 22595 and its initial value was £37,296. Ruby's legacy was transferred late in August 2022 therefore no interest or charges have accrued as at the end of this financial year.

Our Circuit assessment for the year was £60,500p.a.; 17.00% of our total income. The assessment is reviewed annually by Chelsea, Hammersmith and Fulham Circuit and is based on the requirements to present a balanced Circuit budget.

INCOME

Church income is derived potentially from four (4) shop lets, room bookings, office space rents, church offerings and occasional donations.

Chelsea Methodist Church is one of five churches in the Chelsea, Hammersmith and Fulham Methodist Circuit (Registered Charity No. 1133940) and retains control of Chelsea Surplus Funds (Trust No. 18632) and now the Ruby Edwards legacy (22595), mentioned above. Both are held by TMCP and interest derived from both Funds is / will be transferred into the Church current account for distribution as necessary. There is also a Trust Fund, held within Circuit accounts, which is ring fenced for use by Chelsea Methodist Church (Trust Fund 21747), also held within TMCP.

At the direction of Church Council we started to manage rent collection from our four shop premises ourselves with effect from June 2021 and this will continue for the foreseeable future as will negotiation of new leases and management of shop rent deposits.

We do not carry out any fundraising activities of any significance. When we do, it is aimed at other charitable organisations who have similar aims and objectives.

RISK ANALYSIS

The Trustees make every effort to ensure that potential financial and operational risks are reduced to the minimum by maintaining strict oversight through regular financial reports to the Church Council and Leadership Team. Church Council meetings are usually held at least twice per year. The Church strives to maintain at least six months reserves to cover normal running expenses; this year our outgoings totalled £349,256 and our liquid unrestricted balances £112,300, representing 32.15% of a normal year's expenses.

The Church maintains a separate ring-fenced interest-bearing deposit account for rent deposits from our shop tenants which will be repaid when tenancies end; it also acts as a backup should tenants default on rent payments. This account is a restricted account by law.

STATEMENT of TRUSTEES' RESPONSIBILITIES

Under the supervision of the Treasurer and the oversight of the auditors, the Trustees are required to approve the prepared financial statements every year which give a true and fair view of the financial activities of the Church and of its financial position at the end of the year. In preparing those statements, the Trustees are required to :

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the policies adopted are in accordance with the Charities Act 1993 and with applicable accounting standards and statements of recommended practice, subject to any material departures disclosed and explained in the financial statements

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

- Prepare the financial statement on a "going concern" basis unless it is inappropriate to assume that the Church will continue to operate.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Church and enable them to ensure that the financial statements comply with the Charities Act 1993. They are responsible for safeguarding the assets of the Church and hence for taking reasonable steps to prevent and detect fraud and any other irregular activities.

APPROVAL

This report was approved by the Trustees on 19th September 2023, and signed on their behalf by :

Reverend Faith Nyota - Superintendent Minister.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Qualified opinion

We have audited the financial statements of Chelsea Methodist Church and Pastoral Centre (the 'charity') for the year ended 31 August 2022 which comprise a statement of financial activity, balance sheet and notes to the financial statements, including significant accounting policies. 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, except for the effects of the matter described in the basis for qualified opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for qualified opinion

As stated in note 6 on page 15 of the financial statements, properties held as investments were professionally valued for the first time and stated within the financial statements at their fair values, resulting in a net gain of £2,556,840.

However, we are unable to form an opinion as to their fair values as at 31 August 2021. Consequently, the total net gain is reported within the Statement of Financial Activities for the current year in its entirety.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

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 (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 5 & 6, 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

- Enquiry of management and those charged with governance around actual and potential litigation claims;
- Enquiry of Trustees in compliance functions to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statements disclosure and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

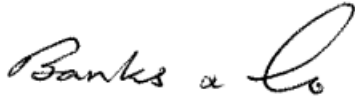
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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.



Banks & Co Ltd, Statutory Auditor
Chartered Certified Accountants
1 Carnegie Road
Newbury
Berkshire
RG14 5DJ

Banks & Co Ltd is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

Date: 19th September 2023

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	Unrestricted funds	Restricted funds	Total funds 2022	Total funds 2021
		£	£	£	£
INCOME					
Offerings		5,323	-	5,323	3,522
Donations		56,935	-	56,935	39,915
Gift Aid		558	-	558	414
Investment income	2	293,093	-	293,093	198,634
TOTAL INCOME		355,909	-	355,909	242,485
EXPENDITURE					
Expenditure on investment income		1,200	-	1,200	3,882
Expenditure on charitable activities	3	207,859	-	207,859	124,772
Administrative expenses		46,165	-	46,165	45,073
Premises expenses		47,198	-	47,198	69,308
Bad Debts		-	-	-	15,000
Governance costs - audit fee	4	4,000	-	4,000	4,000
Depreciation		42,834	-	42,834	42,834
TOTAL EXPENDITURE		349,256	-	349,256	304,869
Net gain/(deficit) before investment and revaluation gains/(losses)		6,653	-	6,653	(62,384)
Net gain on investments		2,556,840	-	2,556,840	17,046
NET INCOME/(DEFICIT) FOR THE YEAR		2,563,493	-	2,563,493	(45,338)
BALANCE BROUGHT FORWARD		7,254,734	3,759	7,258,493	7,303,831
BALANCE CARRIED FORWARD		9,818,227	3,759	9,821,986	7,258,493

All activities are derived from continuing operations

There are no further recognised gains /(losses) other than the surplus/deficit for the financial year

The notes on pages 12 to 17 form part of these financial statements

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 £	2021 £
FIXED ASSETS					
Tangible assets	6	9,636,960	-	9,636,960	7,115,026
CURRENT ASSETS					
Investments	7	93,013	-	93,013	78,143
Debtors	8	109,705	-	109,705	65,297
Bank and Cash Balance	9	90,140	3,759	93,899	134,983
		292,858	3,759	296,617	278,423
CREDITORS: Amounts falling due within one year	10	39,468	-	39,468	48,129
TOTAL NET CURRENT ASSETS		253,390	3,759	257,149	230,294
TOTAL ASSETS LESS CURRENT LIABILITIES		9,890,350	3,759	9,894,109	7,345,320
CREDITORS: Amounts falling due after one year	11	72,123	-	72,123	86,827
TOTAL ASSETS		9,818,227	3,759	9,821,986	7,258,493
FUNDS					
Restricted	12		3,759	3,759	3,759
Unrestricted		9,818,227		9,818,227	7,254,734
TOTAL FUNDS		9,818,227	3,759	9,821,986	7,258,493

Approved by the Trustees on 19th September 2023 and signed on their behalf by:

ALAN MILLS
Treasurer

REV. FAITH NYOTA
Superintendent Minister

The notes on pages 12 to 17 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

a) Basis for preparing the financial statements

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or in the notes to the financial statements.

They have also been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Charities Statement of Recommended Practice issued in October 2019 and the Charities Act 2011.

Chelsea Methodist Church and Pastoral Centre is a public benefit entity, as defined by FRS 102.

The financial statements are presented in Pounds Sterling, rounded to the nearest pound.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern.

b) Fund accounting

Unrestricted funds represent the funds of the Church that are not subject to any restrictions regarding their use and are available for application in the furtherance of the general objectives of the Church.

Restricted funds which are held for specific use in accordance with the specific restrictions imposed by donors.

The financial statements only include transactions, assets and liabilities for which the Church can be held responsible. They do not include the financial statements of church groups that owe an affiliation to another body nor those of informal gatherings of church members.

c) Income recognition

All incoming resources are included within the Statement of Financial Activities (SOFA) when the Church is legally entitled to the income after any performance conditions have been met, the amount can be reliably measured and it is probable that the income will be received.

No amount is included in the financial statements for volunteer time in line with the SORP.

The charity receives grants from the government in respect of the covid pandemic. These grants are recognised at fair value when the Church has entitlement after any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably.

Investment income is earned through holding certain assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where the management costs can be identified with reasonable accuracy, these are included. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Church's right to receive payment is established.

d) Expenditure

Expenditure is recognised on an accruals basis when a liability is incurred or a constructive obligation arises that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the Church to pay out resources.

e) Grants and donations

Grants and donations made by the Church from its own funds are recognised in full at the time of the agreement or when the Church accepts that there is a legal or operational obligation to make the payment.

Notes to the financial statements for the year ended 31 August 2022 continued

f) Tangible fixed assets

The investment properties and Church building disclosed in the Accounts are legally owned by the Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee. The freehold property is shown in the Accounts at its deemed historical cost under FRS102 represented by its insurable value in 2017. No depreciation is provided because the trustees consider the current residual fair value of the building, in its present condition, to be not less than its historical cost.

All fixed assets with a cost in excess of £1,000 are capitalised. Otherwise, such costs are written off in the year of expenditure.

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, over its expected useful life as follows:

Church organ – 10% on a straight line basis.

Equipment - 20% on the net book value

g) Investment properties

Investment properties which comprise four retail shops are shown in the Accounts at their deemed historical cost under FRS102.

h) Investments

The Church's investments are monetary assets classified as financial instruments under FRS102 and are held by the Trustees for Methodist Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains/(losses) arising on investments at the end of the year are shown in the SOFA.

i) Taxation

Chelsea Methodist Church is recognised as exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status. Since the Church is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

i) Reserves policy

Chelsea Methodist Church holds sufficient balances in the general fund to meet at least 6 month's expenditure at the current level and a small balance to meet unanticipated expenditure and programmed works which cannot be funded from a single year's budget.

j) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Church has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees have therefore continued to adopt the going concern basis in preparing the Church's financial statements.

k) Financial instruments

Financial assets and liabilities are recognised when the Church becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, 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 of the asset expire or are settled, or when the Church transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

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 rate of interest. Financial liabilities are

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2022 continued

derecognised when, and only when, the Church's contractual obligations are discharged, cancelled, or they expire.

2. INVESTMENT INCOME

	2022	2021
	£	£
Shop rent and insurance	240,750	146,197
Other rental income	49,928	50,704
Other church activities	398	-
TMCP interest	1,970	1,717
Central Finance Board interest	47	15
Other interest	-	1
	<u>293,093</u>	<u>198,634</u>

3. EXPENDITURE ON CHARITABLE ACTIVITIES

	2022	2021
	£	£
Circuit assessment	60,500	37,625
Donations	699	45
Salaries, employer's national insurance and pension, net of government grants	141,038	77,756
Worship expenses	4,667	6,429
Church Activities	955	2,917
Staff costs	-	-
	<u>207,859</u>	<u>124,772</u>

There were no employees who received total employee benefits of more than £60,000 during the year.

4. GOVERNANCE COSTS

	2022	2021
	£	£
Audit Fee	<u>4,000</u>	<u>4,000</u>

5. SALARIES, NIC and PENSION COSTS

	2022	2021
	£	£
Salaries and wages	131,879	114,729
Employer's national insurance contribution	3,807	5,452
Employer's pension contribution	5,352	2,713
COVID job retention grants	-	(45,138)
	<u>141,038</u>	<u>77,756</u>

Salary costs of £18,678 (2021: £13,276) were incurred during the year representing the Church's total cost of fundraising.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

The average number of staff employed by the Church during the year was 8 (2021: 7).

Notes to the financial statements for the year ended 31 August 2022 continued

6. TANGIBLE ASSETS

	Investment Properties £	Church Building £	Organ £	Equipment £	Total £
Cost/valuation at 1 September 2021	1,485,232	5,332,720	414,502	8,306	7,240,760
Revaluation during the year	2,564,768				2,564,768
Cost/valuation at 31 August 2022	<u>4,050,000</u>	<u>5,332,720</u>	<u>414,502</u>	<u>8,306</u>	<u>9,805,528</u>
Accumulated depreciation					
At 1 September 2021	-	-	124,350	1,384	125,734
Charge for the year	-	-	41,450	1,384	42,834
At 31 August 2022	<u>-</u>	<u>-</u>	<u>165,800</u>	<u>2,768</u>	<u>168,568</u>
Net book value at 31 August 2022	<u>4,050,000</u>	<u>5,332,720</u>	<u>248,702</u>	<u>5,538</u>	<u>9,636,960</u>
Net book value at 31 August 2021	<u>1,485,232</u>	<u>5,332,720</u>	<u>290,152</u>	<u>6,922</u>	<u>7,115,026</u>

A professional valuation of all the investment properties was carried out on 23 March 2023 by T. Scott MRICS, Chartered Surveyor, of £4,050,000. This was based on their open market value as at that date. The Trustees are of the opinion that these values are similar to those as at 31 August 2022 and so they have been used for the purposes of these Accounts.

7. INVESTMENTS

General surplus funds are held by TMCP within their Trustees Interest and CFB Management Equity Funds. These funds are available to the Church as and when required.

8. DEBTORS

	2022 £	2021 £
Rent	58,006	21,250
Other debtors	2,402	2,044
Amount due from Chelsea, Hammersmith & Fulham circuit	599	820
Amount due from other Methodist Church	47,183	37,098
Prepayments	1,515	4,085
	<u>109,705</u>	<u>65,297</u>

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2022 continued

9. CASH AT BANK

	2022			2021
	£	£	£	£
	Unrestricted	Restricted	Total	Total
Current account	7,938	3,759	11,697	38,124
Methodist Central Finance Board	82,202	-	82,202	96,859
	90,140	3,759	93,899	134,983

10. CREDITORS: AMOUNTS DUE WITHIN 12 MONTHS

	2022	2021
	£	£
Rent paid in advance	17,465	17,465
Other creditors	525	11,383
Accruals	21,478	19,281
	39,468	48,129

11. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

The creditors falling due after one year relate to rent deposits of £72,123 (2021 - £86,827), which are held in a separate bank account and the interest earned is for the benefit of the tenants.

12. FUNDS

	Unrestricted funds				Total
	General fund	External Organ	Benevolent fund	Internal organisations	£
	£		£	£	£
Balance at 1 September 2021	7,254,734	196	314	3,249	7,258,493
Movement during the year	2,563,493		-	-	2,563,493
Balance at 31 August 2022	9,818,227	196	314	3,249	9,821,986

13. TRUSTEES

One Trustee received a total of £730 during the year for services rendered (2021: £780). There was a total of £587 paid to two other Trustees as gifts and reimbursement of expenses.

CHELSEA METHODIST CHURCH AND PASTORAL CENTRE

Notes to the financial statements for the year ended 31 August 2022 continued

14. COMMITMENTS UNDER OPERATING LEASES

The Church had the following operating lease commitments:

	2022	2021
	£	£
Within 1 year	4,002	4,002
Between 2 - 5 years	6,930	10,932
	<hr/>	<hr/>
	10,932	14,934
	<hr/>	<hr/>

15. CAPITAL COMMITMENTS

There were no capital commitments at the year end (2021: nil)

16. VOLUNTEER CONTRIBUTION

Every wing of the Methodist Church (Local Churches, Circuits, Districts, Connexion) in the United Kingdom is heavily reliant on volunteers who contribute their skills, time, money and their resources in the furtherance of the work of the church. Principally, this contribution is by serving on committees of the Church that deal with mission, finances, policy, grants, training developments. The contribution of volunteers is not included within the income of the Church.

The Trustees are grateful to all of the volunteers for their held and commitment.