

Methodist Ministers' Housing Society

Scotland · Charity number SC050661

Details

Status	Active
Legal form	Company (the charity is registered with Companies House)
Registered	2021-01-11
Register	View on the OSCR register

Contact

Address Methodist Ministers' Housing Society
109 Baker Street
London
W1U 6RP

Activities

Activities: 'It makes grants, donations, loans, gifts or pensions to individuals', 'It carries out activities or services itself'

Purposes: 'the prevention or relief of poverty', 'the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage'

Beneficiaries: 'Other defined groups'

Objectives: Objects 2.1 The Society's objects are restricted specifically, in each case only for the public benefit: (a) to carry on the business of providing, within the United Kingdom, Isle of Man and the Channel Islands, housing, or financial assistance towards the housing needs of, and any associated amenities upon terms appropriate to their means, for: (i) Methodist presbyters and deacons (formerly referred to as ministers and deacons) who are in receipt of their full Methodist Church pension entitlement and their widows, widowers or dependants. (ii) Methodist presbyters and deacons who have retired prior to reaching full retirement age with the consent of the Conference of the Methodist Church on health or compassionate grounds and the widows, widowers or dependants thereof. (iii) widows, widowers or dependants of Methodist presbyters and deacons who have died in active service. in each case such presbyters and deacons, widows, widowers or dependants being of limited means and for those in receipt of such provision, the further provision of, or assistance with the costs of, services or facilities calculated to reduce their conditions of need (whether age, ill-health, disability or financial), also upon terms appropriate to their means. (b) such other charitable purposes as the Trustees shall from time to time determine. 2.2 Nothing in these Articles shall authorise an application of the property of the Society for purposes which are not charitable in accordance with section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and section 2 of the Charities Act (Northern Ireland) 2008.

Geography

- **Main operating location:** Outwith Scotland
- **Geographical spread:** Scotland and other parts of the UK

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£7,907,000	£7,717,000	-	20
2024-08-31	£7,868,000	£7,603,000	-	19
2023-08-31	£5,706,000	£7,472,000	-	22
2022-08-31	£7,520,000	£7,074,000	-	16
2021-08-31	£5,013,000	£6,237,000	-	17

Methodist Ministers' Housing Society

Scotland - Charity number SC050661

Accounts



Trustees' Report

and Financial Statements

2024-2025



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About us

Who We Are

Methodist Ministers' Housing Society ('MMHS') was founded in 1948. Since then, we have been providing quality housing on charitable terms for those who qualify for our help. Our mission statement is set out below.

Our Vision

'There was not a single person in need among them' (Acts 4:34).

Our Mission

To meet the housing and housing-related needs of retired Methodist Ministers of limited means, their spouses, widows and widowers – and to offer support for their wellbeing in the key areas of mobility and independence.

Our Core Values

We have a Christian ethos of which we are proud, and it underpins who we are and what we do. Our concern is to show high standards of care in all we do, and to be professional both as individuals and as an organisation.

Our Plans for 2022-2027

In a later section of this report, 'Plans for the future', we set out some of the plans arising out of our Strategy for 2022-2027.

Message from our Chair and CEO

2024/25 was yet another successful year for MMHS, with us showing clarity of purpose in the toughest of operating environments.

Our main mission is as a housing provider, but notwithstanding, we like to say we are as much about people as we are about property. Accordingly, in this message we would like to begin with a snapshot view of our key people initiatives.

Our wellbeing support has grown beyond our expectations in recent years, and we now reach needs linked to age, ill-health, disability and finance. We provide solutions for many problems.

Our latest venture will see us offering ministerial residents, and their unpaid carers, respite and care break grants. We are aware of the significant pressures experienced in both receiving and providing care.

Through our increasing engagement with our ministerial residents, we can identify households that might benefit from care provision through their local authority, or the installation of aids and adaptations to assist with daily living. We can also signpost to statutory assistance - and provide property related works linked to wellbeing.

We always make sure we are up to date with research and current thinking on the role of carer. Some statistics are challenging, for example, the discovery that male carers aged 65 and over are less likely than female carers in this age group to receive support in their caring roles from family and friends, and almost three-quarters receive no support at all from any sources.

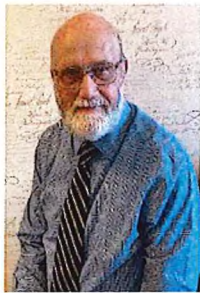
The results of our recently completed Condition, Energy and Occupation Survey will feed into future wellbeing initiatives. As we report under a later section, the surveyors asked set questions on how ministerial residents thought they were managing from day to day, with a focus on their mobility and accessibility. Our strategic focus is on enabling our ministerial residents to live independently in their homes for as long as possible. This is what most want.

We all continue to witness and experience the effects of the cost-of-living crisis. As a charity which provides for those of limited means, we have a keen interest in what it costs to heat a home, particularly in the winter months, and the knock-on consequences.

Age-related issues of all types are of great interest to us. We know that our communities and neighbourhoods become increasingly important to us as we age and accordingly, we shape MMHS policy around having houses in safe and pleasant areas with good amenities. The digital world can be a challenge for older people, especially if they are facing other structural problems such as limited means. We like to signpost appropriately to organisations that can help and our Wellbeing Fund has six categories of support, one being IT. Our wish is to reframe older age, positively.

Like all private landlords in the 2020s, we face many challenges such as rising costs, complex legal frameworks, enhanced tenants' rights, and governmental expectations on Energy Performance Certificate requirements. The Renters Rights Act 2025 is introducing significant changes. The principles – stronger rights, better protections and more security – are good in our view but without doubt, compliance with this piece of legislation will lead to higher costs. Notwithstanding all the pressures, our resolve is to continue providing quality homes.

We would like to end with some observations on our strategic decision to invest in the learning and development ('L&D') of our staff members and trustees. We are proud of our L&D programmes with their focus on upskilling through informal learning and formal qualifications. We know L&D links directly to excellent outcomes, such as improved performance and greater innovation. We wish to attract and retain the best, so we can continue delivering high level services to our much-valued beneficiaries.



Alan Taylor, Chair



Mairi Johnstone, CEO

Strategic Report

More on our mission

MMHS operates in the United Kingdom, the Isle of Man and the Channel Islands. We provide quality housing and associated services across this wide geographical area.

As well as providing for those who retire at usual retirement age, we also look after those who retire early on health or compassionate grounds. We care, too, for widows, widowers and dependants of ministers who die in active service.

We have an equity sharing scheme whereby retiring ministers take an equity interest in the MMHS property in which they live. We also have an equity sharing fund whereby MMHS takes an equity share in a property owned by both retiring and retired ministers.

Wellbeing support is very important to us and is a particular strategic focus. We are committed to assisting our ministerial residents with their mobility needs as much as we can and to enabling them to continue living independently in their own home for as long as possible. A key element of this is ensuring that our properties are suitably adapted for use and are also fully accessible.

Whilst our core mission is providing housing, we are not just about 'bricks and mortar'. We are focused, too, on the occupants of our houses, our ministerial residents. Our mission is as much people-centred as it is property-centred.

Achievements and performance

1 Management of our properties

The Condition, Energy and Occupation Survey ('CEO Survey') commissioned by MMHS was, largely speaking, completed by our year-end. The property data we have collected will enable us to produce more accurate planned maintenance cost projections and allow us to prioritise works. It will also inform our asset management strategy and investment plans.

We began the year with 874 properties. During the year, we sold 94 properties, purchased 15 and received 2 as bequests.

At the end of August 2025, we had 797 properties in our portfolio: 659 were occupied by our ministerial residents, 8 by market rent tenants and 130 were unoccupied. Empty properties are usually always kept to a minimum but during the year, the number of unoccupied properties was unusually high due to implementation of our plan to sell our market-rented portfolio.

We were pleased to provide housing for 12 new ministerial residents. We transferred 4 ministerial households.

At the end of August 2025, 357 ministerial residents had equity shares with a total fair value of £17.7m.

Our policy to sell our market-rented portfolio properties together with our policy to sell ministerial properties which are no longer required for ministers, worked well alongside our policy to purchase for newly retired ministers and those we were able to transfer.

We maintain and repair our properties regularly. 1,765 jobs were completed relating to the maintenance and repair of our properties. These included 14 bathrooms, 23 driveway repairs and 75 external decorations. We also refurbished 4 kitchens and replaced 41 boilers and 14 sets of windows and doors.

In addition to maintaining and repairing our properties, we routinely inspect them to ensure compliance with electrical and gas safety standards. Electrical inspections and associated remedial works are administered and undertaken by HES Fire Protection Limited. Gas-Elec Group are our national supplier for annual gas compliance checks. At the end of August 2025, for our ministerial properties, our CP12 compliance was 99.1% and our EICR compliance was 95.7%.

We delivered 4 refurbishment projects over the year. This number is significantly less than previous years and reflects our strategic move to selling and buying.

Whether maintaining, repairing, undertaking planned works, or refurbishing, we work hard to ensure value-for-money (VFM). Traditionally, VFM has been defined around the '3Es', effectiveness, efficiency and economy, in other words, how resources are managed to achieve desired results.

2 Wellbeing support and initiatives

We have ambitious targets under our strategy when it comes to wellbeing. We are addressing needs linked to age, ill-health, disability and finance.

MMHS's wellbeing casework included working alongside 99 households. The work undertaken was wide-ranging and covered assessing and awarding grants from MMHS's Wellbeing Fund, signposting to external support services, and assisting with property-linked matters, for example, adaptations such as grab handles, handrails, and ramps.

We are grateful for the support we receive from the Fund for the Support of Presbyters and Deacons. This fund reimburses costs incurred by us on behalf of our ministers linked to aids and adaptations.

We were also focused on the new opportunities we have, to strategically – and practically – link our wellbeing initiatives to our safeguarding responsibilities.

The results of the occupation section of the CEO Survey were put to good use early; before the year-end we were able to start planning our responses. Our aim, using the data, is to enhance existing wellbeing initiatives. The surveyors were asked to collect information about how our ministerial residents manage day to day, specifically recording any

difficulties ministerial residents had in accessing parts of their home. Residents were asked six set questions.

Our Wellbeing Fund had six categories of support – mobility improvements, maintenance and repair, rent, general expenditure, annual Initiatives, and IT initiatives.

During the year, wellbeing expenditure was as follows: mobility improvements £91k, maintenance and repair £20k, rent £10k, general expenditure £4k, and IT Initiatives £314.

3 Engagement with key stakeholders and supporters

We meet at least twice a year with fellow charities in the Methodist family to offer mutual support. We also collaborate with other faith-linked housing providers, primarily to share experiences, but also to share knowledge and skills.

We are very grateful for the generosity shown to us by our supporters through gifts, donations, bequests and legacies. We endeavour always to express our heartfelt thanks.

It is also important for us to have trust-embedded relationships with our service-providers. In our business dealings, we aspire, always, to abide by our core values – being professional as individuals and as an organisation and showing high standards of care, with everything underpinned by our Christian ethos.

Plans for the Future

We are in the fourth year of our strategy for 2022-2027.

This year and next, we will continue to deepen our existing mission to ministers, acknowledging that we cannot widen it. The main way in which we will deepen is through enhancing existing wellbeing initiatives and launching a new one offering respite and care-break grants. This is an exciting development.

We will also commence implementation of the findings of the CEO Survey. Part of this exercise will involve a complete rewrite of our asset management strategy. This will be far-reaching and will include strategic targets for how MMHS can best handle all regulatory and legislative changes being rolled out by the current UK Government.

We are also targeting taking full advantage of digital and technological developments to assist in the futureproofing of MMHS's success.

We will launch our new mission in 2026 and in tandem with this development, we will rebrand our charity.

Risk Management

MMHS has adopted a sophisticated model for assessing its risks and addressing their consequences.

Our modus operandi is broadly based on Enterprise Risk Management (ERM) architecture whereby the management of risks is transferred from lower-level functional groups and activities to a higher, senior management level which enjoys a near-panoramic view of the organisation's total risk exposure. The fundamental theory is that the ERM framework integrates risk management within all an organisation's objectives and throughout all its departments.

In addition to basing our modus operandi on ERM architecture, we have also made use of the Three Lines of Defence Model, to access practical guidance on implementing the principles required to manage risk.

MMHS's 'first line' is vested in operational staff with senior management support, while the 'second line' is provided by a team, drawn largely from the CEO's Office, which meets in alternate months to review the risk landscape and examine the Risk Register in detail. MMHS, due to its size, does not have a formal 'third line' but our Board and our equivalent to an 'external assurance provider' – our auditors, Companies House, and charity Regulators and Registries – provide additional defence, guidance and oversight. We would also like to add that we employ the services of external experts to provide assurance and advice on areas of MMHS's operations. Further, we have formalised our policies, processes and procedures for 'quality assurance' and 'complaints' handling.

With our risk register, we have sought to define our risk scores more clearly and link them to proposed types of action. We have adopted a four-colour scheme with two shades of amber, which helps indicate that a risk is beginning to move up or down the scale between red and green as mitigating actions start to take effect. We have also updated and repurposed columns. A new 'Pending Mitigations' has been added next to the 'Mitigations' column. Use of the 'Risk Description', 'Impact Description' and 'Owner' columns has also been improved. Finally, we have begun marking risks as opportunities where appropriate, reflecting MMHS's mindset that risks are not just threats but chances to improve and innovate.

Our trustees have ultimate responsibility for statutory and governance oversight of the risks faced by MMHS. Accordingly, risk is a standing item at all Board meetings.

Here are examples of some key risks we have identified in each of the five areas we monitor – governance, strategic, financial, property, and ICT & Facilities – and the mitigations we have in place.

Governance

Risk of our board of trustees being unable to discharge its oversight duties.

Trustees need to maintain effective oversight and ensure MMHS's success and compliance with legal requirements.

Mitigation:

- three-year cycle of skillset analysis;
- trustee L&D programme in place;
- recruitment processes and appointments carefully crafted; and
- Code of Conduct signed annually.

Strategic

Reducing demand for MMHS's services.

While many charities might view this as an indication of success in eliminating need rather than a risk, we view this as a significant risk to the charity's success.

Mitigation:

- new mission identified;
- new mission set up;
- funding allocated; and
- pilot planned and ready for launch in 2026.

Financial

Failure of financial systems and processes.

MMHS needs always to have robust systems and processes in place, to prevent and address financial mismanagement.

Mitigation:

- robust financial systems and processes in place and reviewed regularly;
- staff undertake regular training;
- MMHS invests in reliable IT infrastructure and software; and
- third-party specialists and experts consulted.

Property

Failure to maintain and repair properties adequately.

Ensuring proper maintenance and repair is undertaken is a legal obligation and failure can have serious consequences, both financial and legal.

Mitigation:

- the commissioning of the CEO Survey;
- robust Maintenance and Repair policies in place;

- ministerial residents are proactive and this is encouraged; and
- regular training and the use of KPIs.

ICT and Facilities

Failure to manage data properly.

It is vital for MMHS not to lose or compromise its data, nor violate regulations and laws.

Mitigation:

- adherence to all MMHS policies around data;
- our IT systems are tested regularly by our external IT provider who also provides advice;
- staff are trained regularly; and
- the external environment is monitored for regulatory and legislative changes.

Financial Review

The year ended 31 August 2025 saw MMHS working towards delivery of its long-term strategic vision. This meant having a smaller, functional property portfolio, to meet the needs of our current and future beneficiaries, and the increase of our investment assets, with a view to ensuring both financial sustainability and the maximisation of income, to support expenditure on current and future charitable missions.

The impact of our planning can already be seen clearly in both the financial performance and position of the charity.

Financial Performance

Overall performance for the year was broadly consistent with that anticipated at the outset of the year.

Total income for the period remained broadly stable at £7.9m (2024: £8.1m) and behaved as expected under our strategy. Investment income was stable at £2.3m (2024: £2.3m) but the make-up of that income evolved thanks to reductions in the market rented portfolio size and related increases in cash deposits and investment assets. Charitable rental income from the functional property portfolio fell to £2m (2024: £2.5m), driven mainly by a reduction in the number of ministerial residents. Market rent income fell to £1.5m (2024: £1.8m) reflecting the planned disposal programme. Gains on disposals booked through profit and loss increased to £2.08m (2024: £1.65m) owing to the increased number of property disposals across both portfolios.

Total expenditure was also broadly stable and in-line with expectations at £7.72m (2024: £7.6m), the main components of expenditure continued to be property maintenance, refurbishment, office based operating costs, depreciation and salaries. Changes in the expenditure mix were once again consistent with our strategy. Spending allocated to housing maintenance and repairs fell to £6.2m (2024: £6.33m), in keeping with the decline in the size of the property portfolio. Spending allocated to property disposals increased to £470k (2024: £398k), reflecting an increase in disposals. Spending on support for our ministerial residents, including wellbeing, increased to £520k (2024: £413k), reflecting the growing focus on wellbeing.

A net operational surplus of £190k (2024: £457k restated) was generated before unrealised gains and losses. Incorporating unrealised gains on investment assets and revaluation of investment properties, an overall deficit of £96k (2024: £2.58m surplus restated) was recorded. In summary, the charity continues to operate sustainably whilst walking a path of major transformation.

Financial Position

The balance sheet position continues to be robust, with net assets of £190m (2024: £190m).

The overall balance sheet total is therefore stable, but it is important to note that the enactment of MMHS's strategy has seen the make-up of the Balance Sheet total change materially over the period, with a gradual reduction in property related holdings facilitating an increase in investment asset type holdings. At 31 August 2025, programme related housing investments were £138m (2024: £141m), Investment property holdings £18.5m (2024: £34m), long term Investments £11m (2024: £2.6m) and current asset investments £21m (2024: £12.7m).

Reserves Policy

MMHS's reserves policy for the year was to hold free reserves sufficient to absorb variations in its operating surplus/deficit. Under its operating model, any such variations were likely to have arisen from unexpected expenditure demands. In the future, negative shocks to the valuation of MMHS's investment funds, and consequential reductions in investment income, are likely to be the biggest drivers of variability. MMHS therefore targets holding free reserves more than the higher of six months' worth of expenditure and a 20% fall in the value of its investment funds. This figure would be £8.4m based on investment valuations at 31 August 2025.

Free Reserves

Accounting Reserves at 31/08/2025	£ 190m
Less Fixed Assets	£ (167m)
Less funds ringfenced for new charitable mission	£ (11m)
Free Reserves at 31/08/2025	£ 12m

The trustees are satisfied that the free reserves held exceed the minimum coverage required by the reserves policy. They expect the gap between the minimum coverage required and actual free reserves held to reduce over the coming years as MMHS's strategy is enacted. £1m of free reserves was held as cash at 31/08/25.

Investment Policy

The Articles of MMHS do not restrict the classes of assets that it can invest in; accordingly, it can invest in equity shares, fixed interest bonds & debt securities, commodities & precious metals, investment properties (retail and commercial), derivatives (including futures), cash and funds (of some/all the foregoing assets). MMHS's investment aims are set out in its policy; it seeks to fund certain of its charitable activities, whilst also covering inflation and changes in funding mixes, at an acceptable level of risk and variability in returns. It also seeks a real return of c2.50% per annum over the long term.

Structure, Governance and Management

MMHS is a charitable company limited by guarantee:

Company Number	11929754
Charity Number	1186758 (England and Wales)
Charity Number	SC050661 (Scotland).

The Board of Trustees is the body responsible for the management of MMHS, and the number is required to consist of:

- not less than five but not more than fifteen; and
- at any one time no less than one and no more than five shall be tenants of MMHS.

Trustees are appointed for a fixed term not exceeding three years and are eligible for reappointment for up to a further two consecutive terms each of three years. They are not eligible for reappointment after the end of their third consecutive term until an interval of at least three years has elapsed.

If trustees consider it would be in the best interests of MMHS for a particular trustee to continue to serve beyond nine consecutive years, the trustees may resolve to reappoint that trustee for a further fixed term of one year.

MMHS had nine trustees during the year. The Senior Management Team comprised the CEO, and two executive directors, both for part only of the year. All details are set out at the end of this document.

The trustees may delegate, on such terms as they think fit, any of their powers or functions to any committee as the trustees may appoint. The trustees may delegate the implementation of their decisions or day-to-day management of the affairs of MMHS to any person or committee.

The Board of Trustees had one committee during the year, the Audit Committee, which acts in accordance with the terms of reference by which powers or functions are delegated. The Board met regularly during the year, and this included a day conference to consider strategic matters.

The CEO is responsible for the implementation of the decisions of the trustees and the day-to-day management of the affairs of MMHS. The CEO is also the Company Secretary. Together with the Chair, the CEO works to enable the Board to fulfil its functions. The CEO is responsible for effective management systems to ensure all staff have clarity about their roles and objectives and have the appropriate appraisals and training to enable them to fulfil their roles and contribute to MMHS's strategic objectives.

The requirement for trustees to demonstrate effective governance of charities increases year on year. Our trustees give priority to good governance and some of the issues they have considered are detailed below.

Public Benefit

MMHS's purpose, as set out in its articles, is to provide housing or financial assistance towards the housing needs of Methodist Presbyters and Deacons ('ministers') of limited means who are in receipt of their full Methodist Church pension, and to various categories of persons connected to the ministers. In this report, we have been pleased to provide full details of all those who have benefitted from the charitable activities and objectives of MMHS during the year, 1 September 2024 to 31 August 2025.

We are always mindful of the Charity Commission's general guidance on public benefit whenever we review both what we are doing at present and what we hope to do in the future.

Safeguarding

We know we have a responsibility to ensure that we don't cause harm to anyone who has contact with us. We promote a strong safeguarding culture. We make sure that our trustees and staff are suitable persons for their roles and to that end we have robust recruitment processes, obtain references and carry out Disclosure and Barring Service (DBS) checks. We have policies in place covering bullying, harassment and whistleblowing. We have procedures in place to ensure safe handling of incidents or allegations of abuse. One of our trustees, in addition to their wider responsibilities as a trustee, is the Lead Trustee for Safeguarding and champions safeguarding across MMHS.

Environmental Responsibilities / ESG

We are pleased to report we have initiatives in place which are improving our environmental impact significantly.

These include:

- participating in a recycling scheme and making use of recycling bins;
- encouraging green cleaning;
- using emails wherever possible rather than paper post;
- good management of our office's heating and cooling system;
- making use of energy-efficient appliances;
- being careful with our travel footprint, noting that the increase in hybrid and online Board meetings has helped with this objective;
- ensuring our asset management strategy encompasses green initiatives.

Equality, Diversity and Inclusion in the workforce

We are an equal opportunities employer and employ staff from a wide variety of backgrounds, origins, and cultures. We respect and value people's differences in terms of skills, experiences, ethnicity, and gender.

We believe in treating each other fairly, creating a workplace where every person has access to opportunities to develop their potential fully.

We also adhere to the following practices:

- we are transparent;
- we do not tolerate any form of intimidation, bullying or harassment;
- we listen to and respect one another's opinions; and
- we promote an inclusive culture.

Staff Remuneration Policy and Performance Management

MMHS's Remuneration Policy is designed to support the achievement of MMHS's objectives and to be consistent with our purpose and values. It provides a vehicle to articulate pay in a transparent manner and to provide equity across all roles.

We are committed to attracting and retaining the best people and as such, we benchmark to market every two years and pay an annual cost of living award. Some posts require skills that relate specifically to the housing sector, some are more generic, and some are professional. Data from individual markets provides us with the ranges within which we remunerate staff at different levels.

A comprehensive package of benefits is also offered to staff including a generous contributory pension scheme, life and critical illness insurance, annual leave and flexible working options.

We support staff and trustees' development through learning and development programmes for each. For staff, their performance is evaluated through a comprehensive appraisal system and includes qualitative and quantitative feedback. Targets are set in line with strategic objectives. For trustees, we follow the recommendations of the Charity Governance Code and review board and trustee performance in a three-year cycle incorporating one external evaluation of governance.

Fundraising

Although we do not raise funds from the public, we are registered with the Fundraising Regulator. Accordingly, we are aware of the Regulator's Code of Practice and its core values.

Our fundraising expenditure is incurred in raising funds through our investment portfolio and our investment properties, and in the management of bequests and legacies.

Statement of Trustees' Responsibilities

In accordance with applicable law and United Kingdom Accounting Standards, the trustees are required to prepare the trustees' report and financial statements for each financial year which give a true and fair view of the position of MMHS and of the income and expenditure of MMHS for that period.

In preparing these financial statements, the trustees have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards and Charities SORP (FRS 102); and
- prepared the financial statements on the going concern basis.

The trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of MMHS, and enable them to ensure the financial statements comply with applicable law.

The trustees are also responsible for safeguarding the assets of MMHS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees' report on pages 1 to 16 was approved by the Board of Trustees on 12 February 2026 and signed on their behalf by:


A Taylor (Mar 10, 2026 11:12:15 GMT)

Alan Taylor, Revd.
Chair of Trustees

26 March 2026

Date

Independent Auditors' Report

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF METHODIST MINISTERS' HOUSING SOCIETY

Opinion

We have audited the financial statements of Methodist Ministers' Housing Society (the 'charity') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2025 and the 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 Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the 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 Report of the trustees, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the trustees which includes the strategic report and the report of the trustees' prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the report of the trustees included within the annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the trustees.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of trustees' remuneration specified by law are not made; 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 16, 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's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the charity and its environment, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulations.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;

- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006, the Charities Act 2011 and the Charities Statement of Recommended Practice.

In addition, we evaluated the trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, income recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

NJ Wakefield
Nicola Wakefield (Mar 26, 2026 19:09:38 GMT)

Nicola Wakefield
(Senior Statutory Auditor)

for and on behalf of
Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
6 Sutton Plaza,
Sutton Court Road,
Sutton, Surrey, SM1 4FS

Date **26/03/2026**

Financial Statements

Company Number: 11929754

Statement of Financial Activities for the year ended 31 August 2025

		Unrestricted funds	Restricted funds	Total funds	Total funds (as restated) 2024
	Note	2025 £000	2025 £000	2025 £000	£000
Income from:					
Donations, legacies and grants	2.1	1,439	-	1,439	1,511
Charitable activities	2.3	2,048	-	2,048	2,555
Investments	2.2	2,342	-	2,342	2,339
Gain on disposal of properties	2.4	2,078	-	2,078	1,655
Total	2	7,907	-	7,907	8,060
Expenditure on:					
Raising funds	3.1	161	-	161	151
Charitable activities					
Housing maintenance & repair	3.1	6,203	-	6,203	6,331
Buying & selling properties	3.1	470	-	470	398
Ministerial resident support	3.1	520	-	520	413
Equity	3.1	363	-	363	310
Total	3	7,717	-	7,717	7,603
Net income before revaluation and investment gains/(losses)					
		190	-	190	457
Unrealised gains on long term investment	4	203	-	203	218
Unrealised gain on valuation of functional properties	7.2	-	-	-	929
Unrealised (losses)/gains on valuation of investment properties	7.2	(498)	-	(498)	856
Depreciation adjustment re investment properties	7.1	-	-	-	78
Increase in equity share investment revaluation reserve		9	-	9	46
Net movement in funds		(96)	-	(96)	2,584
Funds					
Total funds brought forward (as previously stated)	11/12	190,206	9	190,215	187,823
Prior year adjustment		192	-	192	-
Total funds brought forward (as restated)		190,398	9	190,407	187,823
Total Funds carried forward	11/12	190,302	9	190,311	190,407

All activities relate to continuing activities. There are no other recognised gains and losses. The notes on pages 25 to 43 form part of these financial statements.

Balance Sheet at 31 August 2025

Company Number: 11929754

		2025	2025	2024	2024
	Note	£000	£000	(As restated)	(As restated)
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	6	32		10	
Programme related investments	7	137,773		140,913	
Investment properties	7	18,532		33,864	
Long term investment	4	10,912		2,605	
MMHS equity share investment		136		127	
<i>Total fixed assets</i>			167,385		177,518
Current assets:					
Debtors	8	1,736		625	
Investments	9	20,900		12,686	
Cash at bank and in hand		1,077		535	
<i>Total current assets</i>		<u>23,713</u>		<u>13,846</u>	
Liabilities					
Creditors: Amounts falling due within one year	10	<u>(787)</u>		<u>(957)</u>	
<i>Net current assets</i>			<u>22,926</u>		<u>12,889</u>
Net Assets			<u>190,311</u>		<u>190,407</u>
The funds of MMHS					
Restricted income funds	11		9		9
Unrestricted income funds			<u>45,547</u>		<u>35,470</u>
<i>Income funds</i>			45,556		35,479
Designated fixed asset reserves	12		137,773		140,923
Revaluation reserve	12		6,812		13,844
Designated equity share fund	12		34		34
Equity share investment revaluation reserve	12		136		127
Total MMHS funds			<u>190,311</u>		<u>190,407</u>

The financial statements were approved by the Board of Trustees and signed on its behalf by:


A Taylor (Mar 25, 2025 17:12:15 GMT)

Alan Taylor, Revd.
Chair of Trustees

26/03/2026

Date

Statement of Cash flows for the year ended 31 August 2025

	Note	2025 £000	2025 £000	2024 £000	2024 £000
Net cash (used in) operating activities	16		(3,880)		(1,137)
Cashflows from investing activities:					
Investment income		2,342		2,339	
Purchase of MMHS Equity investments		-		(46)	
Purchase of COIF investments		-		(1)	
Purchase of long-term investments		(8,104)		(46)	
Purchase of properties		(5,388)		(6,084)	
Purchase of tangible fixed assets		(40)		(5)	
Proceeds from sale of properties		24,264		10,131	
Residents' equity contributions received		81		248	
Residents' equity contributions repaid		<u>(519)</u>		<u>(882)</u>	
Net cash provided by investing activities			<u>12,636</u>		<u>5,654</u>
Change in cash in the year			8,756		4,517
Cash brought forward at 1 September 2024			13,206		8,689
Cash at 31 August 2025			<u>21,962</u>		<u>13,206</u>

Reconciliation of cash balances:

Cash at bank		1,077	535
Investment cash	9	20,885	12,671
Cash at 31 August 2025		<u>21,962</u>	<u>13,206</u>

Notes to the Financial Statements

The Financial Statements have been prepared in accordance with applicable accounting standards. The accounting policies adopted are described below.

1 Accounting Policies

a) Basis of preparation

The trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The trustees consider that it is appropriate for these accounts to be prepared on the going concern basis given the level of properties and reserves held. The charity has adequate financial resources and can manage the business risks. The planning processes, including financial forecasts and projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least twelve months ahead and are satisfied that the charity has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the charity's ability to continue in operation.

b) Accounting Convention

The financial statements have been prepared under the historic cost convention, as modified by the revaluation of land and buildings, and in accordance with the Statement of Recommended Practice, (SORP), "Accounting and Reporting by Charities: Statement of Recommended Practice", applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – Charities SORP (FRS 102)) and Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

c) Accounting for Fixed Assets

Land and buildings are shown at cost less depreciation of the buildings. Where there is evidence of impairment fixed assets are written down to their recoverable amount. No depreciation is provided for on freehold land. The principal annual rates used for assets are:

Properties:	2% straight line
Office equipment:	25% straight line

d) Valuation of Properties

At the date of incorporation properties were included in the accounts at fair value and treated as deemed cost. A ratio of 1/3 land and 2/3 building costs was taken as the split between the two components. The building costs were depreciated at 2% annually from the date of incorporation.

The equity share of the properties held by tenants is valued as a percentage of the valuation of the properties. An adjustment is made to adjust the acquisition cost of the equity to equal the percentage of the valuation of the properties. The amount of the adjustment is offset against the depreciation charge set against the total values of the properties.

e) Valuation of Investment Properties

Properties held for the purpose of generating income are investment properties and are held at fair value. External valuations are conducted at regular intervals with an internal review in intermediate years. These properties are let on short term arrangements so that they are available for future retiring ministers. The value of the properties will be regularly reviewed, to identify any permanent impairment.

f) Value Added Tax

As the work of MMHS is classified as exempt or non-business activities for the purpose of Value Added Tax MMHS is unable to reclaim the Value Added Tax, which it suffers on purchases. Expenditure in these financial statements is shown inclusive of Value Added Tax paid.

g) Income

Income is recognised in the period in which MMHS is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity must fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period. In accordance with this policy, legacies are included when MMHS is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

The treatment of void properties has been changed so that the void adjustment is calculated based on lost market rent rather than calculating the loss of income based on the rent paid by ministers. This does not affect the overall result but increases income and void losses.

h) Expenditure and basis of allocation of costs

Expenditure is included when incurred. Most costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity. Staff costs and office costs are allocated in the same proportion as directly attributed staff costs.

i) Fund Accounting

Funds held by MMHS are either:

Unrestricted general funds – these are funds, which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds that can only be used for restricted purposes within the objects of the charity. Restrictions arise when specified by the donor when funds are raised for restricted purposes.

Revaluation reserve – these funds represent the revaluation gains on the properties transferred to investment properties from functional fixed assets.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

j) Planned Maintenance Expenditure

To show the full costs incurred on maintaining properties, planned maintenance costs are included in the Statement of Financial Activities and are not capitalised to the balance sheet.

k) Capitalisation

MMHS has capitalised part of the cost of refurbishments. The basis of the amount capitalised is the lower of costs incurred and the difference between the market value before and after refurbishment.

l) Pension Costs

MMHS operated a defined benefit pension scheme with the Methodist Church up to May 2019. The assets of the scheme are invested and managed independently of the finances of MMHS. Pension costs are assessed in accordance with the advice of an independent qualified actuary. Variations from the regular pension costs are spread evenly through the statement of financial activities over the average remaining service lives of current employees.

MMHS also operates a defined contribution workplace pension plan with Scottish Widows. Pension contributions payable for the year in respect of the pension plan are recognised as an expense and as a liability, after deducting any amounts already paid.

m) Liquid Resources

MMHS's liquid resources consist of cash invested in deposit accounts with the Central Finance Board of the Methodist Church, which can be accessed on demand. During the year cash was also held in its HSBC current account.

n) Allocation of salary and support costs

Salary and support costs are allocated between expenditure headings based on staff time and the number of staff working on departmental activities. Governance costs are allocated in line with the support costs.

2 Total income

2.1 Voluntary income

	2025 £000	2024 £000 (As restated)
Grants		
Fund for Support for Presbyters and Deacons	-	66
Legacies		
Legacies receivable in the year	303	905
Donations		
District contributions	30	42
General donations	6	3
Bequests/Gifted Properties		
Bequests receivable in the year	1,100	495
	<u>1,439</u>	<u>1,511</u>

2.2 Investment income

	2025 £000	2024 £000
Interest receivable on deposits	732	513
Market rents receivable	1,474	1,765
Dividends	136	61
	<u>2,342</u>	<u>2,339</u>

2.3 Income from charitable activities

	2025 £000	2024 £000
Charitable rents receivable	2,048	2,555

Rental analysis

	No.	No.
Charitable Ministerial Rents	640	672
Market rent tenants	60	101
Vacant units	99	101
	799	874

2.4 Gain on disposal of properties

	2025 £000	2024 £000
Gains on sale of properties	2,397	2,107
(Loss) on reimbursement of equity	(319)	(452)
	2,078	1,655

3 Total Expenditure

3.1 Analysis of expenditure

Summary	2025	Staff costs	Support costs	Direct costs	2024
	£000	£000	£000	£000	£000
Raising funds	161	71	75	15	151
Housing maintenance & repair	6,203	584	609	5,010	6,331
Buying & selling properties	470	227	236	7	398
Ministerial resident support	520	191	198	131	413
Equity	363	167	174	22	310
	7,717	1,240	1,292	5,185	7,603

3.2 Analysis of salary costs

	2025	2024
	£000	£000
Salaries	978	955
Employers' national insurance contributions	95	92
Employers' pension & phi contributions	167	167
	1,240	1,214

The figures stated are inclusive of payments for loss of office of £47,810 in respect of 3 individuals.

The full-time equivalent number of employees in 2025 was 17.2 (2024: 19.2). The head count in 2025 was 20 (2024: 21).

Employees receiving remuneration excluding pension contributions in excess of £60,000:	2025	2024
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£130,001 - £140,000	1	1
	4	4

The key management personnel of MMHS are comprised of the Senior Management Team. During the year, a reorganisation took place and the services of external expert consultants were commissioned to meet organisational needs. Accordingly, total benefits paid were £185,592 (2024: £307,933). The total employer's pension contribution of the key management personnel was £39,576 (2024: £46,032). The total employer's national insurance contribution of the key management personnel was £16,556 (2024: £27,701).

3.3 Analysis of support costs

	2025	Raising Funds	Housing maintenance & repair	Buying & selling properties	Ministerial resident support	Equity	2024
	£000	£000	£000	£000	£000	£000	£000
Staff training	28	2	13	5	4	4	5
Staff recruitment	13	1	6	2	2	2	60
Temporary staff	39	2	19	7	6	5	23
Travel & subsistence	24	1	11	5	4	3	25
Office rent, rates & services	100	6	48	18	14	14	81
Office administration costs	255	15	120	47	39	34	221
Professional charges	816	47	384	149	126	110	496
Depreciation	17	1	8	3	3	2	20
Wellbeing costs	-	-	-	-	-	-	4
Support costs	1,292	75	609	236	198	174	935

3.4 Analysis of direct costs

3.4.1 Costs of raising voluntary income

	2025 £000	2024 £000
Publicity & advertising	15	27
Direct costs	<u>15</u>	<u>27</u>

3.4.2 Charitable activities – housing maintenance and repair

	2025 £000	2024 £000
Refurbishment	141	1
Planned work	1,035	1,126
Repairs & maintenance	232	241
Gas & Electrical Contract	187	276
Electrical Remedial Work	128	134
Electrical Testing Programme	30	36
External painting	251	251
Primary	<u>2,004</u>	<u>2,165</u>
Property depreciation	2,231	2,302
Property insurance	84	100
Leasehold charges	64	98
Empty property costs	100	282
Management fees	150	351
Other including governance	27	23
Secondary	<u>2,656</u>	<u>3,156</u>
	<u>4,660</u>	<u>5,321</u>

3.4.3 Charitable activities – buying and selling of properties

	2025 £000	2024 £000
Governance costs	<u>7</u>	<u>6</u>
Direct costs	<u>7</u>	<u>6</u>

3.4.4 Governance costs allocated to charitable activities

	2025	2024
	£000	£000
Auditors' remuneration – audit	26	26
Board expenses	11	5
Direct costs	<u>37</u>	<u>31</u>

The Board expenses of £10,981 (2024: £5,334) is made up of travel and subsistence expenses amounting to £3,177 (2024: £2,884) which were reimbursed to 8 board members (2024: 6); and board conference and related expenses of £7,804 (2024: £2,489). No member of the Board received any remuneration in the current year or prior year.

3.4.5 Charitable activities – ministerial resident support

	2025	2024
	£000	£000
Wellbeing – general expenditure	4	5
Wellbeing – repairs and maintenance	20	15
Wellbeing – mobility	91	51
Wellbeing – rent	10	7
Governance costs	6	15
Direct costs	<u>131</u>	<u>83</u>

3.4.6 Charitable activities – equity

	2025	2024
	£000	£000
Professional charges	16	16
Governance costs	6	5
Direct costs	<u>22</u>	<u>21</u>

4 Long Term Investments

	2025	2024
	£000	£000
Fair value at 1 September 2024	2,605	2,341
Purchase/Sale of investments	8,104	46
Gain/(Loss) on revaluation	203	218
Fair value at 31 Aug 2025	<u>10,912</u>	<u>2,605</u>
Represented by:		
Equity fund	5,987	1,366
Overseas fund	929	208
Government bond funds	711	260
Corporate bond fund	797	288
Climate Stewardship fund	744	198
UK Property fund	511	77
Other	558	129
Short term fund	559	65
Cash	116	14
Total investments	<u>10,912</u>	<u>2,605</u>

Investments are held in accordance with MMHS's Investment Policy referred to in the Trustees' Report.

5 Pension Costs

5.1 MMHS operates a defined contribution workplace pension plan with Scottish Widows for all qualifying employees. The contribution rate for the year varied between 6% and 16% depending on the employee's contribution, which is a minimum of 3%.

5.2 MMHS is also a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ('the Scheme'), a defined benefit scheme.

FRS102 Disclosures

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2025 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:

	31 August 2025 % pa	31 August 2024 % pa
Discount rate	6.1	5.0
RPI inflation rate	3.2	3.3
CPI inflation rate	2.6	2.7
Rate of increase in pensionable earnings	NA*	2.7
Rate of increase in pension payments	2.2 / 3.1 / 5.0	2.2 / 3.2 / 5.0

*The Trustee resolved on 18 March 2025 to commence the winding up of the Scheme and therefore an assumption for future increases to Pensionable Earnings is no longer required.

The major categories of the Scheme's assets (excluding money purchase AVCs) as a percentage of the total Scheme assets, were as follows:

	31 August 2025 %	31 August 2024 %
Cash	0.3	0.4
L&G Annuities	4.7	4.6
Aviva Annuities	95.0	95.0

The following amounts at 31 August 2025 were measured in accordance with the requirements of FRS102.

	£ million
Total market value of assets	47.4
Present value of scheme liabilities	(47.6)
Net overfunding in Scheme	(0.2)
Unrecognised Assets	-
Net Defined Benefit Liability	(0.2)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, MMHS is not the only participating employer in the Scheme and under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. Contributions paid into the Scheme have not been invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of MMHS and therefore MMHS is unable to determine its share of underlying assets and liabilities on a consistent and reasonable basis.

The Trustee resolved to commence the winding up of the Scheme on 18 March 2025. The Trustee is now in the process of arranging for individual annuities to be issued to members, before the Scheme can be fully wound up. From 1 September 2025, the Trustee and the Connexional Council agreed that the Connexional Council will pay all future Scheme expenses and the amount of any balancing premium owed to Aviva that is more than available cash in the Scheme. Therefore, if any deficit were to arise within the Scheme prior to wind up, MMHS would not be required to contribute towards this.

6 Tangible assets

	2025	2024
	£000	£000
Office equipment		
Cost at 1 September 2024	321	316
Addition in the year	40	5
Disposal in the year	-	-
Cost at 31 August 2025	<u>361</u>	<u>321</u>
Depreciation at 1 September 2024	312	292
Depreciation in the year	17	20
Depreciation at 31 August 2025	<u>329</u>	<u>312</u>
Net book value at 31 August 2025	<u>32</u>	<u>10</u>

7 Programme related investments

7.1 Land and buildings

	Freehold £000	Leasehold £000	2025 £000	2024 £000
Cost				
Balance at 1 September 2024	159,821	10,077	169,898	172,737
Additions in year	5,063	325	5,388	6,084
Disposals in year	(6,955)	(587)	(7,542)	(8,412)
Transfer to investment properties	-	-	-	(2,829)
Transfer from investment properties	-	-	-	2,318
Balance at 31 August 2025	157,929	9,815	167,744	169,898
less				
Depreciation				
Depreciation at 1 September 2024	10,573	673	11,246	9,435
Depreciation for disposals	(789)	(55)	(844)	(413)
Depreciation re investments	-	-	-	(78)
Depreciation for the year	2,101	130	2,231	2,302
Depreciation at 31 August 2025	11,885	748	12,633	11,246
Balance at 31 August 2025	146,044	9,067	155,111	158,652
Balance at 31 August 2024	149,248	9,404	158,652	163,303
No of units				
No of units at 1 September 2024	802	72	874	894
No of acquisitions	19	-	19	21
No of disposals	(86)	(8)	(94)	(41)
No of units at 31 August 2025	735	64	799	874

The assets under this heading comprise 799 (2024: 874) units of accommodation which include 60 (2024: 101) units which are occupied by market rent tenants who have security of tenure at the 31 August 2025. Note 1d describes how the properties are valued. The revaluation reserve is included within General Reserves, in accordance with the Charities SORP.

7.2 Equity sharing scheme

The equity sharing scheme enables ministerial residents to acquire a financial interest in their retirement homes. This interest is determined by the amount contributed by a ministerial resident in proportion to the value of the property at the relevant date. At the year-end, 357 ministerial residents had an equity share. (2024: 375).

	No.	2025 £000	No.	2024 £000
At Cost				
Balance at 1 September 2024	375	17,596	394	18,230
Additions in year	3	81	2	248
Disposals in year	(21)	(519)	(21)	(882)
Balance at 31 August 2025	357	17,158	375	17,596
less				
Depreciation adjustment				
Balance at 1 September 2024		144		100
Annual adjustment		36		44
Balance at 31 August 2025		180		144
Combined		<u>17,338</u>		<u>17,740</u>

Total Programme related investments

	2025 £000	2024 £000
Land and Buildings	155,111	158,653
Equity Sharing Scheme	(17,338)	(17,740)
	<u>137,773</u>	<u>140,913</u>

Investment Properties

	2025 £000	2024 £000
Balance brought forward	33,864	31,504
Transfer from tangible fixed assets	-	2,829
Disposed	(14,834)	(2,318)
Revaluation of properties	(498)	1,849
Balance carried forward	<u>18,532</u>	<u>33,864</u>

8 Debtors

	2025	2024
	£000	£000
		(As restated)
Sundry debtors	50	18
Prepayments & accrued income	532	39
Bequests receivable	940	375
Legacies receivable	214	192
	<u>1,736</u>	<u>625</u>

9 Investments

	2025	2024
	£000	£000
<u>Restricted Funds</u>		
COIF Inc Shares	14	14
Deposits with Central Finance Board	1	1
	<u>15</u>	<u>15</u>
<u>Unrestricted Funds</u>		
Deposits with Central Finance Board	20,885	12,671
	<u>20,900</u>	<u>12,686</u>

10 Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Creditors	361	570
Tax and Other Social Security	24	21
Accruals	399	364
Loans – interest free	2	2
Loans – Auxiliary Fund	1	-
	<u>787</u>	<u>957</u>

11 Restricted funds

The Pigott Trust

	2025	2024
	£000	£000
Charities Official Investment Fund income shares	9	9
	<u>9</u>	<u>9</u>

In September 1960, the Charity Commissioners approved and established a Scheme whereby the Charity of Mary Pigott and the specified endowment thereof could be administered and managed under the title of the Pigott Trust by MMHS.

The capital sum is invested with the Central Finance Board of the Methodist Church and the Charities Official Investment Fund, and the income is applied to defray the costs of repair and upkeep according to the terms of the Scheme.

12 Unrestricted funds

	At 1 September 2024 (As restated) £000	Revaluation/ Other £000	Movements in the year £000	Transfers between funds £000	At 31 August 2025 £000
Revaluation reserve	13,844	(498)	-	(6,534)	6,812
Fixed asset reserve	140,923	-	-	(3,150)	137,773
Equity share reserve	34	-	-	-	34
Equity share revaluation reserve	127	9	-	-	136
Total designated funds	154,928	(489)	-	(9,684)	144,755
General funds	35,470	-	393	9,684	45,547
Total	190,206	(489)	393	-	190,302

Designated funds are those earmarked by the trustees for specific purposes or projects as noted in the above designations.

13 Capital commitments

At the year-end MMHS had commitments to acquire properties totalling £260k (2024: £nil)

14 Operating lease commitments

Commitments under operating leases are as follows:

	2025	2024
	£000	£000
Payments within one year	139	139
Expiring between two–five years	311	450
	450	589

15 Related parties

One trustee (2024: two), Revd A M Taylor, was a ministerial resident of MMHS. His tenancy was on normal terms.

16 Cash flow information

Reconciliations of net income/(expenditure) to net cash flow from operating activities

	2025	2024
	£000	(As restated) £000
Net income/(expenditure)	393	1,667
Adjustments for:		
(Increase)/Decrease in debtors	(1,111)	170
(Decrease)/Increase in creditors	(170)	360
Net realised (gain) on sale of assets	(2,695)	(2,107)
Unrecognised (gain) on investments and fixed assets	(203)	(1,210)
Depreciation	2,248	2,322
Investment income	(2,342)	(2,339)
Net cash (used in) operating activities	(3,880)	(1,137)

17 Prior year adjustment

The trustees identified a legacy that they received notification of during 2023/24, which resulted in an interim payment of £171k being received during that financial year. However, during 2024/25, MMHS received a final payment of £192k, which was received before the 2023/24 accounts were approved, which should have been recognised in 2023/24. The error has been corrected through retrospective restatement. As a result, income and debtors for the prior year have each increased by £192k.

The impact of the restatement is an increase in net assets of £192k at 31 August 2024 and increase of the previously reported surplus for the year ended 31 August 2024, by the same amount.

18 Comparative Statement of Financial Activities for the year ended 31 August 2024

	Unrestricted funds (As restated) 2024 £000	Restricted funds 2024 £000	Total funds (As restated) 2024 £000
Income from:			
Donations, legacies and grants	1,511	-	1,511
Charitable activities	2,555	-	2,555
Investments	2,339	-	2,339
Gain on disposal of properties	1,655	-	1,655
Total	7,868	-	7,868
Expenditure on:			
Raising funds	151	-	151
Charitable activities			
Housing maintenance & repair	6,331	-	6,331
Buying & selling properties	398	-	398
Ministerial resident support	413	-	413
Equity	310	-	310
Total	7,603	-	7,603
Net income/(expenditure) before revaluation and investment gains	265	-	265
Unrealised gains/(losses) on long term investment	218	-	218
Tangible Fixed asset adjustment	-	-	-
Unrealised gain on valuation of functional properties	929	-	929
Unrealised gains on valuation of investment properties	856	-	856
Depreciation adjustment re investment properties	78	-	78
Increase in equity share investment revaluation reserve	46	-	46
Net movement in funds	2,392	-	2,392
Funds			
Total funds brought forward	187,814	9	187,823
Total Funds carried forward	190,398	9	190,407

Administrative Details

Trustees, officers and professional advisers

Trustees

Mrs Kate Andrews **
Mr Chris Appleton
Mr Alexander Campbell OBE
Revd Dr Marion Cole
Mrs Sharon Green
Mrs Abigail Labbett
Revd Paul Martin *
Mr Richard Myers
Revd Alan Taylor (Chair of Trustees) *

* Member of the Audit Committee

** Chair of the Audit Committee

Senior Management Team

Mrs Mairi Johnstone	CEO
Mr Richard Hawkins	Operations Director (until 18.09.24)
Mr Richard Miller	Director of Finance, ICT and Investments (from 03.11.25)
Mrs Rachel Dawson	Director of Strategy and Planning (from 01.01.25)

Principal Bankers

HSBC

The Peak, 333 Vauxhall Bridge Road, Victoria, London SW1V 1EJ

Auditor

Forvis Mazars LLP

6 Sutton Plaza, Sutton Court Road, Sutton, Surrey SM1 4FS



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Charity Numbers 1186758 (England and Wales), SC050661 (Strategic172)