



# **Trustees' Report**

## and Financial Statements

### 2023-2024



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# About us

## Who We Are

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

## Our Vision

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

## Our Mission

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

## Our Core Values

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

## Our Plans For 2022-2027

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

# Message from our Chair and CEO

As an organisation committed to reflective learning, we understand the benefit of '*looking back*', and the preparation of an Annual Report provides an ideal opportunity to do so. To paraphrase Soren Kierkegaard, '*life may be lived forward, but it is understood backward*'. This practice, of course, can be applied equally to corporate entities as to individuals. We value looking back at what actually unfolded, but when we do so, it's always from a position of pressing forward.

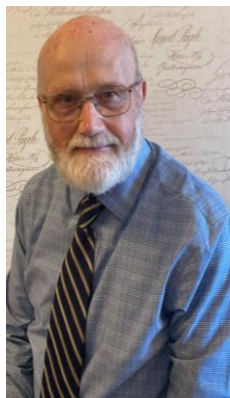
Looking back over the year 2023-24, it has been heartening to note the progress we made against our targets, in yet another challenging geo-political and economic environment. We faced many challenges – continued supply chain problems, the effects of inflation, and recruitment struggles to name but three. Each presented opportunities to learn from our experiences, focus on our long-term financial resilience, and upskill and develop our people.

We know life is hard for many of our ministerial residents, not least because of food and fuel inflation, but also because of the difficulties of older age. We were delighted to appoint a Housing and Wellbeing Officer to help us crystallise our ambitions to put wellbeing at the heart of our mission. Our focus is enabling mobility and assisting our ministerial residents keep their independence.

In furtherance of our commitment to look after both our properties and the people living in them, we commissioned a comprehensive Condition and Energy Survey of all our properties, and added an Occupation Survey asking ministerial residents six key questions on their mobility. The answers will really help us get to the nub of need.

We were pleased to introduce a new housing and finance management system, in our pursuit of becoming an organisation that is '*agile, mobile and with access to real-time data and information*'. We are embracing technological change in order to drive digital transformation. We know digital transformation will benefit MMHS immensely. We need to adapt continually to the constantly changing environment in which we work. As a digital enterprise – our aspiration – we know our mission will be delivered better and we expect the experience of our beneficiaries to improve.

We hope you enjoy reading the remainder of our Trustees' Report and Financial Statements. Together, they tell our ongoing story of significant charitable impact.



**Alan Taylor, Chair**



**Mairi Johnstone, CEO**

# Strategic Report

## More on our mission

MMHS operates in the United Kingdom, the Isle of Man and the Channel Islands. We provide safe, warm and comfortable homes and associated services across this wide geographical area.

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

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

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

In summary, whilst we are a housing provider, we are also focused on the occupants of our houses, our ministerial residents. Our mission is as much people-centred as it is property-centred.

## Achievements and performance

In this section, we would like to report on a range of matters which we will categorise as follows:

- management of our properties;
- wellbeing support and initiatives; and
- collaborative endeavours and engagement with key stakeholders and supporters.

### 1 Management of our properties

We began the year with 894 properties. During the year, we sold 41 properties, purchased 19 and received two as bequests.

At the end of August 2024, we had 874 properties in our portfolio: 672 were occupied by our ministerial residents, 101 by market rent tenants and 101 also were unoccupied. Empty properties are usually always kept to a minimum but during the year, the number of unoccupied properties was unusually high due to implementation of our plan to sell our market-rented portfolio.

We were pleased to provide housing for 18 new ministerial residents. We transferred six ministerial households.

At the end of August 2024, 375 ministerial residents had equity shares with a total fair value of £17,739,000.

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

We maintain and repair our properties regularly. More than 975 jobs were completed relating to the maintenance and repair of our properties. These included 18 bathrooms, 31 driveway repairs and 90 external decorations. We also refurbished 7 kitchens, and replaced 48 boilers and 16 sets of windows and doors.



In addition to maintaining and repairing our properties, we routinely inspect them to ensure compliance with electrical and gas safety standards. Electrical inspections and associated remedial works are administered and undertaken by HES Fire Protection Limited. Gas-Elec Group are our national supplier for annual gas compliance checks. As at the end of August 2024, for our ministerial properties, our CP12 compliance was 98.3% and our EICR compliance was 100%.

We delivered 3 refurbishment projects over the year. This number is significantly less than previous years and reflects our move to selling and buying as mentioned above.

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

## 2 Wellbeing support and initiatives

A key part of our strategy is enabling our ministerial residents to remain in their own homes for as long as possible, if this is what they wish to do. We were able to deliver this part of our strategy, in part through the provision of direct grants for building adaptations such as grab handles, hand rails, and external ramps. These items are usually put in a property following a request from a ministerial resident or a member of their family or community.

An increasing dependence on aids and adaptations is a sensitive matter. Most people are proud and do not like to admit that they need help. There can also be a stigma in having adaptations fitted. People do not like to admit they are losing their independence, and patience and understanding are often required to encourage ministerial residents to apply for grants.

During the year, a total of 13 mobility improvements were carried out at a cost of just over £66k. The new post of *Housing and Wellbeing Officer* ('HWO') has transformed what MMHS is able to offer by way of wellbeing support. We are already evidencing benefits, not only in terms of emotional and practical outcomes for applicants, ministerial residents and their families, but in terms of greater efficiencies and effectiveness. We are also focused on the new opportunities we have, to strategically – and practically – link our wellbeing initiatives to our safeguarding responsibilities.

The priorities for the HWO are delivery of MMHS's housing services (which in themselves enhance wellbeing) and enabling residents to live in their MMHS homes independently for as long as possible.

We developed our Wellbeing Fund under five categories of support – general expenditure, IT, maintenance and repair, rent subsidising and mobility. This demonstrates the width of coverage and, in time, the fund will grow to enable yet more support.

## 3 Collaborative endeavours and engagement with key stakeholders and supporters

There is much we could say under this heading, but we will focus on a few key points.

We are in regular contact with fellow charities in the Methodist family in order to offer mutual support. We also collaborate with other faith-linked housing providers, primarily to share experiences, but also to share knowledge.

Our main stakeholder group, our ministerial residents, are the subject of most of our objectives, as is to be expected. Commissioning our Condition, Energy and Occupation Survey ('CEO Survey') was a significant investment. It will enable us to implement quite a number of the strategic objectives in our Strategy for 2022-2027 – and beyond.

One such objective is caring for and improving our housing stock to the best of our ability. We wish to ensure that all our houses are warm and comfortable, wind and watertight, and suitably adapted for use in later years. We are also mindful of what lies ahead for MMHS with regard to expected changes to EPC requirements and the decarbonisation agenda. Our CEO Survey will provide data which will inform present and future compliance requirements, budgets, investment plans, maintenance and repair requirements, and wellbeing plans.

We are enormously grateful for the generosity shown to us by our supporters – also a key stakeholder group – through gifts, donations, bequests or legacies. We endeavour to express our heartfelt thanks at all times.

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

### Plans for the future

In 2023, we celebrated our 75th anniversary. This was a remarkable achievement of which we were proud. In no small measure, the success of MMHS can be attributed to the farsightedness of mission-hearted people who since 1948, either through their service or financial giving, have made it possible for MMHS to meet its mission.

The need for housing has been a constant since 1948. MMHS has met – and will continue to meet – the housing and housing-related needs of retiring ministers of the Methodist Church who would otherwise find it difficult, if not impossible, to purchase a property for their retirement. It is our privilege to serve those who have served so many in their ministries, and continue to do so as supernumeraries. Their ministries have far-reaching impact on lives and communities.

In recent years we have expanded our present mission to include wellbeing and as we have been pleased to report, our intention is to develop wellbeing further.

However, despite all our efforts to widen and deepen our present mission, MMHS is acutely aware of the impact of the declining number of Methodist Ministers in active service. We expect the need for our services to decline markedly from the late 2020s onwards. Accordingly, we are pushing ahead with our plans to establish a new mission for MMHS, to run in parallel with our present mission.

# Risk Management

Risk is an everyday element of charitable activity. Managing it optimally is essential to MMHS if we are to achieve our strategic objectives and safeguard our funds and assets.

Our risk management framework has been designed to support informed decision making. We are cognisant of the fact that risk is a strategic asset which we should use to unlock new opportunities. We wish to both minimise threats and maximise opportunities.

We manage risks in five distinct areas:

- Governance;
- Strategic;
- Financial;
- Property; and
- ICT and Facilities.

In each of these areas of risk, we identify our top risks.

Our Risk Register is reviewed regularly by the CEO's Office, with a particular focus on new and emerging risks as well as new opportunities.

Individual risks are identified, assessed and managed by the owners identified in our Risk Register.

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

Here are examples of some key risks that we have identified in each of the five areas referred to above, and details of the mitigation we have in place.

## Governance

*Failure of our trustees to handle conflicts of interest correctly.*

Conflicts of interest need to be handled carefully by all trustees. In the case of MMHS, ministerial residents can be trustees, and it is a requirement of our Articles that at least one ministerial resident is so. This places extra responsibility on the board to ensure it is acting in the best interests of MMHS.

Examples of mitigation:

- Comprehensive governance documents;
- Declarations of interest process in place at every Board meeting;
- Annual Declarations of Interest forms in use; and
- Learning and Development materials available for use.

## Strategic

*Inadequate investment strategic planning with adverse consequences for mission delivery.*

Generating income in a sustainable way is of immense importance to MMHS. Our low charitable rents present operating income challenges.



Examples of mitigation:

- We have a comprehensive Investment Policy;
- We make use of external investment advisers;
- We counter-balance the rental income generated from our ministerial portfolio with rental income generated from our market rented portfolio; and
- We have a plan for generating income from other capital investments.

## Financial

*Failure of financial systems and processes.*

It is crucial for MMHS to prioritise financial management and implement robust systems and processes to prevent and address financial mismanagement.

Examples of mitigation:

- We have robust financial systems and processes which are reviewed regularly;
- Staff undertake regular training;
- MMHS invests in reliable IT infrastructure and software; and
- Third-party specialists are utilised.

## Property

*Failure to understand and/or meet regulatory or statutory compliance requirements.*

Non-compliance could have severe consequences and affect every aspect of MMHS's operations - its property, people, finances – and generally, its reputation and legal liabilities.

Examples of mitigation:

- We have comprehensive policies and procedures ;
- Compliance risk assessments are conducted regularly;
- Awareness training is undertaken; and
- Due diligence is undertaken on third-party risks.

## ICT and Facilities

*Failure to manage data properly.*

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

Examples of mitigation:

- Adherence to sound policies is a strict requirement;
- Our IT systems are tested regularly;
- Staff are trained regularly; and
- The external environment is monitored for regulatory and legislative changes.

# Financial Review

## Overview

Income for the year ended 31 August 2024 totalled £7.9m (2023: £5.7m). Of this amount, revenues generated from the rental income stream amounted to £4.9m (2023: £4.7m).

Donations amounting to £45k (2023: £66k) were received from individual supporters, churches and circuits within the Methodist family. Legacies and grants amounted to £713k (2023: £312k). We remain extremely grateful for the continued generosity of those who value our mission.

The net surplus derived from the sale of surplus properties amounted to £1,655k (2023: £281k). Investment income from cash deposits amounted to £513k (2023: £336k); and dividends from funds invested in Epworth Investment Management Limited (EIM) long term investments yielded £61k (2023: £36k). These EIM investments are held in a combination of equities, fixed interest securities and cash. Over the 12-month reporting year, an unrealised revaluation gain of £218k (2023: loss £13k) was calculated on the EIM investments.

Total expenditure in the year was £7.6m (2023: £7.5m). The main components of the cost base were property maintenance, refurbishment, office-based operating costs, depreciation and salaries. The year finished with a surplus of £1.47m (2023: deficit of £670k).

MMHS has a strong balance sheet. The closing year balance sheet net assets were £190.2m (2023: £187.8m) – with £35.2m (2023: £28.1m) of this being represented by its unrestricted income funds at year end. We aim to maintain a stable financial position for the coming years with the aid of strengthened financial processes, reallocation of resources, and service reviews, to ensure MMHS is well positioned to serve present and future generations of beneficiaries.

## Reserves Policy

MMHS's reserves policy for the year was to hold free reserves sufficient to absorb variations in its operating surplus/deficit. Under its operating model, any such variations were likely to have arisen from unexpected expenditure demands. In the future, negative shocks to the valuation of MMHS's investment funds are likely to be the biggest drivers of variability. MMHS therefore targets holding free reserves in excess of the higher of six months' worth of expenditure and a 20% fall in the value of its investment funds, noting this was £521k as at 31 August 2024, based on investment funds of £2.6m.

As at 31 August 2024, MMHS's total free reserves were £15.3m (2023: £11.2m) of which the total cash balance was £13.2m (2023: £8.7m). The free reserves are equivalent to 29 months' (2023: 21 months') worth of expenditure. The Trustees are satisfied that the free reserves, held with the Central Finance Board on an interest bearing deposit account, will fall towards the above policy target level as MMHS's policies and plans are implemented.

## Investment Policy

The Articles of MMHS do not restrict the classes of assets that it can invest in; accordingly, it can invest in equity shares, fixed interest bonds & debt securities, commodities & precious metals, investment properties (retail and commercial), derivatives (including futures), cash and funds (of some/all of the foregoing assets).

MMHS's investment aims are set out in its policy; it seeks to fund certain of its charitable activities, whilst also covering inflation and changes in funding mixes, at an acceptable level of risk and variability in returns. It also seeks a real return of c2.50% per annum over the long term.

# Structure, Governance and Management

MMHS is a charitable company limited by guarantee:

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

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

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

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

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

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

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

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

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

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

## Public Benefit

MMHS's purpose, as set out in its Articles, is to provide housing or financial assistance towards the housing needs of Methodist Presbyters and Deacons ('ministers') of limited means who are in receipt of their full Methodist Church pension, and also to various categories of persons connected to the ministers. In this report, we have been pleased to provide full details of all those who have benefitted from the charitable activities and objectives of MMHS during the year, 1 September 2023 to 31 August 2024.

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

### Safeguarding

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

### Environmental Responsibilities / ESG

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

These include:

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

### Equality, Diversity and Inclusion in the workforce

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

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

We also adhere to the following practices:

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

### Staff Remuneration Policy and Performance Management

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

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

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

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

### Fundraising

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

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

# Statement of Trustees' Responsibilities

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

In preparing these financial statements, the trustees have:

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

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

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

The trustees' report on pages 1 to 13 was approved by the Board of Trustees on 13 February 2025 and signed on their behalf by:



Alan Taylor, Revd.  
Chair of Trustees

13 April 2025

Date



# Independent Auditors' Report

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

### Opinion

We have audited the financial statements of Methodist Ministers' Housing Society (the 'charity') for the year ended 31 August 2024 which comprise the Income and Expenditure Account, the Statement of Financial Activities, the Balance Sheet, the Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

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

## Other information

The other information comprises the information included in the Report of the trustees, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

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

## Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

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

- Inquiring of management and, where appropriate, those charged with governance, as to whether the charity is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud.

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

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

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

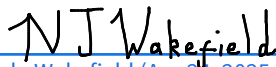
- Making enquiries of the trustees and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of the audit report

This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.



Nicola Wakefield (Apr 24, 2025 15:20 GMT+1)

Nicola Wakefield  
(Senior Statutory Auditor)  
*for and on behalf of*  
Forvis Mazars LLP  
Chartered Accountants and Statutory Auditor  
6 Sutton Plaza,  
Sutton Court Road,  
Sutton, Surrey, SM1 4FS

Date **04/24/2025**

# Financial Statements

## Income and Expenditure Account for the year ended 31 August 2024

		2024 £000	2023 £000
	Note		
<b>Income</b>			
Voluntary income		1,319	742
Investment income		2,339	2,018
Income from charitable activities		2,555	2,665
Realised net gain on sale of properties		1,655	281
	2	<u>7,868</u>	<u>5,706</u>
<b>Expenditure</b>			
Raising funds		151	134
Housing maintenance & repair		6,331	6,426
Buying & selling properties		398	349
Ministerial resident support		413	276
Equity		310	287
	3	<u>7,603</u>	<u>7,472</u>
Operating Surplus/(Deficit) for the year		<u>265</u>	<u>(1,766)</u>
<b>Statement of Total Recognised Gains and Losses</b>			
Surplus/(Deficit) for the year		265	(1,766)
Unrecognised gain on fixed asset Investments		1,210	1,096
		<u>1,475</u>	<u>(670)</u>

## Statement of Financial Activities for the year ended 31 August 2024

		Unrestricted funds	Restricted funds	Total funds	Total funds
	Note	2024 £000	2024 £000	2024 £000	2023 £000
<b>Income from:</b>					
Donations, legacies and grants	2.1	1,319	-	1,319	742
Charitable activities	2.3	2,555	-	2,555	2,665
Investments	2.2	2,339	-	2,339	2,018
Gain on disposal of properties	2.4	1,655	-	1,655	281
<b>Total</b>	<b>2</b>	<b>7,868</b>	<b>-</b>	<b>7,868</b>	<b>5,706</b>
<b>Expenditure on:</b>					
Raising funds	3.1	151	-	151	134
<b>Charitable activities</b>					
Housing maintenance & repair	3.1	6,331	-	6,331	6,426
Buying & selling properties	3.1	398	-	398	349
Ministerial resident support	3.1	413	-	413	276
Equity	3.1	310	-	310	287
<b>Total</b>	<b>3</b>	<b>7,603</b>	<b>-</b>	<b>7,603</b>	<b>7,472</b>
<b>Net income/(expenditure) before revaluation and investment gains</b>		<b>265</b>	<b>-</b>	<b>265</b>	<b>(1,766)</b>
Unrealised gains/(losses) on long term investment	4	218	-	218	(13)
Tangible Fixed asset adjustment		-	-	-	(175)
Unrealised gain on valuation of functional properties	7.2	929	-	929	1,239
Unrealised gains on valuation of investment properties	7.2	856	-	856	1,031
Depreciation adjustment re investment properties	7.1	78	-	78	102
Increase in equity share investment revaluation reserve		46	-	46	4
<b>Net movement in funds</b>		<b>2,392</b>	<b>-</b>	<b>2,392</b>	<b>422</b>
<b>Funds</b>					
Total funds brought forward	11/12	187,814	9	187,823	187,401
<b>Total Funds carried forward</b>	<b>11/12</b>	<b>190,206</b>	<b>9</b>	<b>190,215</b>	<b>187,823</b>

All activities relate to continuing activities. There are no other recognised gains and losses.  
The notes on pages 23 to 41 form part of these financial statements.



## Balance Sheet as at 31 August 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
<b>Fixed Assets</b>					
Tangible assets	6	10		24	
Programme related investments	7	140,913		144,973	
Investment properties	7	33,864		31,504	
Long term investment	4	2,605		2,341	
MMHS equity share investment		127		81	
<i>Total fixed assets</i>			<b>177,518</b>		<b>178,923</b>
<b>Current assets:</b>					
Debtors	8	433		795	
Investments	9	12,686		8,570	
Cash at bank and in hand		535		132	
<i>Total current assets</i>		<b>13,654</b>		<b>9,497</b>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	10	(957)		(597)	
<i>Net current assets</i>			<b>12,697</b>		<b>8,900</b>
<b>Net Assets</b>			<b>190,215</b>		<b>187,823</b>
<b>The funds of MMHS</b>					
Restricted income funds	11		9		9
Unrestricted income funds			35,278		28,082
<i>Income funds</i>			<b>35,287</b>		<b>28,091</b>
Designated fixed asset reserves	12		140,923		144,997
Designated rent reserves	12		-		600
Revaluation reserve	12		13,844		13,970
Designated equity share fund	12		34		84
Equity share investment revaluation reserve	12		127		81
<b>Total MMHS funds</b>			<b>190,215</b>		<b>187,823</b>

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



13 April 2025

Alan Taylor, Revd.  
Chair of Trustees

Date

## Statement of Cash flows for the year ended 31 August 2024

	Note	2024 £000	2024 £000	2023 £000	2023 £000
Net cash (used in) operating activities	16		(1,137)		(1,235)
Cashflows from investing activities:					
Investment income		2,339		2,019	
Purchase of MMHS Equity investments		(46)		(4)	
Purchase of COIF investments		(1)		-	
Purchase of long-term investments		(46)		(92)	
Purchase of properties		(6,084)		(4,543)	
Purchase of tangible fixed assets		(5)		-	
Proceeds from sale of properties		10,131		3,600	
Residents' equity contributions received		248		226	
Residents' equity contributions repaid		<u>(882)</u>		<u>(539)</u>	
Net cash provided by investing activities			<u>5,654</u>		<u>667</u>
Change in cash in the year			4,517		(568)
Cash brought forward at 1 September 2023			8,689		9,257
Cash at 31 August 2024			<u>13,206</u>		<u>8,689</u>
Reconciliation of cash balances:					
Cash at bank			535		132
Investment cash	9		12,671		8,557
Cash at 31 August 2024			<u>13,206</u>		<u>8,689</u>

# Notes to the Financial Statements for the year ended 31 August 2024

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

## 1 Accounting Policies

### *a) Basis of preparation*

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

### *b) Accounting Convention*

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

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

### *c) Accounting for Fixed Assets*

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

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

### *d) Valuation of Properties*

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

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

*e) Valuation of Investment Properties*

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

*f) Value Added Tax*

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

*g) Income*

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

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

*h) Expenditure and basis of allocation of costs*

Expenditure is included when incurred.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity. Staff costs and office costs are allocated in the same proportion as directly attributed staff costs.

*i) Fund Accounting*

Funds held by MMHS are either:

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

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

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

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

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

*j) Planned Maintenance Expenditure*

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

*k) Capitalisation*

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

*l) Pension Costs*

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

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

*m) Liquid Resources*

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

*n) Allocation of salary and support costs*

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

## 2 Total income

### 2.1 Voluntary income

	2024 £000	2023 £000
<b>Grants</b>		
Fund for Support for Presbyters and Deacons	66	74
<b>Legacies</b>		
Legacies received in the year	713	312
<b>Donations</b>		
District contributions	42	38
General donations	3	28
<b>Bequests/Gifted Properties</b>		
Bequests received in the year	495	290
	<b>1,319</b>	<b>742</b>

### 2.2 Investment income

	2024 £000	2023 £000
Interest receivable on deposits	513	336
Market rents receivable	1,765	1,646
Dividends	61	36
	<b>2,339</b>	<b>2,018</b>



## 2.3 Income from charitable activities

	2024	2023
	£000	£000
Charitable rents receivable	<u>2,555</u>	<u>2,665</u>

<u>Rental analysis</u>	No.	No.
Charitable Ministerial Rents	672	685
Market rent tenants	101	162
Vacant units	101	47
	<u>874</u>	<u>894</u>

## 2.4 Gain on disposal of properties

	2024	2023
	£000	£000
Gains on sale of properties	2,107	509
(Loss) on reimbursement of equity	<u>(452)</u>	<u>(228)</u>
	<u>1,655</u>	<u>281</u>

### 3 Total Expenditure

#### 3.1 Analysis of expenditure

Summary	2024	Staff costs	Support costs	Direct costs	2023
	£000	£000	£000	£000	£000
Raising funds	151	70	54	27	134
Housing maintenance & repair	6,331	574	440	5,317	6,426
Buying & selling properties	398	221	171	6	349
Ministerial resident support	413	186	144	83	276
Equity	310	163	126	21	287
	<b>7,603</b>	<b>1,214</b>	<b>935</b>	<b>5,454</b>	<b>7,472</b>

#### 3.2 Analysis of salary costs

	2024	2023
	£000	£000
Salaries	955	809
Employers national insurance contributions	92	79
Employers pension & phi contributions	167	147
	<b>1,214</b>	<b>1,035</b>

The full-time equivalent number of employees in 2024 was 19.2 (2023: 20.6). The head count in 2024 was 21 (2023: 22)

Employees receiving remuneration excluding pension contributions in excess of £60,000:	2024	2023
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2
£110,001 - £120,000	-	1
£130,001 - £140,000	1	-
	<b>4</b>	<b>4</b>

The key management personnel of MMHS comprised the CEO, Finance Director, Operations Director and Property and People Services Director. Total benefits paid were £307,933 (2023: £266,623). The total employer's pension contribution of the key management personnel was £46,032 (2023: £49,787).

### 3.3 Analysis of support costs

	2024	Raising Funds	Housing maintenance & repair	Buying & selling properties	Ministerial resident support	Equity	2023
	£000	£000	£000	£000	£000	£000	£000
Staff training	5	1	1	1	1	1	9
Staff recruitment	60	3	29	11	9	8	3
Temporary staff	23	1	11	4	4	3	74
Travel & subsistence	25	1	12	5	4	3	25
Office rent, rates & services	81	5	38	15	12	11	67
Office administration costs	221	13	104	40	34	30	212
Professional charges	496	29	234	91	76	66	190
Depreciation	20	1	9	4	3	3	27
Wellbeing costs	4	-	2	-	1	1	-
<b>Support costs</b>	<b>935</b>	<b>54</b>	<b>440</b>	<b>171</b>	<b>144</b>	<b>126</b>	<b>607</b>

### 3.4 Analysis of direct costs

#### 3.4.1 Costs of raising voluntary income

	2024 £000	2023 £000
Publicity & advertising	27	22
<b>Direct costs</b>	<b>27</b>	<b>22</b>

### 3.4.2 Charitable activities – housing maintenance and repair

	2024 £000	2023 £000
Refurbishment	1	608
Refurbishments capitalised	-	(386)
Planned work	1,226	1,369
Repairs & maintenance	241	177
Gas & Electrical Contract	276	210
Electrical Remedial Work	134	126
Electrical Testing Programme	36	38
External painting	251	202
Primary	<u>2,165</u>	<u>2,344</u>
Property depreciation	2,302	2,336
Property insurance	100	83
Leasehold charges	98	61
Empty property costs	282	95
Management fees	351	447
Other including governance	23	147
Secondary	<u>3,156</u>	<u>3,169</u>
	<u>5,321</u>	<u>5,513</u>

### 3.4.3 Charitable activities – buying and selling of properties

	2024 £000	2023 £000
Governance costs	<u>6</u>	<u>14</u>
Direct costs	<u>6</u>	<u>14</u>

### 3.4.4 Governance costs allocated to charitable activities

	2024	2023
	£000	£000
Auditors remuneration – audit	26	25
Board expenses	5	36
Direct costs	<u>31</u>	<u>61</u>

The Board expenses of £5,334 (2023: £36,331) is made up of travel and subsistence expenses amounting to £2,844 (2023: £2,878) which were reimbursed to 6 board members (2023: 8); and board expenses of £2,489 (2023: £6,054) and trustee search and appointment costs of £nil (2023: £27,339). No member of the Board received any remuneration in the current year or prior year.

### 3.4.5 Charitable activities – ministerial resident support

	2024	2023
	£000	£000
Wellbeing – general expenditure	5	6
Wellbeing – repairs and maintenance	15	14
Wellbeing – mobility	51	-
Wellbeing – rent	7	3
Governance costs	5	10
Direct costs	<u>83</u>	<u>33</u>

### 3.4.6 Charitable activities – equity

	2024	2023
	£000	£000
Professional charges	16	16
Governance costs	5	10
Direct costs	<u>21</u>	<u>26</u>

## 4 Long Term Investments

	2024	2023
	£000	£000
Fair value at 1 September 2023	2,341	2,262
Purchase and sale of investments	46	92
Gain/(Loss) on revaluation	218	(13)
Fair value at 31 Aug 2024	<u>2,605</u>	<u>2,341</u>
Represented by:		
Equity fund	1,365	1093
Overseas fund	208	791
Government bond funds	260	350
Corporate bond fund	287	330
Climate Stewardship fund	198	314
UK Property fund	77	70
Other	129	-
Short term fund	65	36
Cash	14	16
Total investments	<u>2,605</u>	<u>2,341</u>

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



## 5 Pension Costs

5.1 MMHS operates a defined contribution workplace pension plan with Scottish Widows for all qualifying employees. The contribution rate for the year varied between 10% and 16% depending on the employee's contribution, which is a minimum of 5%.

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

### FRS102 Disclosures

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2024 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:

	31 August 2024	31 August 2023
	% pa	% pa
Discount rate	5.0	5.2
RPI inflation rate	3.3	3.4
CPI inflation rate	2.7	2.8
Rate of increase in pensionable earnings	2.7	2.8
Rate of increase in pension payments	2.2 / 3.2 / 5.0	2.2 / 3.3 / 5.0

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

	31 August 2024	31 August 2023
	%	%
Equities	-	-
Corporate bonds	-	45.6
Property	-	-
Cash	0.4	19.3
Liability Driven Investment	-	30.7
L&G Annuities	4.6	4.4
Aviva Annuities	95.0	-

The following amounts at 31 August 2024 were measured in accordance with the requirements of FRS102.

	£ million
Total market value of assets	54.2
Present value of scheme liabilities	55.1
Net overfunding in Scheme	(0.9)

MMHS is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme have not been invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of MMHS. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. MMHS would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on this date.

A full actuarial valuation of the Scheme was carried out at 1 September 2023 by the Scheme Actuary. The valuation disclosed a past service deficit of £676,000. The shortfall revealed at 1 September 2023 was eliminated by contributions paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £700,000 (the shortfall plus interest) was transferred on 22 April 2024; and
- A further £50,000 was transferred on 22 April 2024 in support of the Scheme's secondary funding objective to purchase annuities with an insurance company.

The next full actuarial valuation is due to be carried out as at 1 September 2026.

## 6 Tangible assets

	2024	2023
	£000	£000
Office equipment		
Cost at 1 September 2023	316	319
Addition in the year	5	-
Disposal in the year	-	(3)
Cost at 31 August 2024	321	316
Depreciation at 1 September 2023	292	232
Depreciation in the year	20	60
Depreciation at 31 August 2024	312	292
Net book value at 31 August 2024	10	24

## 7 Programme related investments

### 7.1 Land and buildings

	Freehold £000	Leasehold £000	2024 £000	2023 £000
Cost				
Balance at 1 September 2023	161,489	11,248	172,737	174,782
Additions in year	6,084	-	6,084	4,157
Capitalisation of refurbishments	-	-	-	386
Disposals in year	(7,156)	(1,256)	(8,412)	(3,348)
Transfer to investment properties	(2,639)	(190)	(2,829)	(3,840)
Transfer from investment properties	2,043	275	2,318	600
Balance at 31 August 2024	159,821	10,077	169,898	172,737
less				
Depreciation				
Depreciation at 1 September 2023	8,818	617	9,435	7,335
Depreciation for disposals	(329)	(84)	(413)	(135)
Depreciation re investments	(73)	(5)	(78)	(102)
Depreciation for the year	2,157	145	2,302	2,336
Depreciation at 31 August 2024	10,573	673	11,246	9,434
Balance at 31 August 2024	149,248	9,404	158,652	163,303
Balance at 31 August 2023	152,671	10,632	163,303	167,447
No of units at 1 September 2023	815	79	894	896
No of acquisitions	21	-	21	13
No of disposals	(34)	(7)	(41)	(15)
No of units at 31 August 2024	802	72	874	894

The assets under this heading comprise 874 (2023: 894) units of accommodation which include 101 (2023: 162) units which are occupied by market rent tenants who have security of tenure as at the 31 August 2024. Note 1d describes how the properties are valued. The revaluation reserve is included within General Reserves, in accordance with the Charities SORP.

## 7.2 Equity sharing scheme

The equity sharing scheme enables ministerial residents to acquire a financial interest in their retirement homes. This interest is determined by the amount contributed by a ministerial resident in proportion to the value of the property at the relevant date. At the year-end, 375 ministerial residents had an equity share. (2023: 394).

	No.	2024 £000	No.	2023 £000
<b>At Cost</b>				
Balance at 1 September 2023	394	18,230	402	18,543
Additions in year	2	248	3	226
Disposals in year	(21)	(882)	(11)	(539)
Balance at 31 August 2024	375	17,596	394	18,230
<b>less</b>				
Depreciation adjustment				
Balance at 1 September 2023		100		42
Annual adjustment		44		58
Balance at 31 August 2024		144		100
<b>Combined</b>		<u>17,740</u>		<u>18,330</u>

## Total Programme related investments

	2024 £000	2023 £000
Land and Buildings	158,653	163,303
Equity Sharing Scheme	<u>(17,740)</u>	<u>(18,330)</u>
	<u>140,913</u>	<u>144,973</u>

## Investment Properties

	2024 £000	2023 £000
Balance brought forward	31,504	25,994
Transfer from tangible fixed assets	2,829	3,840
Transfer to tangible fixed assets	(2,318)	(600)
Revaluation of properties	<u>1,849</u>	<u>2,270</u>
Balance carried forward	<u>33,864</u>	<u>31,504</u>

## 8 Debtors

	2024	2023
	£000	£000
Sundry debtors	18	72
Prepayments & accrued income	39	390
Bequests receivable	375	332
	<u>433</u>	<u>795</u>

## 9 Investments

	2024	2023
	£000	£000
<u>Restricted Funds</u>		
COIF Inc Shares	14	13
Deposits with Central Finance Board	1	1
	<u>15</u>	<u>14</u>
<u>Unrestricted Funds</u>		
Deposits with Central Finance Board	12,671	8,556
	<u>12,686</u>	<u>8,570</u>

## 10 Creditors: amounts falling due within one year

	2024	2023
	£000	£000
Creditors	591	53
Accruals	364	541
Loans – interest free	2	3
	<u>957</u>	<u>597</u>

## 11 Restricted funds

### The Pigott Trust

	2024	2023
	£000	£000
Charities Official Investment Fund income shares	9	9
	<u>9</u>	<u>9</u>

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

The capital sum is invested with the Central Finance Board of the Methodist Church and the Charities Official Investment Fund and in accordance with the Scheme the income is applied to defray the cost of repair and upkeep of the property belonging to MMHS and situated at 47 Gainsford Road, Clacton, Essex.

## 12 Unrestricted funds

	At 1 September 2023	Revaluation / Other	Movements in the year	Transfers between funds	At 31 August 2024
	£000	£000	£000	£000	£000
Revaluation reserve	13,970	(126)	-	-	13,844
Fixed asset reserve	144,997	-	-	(4,074)	140,923
Rent reserve	600	-	-	(600)	-
Equity share reserve	84	-	(50)	-	34
Equity share revaluation reserve	81	46	-	-	127
<b>Total designated funds</b>	<b>159,732</b>	<b>(80)</b>	<b>(50)</b>	<b>(4,674)</b>	<b>154,928</b>
General funds	28,082	998	1,524	4,674	35,278
<b>Total</b>	<b>187,814</b>	<b>918</b>	<b>1,474</b>	<b>-</b>	<b>190,206</b>

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

## 13 Capital commitments

At the year-end MMHS had no commitments to purchase properties.

## 14 Operating lease commitments

Commitments under operating leases are as follows:

	2024	2023
	£000	£000
Payments within one year	139	50
Expiring between two–five years	450	640
More than five years	-	38
	<u>589</u>	<u>728</u>

## 15 Related parties

There were two trustees, Revd A M Taylor and Revd Dr M Cole (until 6 December 2023), who were ministerial residents of MMHS. Their tenancies were on normal terms.

## 16 Cash flow information

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

	2024	2023
	£000	£000
Net income/(expenditure)	1,475	(670)
Adjustments for:		
Decrease in debtors	362	1,204
Increase/(decrease) in creditors	360	(552)
Net realised (gain) on sale of assets	(2,107)	(499)
Unrecognised (gain) on investments and fixed assets	(1,210)	(1,096)
Depreciation	2,322	2,396
Investment income	(2,339)	(2,018)
Net cash (used in) operating activities	<u>(1,137)</u>	<u>(1,235)</u>



## 17 Comparative Statement of Financial Activities for the year ended 31 August 2023

	Unrestricted funds	Restricted funds	Total funds
	2023	2023	2023
	£000	£000	£000
<b>Income from:</b>			
Donations, legacies and grants	742	-	742
Charitable activities	2,665	-	2,665
Investments	2,018	-	2,018
Gain on disposal of properties	281	-	281
<b>Total</b>	<b>5,706</b>	<b>-</b>	<b>5,706</b>
<b>Expenditure on:</b>			
Raising funds	134	-	134
<b>Charitable activities</b>			
Housing maintenance & repair	6,426	-	6,426
Buying & selling properties	349	-	349
Ministerial resident support	276	-	276
Equity	287	-	287
<b>Total</b>	<b>7,472</b>	<b>-</b>	<b>7,472</b>
<b>Net (expenditure)/income/before revaluation and investment gains</b>	<b>(1,766)</b>	<b>-</b>	<b>(1,766)</b>
Unrealised (loss) on long term investment	(13)	-	(13)
Tangible fixed asset adjustment	(175)	-	-
Unrealised gain on valuation of functional properties	1,239	-	1,239
Unrealised gain on valuation of investment properties	1,031	-	1,031
Depreciation adjustment re investment properties	102	-	102
Increase in equity share investment revaluation reserve	4	-	4
<b>Net movement in funds</b>	<b>422</b>	<b>-</b>	<b>422</b>
<b>Funds</b>			
Total funds brought forward	187,392	9	187,401
<b>Total Funds carried forward</b>	<b>187,814</b>	<b>9</b>	<b>187,823</b>

# Administrative Details

## Trustees, officers and professional advisers

### Trustees

Mrs Kate Andrews \*\* (appointed 19.10.23)

Mr Chris Appleton (appointed 19.10.23)

Revd Alan Taylor (CHAIR) \*

Mr Alexander Campbell OBE

Revd Dr Marion Cole

Revd Jacqueline Evans (resigned 19.10.23)

Mrs Sharon Green

Mrs Abigail Labbett (appointed 19.10.23)

Revd Paul Martin \*

Mr Richard Myers (appointed 19.10.23)

\* Member of the Audit Committee

\*\* Chair of the Audit Committee

### Senior Management Team

Mrs Mairi Johnstone CEO

Mr Richard Hawkins Operations Director

Mrs Atawa Aryee Finance Director (until 09.10.23)

Mr Aiden Johnson-Hugill Property and People Services Director (until 30.06.24)

Mrs Rachel Dawson Director of Strategy and Planning (from 01.01.25)

### Principal Bankers

HSBC

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

### Auditor

Forvis Mazars LLP

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



#### Contact Details

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