

**METHODIST CENTRAL BUILDINGS
MANAGEMENT COMMITTEE**

Registered Charity No 1137980

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2018**

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
CHARITY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2018

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 2017.

TRUSTEES	Andrew Lunn Chairman; Chair of Manchester and Stockport District Charles Nevin Secretary and Convenor (until 25 October 2017) Martin Attfield Simon Cook Vic Fletcher David Millington Helen Norman Andrew Slim David Westhead
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ADDRESS	Central Buildings Oldham Street Manchester M1 1JT
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MANAGEMENT ACCOUNTANTS	Andrew Slim Limited 15 Woodlands Way Middleton Manchester M24 1WL
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INDEPENDENT EXAMINER	Geoffrey Horley BSc(Econ) MBA FCA DChA
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ACCOUNTANTS	Chittenden Horley Limited Chartered Accountants 456 Chester Road Old Trafford Manchester M16 9HD
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SOLICITORS	BLM Law King's House 42 King Street West Manchester M3 2NU
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PROPERTY SERVICES	Longden & Cook Commercial Victoria Buildings 9-13 Silver Street Bury Manchester BL9 0EU
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BANKERS	HSBC Bank plc 2-4 St Ann's Square Manchester M2 7HD
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INVESTMENT MANAGERS	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
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REGISTERED CHARITY	1137980
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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 buildings, and the premises 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 the Chairman 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, 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. MCBMC act as managing trustees upon 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 as managing trustees. 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 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, Manchester M1 1JQ. MCBMC shares this governing document with other charities under the Methodist Church

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

CHARITY INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2018

'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. Summary details of the transactions are reported in Notes 2, 4 and 8.

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.

TRUSTEES' REPORT

ACHIEVEMENT AND PERFORMANCE

Having completed a programme of upgrades to décor, door fittings and floor coverings throughout the building in 2017, the Trustees embarked upon a major overhaul of the ground floor kitchen and café area which saw significant progress during the year under review. This programme of work should be completed early in 2019. 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. A new lease was granted to Mr Skundric (an existing tenant of an Oldham Street retail unit) at an increased rent, and a combination of rent and service charge reviews has seen contractual income rise from c £168k per annum to a current level of £185k. With income from rentals and letting of rooms both increasing during the year, and despite a 4% rise in expenditure, the Management Committee was able to continue to build its designated funds as planned.

FINANCIAL REVIEW

Risk Management

The MCBMC, on behalf of the Church Bodies, 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 licence income represented 43% of the year's income (2017: 39%) and room letting income accounted for 39% (2017: 42%). Although the granting of a short rental holiday to an incoming tenant was a factor, 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 12.0% (2017: 13.4%).

Investment Policy and Review

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 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. This would equate to a reserve of c £184k and, at the year end, MCBMC's free reserves were c £195k.

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; an amount of £45,317 in respect of exterior repairs was met in this manner in the year to 31 August 2016, reducing the Fund balance to £204,683. The Fund balance has reached its target of £250,000 at the end of the year under review. 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.

Designated Appointments Fund (to be accounted for in 2019 accounts)

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. An amount of £45,000 has been designated after the end of the year under review and further designations will be considered annually thereafter.

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.

Going Concern

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.

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 £2.60m to £2.69m, allowing the Committee to recommend further designation of funds to the Property Reserve and also to an Appointments Reserve as noted above.

In addition to a new lease being agreed for existing tenant Mr Skundric, our agents were also able to complete a number of rent and service charge reviews, reflecting in part the improving market trends being seen for retail property in the Northern Quarter. The annualised contractual income from our tenants rose over the year by almost 10% and, with the previous year having included an initial rental 'holiday' for new tenant Mr Beardmore, the amounts due from tenants during the year rose by 25% to c £190k. The new service charge settlements caused an initial rise in arrears and at the year end those arrears stood at £11,206 (representing approximately 3 weeks' of contractual obligations) before showing a downward trend in the early months of the new financial year.

Room lettings showed a further encouraging rise of nearly 7% over the previous year, and equated to over £3,300 per week on average. Amounts owed for these lettings rose over the year from £7,210 (representing 2.3 weeks of income) to £10,118 (3.0 weeks).

Expenditure rose by a little under 4% from the previous year, and although spending on repairs and maintenance reduced, the activity on rent and service charge reviews saw higher professional fees incurred. The work on the basement and Dale Street entrance, coupled with the high levels of utilisation of the space available for letting, saw higher levels of overtime working and thus increased staff costs. However, a net surplus of income of nearly £77k was comfortably in excess of the 2017 surplus of c £41k. An unrealised gain of £14,492 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 £91,362.

The budget for 2018/19 has assumed that the current uncertainty about the country's future relationship with the European Union might hold back demand for our lettable space whilst inflation is starting to rise slightly and is assumed to impact on most categories of spending. Nevertheless, the budget indicates a healthy net income figure which should be boosted by a lower total depreciation charge as the costs of the overhaul of the central heating system in 2008 have now been fully amortised.

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

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE

CHARITY INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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, Geoffrey Horley, has indicated his willingness to accept reappointment.

Approved by the Trustees on:-

1 MAY 2019

And signed on their behalf by:-



**INDEPENDENT EXAMINER'S REPORT
TO THE METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 AUGUST 2018**

I report to the Trustees on my examination the accounts of the Methodist Central Buildings Management Committee ("the charity" – Charity number 1137980) for the year ended 31 August 2018 which are set out on pages 6 to 12.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



GEOFFREY HORLEY BSc (Econ) MBA FCA DChA

Chittenden Horley Limited
Chartered Accountants
456 Chester Road
Old Trafford
Manchester M16 9HD

Date: August 1 2019



METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
STATEMENT OF FINANCIAL ACTIVITY (Including Income and Expenditure Account)
FOR THE YEAR ENDED AUGUST 31 2018

		Unrestricted funds			
	Notes	General Funds £	Designated Funds £	Total 2018 £	Total 2017 £
Incoming resources from generated funds:					
Donations	2	167	-	167	100
Charitable activities	3	53,527	-	53,527	51,680
Other trading income	4	380,032	-	380,032	324,333
Investment income - bank interest	5	11,214	-	11,214	9,239
TOTAL INCOME		444,940	-	444,940	385,352
EXPENDITURE					
Costs of generating funds	6	136,928	-	136,928	127,121
Expenditure on charitable activities	7	231,142	-	231,142	227,016
TOTAL EXPENDITURE		368,070	-	368,070	354,137
Net gains/(losses) on investments	8	14,492		14,492	19,979
NET INCOME/(EXPENDITURE) BEFORE TRANSFERS	9	91,362	-	91,362	51,194
Transfers between funds		(13,993)	13,993	-	-
NET MOVEMENT IN FUNDS	16	77,369	13,993	91,362	51,194
FUNDS BROUGHT FORWARD	16	2,364,881	236,007	2,600,888	2,549,694
FUNDS CARRIED FORWARD	16	2,442,250	250,000	2,692,250	2,600,888

The notes on pages 11 – 18 form part of these financial statements

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
BALANCE SHEET AS AT AUGUST 31 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Tangible fixed assets	11		306,320		325,096
Investments	12		<u>2,374,901</u>		<u>2,324,928</u>
			2,681,221		2,650,024
CURRENT ASSETS					
Debtors	13	44,810		44,076	
Cash at Bank and in Hand		<u>108,252</u>		<u>78,887</u>	
		153,062		122,963	
CREDITORS					
Amounts falling due in one year	14	<u>65,783</u>		<u>67,099</u>	
NET CURRENT ASSETS					
			87,279		55,864
			<u>2,768,500</u>		<u>2,705,888</u>
CREDITORS amounts falling					
due in more than one year	15		<u>76,250</u>		<u>105,000</u>
NET ASSETS					
			<u>2,692,250</u>		<u>2,600,888</u>
FUNDS					
Unrestricted funds	16				
General funds			2,442,250		2,364,881
Designated funds			<u>250,000</u>		<u>236,007</u>
TOTAL FUNDS					
			<u>2,692,250</u>		<u>2,600,888</u>

The notes on pages 11 to 18 form part of these financial statements

Approved by the Trustees on:-

1 MAY 2019

And signed on their behalf by:-



METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31 2018

		2018	2017
	notes	£	£
Cash used in operating activities	22	<u>71,396</u>	<u>69,008</u>
Cashflows from investing activities			
Interest and dividends		-	-
Proceeds of disposal of fixed assets		-	-
Purchase of tangible fixed assets		(16,938)	(15,464)
Withdrawals from fixed investments		42	-
Purchase of investments		<u>(25,135)</u>	<u>(51,078)</u>
Cash provided by/(used in) investing activities		<u>(42,031)</u>	<u>(66,542)</u>
Cashflows from financing activities			
Proceeds from new borrowings		-	-
Repayment of borrowing		<u>-</u>	<u>-</u>
Cash used in financing activities		<u>-</u>	<u>-</u>
Increase/(decrease) in cash & cash equivalents in the year		29,365	2,466
Cash and cash equivalents brought forward		78,887	76,421
Cash and cash equivalents carried forward		<u><u>108,252</u></u>	<u><u>78,887</u></u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		108,252	78,887
		<u><u>108,252</u></u>	<u><u>78,887</u></u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2018

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; effective January 1 2015).

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. In accordance with FRS 102, Section 16, the investment property is included in the balance sheet at its open market value.

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

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. Apart from the development fund, which is restricted, the balance of the funds is available for any use relevant to the management of the property.

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. Since the year-end, a designated 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 2022. This designation will be reflected in the 2019 accounts.

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 AUGUST 31 2018

	2018			2017		
	General	Designated	Total	General	Designated	Total
	£	£	£	£	£	£
2 DONATIONS						
Nexus	167	-	167	100	-	100
			-			-
	<u>167</u>	<u>-</u>	<u>167</u>	<u>100</u>	<u>-</u>	<u>100</u>

3 INCOME FROM CHARITABLE ACTIVITIES

TMCP contribution towards staffing, accommodation and related costs	53,527	-	53,527	51,680	-	51,680
<i>Total</i>	<u>53,527</u>	<u>-</u>	<u>53,527</u>	<u>51,680</u>	<u>-</u>	<u>51,680</u>

4 OTHER TRADING INCOME

Rental income	193,273	-	193,273	151,075	-	151,075
Room hire	173,260	-	173,260	162,163	-	162,163
Refreshments & sundry income	13,499	-	13,499	11,095	-	11,095
	<u>380,032</u>	<u>-</u>	<u>380,032</u>	<u>324,333</u>	<u>-</u>	<u>324,333</u>

5 INVESTMENT INCOME

Dividends	10,705	-	10,705	8,760	-	8,760
Interest	509	-	509	479	-	479
	<u>11,214</u>	<u>-</u>	<u>11,214</u>	<u>9,239</u>	<u>-</u>	<u>9,239</u>

6 COSTS OF GENERATING FUNDS

Property costs	21,047	-	21,047	21,012	-	21,012
Staff costs	69,971	-	69,971	61,913	-	61,913
Other costs	32,063	-	32,063	28,841	-	28,841
Depreciation	13,848	-	13,848	15,355	-	15,355
	<u>136,928</u>	<u>-</u>	<u>136,928</u>	<u>127,121</u>	<u>-</u>	<u>127,121</u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AUGUST 31 2018

7 CHARITABLE EXPENDITURE

	2018			2017		
	General	Designated	Total	General	Designated	Total
	£	£	£	£	£	£
Grants payable						
Nexus	1,250	-	1,250	5,000	-	5,000
	<u>1,250</u>	<u>-</u>	<u>1,250</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Other Charitable expenditure						
Property costs	84,187	-	84,187	84,049	-	84,049
Staff costs	119,140	-	119,140	105,419	-	105,419
Depreciation	25,264	-	25,264	27,831	-	27,831
Governance costs	1,300	-	1,300	4,717	-	4,717
	<u>229,892</u>	<u>-</u>	<u>229,892</u>	<u>222,016</u>	<u>-</u>	<u>222,016</u>
	<u>231,142</u>	<u>-</u>	<u>231,142</u>	<u>227,016</u>	<u>-</u>	<u>227,016</u>

8 GAINS AND LOSSES ON INVESTMENTS

	2018	2017
	£	£
Realised gains/(losses) on disposal of investments		
CFB mixed investment units	<u>-</u>	<u>-</u>
Unrealised gains/(losses) on revaluation of investments:		
CFB mixed investment units	14,492	19,979
Investment property	<u>-</u>	<u>-</u>
	<u>14,492</u>	<u>19,979</u>
	<u>14,492</u>	<u>19,979</u>

9 NET INCOMING RESOURCES AFTER TRANSFERS

	2018	2017
	£	£
This is stated after charging/(crediting):		
Independent examiner's fees	1,180	2,856
Depreciation of tangible fixed assets	35,714	41,675
Operating lease rentals	-	-
Trustees' remuneration and expenses	<u>-</u>	<u>-</u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AUGUST 31 2018

10 STAFF INFORMATION

2018	2017
£	£
a Employees	
Salaries	151,024
Pension contributions - defined contributions	3,937
Employer's NI contributions	3,702
<u>178,020</u>	<u>158,663</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>45,990</u>	<u>42,041</u>

c Average staff numbers

The average number of staff was as follows:-

2018	2017
Average number	Average number
<u>8</u>	<u>8</u>
<u>8</u>	<u>8</u>

11 TANGIBLE FIXED ASSETS

	Freehold land & buildings	Plant & machinery	Furniture & equipment	Total
Cost		£	£	£
As at September 1 2017	253,000	636,259	141,547	1,030,806
Additions	-	14,945	1,993	16,938
As at August 31 2018	<u>253,000</u>	<u>651,204</u>	<u>143,540</u>	<u>1,047,744</u>
Depreciation				
As at September 1 2017	5,058	603,284	97,368	705,710
Charge for the year	1,686	24,953	9,075	35,714
As at August 31 2018	<u>6,744</u>	<u>628,237</u>	<u>106,443</u>	<u>741,424</u>
Net book value				
As at August 31 2018	<u>246,256</u>	<u>22,967</u>	<u>37,097</u>	<u>306,320</u>
As at August 31 2017	<u>247,942</u>	<u>32,975</u>	<u>44,179</u>	<u>325,096</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 AUGUST 31 2018

12 FIXED ASSET INVESTMENTS

	Investment	CFB	cash held in investment	Total
	Property	Investments	portfolio	
2017/18	£	£	£	£
Market value brought forward 1/9/17	1,912,000	341,084	71,844	2,324,928
Net income re-invested	-	-	10,388	10,388
Additions at cost	-	-	25,135	25,135
Disposals at carrying value	-	-	-	-
Realised gain reinvested	-	-	-	-
Withdrawals	-	-	(42)	(42)
Net gain/(loss) on revaluation	-	14,492	-	14,492
Market value carried forward 31/8/18	<u>1,912,000</u>	<u>355,576</u>	<u>107,325</u>	<u>2,374,901</u>
2016/17				
Market value brought forward 1/9/16	1,912,000	271,102	62,196	2,245,298
Net income re-invested	-	-	8,573	8,573
Additions at cost	-	-	51,078	51,078
Disposals at carrying value	-	-	-	-
Realised gain reinvested	-	-	-	-
Withdrawals	-	50,003	(50,003)	-
Net gain/(loss) on revaluation	-	19,979	-	19,979
Market value carried forward 31/8/17	<u>1,912,000</u>	<u>341,084</u>	<u>71,844</u>	<u>2,324,928</u>

The value of the investment property brought forward and carried forward has been adjusted to exclude the value of functional freehold land and buildings.

	2018	2017
	£	£
13 DEBTORS		
Income receivable	21,207	7,127
Amounts due from TMCP for Connexional Trustees	-	14,082
Prepayments & other debtors	23,603	22,867
	<u>44,810</u>	<u>44,076</u>
14 CREDITORS falling due within one year		
Income in advance	6,826	10,436
Grants payable	30,000	30,000
Other taxes & social security	2,780	2,976
Creditors & accruals	26,177	23,687
	<u>65,783</u>	<u>67,099</u>
15 CREDITORS FALLING DUE IN MORE THAN ONE YEAR		
Grants payable	76,250	105,000
	<u>76,250</u>	<u>105,000</u>

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AUGUST 31 2018

16 STATEMENT OF FUNDS

	2016/17					b/f and c/f 31/08/2017 01/09/2017 £	2017/18				
	01/09/2016 £	Income £	Expenditure £	gains & losses £	transfers £		Income £	Expenditure £	gains & losses £	transfers £	31/08/2018 £
Unrestricted funds:											
General fund	2,345,011	385,352	(354,137)	19,979	(31,324)	2,364,881	444,940	(368,070)	14,492	(13,993)	2,442,250
Designated funds											
Property fund	204,683	-	-	-	31,324	236,007	-	-	-	13,993	250,000
	204,683	-	-	-	31,324	236,007	-	-	-	13,993	250,000
Total unrestricted funds	2,549,694	385,352	(354,137)	19,979	-	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 fund are available to meet major property repairs which fall outside the scope of routine maintenance.

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AUGUST 31 2018

17 ANALYSIS OF COMPANY NET ASSETS BETWEEN FUNDS

Fund balances at August 31 2018 are represented by:-

	General Funds £	Designated Funds £	Total £
Tangible fixed assets	306,320	-	306,320
Investments	2,124,901	250,000	2,374,901
Net current assets	87,279	-	87,279
Creditors falling due in more than one year	(76,250)	-	(76,250)
	<u>2,442,250</u>	<u>250,000</u>	<u>2,692,250</u>

Fund balances at August 31 2017 are represented by:-

Tangible fixed assets	325,096	-	325,096
Investments	2,088,921	236,007	2,324,928
Net current assets	55,864	-	55,864
Creditors falling due in more than one year	(105,000)	-	(105,000)
	<u>2,364,881</u>	<u>236,007</u>	<u>2,600,888</u>

18 FINANCIAL INSTRUMENTS

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

	2018 £	2017 £
Financial assets		
that are investments measured at fair value	<u>2,374,901</u>	<u>2,324,928</u>
that are debt instruments measured at amortised cost	<u>153,062</u>	<u>122,963</u>
Financial liabilities		
measured at amortised cost	<u>(142,033)</u>	<u>(172,099)</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).

19 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.

20 TAXATION

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

21 CAPITAL COMMITMENTS

There were no capital commitments authorised and contracted for at the end of the year (2017 £Nil).

METHODIST CENTRAL BUILDINGS MANAGEMENT COMMITTEE
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED AUGUST 31 2018

22 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASHFLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income/(expenditure)m before transfers	91,362	51,194
Deduct/(add) gains/(losses) on investments	(14,492)	(19,979)
Deduct interest income shown in investing activities	(11,214)	(9,239)
Add back investment charges	826	666
Add back depreciation on fixed assets	35,714	41,675
Deduct profit/add back losses on disposals of FA	-	-
Decrease/(increase) in debtors	(734)	20,498
Increase/(decrease) in creditors	(30,066)	(15,807)
Net cash generated from/(used in) operating activities	71,396	69,008

23 RELATED PARTY TRANSACTIONS

As reported in the Trustees' Annual Report, the charity is connected with other Methodist Church bodies that occupy parts of the Central Buildings.

Note 3 summarises the transactions relating to the Trustees for Methodist Church Purposes (TMCP) and the Connexional Trustees. TMCP maintains offices in Central Buildings and makes a contribution towards the running costs of the building.

Neither the Manchester Circuit nor the Methodist Centre make any contribution or suffer any charges for their use of the building.

Andrew Slim is a Trustee; he provided accountancy services to the Committee throughout the year through his company Andrew Slim Limited, in the ordinary course of business. He had taken no part in the decision to appoint his company and it was engaged on normal commercial terms. Payments to the company in the year amounted to £5,220 (2017: £5,220).