

## **NOTTING HILL METHODIST CIRCUIT**

### **Circuit no. 35/14**

### **Trustees Annual Report**

#### **For the year ended 31 August 2021**

The Trustees present their report with the financial statements of the charity for the year ended 31 August 2021. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Effective 1 January 2015)

### **Aims and organisation**

We see as the priorities of the Circuit, in accordance with the aims of Notting Hill Methodist Church and in common with the stated aims of the whole Methodist Church, the need to maintain here in this part of London:

- a regularly worshipping congregation
- a fellowship of people learning and growing in Christian faith
- a community of service in the neighbourhood
- a sharing in the mission of the wider Church to the whole world in challenging injustice and meeting human need
- a company of those who bear witness to their faith in daily life and seek through evangelism to share their experience of Christ with others

We thank God for all we have shared together in the 2020/21 year and look forward in trust to all that the forthcoming one year will bring, mindful of the considerable challenges brought by the coronavirus pandemic. The Circuit, in conjunction with Notting Hill Methodist Church, plans to continue the activities described in the latter's annual report into the future, adapting and developing them to meet its priorities and future needs.

### **Review of the year**

A review of progress and achievements is set out in the annual report of Notting Hill Methodist Church by Revd Dr. Michael Long, Superintendent Minister and Chair of Trustees of the Circuit. He focuses on the continuing effects of the pandemic, the food bank in the church's premises and the severe flooding of the church's basement in July 2021.

### **Finance**

#### *Basis of accounts preparation*

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with FRS102 – the Charities SORP (FRS102) and taking note of the Update Bulletin 1 issued in 2016.

## **NOTTING HILL METHODIST CIRCUIT**

### **Trustees Annual Report (Continued...) For the year ended 31 August 2021**

#### *Income trends*

Circuit income is primarily drawn from the Circuit assessment on Notting Hill Methodist Church and from manses net rental income. Total income amounted to £108,744 (2020 - £165,469).

#### *Expenditure trends*

The major costs are for stipend, other staff costs and related expenditure, including expenditure on the minister's manse and another manse property. Total expenditure amounted to £123,065 (2020 - £140,582).

#### *Fund balances and reserves policy*

Total reserves as at the balance sheet date totalled £1,794,082. The Circuit considers its unrestricted general reserves to be £77,682 with the balance, £1,716,400, being a reserve for the manse properties.

The agreed reserves policy is to retain from the unrestricted reserves available the equivalent of three months operating expenditure (approximately £28,000) to fund planned activities should normal earning be suspended.

The Circuit's reserve policy takes account of its net current assets as at the last balance sheet date, the budget for the current year (2021/22) and significantly known items of property expenditure to be incurred in the near future. By 31 August 2022, the Circuit's unrestricted reserves are expected to have continued to meet its reserves policy.

The policies adopted above broadly follow those detailed within the Notting Hill Methodist Church, the only church within the Circuit.

## **Structure, Governance and Management**

#### *Legal framework*

The governing document for the Circuit is the Deed of Union (1932) and Methodist Church Act (1976). Detailed governance arrangements are outlined within the Constitutional Practice and Discipline of the Methodist Church (CPD), by order of the annual Methodist Church Conference.

The purposes of the Methodist Church are and shall be deemed to have been since the Date of Union the advancement of:

- The Christian faith in accordance with the doctrinal standards and discipline of The Methodist Church;

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### **Trustees Annual Report (Continued...) For the year ended 31 August 2021**

- Any charitable purpose for the time being of any Connexional, District, Circuit, local or other organisation of The Methodist Church;
- Any charitable purpose for the time being of any society or institution subsidiary or ancillary to The Methodist Church;
- Any purpose for the time being of any charity being a charity subsidiary or ancillary to The Methodist Church

#### *Reference and administrative details*

Name of charity: Notting Hill Methodist Circuit

Charity registration number: 1190847

Date of registration: 14 August 2020

The registered office and operational address of the Circuit is:

240 Lancaster Road

London W11 4AH

#### *Governance*

The members of the Notting Hill Methodist Circuit meeting are the Charity Trustees, membership being made up of Circuit and Church office holders, the Minister and up to eight representatives appointed by the Church at its Annual Church Meeting.

A range of guidance produced by the Methodist Connexion to support the effective running of the Circuit and the role of Trustees is given to the Circuit Trustees at various meetings and training sessions held throughout the year.

A full list of Circuit Meeting members and key lay employees is shown below.

#### *Circuit Meeting members during 2020/21*

Revd Dr. Michael Long  
Gladwyn Samuels  
Elaine Spence  
Wendy Yarde-Chase  
Stephen Duckworth

Pauline Mullings  
Suzie Long  
Stacey Gerald  
Sonia Barnes  
Lynette Yarde

Esther Samuels  
Portia Thaxter  
Audrey Jones  
Elaine Brackett

#### *Senior lay staff*

Lorraine Ophelia – Facilities Manager

Susannah Yarde – Youth and Family Worker/ Food Bank Manager

#### *Management*

Day to day management of the Circuit is undertaken by the Circuit Leadership team along with the Minister.

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### **Trustees Annual Report (Continued...) For the year ended 31 August 2021**

Superintendent Minister: Revd Dr Michael Long

Treasurer: Mrs Elaine Spence

Elaine Spence acted as the principal officer overseeing the day to day financial management and accounting for the Circuit during the year.

Auditors:  
Banks & Co. Limited  
1 Carnegie Road  
Newbury  
Berkshire RG14 5DJ

Solicitors:  
Colman Coyle LLP  
80 Upper Street  
London N1 0NU

Chartered Surveyors:  
Colliers International  
50 George Street  
London W1U 7GA

Bankers:  
HSBC Bank  
Westminster Branch  
22 Victoria Street  
London SW1H 0NJ

CAF Bank Ltd.  
25 Kings Hill Avenue  
Kings Hill, Kent  
ME19 4JQ

### **Public benefit**

The trustees have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Circuit exists alongside Notting Hill Methodist Church to:

- increase awareness of God's presence and to celebrate God's love;
- help people to learn and grow as Christians, through mutual support and care; and
- be a good neighbour to people in need and challenge injustice.

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### **Trustees Annual Report (Continued...) For the year ended 31 August 2021**

The trustees consider that for these reasons the charity meets these public benefit requirements

#### **Related parties**

The Notting Hill Methodist Circuit consists of one Church, Notting Hill Methodist Church. The Circuit receives annual assessments from the Church.

The Circuit itself is part of the London District and also accountable to the Methodist Conference.

#### **Risk management**

The Trustees are responsible for identifying and mitigating the level of risk faced by the charity, taking professional advice as required. An annual review process is to be undertaken, with documentation of the strategy to be employed for risk mitigation. A quinquennial report by a qualified surveyor was undertaken in 2020 to inform the Circuit's plans for maintenance of its manses. During Covid regular risk assessments have been prepared and used.

#### **Safeguarding**

The Methodist Church, along with the whole Christian community, believes each person has a value and dignity which comes directly from God's creation in God's own image and likeness. Christians see this as fulfilled by God's re-creation of us in Christ. Among other things, this implies a duty to value all people as bearing the image of God and therefore to protect them from harm.

Notting Hill Methodist Church is committed to the safeguarding and protection of all children, young people and adults and affirms that the needs of children or of people when they are vulnerable and at risk are paramount.

Notting Hill Methodist Church recognises that it has a particular care for all who are vulnerable whether as a result of disabilities or reduction in capacities or by their situation. It is recognised that this increased vulnerability may be temporary or permanent and may be visible or invisible, but that it does not diminish our humanity and our wish to affirm the gifts and graces of all God's people.

This policy addresses the safeguarding of children, young people and vulnerable adults. It is intended to be a dynamic policy. It is intended to support the Church in being a safe supportive and caring community for children, young people, vulnerable adults, for survivors of abuse, for communities and for those affected by abuse.

## **NOTTING HILL METHODIST CIRCUIT**

### **Trustees Annual Report (Continued...) For the year ended 31 August 2021**

#### **Circuit Meeting Members' Responsibilities**

The members of Circuit Meeting are responsible for preparing the annual report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Legislation requires the Meeting members to prepare financial statements for each financial year, which give a true and fair view of the Circuit's state of affairs at the end of the year, and the result for the year then ended.

In preparing these financial statements, the Meeting members are required to:

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and estimates that are prudent and reasonable;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare accounts on a going concern basis unless it is not appropriate to presume that the church will continue in existence.

The Meeting members are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Church. They are also responsible for safeguarding the assets of the Church and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Circuit Meeting on 8 February 2022 and signed on their behalf by:

Revd.Dr.Jongikaya Zihle  
Chair of the London District of The Methodist Church and Acting Chair of Trustees

## **Independent Auditor's Report to the Trustees of Notting Hill Methodist Circuit**

### **Opinion**

We have audited the financial statements of Notting Hill Methodist Circuit (the 'charity') for the year ended 31 August 2021 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 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The 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.

### **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 page 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 Trustees 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (i.e. gives a true and fair view).

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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 Limited  
Chartered Certified Accountants  
Statutory Auditors  
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006  
1 Carnegie Road  
Newbury  
Berkshire  
RG14 5DJ

**Statement of Financial Activities (SOFA) for the year ended 31 August 2021**

|  | Notes to<br>the<br>accounts | General Fund<br>(Unrestricted)<br>£ | Restricted<br>Funds<br>£ | Total<br>£       |
|--|-----------------------------|-------------------------------------|--------------------------|------------------|
| <b>Income</b>                                |                             |                                     |                          |                  |
| Donations and legacies                       |                             | 0                                   |                          | 0                |
| Income from monetary<br>investments          |                             | 0                                   |                          | 0                |
| Income from DMHA rentals                     | 2                           | 48,770                              |                          | 48,770           |
| Assessments on Churches                      | 3                           | 59,974                              |                          | 59,974           |
| Capital Receipts                             |                             | 0                                   |                          | 0                |
| Grants received                              |                             | 0                                   |                          | 0                |
| Other charitable income                      |                             | 0                                   |                          | 0                |
| <b>Total income</b>                          |                             | <b>108,744</b>                      | <b>0</b>                 | <b>108,744</b>   |
| <b>Expenditure</b>                           |                             |                                     |                          |                  |
| Grants and donations                         |                             | 0                                   |                          | 0                |
| Salaries and associated costs                | 4                           | 66,600                              |                          | 66,600           |
| Property maintenance                         |                             | 7,252                               |                          | 7,252            |
| Connexional assessment & model trust<br>levy |                             | 7,300                               |                          | 7,300            |
| District Assessment & Levy                   |                             | 1,424                               |                          | 1,424            |
| Depreciation                                 | 5                           | 14,320                              |                          | 14,320           |
| Office expenses                              |                             | 20,714                              |                          | 20,714           |
| Other outgoings                              |                             | 5,455                               |                          | 5,455            |
| <b>Total charitable<br/>expenditure</b>      |                             | <b>123,065</b>                      | <b>0</b>                 | <b>123,065</b>   |
| Gains/(losses) on monetary investments       |                             | 0                                   |                          | 0                |
| Gains/(losses) on investment properties      |                             | 0                                   |                          | 0                |
| <b>Net income/(expenditure)</b>              |                             | <b>(14,321)</b>                     | <b>0</b>                 | <b>(14,321)</b>  |
| Transfers between funds                      |                             | 0                                   |                          | 0                |
| Other gains/(losses)                         |                             | 0                                   |                          | 0                |
| <b>Net movement in funds</b>                 |                             | <b>(14,321)</b>                     | <b>0</b>                 | <b>(14,321)</b>  |
| Total funds brought forward                  |                             | 1,808,403                           |                          | 1,808,403        |
| <b>Total funds carried<br/>forward</b>       |                             | <b>1,794,082</b>                    | <b>0</b>                 | <b>1,794,082</b> |

**Notting Hill Methodist Circuit  
Balance Sheet as at 31 August 2021**

**35/14**

|   | <b>Notes<br/>to the<br/>Accounts</b> | <b>General Fund<br/>(Unrestricted)</b> | <b>Totals 2021</b> | <b>Totals 2020</b> |
|---|--------------------------------------|--|--------------------|--------------------|
|   |                                      | £                                      | £                  | £                  |
| <b>Fixed Assets</b>   |                                      |  |                    |                    |
| Circuit Manses & Equipment                                      | 5                                    | 1,716,400                              | 1,716,400          | 1,730,720          |
| Investment properties   |                                      | 0                                      | 0                  | 0                  |
| Investments   |                                      | 0                                      | 0                  | 0                  |
| <b>Total fixed assets</b>                                       |                                      | <b>1,716,400</b>                       | <b>1,716,400</b>   | <b>1,730,720</b>   |
| <b>Current Assets</b>   |                                      |  |                    |                    |
| Debtors   |                                      | 0                                      | 0                  | 0                  |
| Loans by the Circuit  |                                      | 0                                      | 0                  | 0                  |
| Amounts due from Notting Hill Methodist Church                  | 6                                    | 48,630                                 | 48,630             | 84,583             |
| Bank account  |                                      | 31,212                                 | 31,212             | 0                  |
| Central Finance Board Deposits                                  |                                      | 0                                      | 0                  | 0                  |
| Cash at Bank and in hand  |                                      | 0                                      | 0                  | 0                  |
| <b>Total current assets</b>                                     |                                      | <b>79,842</b>                          | <b>79,842</b>      | <b>84,583</b>      |
| <b>Current liabilities</b>                                      |                                      |  |                    |                    |
| Creditors (due in under 1 year)                                 | 7                                    | 2,160                                  | 2,160              | 6,900              |
| Amounts due to Notting Hill Methodist Church                    |                                      | 0                                      | 0                  | 0                  |
| <b>Total current liabilities</b>                                |                                      | <b>2,160</b>                           | <b>2,160</b>       | <b>6,900</b>       |
| <b>Net current assets/ liabilities</b>                          |                                      | <b>77,682</b>                          | <b>77,682</b>      | <b>77,683</b>      |
| <b>Total assets less current liabilities</b>                    |                                      | <b>1,794,082</b>                       | <b>1,794,082</b>   | <b>1,808,403</b>   |
| <b>Long term liabilities<br/>(due after more than one year)</b> |                                      | 0                                      | 0                  | 0                  |
| <b>Net assets</b>   |                                      | <b>1,794,082</b>                       | <b>1,794,082</b>   | <b>1,808,403</b>   |
| General Fund  |                                      | 1,794,082                              | 1,794,082          | 1,808,403          |
| <b>Total Unrestricted Funds</b>                                 |                                      | <b>1,794,082</b>                       | <b>1,794,082</b>   | <b>1,808,403</b>   |
| Restricted Funds  |                                      | 0                                      | 0                  | 0                  |
| <b>Total Funds</b>  |                                      | <b>1,794,082</b>                       | <b>1,794,082</b>   | <b>1,808,403</b>   |

**Signed**

**Chair**

**Treasurer**

**Notes to the financial statements**  
**For the year ended 31 August 2021**

**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 Statement of Recommended practice applicable to charities preparing their accounts with the Financial Reporting Standard applicable to the UK and the Republic of Ireland (FRS102) (Charities SORP (FRS102)) and the Charities Act 2011.

The Trustees consider that there are no material uncertainties about the entity's ability to continue as a going concern other than those noted below. There were no significant areas of adjustment or key assumptions that effect items in the accounts. With respect to the next reporting period, the most significant areas of uncertainty are the effects of the Covid pandemic on the extent of maintenance and major works carried out following the 2020 quinquennial report, and also on the letting of the commercial properties and collection of their rents.

**b) Funds**

The funds held constitute general funds held for any purpose of the Circuit, which are unrestricted.

**c) Incoming resources**

Incoming resources are included in the Statement of Financial Activities (SOFA) when the Circuit becomes entitled to that income, and the trustees are reasonably certain they will receive the resources, and the amount can be quantified with reasonable accuracy.

**d) Resources expended**

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 Circuit to pay out resources.

**e) Taxation**

Notting Hill Methodist Circuit is exempt from income and Corporation tax on income derived from its charitable activities because of its charitable status.

Since the Circuit is not VAT registered, all input VAT borne is charged with the expenses to which it refers.

**f) Tangible fixed assets**

The manses are legally owned by The Trustees for Methodist Church Purposes in its capacity as trustee or custodian Trustee

The manses have from the accounting year 2016/17 been valued based on their insurance valuations in 2017. The intention is that these be the deemed values under FRS 102. The building element of this for depreciation purposes is deemed to be 40% of the full value, given the high land costs in Kensington and Chelsea.

## NOTTING HILL METHODIST CIRCUIT

### Notes to the financial statements (Continued...) For the year ended 31 August 2021

#### g) Depreciation

It is the Circuit's policy to capitalise furniture and equipment assets with costs over £5,000 and to charge depreciation.

Depreciation is charged as follows on building and non-building fixed assets:

|                            |               |
|----------------------------|---------------|
| Buildings                  | over 50 years |
| Computers and IT equipment | over 3 years  |

#### 2. Income from DMHA rentals

The Circuit leases its residential properties to Denbigh Methodist Housing Association (DMHA) to manage, with the expectation that for most of the properties social housing rent levels will be charged. The Circuit is required to charge a market rental under the 7 year lease to DMHA. The rental is based on the market rents established in 2018 of the properties, less an allowance for all the costs of management and maintenance other than major works. The Circuit income from this source is related to the properties detailed in note 5 below.

#### 3. Assessments on Churches

The income of £59,974 (2020 - £113,461) is from the charge borne by Notting Hill Methodist Church for ministry and manse expenses paid by the Circuit.

#### 4. Stipends, salaries and associated costs

Minister and staff costs recharged to the Notting Hill Methodist Circuit by the Notting Hill Methodist Church during the year were £66,600 as set out below.

The average number of staff employed by the Church and Circuit during the year were 3.6 (full time equivalents) (2020 – 3.6)

The Church provides and administers a money purchase pension arrangement for all staff with TPT Retirement Solutions.

No Trustees are remunerated through the payroll scheme.

No employees are paid in excess of £60,000.

|   | <b>2021</b><br><b>£</b> | <b>2020</b><br><b>£</b> |
|---|-------------------------|-------------------------|
| Gross stipends, salaries and benefits in kind | 52,918                  | 58,014                  |
| Employer's National Insurance costs           | 5,245                   | 4,704                   |
| Employer's pension costs                      | 8,437                   | 9,451                   |
|   | <b><u>66,600</u></b>    | <b><u>72,169</u></b>    |

## NOTTING HILL METHODIST CIRCUIT

### Notes to the financial statements (Continued...) For the year ended 31 August 2021

#### 5. Tangible Fixed Assets

##### Manses

There are two manses included within the Circuit in St Quintin Avenue and Denbigh Road. These are insured for £2,115,000. The St Quintin Avenue manse and the basement flat of the 9 Denbigh Road manse are managed by Denbigh Methodist Housing Association on behalf of the Circuit. The rest of the Denbigh Road manse is occupied by the Superintendent Minister.

Depreciation is shown in the Schedule below, charged on building and non-building fixed assets at the rates shown under Circuit Accounting Policies above.

| <b>Tangible Fixed Assets</b>   | <b>Manses<br/>£</b> | <b>Fixtures, fittings and equipment<br/>£</b> | <b>Total<br/>£</b> |
|--------------------------------|---------------------|---|--------------------|
| <b>Balance brought forward</b> | 1,788,000           | 6,913   | 1,794,913          |
| Additions                      | 0                   | 0   | 0                  |
| Revaluations (+/-)             | 0                   | 0   | 0                  |
| Disposals (-)                  | 0                   | 0   | 0                  |
| Transfers (+/-)                | 0                   | 0   | 0                  |
| <b>Balance carried forward</b> | 1,788,000           | 6,913   | 1,794,913          |

##### Accumulated depreciation

|                                  |           |       |           |
|----------------------------------|-----------|-------|-----------|
| <b>Balance brought forward</b>   | 57,280    | 6,913 | 64,193    |
| Depreciation charge for year (-) | 14,320    | 0     | 14,320    |
| Revaluations (+/-)               | 0         | 0     | 0         |
| Disposals (-)                    | 0         | 0     | 0         |
| Transfers (+/-)                  | 0         | 0     | 0         |
| <b>Balance carried forward</b>   | 71,600    | 6,913 | 78,513    |
|                                  |           |       |           |
| <b>Brought forward</b>           | 1,730,720 | 0     | 1,730,720 |
| <b>Carried forward</b>           | 1,716,400 | 0     | 1,716,400 |

## NOTTING HILL METHODIST CIRCUIT

### Notes to the financial statements (Continued...) For the year ended 31 August 2021

#### 6. Debtors

|  | 2021<br>£     | 2020<br>£     |
|--|---------------|---------------|
| Debtors  | 0             | 0             |
| Amounts due from Notting Hill Methodist Church | 48,630        | 84,583        |
|  | <u>48,630</u> | <u>84,583</u> |

The amounts due relate to cash being held by the Church on behalf of the Circuit.

#### 7. Creditors

|                        | 2021<br>£    | 2020<br>£    |
|------------------------|--------------|--------------|
| Creditors and accruals | 2,160        | 6,900        |
|                        | <u>2,160</u> | <u>6,900</u> |

#### 8. Fees for audit of the accounts

The independent auditors' fee paid by Notting Hill Methodist Circuit is £2,160 (2020 - £6,900, including fees for the Church and other prior year fees).

#### 9. Related party transactions

During the year one Trustee was reimbursed a total of £2,594 (2020 - £3,928) by the Notting Hill Methodist Church on behalf of the Notting Hill Methodist Circuit in respect of expenses incurred in the day to day operations of the charity.

The following trustee had a related interest during the year:

- Rev Michael Long occupies one of the Circuit's manses.

#### 10. Capital commitments and Contingent liabilities

The Circuit had no capital commitments or contingent liabilities at the year end.



## NOTTING HILL METHODIST CIRCUIT

### Notes to the financial statements (Continued...) For the year ended 31 August 2021

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

|   | Notes to<br>the<br>accounts | General Fund<br>(Unrestricted)<br>£ | Restricted<br>Funds<br>£ | Total<br>£       |
|---|-----------------------------|-------------------------------------|--------------------------|------------------|
| <b>Income</b>                             |                             |                                     |                          |                  |
| Donations and legacies                    |                             | 0                                   |                          | 0                |
| Income from monetary investments          |                             | 0                                   |                          | 0                |
| Income from DMHA rentals                  | 2                           | 48,008                              |                          | 48,008           |
| Assessments on Churches                   | 3                           | 113,461                             |                          | 113,461          |
| Capital Receipts                          |                             | 0                                   |                          | 0                |
| Grants received                           |                             | 0                                   |                          | 0                |
| Other charitable income                   |                             | 4,000                               |                          | 4,000            |
| <b>Total income</b>                       |                             | <b>165,469</b>                      | <b>0</b>                 | <b>165,469</b>   |
| <b>Expenditure</b>                        |                             |                                     |                          |                  |
| Grants and donations                      |                             | 0                                   |                          | 0                |
| Salaries and associated costs             | 4                           | 72,180                              |                          | 72,180           |
| Property maintenance                      |                             | 4,725                               |                          | 4,725            |
| Connexional assessment & model trust levy |                             | 7,300                               |                          | 7,300            |
| District Assessment & Levy                |                             | 1,584                               |                          | 1,584            |
| Depreciation                              | 5                           | 14,320                              |                          | 14,320           |
| Office expenses                           |                             | 36,398                              |                          | 36,398           |
| Other outgoings                           |                             | 4,075                               |                          | 4,075            |
| <b>Total charitable expenditure</b>       |                             | <b>140,582</b>                      | <b>0</b>                 | <b>140,582</b>   |
| Gains/(losses) on monetary investments    |                             | 0                                   |                          | 0                |
| Gains/(losses) on investment properties   |                             | 0                                   |                          | 0                |
| <b>Net income/(expenditure)</b>           |                             | <b>24,887</b>                       | <b>0</b>                 | <b>24,887</b>    |
| Transfers between funds                   |                             | 0                                   |                          | 0                |
| Other gains/(losses)                      |                             | 0                                   |                          | 0                |
| <b>Net movement in funds</b>              |                             | <b>24,887</b>                       | <b>0</b>                 | <b>24,887</b>    |
| Total funds brought forward               |                             | 1,783,516                           |                          | 1,783,516        |
| <b>Total funds carried forward</b>        |                             | <b>1,808,403</b>                    | <b>0</b>                 | <b>1,808,403</b> |