

THE NEW ROOM / JOHN WESLEY'S CHAPEL



**TRUSTEES' ANNUAL REPORT
AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Charity Reference and Administrative Details

Charity Registration No 1137957

| | | |
|-----------------|--|--|
| Trustees | Rev A. Ward Jones (Chair) Rev Jonathan Pye Rev David Alderman Mr Gary Best (Warden) Ms Jane Allin Mr T D Bainbridge Mrs Jennifer Carpenter Mr Philip Carter Mr Michael J Culshaw Mr Stephen Duckworth Mr Geoffrey Gollop | Mr John Hirst Mr Martin R Hunt Mrs Linda Jones Mr Peter Knowles Rev Jongsin Lee Rev Andrew Pratt (to 10/11/2016) Mr Michael Rose Mrs Aroona Smith Rev David G Weeks Mr Stephen Williams Mr Robert Wood |
|-----------------|--|--|

All Trustees served for the full year.

Chief Executive Officer Mr David Worthington

Registered office 36 The Horsefair
 Bristol
 BS1 3JE

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

Bankers Bank of Scotland
 33 Old Broad Street
 London
 EC2N 1HZ

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

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

The New Room/John Wesley's Chapel

Year ended 31st August 2017

Trustees' Annual Report

The Trustees present their report and the audited financial statements of the charity for the year ended 31st August 2017. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

Trustees of the charity

The Trustees who have served during the year and since the year end were as follows:

| | |
|---------------------------|--|
| Rev A. Ward Jones (Chair) | Mr John Hirst |
| Rev Jonathan Pye | Mr Martin R Hunt |
| Rev David Alderman | Mrs Linda Jones |
| Mr Gary Best (Warden) | Mr Peter Knowles |
| Ms Jane Allin | Rev Jongsin Lee |
| Mr T D Bainbridge | Rev Andrew Pratt - resigned 10/11/2016 |
| Mrs Jennifer Carpenter | Mr Michael Rose |
| Mr Philip Carter | Mrs Aroona Smith |
| Mr Michael J Culshaw | Rev David G Weeks |
| Mr Stephen Duckworth | Mr Stephen Williams |
| Mr Geoffrey Gollop | Mr Robert Wood |

Objectives and activities

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

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

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

Fund-raising Standards Information

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

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

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

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

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

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

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

Public benefit statement

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

Achievements and Performance

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

The opening of the new visitor centre in the Horsefair Courtyard in June 2017 has seen a significant step-change at the New Room and its operation. The new facilities have enabled the New Room to develop its work as a place

of pilgrimage, worship, exploration, community building and spiritual growth through its state of the art museum and library space, meeting room for education and training, café and shop. Overall visitor numbers since the new facilities opened have seen higher than ever figures recorded; it is expected that in the first year of opening over 36,000 visitors will be welcomed in comparison to the previous annual figure of 24,000.

The challenge now is to ensure that what has been achieved can be expanded and sustained beyond the point at which the ongoing financial support from Heritage Lottery Fund ends in March 2020, particularly in respect of employing a full staff team which presently numbers eight. The current paid roles are Director (F/T), Assistant Manager (P/T), Education Officer (F/T), Community Engagement Officer (P/T), Collections Manager (P/T), Operations Manager (F/T), Café Manager (F/T) and Assistant Café Manager (F/T). Other than the Director and the two café roles, the HLF are the primary funders of the other five roles.

The current income streams need to increase across the café, museum and shop if the current level of activity and staffing levels is to continue beyond this date and this is recognised by the trustees who acknowledge that additional grants may be required. Based on current projections, it is anticipated that this will need to be @£100K per annum. It is also noted that Methodism needs to recognise not only the New Room's worldwide significance but also its proven potential for mission and to respond with appropriate ongoing financial support, so this will become part of the responsibilities for the trustee appointed as the Fundraising Officer. However, it should be noted that the new facilities will allow the New Room to expand its income through venue hire, both through the Horsefair Room in the new visitor centre and the chapel itself, plus there has already been an increase in the number of group visits because of the new museum and catering facilities now available on site.

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

The trustees have adopted a new governance structure which will, subject to Methodist Conference approval, come into force on 1st September 2018. The number of trustees will reduce to 18 from 24 and new committees will be introduced which should streamline the reporting process to the trustee body. It has also been agreed that the Secretary of the Methodist Conference or his/her nominated substitute will become an ex-officio trustee. This will not only provide a strong Connexional link but more accurately reflect the significance that British Methodism now accords to the New Room and its focus on mission through heritage.

Financial review (including reserves policy)

The Achievements and Performance section above highlights the significant changes that have taken place during the year under report. The main financial aim in that period was to carry out the project within budget and manage the expanded operations without needing to utilise reserves. That aim appears to have been achieved. At the year end, free reserves of £75,837 (2016 - £73,263) were held.

The following section indicates the plans to establish a sustainable operating model for those activities. The trustees recognise that there will be a need to increase the level of reserves in the future but intend to use the current HLF funding to support the current activity plan. Monthly management accounts are prepared and monitored to ensure budget is maintained and therefore the General Fund reserves level is considered adequate and the Trustees' intend to maintain reserves at that level with a further review in March 2020 when the current funding ceases."

Plans for future periods

Ahead of the end of the HLF funding period in March 2020, the New Room trustees will need to decide what level of operation it wishes to see post that period. Income generation from new sources, such as the café, museum and room hire, will be critical to that decision, but, in addition, there will need to be an active fund-raising process

to supplement this income stream. By necessity, this will include dialogue with the Methodist Church and external charities and trusts. It is acknowledged that it may be necessary to adapt the delivery of the operation to reflect funders' required outcomes, but the trustees are aware that they need to be able to offer definite guidance to staff in their respective roles in the operation well in advance of the March 2020 deadline.

In the meantime, staff will continue to deliver the previously agreed Activity Plan which will be subject to a final evaluation by the HLF in 2020. This work includes education outreach, community engagement, museum, library and archive research and learning opportunities and volunteering skill development in hospitality and retail.

Structure, governance and management

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

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

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

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

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

1. to formulate the overall strategy for the future operation of the Trust which is consistent with the Mission Statement and approved by the Trustees;
2. to oversee the Five Year Strategic Plan which incorporates the strategic requirements of the Trust and is approved by the Trustees and, in line with this, the annual Activity Plan;

3. to oversee that the day-to-day running of the New Room is effective;
4. to oversee the activities of the Management and Engagement Committee and the Property and Finance Committee and any working group that is set up, giving guidance and/or authority where necessary;
5. to keep itself informed of the financial position of the Trust and to recommend to the Trustees strategic decisions in the light of this.

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

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

The Trustees are expected to ensure that the Trust remains solvent through its activities and through donations and other fund-raising exercises. To this end a Five-Year Strategic Plan is drawn up and there is an annual Activity Plan which is reviewed and evaluated. No trustee or volunteer can benefit financially except from the receipt of payment for expenses incurred in the course of duties and there is an agreed policy on expenses. Any funds raised, grants obtained, loans secured, or income received in any other way can only be used for the purposes of the Trust. Trustees take care in investing the funds of the Trust and seek to avoid undertaking any activities that might place the Trust's endowments, funds, assets or reputation at risk.

Since 2015 the Trustees have been working very closely with the Heritage Lottery Fund because it made a major grant (£2.6 million) towards 'the Horsefair Project' - the creation of a new Museum and a new Visitors' Centre (including a Cafe and new Archives and Library) and the development of greater community engagement programme. The Trust has also been reporting back to other donors to the Project, including the Joseph Rank Trust, Leonard Laity Stoate Charitable Trust and the Wolfson Foundation. As part of this process, a major risk assessment was undertaken and that is being subsequently monitored and, where necessary, updated by the Chair of the Finance and Property Committee working in conjunction with various staff and volunteers. A specialist risk assessment relating to the Museum Collection has also been drawn up. The Horsefair Project will continue until 2020.

Funds held as Custodian Trustee on behalf of others

No funds are held on behalf of others

Financial instruments

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

Statement of Trustees Responsibilities

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs 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 trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are 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.

Statement as to Disclosure of Information to Auditors

So far as the trustees are aware, there is no relevant audit information of which the auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a trustee in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the board of trustees on 20th June 2018 and signed on its behalf by :

.....

Mr G M Best - Trustee

.....

Mr P T Knowles - Trustee

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

Opinion

We have audited the financial statements of The New Room/ John Wesley's Chapel (the 'charity') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual reportⁱ, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 ...], the trustees are responsible for the preparation of financial statements which 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

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

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

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 Independent Auditors' Report.

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Haines Watts Partnership (Bristol) Limited
Chartered Accountants and Statutory Auditors
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Bath House
6-8 Bath Street
Bristol
BS1 6HL

Date: 21st June 2018

The New Room/John Wesley's Chapel

Statement of Financial Activities (SOFA) for the year ended 31 August 2017

| | Notes to the accounts | General Fund (Unrestricted) | Designated Funds (unrestricted) | Restricted Funds | Endowment Funds | Total 2016-17 | Total 2015-16 (restated) |
|---|-----------------------------|--------------------------------|---------------------------------------|---------------------|--------------------|------------------|--------------------------------|
| | | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | |
| 1 Donations, Legacies and Grants | 2 | 53,574 | | 1,570,604 | | 1,624,178 | 2,218,159 |
| 2 Charitable Activities | 3 | 15,050 | 2,123 | | | 17,173 | 21,482 |
| 3 Other Trading Activities | 4 | 67,455 | | | | 67,455 | 39,559 |
| 4 Interest and investment income | 5 | 6,354 | | 1,466 | | 7,820 | 9,084 |
| 5 Other | 6 | 9,589 | | | | 9,589 | 124,445 |
| 6 Total income | | 152,022 | 2,123 | 1,572,070 | 0 | 1,726,215 | 2,412,729 |
| Expenditure | | | | | | | |
| 7 Raising Funds | 7 | 66,478 | | | | 66,478 | 11,235 |
| 8 Charitable Activities | 8 | 82,785 | 43,736 | 2,276,979 | | 2,403,500 | 1,360,265 |
| 9 Other | | | | | | | |
| 10 Total charitable expenditure | | 149,263 | 43,736 | 2,276,979 | 0 | 2,469,978 | 1,371,500 |
| 11 Gains/(losses) on monetary investments | | -185 | | -1,721 | 13,717 | 11,811 | 21,088 |
| 12 Net income/(expenditure) | | 2,574 | -41,613 | -706,630 | 13,717 | -731,952 | 1,062,317 |
| 13 Transfers between funds | 19 | | 112,875 | -112,875 | | 0 | 0 |
| 14 Other gains/(losses) | | | | | | 0 | 0 |
| 15 Net movement in funds | | 2,574 | 71,262 | -819,505 | 13,717 | -731,952 | 1,062,317 |
| 16 Total funds brought forward | | 73,263 | 0 | 1,286,102 | 129,342 | 1,488,707 | 426,390 |
| 17 Total funds carried forward | | 75,837 | 71,262 | 466,597 | 143,059 | 756,755 | 1,488,707 |

The New Room/John Wesley's Chapel

Balance Sheet as at 31 August 2017

| | Notes to the Accounts | General Fund (Unrestricted) £ | Designated Funds (Unrestricted) £ | Restricted Funds £ | Endowment Funds £ | Totals 2017 £ | Totals 2016 (restated) £ |
|---|--------------------------|-------------------------------------|--|--------------------------|-------------------------|------------------|--------------------------------|
| Fixed Assets | | | | | | | |
| Church building and other property | | | | | | | |
| Investment properties | | | | | | | |
| Investments | 14 | | | | 143,059 | 143,059 | 129,342 |
| Total fixed assets | | 0 | 0 | 0 | 143,059 | 143,059 | 129,342 |
| Current Assets | | | | | | | |
| Shop Stock | | 8,778 | | | | 8,778 | 6,592 |
| Debtors and prepayments | 15 | 2,823 | | 100,906 | | 103,729 | 93,160 |
| Investments with Trustees for Methodist Church Purposes (TMCP) - Short term | 16 | 68,036 | | 164,531 | | 232,567 | 234,473 |
| Central Finance Board (CFB) Deposits | 15 | 9,510 | 66,244 | 251,838 | | 327,592 | 1,181,808 |
| Cash at Bank and in hand | 15 | 13,473 | 5,018 | 2,550 | | 21,041 | 20,698 |
| Total current assets | | 102,620 | 71,262 | 519,825 | 0 | 693,707 | 1,536,731 |
| Current liabilities | | | | | | | |
| Creditors (due in under 1 year) | 17 | 26,783 | | 53,228 | | 80,011 | 177,366 |
| | | | | | | 0 | |
| Total current liabilities | | 26,783 | 0 | 53,228 | 0 | 80,011 | 177,366 |
| Net current assets/liabilities | | 75,837 | 71,262 | 466,597 | 0 | 613,696 | 1,359,365 |
| Total assets less current liabilities | | 75,837 | 71,262 | 466,597 | 143,059 | 756,755 | 1,488,707 |
| Long term liabilities (due after more than one year) | | | | | | | |
| | | | | | | 0 | |
| | | | | | | 0 | |
| | | | | | | 0 | |
| Net assets | | 75,837 | 71,262 | 466,597 | 143,059 | 756,755 | 1,488,707 |
| Funds of the New Room | | | | | | | |
| General Fund (Unrestricted) | 19 | 75,837 | | | | 75,837 | 73,263 |
| Designated Funds (Unrestricted) | 19 | | 71,262 | | | 71,262 | |
| Total Unrestricted Funds | 19 | | | | | 147,099 | 73,263 |
| Restricted Funds | 19 | | | 466,597 | | 466,597 | 1,286,102 |
| Endowment Funds | 19 | | | | 143,059 | 143,059 | 129,342 |
| Total Funds | | 75,837 | 71,262 | 466,597 | 143,059 | 756,755 | 1,488,707 |

The financial statements were approved by the board on 20th June 2018

Approved on behalf of the Board of Trustees

Mr P T Knowles, Trustee

Mr G M Best, Trustee

The notes on pages 15 to 22 form part of these financial statements

The New Room/John Wesley's Chapel

Cash flow statement for the year ended 31 August 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------|------------------|
| Cash from operating activities | | | |
| Net cash used in operating activities | | -861,693 | 1,156,108 |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 7,820 | 9,084 |
| Proceeds from the sale of property, plant and equipment | | | |
| Purchase of property, plant and equipment | | | |
| Purchase of intangible assets | | | |
| Proceeds from the sale of investments | | | |
| Purchase of investments | | | -105,000 |
| Other | | | |
| Net cash provided by investing activities | | 7,820 | -95,916 |
| Cash flows from financing activities | | | |
| New borrowing | | | |
| Repayments of borrowing | | | |
| Net cash used in financing activities | | 0 | 0 |
| Change in cash and cash equivalents in the reporting period | | -853,873 | 1,060,192 |
| Cash and cash equivalents at the beginning of the reporting period | | 1,202,506 | 142,314 |
| Cash and cash equivalents at the end of the reporting period | | 348,633 | 1,202,506 |
| | | 2017 | 2016 |
| | | £ | £ |
| Reconciliation of net income to net cash flow from operating activities | | | |
| Net income for the reporting period (as per statement of financial activities) | | -731,952 | 1,062,317 |
| Adjustments for: | | | |
| Gains on investments | | -11,811 | -21,088 |
| Decrease/(increase) in stocks | | -2,186 | 201 |
| (increase)/decrease in debtors | | -10,569 | -22,954 |
| increase/(decrease) in creditors | | -97,355 | 146,716 |
| Investment Income | | -7,820 | -9,084 |
| Net cash used in operating activities | | -861,693 | 1,156,108 |
| | | 2017 | 2016 |
| | | £ | £ |
| Analysis of cash and cash equivalent | | | |
| Cash in hand | | 21,041 | 20,698 |
| Short term deposits (less than 3 months) | | 327,592 | 1,181,808 |
| Total cash and cash equivalents | | 348,633 | 1,202,506 |

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland 2015 (FRS 102) (effective 1 January 2015) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

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

Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparatives was needed. No restatements were required, other than for presentation purposes.

Income

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

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

1. ACCOUNTING POLICIES (continued)

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Governance costs

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

VAT

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

Fund accounting

Unrestricted funds are incoming resources receivable or generated for the objects of the Trust without further specified purpose. They are available as general funds and can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Expenditure which meets the criteria is charged to the fund together with a fair allocation of support costs where appropriate. Endowment funds represent restricted gifts, the capital normally being unavailable for spending. Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

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

Financial Instruments

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

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

1. ACCOUNTING POLICIES (continued)

Donated goods and services

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

Allocation and apportionment of support costs

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

Stock

Stocks are stated at the lower of cost and estimated selling price.

Investments

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

Cash

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

Debtors

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

Creditors

The charity has creditors which are measured at settlement amounts.

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

| 2. Donations, Legacies and Grants | Unrestricted | Designated | Restricted | 2017 Total | 2016 Total (restated) |
|--|---------------------|-------------------|-------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Tax credits | 2,553 | | 199 | 2,752 | 2,812 |
| Donations | 15,176 | | 659 | 15,835 | 104,350 |
| Grants | 35,845 | | 1,569,746 | 1,605,591 | 2,110,997 |
| Total | 53,574 | | 1,570,604 | 1,624,178 | 2,218,159 |

| 3. Charitable activities | Unrestricted | Designated | Restricted | 2017 Total | 2016 Total (restated) |
|---------------------------------|---------------------|-------------------|-------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Fund raising | 321 | | | 321 | 952 |
| Museum, Tours etc | 11,656 | | | 11,656 | 7,075 |
| Lettings | 1,667 | | | 1,667 | 12,939 |
| Education Activities | 1,406 | | | 1,406 | 516 |
| Other | | 2,123 | | 2,123 | |
| Total | 15,050 | 2,123 | | 17,173 | 21,482 |

| 4. Other trading activities | Unrestricted | Designated | Restricted | 2017 Total | 2016 Total (restated) |
|------------------------------------|---------------------|-------------------|-------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Shop | 26,004 | | | 26,004 | 14,373 |
| Café | 16,228 | | | 16,228 | - |
| Rental Income | 25,223 | | | 25,223 | 25,186 |
| Total | 67,455 | | | 67,455 | 39,559 |

| 5. Investment income | Unrestricted | Designated | Restricted | 2017 Total | 2016 Total (restated) |
|------------------------------|---------------------|-------------------|-------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Central Finance Board & TMCP | 6,354 | | 1,466 | 7,820 | 9,084 |
| Total | 6,354 | | 1,466 | 7,820 | 9,084 |

| 6. Other | Unrestricted | Designated | Restricted | 2017 Total | 2016 Total (restated) |
|-----------------|---------------------|-------------------|-------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ |
| Other Income | 5,291 | | | 5,291 | 273 |
| VAT | 4,298 | | | 4,298 | 124,172 |
| Total | 9,589 | 0 | 0 | 9,589 | 124,445 |

The prior year comparatives have been restated to reflect the reclassification of the income.

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

7. Analysis of expenditure on Raising Funds

| | Activities undertaken directly | Support Costs | Total |
|----------------|-----------------------------------|---------------------|----------------------|
| | £ | £ | £ |
| 2016-17 | | | |
| Shop | 14,508 | 1,956 | 16,464 |
| Café | <u>44,080</u> | <u>5,934</u> | <u>50,014</u> |
| | <u>58,588</u> | <u>7,890</u> | <u>66,478</u> |
| 2015-16 | | | |
| Shop | 10,159 | 1,076 | 11,235 |
| Café | <u>0</u> | <u>0</u> | <u>0</u> |
| | <u>10,159</u> | <u>1,076</u> | <u>11,235</u> |

8. Analysis of expenditure on Charitable Activities

| | Activities undertaken directly | Grant Funding of activities | Support Costs | Total |
|---|-----------------------------------|--------------------------------|----------------------|-------------------------|
| | £ | £ | £ | £ |
| 2016-17 | | | | |
| Development of New Museum and Visitor Centre | 2,145,622 | | 0 | 2,145,622 |
| Museum & Collections | 41,583 | | 25,006 | 66,589 |
| Education & Community Engagement | 103,016 | | 12,640 | 115,656 |
| Other | <u>33,352</u> | | <u>42,281</u> | <u>75,633</u> |
| | <u>2,323,573</u> | <u>0</u> | <u>79,927</u> | <u>2,403,500</u> |
| 2015-16 | | | | |
| Development of New Museum and Visitor Centre | 1,203,889 | | 0 | 1,203,889 |
| Museum & Collections | 13,974 | | 12,807 | 26,781 |
| Education & Community Engagement | 58,257 | | 7,024 | 65,281 |
| Other | <u>38,645</u> | | <u>25,669</u> | <u>64,314</u> |
| | <u>1,314,765</u> | <u>0</u> | <u>45,500</u> | <u>1,360,265</u> |

Following several years planning, the building of new museum and visitor centre started in January 2016 with practical completion in May 2017. The costs of £2,145,622 (2016 £1,203,889) include professional fees, the main construction contract, fitting out of the new building and the design and installation of the museum. Retention sums will be payable in 2017-18. The larger part of expenditure of £103,016 (2016 £ 58,257) on Education and Community Engagement is for staffing costs.

9. Allocation of Support Costs

| | Governance | Office Costs | Property Running Costs | Total |
|--|---------------------|----------------------|---------------------------|----------------------|
| | £ | £ | £ | £ |
| 2016-17 | | | | |
| Raising Funds - Shop | 111 | 160 | 1,685 | 1,956 |
| - Café | 221 | 319 | 5,394 | 5,934 |
| Charitable Activities - Museum & Collections | 1,108 | 6,707 | 17,191 | 25,006 |
| - Education & Community Engagement | 1,108 | 4,790 | 6,742 | 12,640 |
| - Other | <u>1,883</u> | <u>3,993</u> | <u>36,405</u> | <u>42,281</u> |
| Total Support Costs | <u>4,431</u> | <u>15,969</u> | <u>67,417</u> | <u>87,817</u> |
| 2015-16 | | | | |
| Raising Funds - Shop | 198 | 58 | 820 | 1,076 |
| - Café | 0 | 0 | 0 | 0 |
| Charitable Activities - Museum & Collections | 1,986 | 2,467 | 8,354 | 12,807 |
| - Education & Community Engagement | 1,986 | 1,763 | 3,275 | 7,024 |
| - Other | <u>3,773</u> | <u>1,586</u> | <u>20,310</u> | <u>25,669</u> |
| Total Support Costs | <u>7,943</u> | <u>5,874</u> | <u>32,759</u> | <u>46,576</u> |

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

10. Auditor's Remuneration

Amounts payable to the auditor comprise £3,000 + VAT (2016 £3,500 + VAT) for the audit only.

11. Trustees' Remuneration and benefits

There was no Trustees' remuneration for the year ended 31st August 2017. (2016 £ nil)

| | 2016-17 | 2015-16 |
|---|----------------|----------------|
| Number of trustees who were paid expenses | 6 | 7 |
| Nature of the expenses : Travel Expenses | | |
| Total amount paid | £2,241 | £2,286 |

The total employment benefits, including pension contributions, of the key management personnel were £37,698 (2016 £38,063).

| 12. Staff Costs | 2016-17 | 2015-16 |
|--|-----------------------|----------------------|
| | £ | £ |
| Gross wages, salaries and benefits in kind | 122,965 | 83,950 |
| Employer's National Insurance costs | 10,872 | 4,511 |
| Pension costs | <u>7,562</u> | <u>4,780</u> |
| Total staff costs | <u>141,399</u> | <u>93,241</u> |
| Average number of staff employed during the year were: | 6 | 5 |

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

13. Tangible Fixed Assets

No valuation is attached to tangible fixed assets. The trustees act only as managing trustees for the premises which belong to the Methodist Connexion. For insurance purposes the chapel and visitor centre and Charles Street premises and contents are valued at £6,768,598 .

14. Investments

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

Analysis of investment movements

| | 2016-17 | 2015-16 |
|--|-----------------------|-----------------------|
| | £ | £ |
| Carrying (market) value at beginning of year | 129,342 | 119,004 |
| Net gain/(loss) on revaluation | <u>13,717</u> | <u>10,338</u> |
| Carrying (market) value at end of year | <u>143,059</u> | <u>129,342</u> |

These investments are managed by TMCP and held in the CFB Managed Equity Fund and shown at market value at the balance sheet date. Investments of £12,913 and £116,543 shown last year as fixed assets have been restated as current assets (see note 15)

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

| 15. Analysis of other current assets | 2016-17 | 2015-16 (restated) |
|---|-----------------------|-------------------------------|
| | £ | £ |
| Debtors and prepayments | <u>103,729</u> | <u>93,160</u> |
| Analysis of cash at bank | | |
| Bank balance (Bank of Scotland) | 21,041 | 20,697 |
| Bank balance (Central Finance Board) | <u>327,592</u> | <u>1,181,808</u> |
| Total Cash at Bank | <u>348,633</u> | <u>1,202,505</u> |

16. Current Asset Investments

| | | |
|---------------------------------|-----------------------|-----------------------|
| CFB Managed Equity Fund | 14,282 | 12,913 |
| CFB Managed Fixed Interest Fund | 113,268 | 116,543 |
| Trustees Interest Fund | <u>105,017</u> | <u>105,017</u> |
| | <u>232,567</u> | <u>234,473</u> |

Investments are shown at market value at the balance sheet date.

17. Analysis of current liabilities

| | | |
|------------------------------------|----------------------|-----------------------|
| Trade Creditors | 77,339 | 174,861 |
| Other Creditors | 0 | 0 |
| Taxation and Social Security costs | <u>2,672</u> | <u>2,505</u> |
| Total Current Liabilities | <u>80,011</u> | <u>177,366</u> |

18. Related Party Transactions

No related party transactions took place during the year (2016 nil)

The New Room/John Wesley's Chapel
Year ended 31st August 2017
Notes to the accounts

19. Detailed analysis of individual fund movements

Unrestricted Funds

| Fund Name | Opening Balance | Income | Expenditure | Transfers | Revaluation gains/losses | Closing Balance |
|------------------|------------------------|---------------|--------------------|------------------|---------------------------------|------------------------|
| General | 73,263 | 152,022 | 149,263 | | -185 | 75,837 |
| Totals | 73,263 | 152,022 | 149,263 | 0 | -185 | 75,837 |

Designated Funds (reclassified from restricted)

| Fund Name | Opening Balance | Income | Expenditure | Transfers | Revaluation gains/losses | Closing Balance |
|---------------------|------------------------|---------------|--------------------|------------------|---------------------------------|------------------------|
| District | 10,591 | | | | | 10,591 |
| New Room Museum | 2,444 | 22 | 864 | | | 1,602 |
| Museum of Hymnody | 11,550 | | 1,031 | | | 10,519 |
| Signage | 1,455 | | 1,455 | | | 0 |
| New Publications | 5,000 | | 3,140 | | | 1,860 |
| Library/Archive | 10,000 | 2,101 | 1,234 | | | 10,867 |
| Major Repairs | 62,325 | | 36,012 | | | 26,313 |
| Broadmead Courtyard | 9,510 | | | | | 9,510 |
| Totals | 112,875 | 2,123 | 43,736 | 0 | 0 | 71,262 |

Restricted Funds

| Fund Name | Opening Balance | Income | Expenditure | Transfers | Revaluation gains/losses | Closing Balance |
|-------------------------------|------------------------|---------------|--------------------|------------------|---------------------------------|------------------------|
| Development | 1,006,975 | 1,572,070 | 2,276,979 | | | 302,066 |
| Chapel Appeal and Maintenance | 166,252 | | | | -1,721 | 164,531 |
| Totals | 1,173,227 | 1,572,070 | 2,276,979 | 0 | -1,721 | 466,597 |

Endowment Funds

| Fund Name | Opening Balance | Income | Expenditure | Transfers | Revaluation gains/losses | Closing Balance |
|---------------------|------------------------|---------------|--------------------|------------------|---------------------------------|------------------------|
| Gift of C C Posnett | 83,959 | | | | 8,904 | 92,863 |
| Various Bequests | 45,383 | | | | 4,813 | 50,196 |
| Totals | 129,342 | 0 | 0 | 0 | 13,717 | 143,059 |

Fund purposes

District Fund : For Mission work

New Room Museum Fund : For Museum expenses including exhibit conservation

Museum of Hymnody Fund : For the funding of the Museum of Hymnody Project

Signage Fund : For improved signage (once the Horsefair Building Project is complete)

New Publications : For assistance with future New Room publications

Library/Archive Fund : For additions and expenses related to the new Archive and Library facilities

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

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

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

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

Reasons for redesignation

A review of certain funds previously classified as restricted has shown that their purposes were determined by the trustees and not restricted by donors. Accordingly the trustees consider that these funds should be classified as designated (unrestricted) funds