

**METHODIST CENTRAL BUILDINGS
MANAGEMENT COMMITTEE**

Registered Charity No 1137980

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2019**

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

INDEX

Charity Information and Trustees' Report	1 - 7
Independent Examiner's Report	8
Statement of Financial Activity	9
Balance Sheet	10
Notes to the Financial Statements	11 - 17

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISORS

The Trustees of the charity present their Annual Report and the financial statements for the year ended 31 August 2019.

TRUSTEES	Andrew Lunn (retired 31/08/2019) Karen Attaway (appointed 10/08/2019) Martin Attfield (retired 31/08/2019) Laura Carnall (appointed 10/08/2019) Simon Cook (retired 31/08/2019) Vic Fletcher (retired 31/08/2019) Rodney Hill (appointed 10/08/2019) David Millington Helen Norman (retired 31/08/2019) David John Pickles (appointed 10/08/2019) Ian Stuart Rutherford (appointed 10/08/2019) Andrew Slim (retired 31/08/2019) David Robert Westhead Caroline Wickens (appointed 10/08/2019) Louise Wilkins (appointed 10/08/2019)
KEY STAFF	Tim Willis, Building Manager
ADDRESS	Central Buildings Oldham Street Manchester M1 1JQ
REGISTERED CHARITY NO:	1137980
INDEPENDENT EXAMINER	Andrew J McLaren FCA Beever and Struthers St. George's House 215-219 Chester Road Manchester M15 4JE
SOLICITORS	BLM Law King's House 42 King Street West Manchester M3 2NU
PROPERTY SERVICES	Longden & Cook Commercial Victoria Buildings 9-13 Silver Street Bury Manchester BL9 0EU
BANKERS	HSBC Bank plc 2-4 St Ann's Square Manchester M2 7HD
INVESTMENT MANAGERS	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

REPORTING FRAMEWORK

The financial statements comply with the Charities Act 2011 and 'Accounting and Reporting by Charities: Statement of Recommended Practice' applicable to charities preparing their accounts in accordance with the Financial reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015), referred to as the Charities SORP (FRS 102).

OBJECTIVES AND ACTIVITIES

Charitable Objectives and Aims

The Methodist Central Buildings Management Committee ("MCBMC") seeks to promote, facilitate and assist with the work and purposes of the Methodist Church for the advancement of the Christian faith. In order to achieve these objectives, MCBMC aims to maintain sound finances and good property management so that it can continue to provide suitable accommodation for each of the Church Bodies at Central Buildings.

Purposes and principal activities

The purposes for which the building is held include the local purposes of the local Church, the Circuit purposes of the Circuit and the Connexional purposes of the Connexional Trustees. The buildings are occupied by each of these Church Bodies and by the Trustees for Methodist Church Purposes ("TMCP"). In addition, certain retail, office and meeting hall space within the buildings is let to third parties. These accounts deal with this rental income, the salaries and wages of staff employed in managing and running the building and other costs not directly related to the space occupied by the Church Bodies.

Public benefit

The Trustees believe that by promoting and supporting the work of the Methodist Church at Central Buildings, MCBMC helps to promote the whole mission of the Church more effectively, at local, Circuit and Connexional level, and that in doing so it provides a benefit to the public by (1) providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and (2) promoting Christian values and service by members of the Church to the benefit of individuals and society as a whole.

Contribution of Volunteers

Although Andrew Lunn (the Chairman during the year) is a stipendiary minister within the Methodist Church, he and all other Trustees serve MCBMC as volunteers and receive no payment for their service. Andrew Slim, whose company has acted as Treasurer to the Committee since 2004 until 31 August 2019, became a Trustee in April 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

MCBMC was established in September 1996 by three Methodist Church bodies (viz the Methodist Centre Methodist Church, the Manchester Circuit, and the Methodist Church Connexional Trustees) ("the Church Bodies"), each of which continues to occupy space within Central Buildings, Oldham Street, Manchester ("Central Buildings").

Legal title to Central Buildings is vested in TMCP as custodian trustees. The three Methodist Church Bodies are Managing Trustees of the property and have delegated the management functions to MCBMC who act in accordance with the model trusts contained in the Methodist Church Act 1976, an arrangement which took effect from 1 September 1996. The custodian trustees, who hold title to Central Buildings in trust for MCBMC, do not get involved in the day to day management of the property; this is the responsibility of MCBMC- MCBMC is required, by the terms of the model trusts, to seek TMCP's consent before granting or renewing leases and, accordingly, TMCP's Legal team review all proposed commercial lettings within Central Buildings, to ensure that these are consistent with all relevant laws (including Charity law) and with the Constitutional Practice and Discipline ("CPD") of the Methodist Church, and to ensure that the Managing Trustees would not be in breach of trust.

As delegated managing trustees of Central Buildings, MCBMC operates within the Methodist Church Connexion and as such their governing document is CPD. The document is available for inspection at Central Hall, Oldham Street,

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Manchester M1 1JQ. MCBMC shares this governing document with other charities under the Methodist Church 'umbrella', four of which – including the Church Bodies – occupy part of Central Buildings under informal 'licence' agreements. The financial arrangements associated with this occupation vary depending on the circumstances but, in general terms, MCBMC is directly fulfilling its own charitable purposes in providing facilities for other Methodist Church charities.

Management Committee

Under the "Memorandum of Terms of Management for Central Buildings, Oldham Street, Manchester" and Para 16(K) of the model trusts in the Methodist Church Act 1976 the MCBMC oversees the building on behalf of the Church Bodies. The MCBMC consists of individuals from or informally nominated by the Church Bodies, acting as individuals, and co-opted professionals who collectively are the trustees of the charity.

Appointment and Training of Management Committee

When a vacancy in the Management Committee is identified, the Church Bodies are invited to propose suitable candidates from within those organisations or to identify suitably qualified professionals who might be considered for co-option. In consultation with the Church Bodies, the Management Committee will consider the skills and attribute of the candidate(s) so identified and has delegated authority to make appointments as appropriate. This appointment process minimises the need for formal induction procedures. Meetings of the Management Committee are attended by Tim Willis, Building Manager, and by Longden & Cook Commercial.

Change in Management Structure

In order to clarify and simplify the Management structure, a new arrangement as from 1st September 2019 was brought in by the Church Bodies. The purpose of this change was to:

- a) eliminate the need for 2 trustee bodies to be involved in the management of the property and its direction. This was done by making this charity Managing Trustees of the property in accordance with Methodist requirements and be responsible for its future development. The name of this charity was changed to "Methodist Central Hall, Manchester" to better represent its wider responsibility.
- b) Clarify the extended role of the Trustees and accordingly, new terms of reference were established, and the role of the Trustees more clearly defined. One of the main items of the terms of reference was that the Trustees should establish a 10-year plan for the development of the building in accordance with its specified mission and ministry.

As can be seen from the above list of Trustees, most of the Trustees who had been responsible for the oversight and guidance of this charity for a number of years, retired from that role. The President of the Methodist Conference in September 2019 expressed the gratitude of the Methodist Church for the work that had been undertaken by them over the years and noted the strength of the charity that they were passing on for further development.

On 1st September 2019 Dr Roy Swanston Hon DSc FRICS FCMI was appointed Trustee of the charity and Chair of the Board of Trustees.

ACHIEVEMENT AND PERFORMANCE

The Trustees completed a major overhaul of the ground floor kitchen and café area during the year. A new platform lift has been installed to give better access to the basement where Nexus is situated as well as installing an accessible toilet. 400 new chairs were acquired, a first-floor kitchen was brought into use and improvements were made to the general circulation areas. A programme of refurbishments to the downspouts has begun. Routine repairs and maintenance continued to be carried out in a timely manner.

Whilst seeking to keep the property in good repair, the Management Committee also sought to maximise income. One new lease was agreed with the existing tenant at an increased rent, the benefits of which will be seen in future years income. With a significant rise (23%) in income from the letting of rooms there came an increase in staff and other costs. However due to the overall positive results, the Management Committee was able to continue to build its designated funds as planned.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees continue to receive regular reports from the City Centre Minister on the mission and ministry work which emanates from and within Central Buildings. This includes a number of worshipping congregations, city centre working including street outreach and retail chaplaincy, befriending, "a bed for every night" (rough sleepers), involvement with the local authority, migrant support and other initiatives pursuing social justice.

FINANCIAL REVIEW

Risk Management

The MCBMC meets four times per year. It considers the major risks to which the management of the building gives rise, and receives regular reports thereon. The MCBMC has put in place systems to mitigate those risks, as far as practicable.

The MCBMC has established an Internal Control framework, of which the principle features are:

1. An annual budget is agreed, and management accounts are produced quarterly to monitor performance against it.
2. The level and recoverability of outstanding rents are reviewed at each meeting.
3. Rental agreements are only entered into based on advice from the MCBMC's external property and legal advisers, and review by the custodian trustees.
4. Forthcoming lease renewals and terminations are monitored and action taken to minimise void periods.
5. A quinquennial inspection is undertaken by a qualified external surveyor to identify the major repair needs of the building. The last scheduled inspection took place in October 2015 and the (modest) expenditure requirements identified have been addressed.
6. The building manager is provided with training to ensure the MCBMC is fully briefed on matters such as Health and Safety, Fire and Building Regulation compliance and disabled persons access requirements.

Principal Funding Sources

The bulk of the charity's income derives from the letting of space within the building, both contractual and 'casual'. Rental and license income represented 40% of the year's income (2018: 43%) and room letting income accounted for 45% (2018: 39%). The pattern of room letting income growing in relative importance is noticeable as the Committee seeks to utilise internal space for its own use and to reach a situation whereby its only tenants are those on the ground floor Oldham Street and Dale Street frontages. The contribution from TMCP is the third largest funding source at 11.6% (2018: 12.0%).

Reserves

The major costs facing the Charity are in respect of the maintenance and upkeep of the property in order to fulfil the charitable objectives. MCBMC has therefore established a designated property reserve, as detailed below, in order to meet the costs of future major repairs. In addition, MCBMC considers it appropriate to hold sufficient free reserves (unrestricted funds not invested in fixed assets or otherwise designated) equal to six months operating costs (excluding scheduled repairs) in order to meet any shortfalls caused by tenancy voids or other unforeseen circumstances. Based on adjusted operating costs of £386K this would equate to year end unrestricted reserves of £2,760K (2018: £2,692K) and free reserves were £548K (2018: £474K).

Designated Property Fund

In view of the inherent uncertainty in predicting the extent and timing of significant repair expenditure, the Trustees resolved to designate up to £250,000 of unrestricted fund reserves so as to provide the financial means to respond in a timely manner when major repair expenditure is desirable. The Trustees review annual repair expenditure and if major individual cost elements are incurred (usually more than £20,000) consider whether these costs should be met from the designated fund balance rather than from undesignated reserves. The Fund balance has been maintained at £250,000 pending a review of the state of repair of the building. Payments for dilapidations are taken as income directly to the Designated Property Fund and the related costs associated with the repairs are then charged against the Fund.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

Designated Appointments Fund

Recognising the positive impact of the appointment (from 1 March 2017) of Rev Ian Rutherford as a full time Minister based at Central Buildings, the Trustees have resolved to designate funds to allow consideration of a continuation of the existing grant support for this post (currently £30,000 per annum) should the post be extended beyond the current five year term which expires in August 2021. An amount of £45,000 was designated last year and a further designation of £30,000 added this year in accordance with policy.

Current Needs and Future Plans

MCBMC continues to pursue its twin aims of maintaining sound finances and good property management. Sufficient funding is available to meet routine maintenance costs, and the current and future needs of the Church Bodies are always under review. The need to maintain good levels of income from commercial and short term lettings is a constant focus, and there is a clear understanding of the relationship between the condition and quality of the space being offered to third parties and the demand for that space. These aspects will be taken into account when the new 10 year plan is developed.

Post Balance sheet events

In addition to the change in management structure mentioned above, there are 2 significant post balance sheet events to mention:

- a) The tenant of 3 Central Buildings, Speedloan Finance Ltd, surrendered their lease and paid their rent of £28k. The unit is being refurbished and a new tenant sought in due course
- b) In mid-March 2020 the whole building was closed following Government instructions due to the Coronavirus. No date for reopening is known but preparations have been made for it to open safely. This has resulted in no income from room hire for this period meaning a loss of income of c £60k depending on the length of closure. Some of our tenants are experiencing difficulties through lack of trade.

It has been the charity's policy to maintain sufficient "free reserves" to cover unknown eventualities and at 31st August 2019 such reserves totalled £548K. It is judged that this will be sufficient to sustain it through this interruption.

Collaboration with other charities

In addition to providing office and worship space for TMCP and The Centre congregation respectively, MCBMC also provides the base for Nexus CCS, a registered charity, and its trading subsidiary, Nexus Café Ltd, which operate under the Nexus 'brand'. Nexus runs faith- and arts-based activities as part of the Methodist Church's Fresh Expression of Church, and operates a café as a point of contact and outreach. Nexus CCS occupies the basement of Central Buildings; they pay a nominal 'rent' of £100 per annum. The Directors/Trustees of Nexus are appointed thus:

- (a) The minister with pastoral responsibility to be duly appointed by the Methodist Conference (if a Methodist) or by the Bishop of Manchester (if an Anglican);
- (b) One by the Manchester Circuit Council (the Circuit leadership team);
- (c) One by the Manchester & Stockport District Council;
- (d) One by the Methodist Central Buildings Management Committee;
- (e) One by the Diocese of Manchester Mission and Pastoral Committee;

Two by service user groups as defined by the Directors from time to time.

Financial Report

The year under review saw a rise in fund balances from £2.69m to £2.76m, allowing the Committee to recommend the maintenance of level of funding of the Property Reserve and also an addition to the Appointments Reserve as noted above.

1 new lease was agreed with the existing tenant by our agents reflecting in part the improving market trends being seen for retail property in the Northern Quarter. The annualised contractual income from our tenants remains at c £190k. Our agents continue to maintain pressure on tenants to ensure payments are kept up to date. Arrears at the end of the year totalled £19,200 compared with £21,074 last year

Room lettings showed a significant rise in the year – up 23% over the previous year and equated to over £4,103 per week on average (last year £3,300). Amounts owed for these lettings rose over the year from £10,118 (representing 3.0 weeks of income) to £12,444 (3.0 weeks). A new flexible room booking software is being sought and the website updated.

Expenditure rose by 1/3rd from the previous year – the two main causes being (a) the additional staff costs through staff sickness, work on the basement, and higher room lettings and (b) the purchase of 400 chairs to replace worn out ones. However, a net surplus of income of nearly £62k was slightly down on the 2018 surplus of c £77k. An unrealised gain of £6,063 was recorded on our investments with the Central Finance Board of the Methodist Church and lifted the net increase in funds for the year to £67,591.

The Committee continues to seek to improve income levels of both commercial and interior space and to control rent arrears, whilst keeping repair and maintenance work up to date and controlling expenditure wherever possible. As ever, thanks and gratitude are expressed to Tim Willis and his staff, who continue to display diligence alongside their hard work; their contribution to the results shown in these accounts is greatly appreciated.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). These require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the Management Committee has:

- selected suitable accounting policies and applied them consistently;
- observed the methods and principles in the Charities SORP 2015 (FRS 102);
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepared the financial statements on the going concern basis

The Management Committee is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with applicable regulations. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019

STATEMENT OF DISCLOSURE TO THE INDEPENDENT EXAMINER

As far as the Trustees are aware, there is no relevant financial information of which the charity's independent examiner is unaware, and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant financial information and to establish that the Independent examiner is aware of that information.

INDEPENDENT EXAMINER

The Management Committee's independent examiner, Andrew J. McLaren, has indicated his willingness to accept reappointment.

Approved by the Trustees on:-

27th August 2020

And signed on their behalf by:-

Dr. Westhead

D. R. WESTHEAD

**INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 AUGUST 2019**

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2019 which are set out on pages 9 to 19.

Responsibilities and basis of report

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015

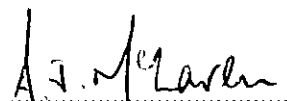
In connection with my examination, no other matter has come to my attention:

1 which gives me reasonable cause to believe that, in any material respect, the requirements:

- to keep accounting records in accordance with section 130 of the 2011 Act; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



Andrew J. McLaren
FCA

Beever and Struthers
St. George's House
215 - 219 Chester Road
Manchester
M15 4JE
Date: 27/8/20

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
STATEMENT OF FINANCIAL ACTIVITY (Including Income and Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2019

		2019		2018
	Notes	Unrestricted		
		Funds	Total	Total
		£	funds	funds
			£	£
Incoming resources from generated funds:				
Donations	2	-	-	167
Charitable activities	3	55,128	55,128	53,527
Other trading income	4	410,323	410,323	380,032
Investment income	5	12,284	12,284	11,214
TOTAL INCOME		477,734	477,734	444,940
EXPENDITURE				
Costs of generating funds	6	184,383	184,383	136,928
Expenditure on charitable activities	7	231,823	231,823	231,142
TOTAL EXPENDITURE		416,206	416,206	368,070
Net income before gains on investments		61,528	61,528	76,870
Net gains on investments		6,063	6,063	14,492
NET INCOME BEFORE TRANSFERS		67,591	67,591	91,362
Transfers between funds	8	-	-	-
NET MOVEMENT IN FUNDS FOR THE YEAR	15	67,591	67,591	91,362
RECONCILIATION OF FUNDS: FUNDS BROUGHT FORWARD	15	2,692,250	2,692,250	2,600,888
FUNDS CARRIED FORWARD	15	2,759,841	2,759,841	2,692,250

The notes on pages 11 to 17 form part of these accounts.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
BALANCE SHEET AS AT 31 AUGUST 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Tangible fixed assets	10		300,116		306,320
Investments	11		<u>2,442,547</u>		<u>2,374,901</u>
			2,742,663		2,681,221
CURRENT ASSETS					
Debtors	11	48,977		44,810	
Cash at Bank and in Hand		<u>126,853</u>		<u>108,252</u>	
		175,830		153,062	
CREDITORS					
Amounts falling due in one year	12	<u>112,402</u>		<u>65,783</u>	
NET CURRENT ASSETS					
			63,428		87,279
			2,806,091		2,768,500
CREDITORS amounts falling due in more than one year					
	13		<u>46,250</u>		<u>76,250</u>
NET ASSETS					
			<u>2,759,841</u>		<u>2,692,250</u>
FUNDS					
Unrestricted funds	14				
General funds			2,434,841		2,397,250
Designated funds			<u>325,000</u>		<u>295,000</u>
TOTAL FUNDS					
			<u>2,759,841</u>		<u>2,692,250</u>

The notes on pages 11 to 17 form part of these accounts.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES

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

Scope of the financial statements

The financial statements relate solely to the Methodist Central Buildings Management Committee (Manchester).

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards including requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Ireland" (FRS 102).

Going Concern and Impact of Covid-19

The Trustees have reviewed the circumstances of MCBMC and consider that adequate resources continue to be available to fund its activities for the foreseeable future. The Trustees are therefore of the view that the charity is a going concern however at this stage the impact of Covid-19 on the activities of the charity remains unknown. The Trustees have carefully considered the potential implications and, although unquantifiable at present, the charity can be considered to have sufficiently adequate free reserves.

Fixed assets

Tangible assets consist of capitalised plant and machinery which is depreciated over 10 years from date of commission. Furniture and equipment is depreciated over 4 years from first full year of ownership on a straight-line basis with a residual value of 10%. The land and buildings are considered to be an investment and are included at valuation by property consultants Roger Hannah & Co, Chartered Surveyors, as at 31 August 2015.

Income

Income is included when it becomes receivable, except where they relate to future accounting periods. In these cases, the income is deferred until the future period.

Investments, gains and losses

Fixed asset investments are a form of basic financial instrument and are initially recorded at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The SoFA includes the net gains and losses arising on revaluation and on disposals throughout the year. Gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses are calculated as the difference between sale proceeds (net of transaction costs) and the opening carrying value or cost, if acquired during the year. Unrealised gains and losses are calculated on the difference between opening and closing fair values.

Financial Instruments

The charity has only basic financial instruments which are initially recorded at cost, and with the exception of investments (as set out above) subsequently measured at their settlement value.

Funds Structure

The Managing Trustees are responsible for the management of Central Buildings, Oldham Street, Manchester. All funds are for use by the Managing Trustees in that activity. They have designated certain funds as property funds for repair of the buildings.

Designated funds

Normally, a transfer is made annually from the general fund to a designated property reserve fund, in order to fund major repairs, except in years where major repairs are carried out and transfers are then made to general funds in respect of the expenditure incurred.

Allocation and apportionment of costs

In the first instance, costs are directly allocated where possible to costs of generating funds or governance. Remaining costs are then apportioned according to relevant floor areas within the building, between costs for generating income through rental of units, and costs of providing charitable accommodation.

Pensions

The charity provides a group personal pension plan under the automatic enrolment regulations.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted	Total funds	Unrestricted	Total funds
	Funds	2019	Funds	2018
	£	£	£	£
2 DONATIONS				
Nexus	-	-	167	167
	-	-	167	167

3 INCOME FROM CHARITABLE ACTIVITIES

TMCP contribution towards staffing, accommodation and related costs

Total

55,128	55,128	53,527	53,527
55,128	55,128	53,527	53,527

4 OTHER TRADING INCOME

Rental income	189,839	189,839	193,273	193,273
Room hire	213,364	213,364	173,260	173,260
Refreshments & sundry income	7,120	7,120	13,499	13,499
	410,323	410,323	380,032	380,032

5 INVESTMENT INCOME

Dividends	11,329	11,329	10,705	10,705
Interest	954	954	509	509
	12,284	12,284	11,214	11,214

6 COSTS OF GENERATING FUNDS

Property costs	20,992	20,992	21,047	21,047
Staff costs	77,788	77,788	69,971	69,971
Other costs	77,871	77,871	32,063	32,063
Depreciation	7,732	7,732	13,848	13,848
	184,383	184,383	136,928	136,928

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted Funds £	Total funds 2019 £	Unrestricted Funds £	Total funds 2018 £
7 CHARITABLE EXPENDITURE				
Nexus	1,250	1,250	1,250	1,250
	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>	<u>1,250</u>
Other Charitable expenditure				
Property costs	83,968	83,968	84,187	84,187
Staff costs	132,449	132,449	119,140	119,140
Depreciation	14,106	14,106	25,264	25,264
Governance costs	50	50	1,300	1,300
	<u>230,573</u>	<u>230,573</u>	<u>229,892</u>	<u>229,892</u>
Total charitable activities	<u>231,823</u>	<u>231,823</u>	<u>231,142</u>	<u>231,142</u>

8 NET INCOMING RESOURCES AFTER TRANSFERS	2019	2018
This is stated after charging/(crediting):	£	£
Independent examiner's fees	1,180	1,180
Depreciation of tangible fixed assets	21,838	35,714
	<u>23,018</u>	<u>36,894</u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

9 STAFF INFORMATION

2019
£

2018
£

a Employees

Salaries	185,475	172,531
Pension contributions - defined contributions	11,479	6,559
Employer's NI contributions	13,283	10,021
	<u>210,237</u>	<u>189,111</u>

No employees earned more than £60,000 p.a. in either year.

b Key management personnel

The key management of the charity comprise the trustees and those persons listed on page 1.

The trustees do not receive any remuneration for their services, the total remuneration benefits of the other members of staff are set out below.

£

£

The total remuneration benefits of the key management

Salary costs	<u>56,229</u>	<u>45,990</u>
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c Average staff numbers

The average number of staff was as follows:-

2019 Average number	2018 Average number
<u>11</u>	<u>8</u>
<u>11</u>	<u>8</u>

10 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Plant & machinery	Furniture & equipment	Total
Cost		£	£	£
As at 1 September 2018	253,000	651,204	143,540	1,047,744
Additions	-	912	15,870	16,782
Disposals			(11,505)	(11,505)
As at 31 August 2019	<u>253,000</u>	<u>652,116</u>	<u>147,905</u>	<u>1,053,021</u>
Depreciation				
As at 1 September 2018	6,744	628,237	106,443	741,424
Charge for the year	1,686	5,074	15,078	21,838
Eliminated on disposal			(10,357)	(10,357)
As at 31 August 2019	<u>8,430</u>	<u>633,311</u>	<u>111,164</u>	<u>752,905</u>
Net book value				
As at 31 August 2019	<u>244,570</u>	<u>18,806</u>	<u>36,741</u>	<u>300,116</u>
As at August 31 2018	<u>246,256</u>	<u>22,967</u>	<u>37,097</u>	<u>306,320</u>

The value of freehold land included above is estimated at £84,333.

Tangible fixed assets have been restated to include freehold land and buildings as at 1/09/14 previously included within investment properties, and the buildings element has been depreciated as from 1/9/14.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

	2019	2018
	£	£
11 DEBTORS		
Income receivable	24,842	21,207
Prepayments & other debtors	24,135	23,603
	<u>48,977</u>	<u>44,810</u>
12 CREDITORS falling due within one year		
Income in advance	7,977	6,826
Grants payable	30,000	30,000
Other taxes & social security	-	2,780
Creditors & accruals	74,425	26,177
	<u>112,402</u>	<u>65,783</u>
13 CREDITORS FALLING DUE IN MORE THAN ONE YEAR		
Grants payable	46,250	76,250
	<u>46,250</u>	<u>76,250</u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2019

14 STATEMENT OF FUNDS

2018/19						
	01/09/2018 £	Income £	Expenditure £	Gains & losses £	Transfers £	31/08/2019 £
Unrestricted funds:						
General fund	2,397,250	477,734	(416,206)	6,063	(30,000)	2,434,841
Designated funds						
Property fund	250,000					250,000
Appointments fund	45,000				30,000	75,000
	295,000					325,000
	2,692,250	477,734	(416,206)	6,063	-	2,759,841

2017/18						
	01/09/2017 £	Income £	Expenditure £	Gains & losses £	Transfers £	31/08/2018 £
Unrestricted funds:						
General fund	2,364,881	444,940	(368,070)	14,492	(58,993)	2,397,250
Designated funds						
Property fund	236,007	-	-	-	13,993	250,000
Appointments fund	-	-	-	-	45,000	45,000
	236,007	-	-	-	58,993	295,000
Total unrestricted funds	2,600,888	444,940	(368,070)	14,492	-	2,692,250

The property fund has been set up with a target of £250,000 to ensure that adequate funds are available to meet major property repairs which fall outside the scope of routine maintenance. The appointments fund has been set up to enable the Committee to consider a continuation of grant support if the post of City Centre Minister is extended beyond 2021.

15 ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2019 are represented by:-

	General Funds £	Designated Funds £	Total £
Tangible fixed assets	300,116		300,116
Investments	2,117,547	325,000	2,442,547
Net current assets	63,428		63,428
Creditors falling due in more than one year	(46,250)		(46,250)
	<u>2,434,841</u>	<u>325,000</u>	<u>2,759,841</u>

Fund balances at 31 August 2018 are represented by:-

Tangible fixed assets	306,320	-	306,320
Investments	2,079,901	295,000	2,374,901
Net current assets	87,279	-	87,279
Creditors falling due in more than one year	(76,250)	-	(76,250)
	<u>2,397,250</u>	<u>295,000</u>	<u>2,692,250</u>

16 FINANCIAL INSTRUMENTS

The carrying amounts for each category of financial instrument is as follows:

	2019 £	2018 £
Financial assets		
that are investments measured at fair value	<u>2,442,547</u>	<u>2,374,901</u>
that are debt instruments measured at amortised cost	<u>151,695</u>	<u>129,459</u>
Financial liabilities		
measured at amortised cost	<u>(158,652)</u>	<u>(142,033)</u>

Financial assets measured at amortised cost comprise: cash at bank and in hand; income receivable and other debtors; and prepayments.

Financial liabilities measured at amortised cost comprise: deferred income; social security and other taxes; accruals; other creditors and grants payable (within one year and in more than one year).

17 CONSTITUTION

The Company is limited by guarantee and does not have a share capital. In the event of the Company being wound up the members are committed to contributing £1 each.

18 TAXATION

The Company is a registered charity and is entitled to claim annual exemption from UK corporation tax.

19 CAPITAL COMMITMENTS

There were no capital commitments authorised and contracted for at the end of the year (2018: £Nil).

20 RELATED PARTY TRANSACTIONS

During the year ended 31 August 2019 there were no transactions with related parties (2018: £nil).