

The Methodist Church in Wales
Yr Eglwys Fethodistaidd yng Nghymru



TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2021

Trustees' Annual Report

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Glossary of terms

Note that the terms 'The Wales Synod', 'Synod' and 'District' are synonymous. The Wales Synod is a District of the Methodist Church, within the definition below.

CDiM: Continuing Development in Ministry

CFB: Central Finance Board of the Methodist Church which manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities.

Church: a group of members from fewer than 12 to more than 300.

Circuit: a group of Methodist Churches near each other, typically between 15 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in Great Britain which includes the Head Office at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain.

District: a group of contiguous Circuits, usually between 15 and 30

FRS: Financial Reporting Standard

HMRC: Her Majesty's Revenue and Customs

MCF: Methodist Church Fund

MMPS: Methodist Ministers' Pension Scheme

Momentwm: formerly Synod Youth Work Action Group

SAF: Synod Advance Fund

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

SPC: Synod Policy Committee

TMCP: Trustees for Methodist Church Purposes, the legal owner and custodian trustee of all Methodist Model Trust property, including legacies, Endowments and Accumulated Funds.

THE METHODIST CHURCH IN WALES – WALES SYNOD
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1. Wales Synod – Introduction to the Annual Report for 2020-21

I am pleased once more to introduce this annual report for the Wales Synod for the year 2020-21.

Throughout this year, the work and witness of the Wales Synod, like so much of the church and wider society, has been profoundly affected by the spread of Coronavirus and its consequent restrictions. This has continued to have a significant impact on the ability of local churches to meet for worship and fellowship and to serve their local communities and with the provision of their premises. I remain heartened by the way that colleagues lay and ordained have worked so hard together to address these challenges: providing printed and 'online' services; making alternative arrangements for pastoral support; and undertaking risk assessments concerning the safe use of church premises, many of which have had to be closed for some significant periods of time. I also pay tribute to Synod colleagues and officers who have adjusted to new patterns of working and meeting remotely (not least through use of 'Zoom' technology) and finding ways to ensure that the business of the Synod can continue, even if the restrictions have meant that we have had to focus more clearly on what business is essential and urgent, and what we may need to defer for a future time.

We recognise that these restrictions will have affected the finances of local churches and circuits, as worship services and collections have been unable to take place as usual and income from lettings has fallen even though churches are beginning to re-open their premises to community groups. We note that this may be offset to some extent by reductions in cost of travel to meetings and running premises, but we nevertheless recognise that this will have had a significant impact on the finances of local churches and circuits going for this year 2020-21. Accordingly, and as these accounts show, we have found ways in which the Synod has been able to use some of its reserves to help ease the burden on some circuits where the pressures may be particularly acute, particularly in offering reductions on circuit contributions to the Synod budget.

Despite all these challenges, the Synod has continued to develop its ministry and mission in line with the priorities of the Synod Development Plan. This commits us to supporting the work and witness of circuits across Wales, and during 2020-21 we have sought to do this in various ways. In the first place we have continued to respond to applications for support from the Synod Advance Fund with grants totalling £237,819. Once again in this last year the majority of this, some £193,357, went to Ministry schemes and a much smaller amount of £17,990 went on Property schemes, probably reflecting the wider background of coronavirus restrictions. However, a significant new element seeking to address this same challenge has been the development of a grant stream to support 'on-line' worship resources which has so far made £26,472 in grants and which we anticipate continuing next year.

Secondly, we seek to resource circuits by the provision of ordained ministry through the connexional Stationing process. We were able to fill 5 out of 6 appointments in the Stationing process for 2021 and welcomed the ordination of Probationer colleagues at both the 2020 and 2021 Conferences. In this coming year we anticipate a significant Stationing challenge for 2022, although the early stages have been positive, and we have also been encouraged by having 2 candidates offering for ministry. This reminds us that the challenge remains both in terms of encouraging offers for ministry in all its forms and seeking the most effective way to deploy our ministers and make use of their giftings.

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Thirdly, the Development plan commits us to working ever more closely with colleagues in Synod Cymru. Building on conversations over these last few years, both the Wales Synod and Synod Cymru voted in March/April 2021 to support an outline proposal; "that Synod Cymru ceases to be and the Cymru circuit becomes a Welsh language circuit of a new Wales Synod Cymru from September 2022. This will be a new Synod because it incorporates for the first time both Welsh and English language circuits and a commitment to working in both languages across the Synod; but initially it will use the structure of the existing Wales Synod and its pattern of meetings, budgeting and officers."

More detailed proposals were also agreed by both Synods meeting in September which also agreed to set up a small Synod Implementation Group to address the outstanding matters necessary to bring the Synod into being from 1st September 2022.

These are significant developments in the life of the Methodist Church in Wales and reflect our long-standing commitment to offer a consistent and coherent mission in both languages across Wales. However, we remain firmly part of a Connexional church and were delighted to host a visit from the President (Rev. Sonia Hicks) and Vice-President (Mrs. Barbara Easton) of Conference to Cardiff in August, when they welcomed Daud Irfan, one of our own young people and the son of the Synod Enabler (Rev. Irfan John) as the new Methodist Youth President for this next connexional year. It is good to be reminded that as well as addressing our particular context in Wales, members of the Wales Synod are also making significant contributions to the life of the wider Connexion.

The continuing impact of the Coronavirus in its new and variant forms reminds us that there are still many uncertainties ahead. However I hope there are many other things in this report to encourage us, as across Wales we seek to live out 'Our Calling' as disciples of Jesus and respond to the 'Priorities' of the Methodist Church.

With all best wishes,



Chair of the Wales Synod,
Synod Office, Cyncoed Methodist Church,
Westminster Crescent, Cardiff CF23 6SE

1.1 Strategic objectives, aims and purposes of the Methodist Church in Great Britain

The activities covered in these reports and accounts falls within the work of the Methodist Church.

The strategic objectives of The Methodist Church in Great Britain ("The Methodist Church") are directly linked to its aims. They are:

1. Worship – to increase awareness of God's presence and to celebrate God's love;
2. Learning and Caring – to help people to learn and grow as Christians, through mutual support and care;
3. Service – supporting community development and action for justice, especially among

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the most deprived and poor - in Britain and worldwide; and

4. Evangelism – developing confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved.

1.2 Public Benefit Requirement

The trustees of The Methodist Church had due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 17 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Church exists, inter alia, to:

1. increase awareness of God's presence and to celebrate God's love;
2. help people to learn and grow as Christians, through mutual support and care; and
3. be a good neighbour to people in need and challenge injustice.

The trustees of the Wales Synod of The Methodist Church consider that for these reasons the charity meets these public benefit requirements.

2.1 Plans for future years

As mentioned in the Annual Report, there are 2 major factors affecting our plans for this next and future years. The first is a positive outcome of the conversations through the Synod Implementation Group with Synod Cymru, which will enable a new Wales Synod Cymru to come into being from September. Good progress is being made on a language policy and work is underway on a budget for the new Synod for the year 2022/23, but we shall have to see whether all things have been agreed in time for a 1st September 2022 start. Linked to this will be the process for appointing a new Synod Co-Chair to replace the current Wales Synod Chair from September 2023, noting that should the designation take place as planned at Conference in 2022, this will enable the designated Co-Chair to 'shadow' in the year which the two Synods transition into the new Wales Synod Cymru. We also note that progress made on agreeing the new Synod will also make it much easier to engage with the Connexional '*God for All*' mission strategy and work on new mission plans and projects (under the '*New Places for New People*' and '*Church at the Margins*' schemes) with Connexional colleagues.

The other factor outlined throughout this report, is that the Coronavirus pandemic remains a key concern and source of uncertainty going into the future. Even as this report is being written, there are concerns about the spread of the new omicron variant and much uncertainty about how this will continue to have an impact on future restrictions. Accordingly, we anticipate that 2021-22 will continue to be a challenging year, and in addition to any support offered through the budgeting process, the Synod will continue to support the mission of local circuits and churches through grants from its Advance Fund for a variety of property, ministry and 'on-line' support schemes.

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3 Financial review

During the year the Synod received total income of £331,877 (2019/20 £359,779) and disbursed £405,456 (2019/20 £517,646). The excess of expenditure over income of £73,580 was offset by gains on investments of £118,626 to produce an overall surplus of £45,046 (2019/20 deficit of £196,869). Total funds carried forward are £2,472,181 (2019/20 £2,427,136).

The Trustees of the Synod have every reason to believe that the Synod is a going concern, principally because Circuits have the ability to continue to meet their assessments and the Synod has adequate reserves to cover any shortfall in anticipated income. There are no subsidiary undertakings. Covid-19 has had an effect generally on the financial position within the Synod but given the large reserves of Synod, the Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

The Synod continues to hold two freehold properties being the Chair's Manse in Cardiff and a second property also in Cardiff, held within Trust 14508, presently in the occupation of a Synod employee, the Synod Enabler (Culturally Diverse Congregations).

The Synod has the following principal sources of funds:

- Interest on investments
- Levies on the Circuit Model Trust Funds of Circuits within the Synod
- Assessments on Circuits within the Synod.

These sums are used to administer the Synod and to provide grants to Circuits, Churches and individuals in the District so that they may embark on or continue with projects that fulfil the mission of the Synod by bringing more people to Christ or by providing facilities that might enable this to happen.

3.1 Methodist Ministers' Pension Fund

The Trustees are aware that the Methodist Ministers' Pension Scheme is treated as a group defined benefit plan. The net defined benefit cost is recognised by the sponsoring entity, the Methodist Church in Great Britain, as there is no contractual agreement or stated policy for charging the net defined benefit cost to individual entities, such as the Wales Synod. The Synod recognises a cost equal to its contributions payable for the period. Further details in respect of these pension arrangements are disclosed in the accounts of The Methodist Church in Great Britain.

3.2 Investment policy and performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (individually over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The capital returns are close to tracking the movements in the FTSE100 index. The income mirrors the deposit rates available elsewhere. Both the Central Finance Board (CFB) and TMCP take into consideration social, environmental and ethical considerations, both negatively and positively, in establishing investment policy.

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Short term deposits are lodged directly with the CFB and attract good market rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the Synod's policy to manage the cash and investment resources of the Synod so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the Synod's low appetite for risk.

3.3(a) Reserves level and policy

Note – there is a separate paragraph 3.3(b) below relating to Trust 14508

Introduction

This report sets out the position with regard to the Synod's Reserves. It excludes the value of the Synod Manse. The Synod currently operates a number of unrestricted funds, designated (though not restricted) funds and restricted funds, the balances of which as at 31st August 2021 were: -

Unrestricted funds	
General Fund	£39,910
Designated Funds	
International Youth Exchange	£9,551
Training Network	£10,038
Continuing Development in Ministry	£23,259
Synod Reserve	£98,269
Manse Reserve Fund	£66,527
Restricted Funds	
Synod Advance Fund	£712,356
Chair's Discretionary Fund	£4,460

Designated Reserves - background information

The total designated reserves at 31st August 2021 amount to **£207,644**

In considering the funds set out above, the following information is relevant, especially when looking at future options.

International Youth Exchange

Monies were raised during 2016 and 2017 to fund a Youth exchange with young people in Jamaica and in 2017 and 2018 to help towards the cost of a group of young people who proposed to visit the Holy Land in 2018. The reserve for the Holy Land visit has now been fully used and the monies remaining relate to a future youth exchange. The exchange planned for 2020 was put on hold due to Covid-19.

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Training Network

The balance here is a surplus from a fund which had originally been established when the former South Wales District had a joint arrangement with the United Reformed Church, to employ a Youth Training officer. This account was retained after the cessation of the arrangement.

Continuing Development in Ministry (CDiM)

The origins of the fund go back to the Cardiff Conference in 1990 when costs were met by a levy on South Wales Circuits, matched by a donation from the District Charitable Trust. The Conference Account achieved a surplus and the balance continued to grow. It was later designated for use in connection with CDiM. As from 2014/15, under changed arrangements, any Connexional contribution ceased. It is anticipated that in future this fund will be drawn down to the Synod General account as necessary in order to financially assist presbyters with their ongoing development.

Synod Reserve

This represents amounts set aside over the years from annual surpluses, and also from amounts arising during projects authorised by Synod.

Manse Reserve Fund

This fund was established to fund the possible future purchase of a manse in the north of the Synod. Originally, following amalgamation of the South and North Wales Districts, to form the Wales Synod, the model of two co-Chairs was in place. This fund was created to provide finance to purchase a manse in the north of the Synod for one of these Chairs, should it have been the decision of the Synod to place one of these Chairs in the north. Latterly Synod has operated on a revised model of one Chair (currently based in the south) and an optimum of three Assistant Chairs covering the east, southwest and north of the District. Synod is not required to provide a manse for these Assistant Chairs.

Summary and Use of Designated Reserves

International Youth Exchange

The balance remaining of £9,551 will be used to part fund a future youth exchange currently under discussion.

Training Network

It is suggested that this fund be held for future Training within the Synod. The Synod Policy Committee has agreed to help in the funding of degree courses by presbyters and this fund could be and has been used for that purpose.

CDiM

The cost of **CDiM** is now wholly funded by Districts/Synod. The future total annual cost of this provision is potentially £250 per presbyter. All presbyters are encouraged to take advantage of the CDiM scheme to support their ministerial development. Under changed arrangements effective from 2014/15, the cost to the Synod will be £250 per presbyter on take up and the annual cost at maximum could be £10,750 which means the fund could potentially exhaust well inside three years. The direct amount spent however in 2020/21 was £1,110. The total amount spent was met from the Synod General Fund. Usually a transfer from the CDiM Reserve to the General Fund is needed to meet this cost and in 2020/21 an amount of £1,110

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was so transferred. It is suggested that the balance remaining in this fund be used for the future funding of CDiM.

Synod Reserve

Within the balance of this fund is an amount of £2,000 held for manse refurbishment and repairs, £3,000 for Youth Work and £11,000 towards the future funding of the Higher Education Chaplaincy at Cardiff. A further £1,250 is held towards the funding of special Circuit Youth initiatives. It is proposed that a further £30,000 be held in reserve for the future funding of the Synod Enabler (Culturally Diverse Congregations) appointment, where the proposed Connexional and SAF grants are at a fixed sum over the period of the appointment. These reserves then amount to £47,250.

The budget for 2021/22 shows a total expenditure of £230,239. Therefore, the proposal to hold the reserve of £98,269 plus general funds on current account of £39,910 and after allowing for earmarked reserves of £47,250 as above, means that the balance remaining of £90,929 represents just 39% of annual expenditure. Given the impact of Covid-19 particularly on the income of The Methodist Church, then a cautious approach should be taken at the moment. Furthermore, we have in mind that the future administration costs of the Synod are, as yet, uncertain, not least given the talks which are on hold with Synod Cymru as to the possibility of becoming one Methodist District within the wider Connexion. It is further proposed that plans be developed as the Synod reaffirms its commitment to *Our Calling*, in the use of our reserves to advance mission and evangelism in the Synod and that the Synod ensures that available funds are focused on enabling local mission initiatives, ensuring that the financial assets of the Synod are released to resource the work of the Church.

Manse Reserve Fund

If Synod is content to operate permanently with the model of one Chair and three Assistant Chairs then the future of this reserve will need to be considered. However substantial remedial and improvement work has recently taken place and once again, as mentioned in the above paragraph, until the outcome of the discussions with Synod Cymru are known and the future direction of both Synods determined then for the time being, the Reserve needs to be maintained.

Restricted Reserve

Synod Advance Fund (SAF)

As noted above the balance at 31st August 2021 was £712,356.

Grants paid to ministry projects during 2020/21 amounted to £193,357, online worship and mission to £26,472 and building projects to £17,990 a total of £237,819. Future commitments already agreed are

2021/22	£134,196
2022/23	£43,572
2023/24	£26,500
2024/25	<u>£15,000</u>
	£219,268

The level of reserves currently being held remains high and we will be looking to see whether we are able to further increase the amount and level of the grants we are able to make going forward. This fund in particular is being used to give much needed general support to Circuits

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during Covid-19 where their loss of income coupled with the cost of maintaining ministry is very much to the fore in current planning. Synod has indicated its willingness to allow up to £60,139 to be drawn down from this Reserve during 2021/22 to support Circuits.

As in previous years, Synod, through its Schemes and Grants Committee, continues to need to retain sufficient monies to fund any exciting and innovative project which, over 5 years, might require a significant grant contribution from the SAF, of possibly £80 - £100K. Additionally, we are committed to supporting a number of Circuit appointments some of which might previously have received some Connexional support. Further Synod support is envisaged if key appointments are to be maintained in the future.

3.3(b) Reserves level and policy relating to Trust 14508

Balances as at 31st August 2021 £755,870
(excludes the value of the property in Caewal Road, Cardiff)

It was agreed by the Synod Policy Committee in February 2012 acting as Trustees that the funds available to Trust 14508 would be used primarily for supporting the two Synod appointments, namely the HE Chaplain at Cardiff and the Synod Enabler (Culturally Diverse Congregations); also that for the meantime Trust 14508 would continue to be responsible for the property costs of manses at Caewal Rd and a further property then owned, namely Ty Newydd, for as long as these were needed.

Subsequently, the manse at Ty Newydd was sold in January 2015. The proceeds of sale were received into Trust 14508 and invested in the Managed Mixed Fund on the recommendation of Trustees for Methodist Church Purposes.

Both Synod appointments were successful in receiving Connexional grant support, but this was on a reduced level and time limited. Indeed, as from 1st September 2020 the Connexional support to these appointments has ceased completely. This means that there will still be a significant draw down on the balance held in Trust 14508 over the next few years and no guarantee of future continued Connexional grant funding should the Synod wish to continue with the appointments.

Accordingly, SPC as Trustees of this fund agree that the current balances in Trust 14508 be held as a reserve to enable the Synod to continue the funding of these posts in light of the extensions agreed.

3.4 Collaborative arrangements with connected charities

One of the Synod's main sources of funding was the assessments obtained from each Circuit within the Synod based on the staffing levels of each Circuit and this was used to defray most of the cost of administering the Synod with the exception of the two Synod appointments referred to above (where the funding of those posts is explained). This sum amounted to £32,352 (2019-20: £57,174). During 2020/21 contributions from circuits fell as a direct result to the pandemic.

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Furthermore, each year the Synod is allocated a sum by the Connexion to meet the cost of a second Chair's appointment which is used by the Synod in the main to fund the cost of the Assistant Chairs of the Synod. In 2020-21 this amounted to £34,400 (2019-20: £30,805).

The Synod also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the Connexional year (1st September). In 2020-21 this sum was £69,818 (2019/20 £59,909) and was credited to the Synod Advance Fund together with a distribution from the Connexional Advance and Property Fund of £134,670 (2019/20 £126,454).

The District holds no funds as custodian trustee.

4. Trustees' responsibilities

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the Synod's financial activities during the year, of its financial position at the end of the year and an annual report for that year. In preparing these financial statements, the Trustees have:

1. selected suitable accounting policies and applied them consistently using the accruals method
2. made judgements and estimates that are reasonable and prudent
3. followed the applicable SORP and accounting standard, SORP(FRS102) as updated, including FRS102
4. adopted 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 the Synod and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the Synod and ensuring their proper application under charity law, and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Synod's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and trustees' reports may differ from legislation in other jurisdictions.

In addition to the above, the Trustees are responsible for the Health & Safety.

4.1 Risk

The District is largely risk averse, but especially in making grants to entities embarking on new and imaginative initiatives, the District is prepared to underwrite considered risks.

5. Structure, governance and management

The Synod is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 23rd February 2009.

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5.1 Structure

Circuits are groups of Churches; Circuits pay the stipends of most ministers and may employ lay (unordained) staff to serve the Churches in the Circuit. Most decisions are made at or ratified by the half yearly or quarterly Circuit Meetings. A District/The Synod is a group of contiguous Circuits and makes its decisions at the annual or half yearly synods. The Methodist Conference meets once each year and is the supreme governing body for all Methodist Churches.

1. Overall control rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within each District.
3. Connexional decisions are passed to the Chair of the District/Synod and the appropriate officers of the District/Synod for implementation.
4. The District/Synod passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and authority is delegated to Church Councils as Managing Trustees.

5.2 Purpose of the Synod (District)

The Synod (or District) is an expression, over a wider geographical area than any Circuit, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union, the advancement of:

- a. the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b. any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c. any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d. any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this Synod is to advance the mission of the Church in Wales by

1. by providing opportunities for Circuits to work together and support each other
2. by offering to Circuits resources of finance, personnel and expertise.

The Synod serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

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5.3 Governance

The Synod operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the Synod.

The members of the Synod Policy Committee (SPC) are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District is *ex officio* chair of the SPC. When a position becomes vacant on the Synod Policy Committee, nominations are invited from ministers and lay members of Circuits within the Synod. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names are taken to the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the Synod.

The Synod Policy Committee normally meets three times per year and deals with routine and exceptional matters. It oversees the work of the Schemes and Grants Committee, finance, property, the Synod Office, the Synod Manse, stationing of ministers, safeguarding, the work of the Methodist Church Learning Network Cymru Wales, the work of Momentwm (formerly known as the Synod Youth Work Action Group), the management of Trust 14508, Ecumenical matters, authorisations to preside at communion and extensions to local preacher training.

5.4 Responsibilities of the Synod Policy Committee

- i to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems
- ii to encourage inter-Circuit and ecumenical co-operation
- iii to act in an executive capacity in matters remitted to the Committee by the Synod
- iv to keep within its purview all Synod concerns not dealt with elsewhere
- v to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- vi to be aware that the stipend of the Chair of the District is set – currently by reference to average wages and the change over a year in the Consumer Price Index – by the Methodist Conference as for all ministers within the Connexion
- vii constantly to be aware of the public benefit guidance issued by the Charity Commission

6. Reference and Administrative Details

6.1 Name of the Charity

The Methodist Church in Wales – Wales Synod

6.2 Charity registration number

1128205, registered in England and Wales

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6.3 Principal Office

Cyncoed Methodist Church
Westminster Crescent
Cardiff CF23 6SE

02920 761515

office@methodistwales.org.uk

www.methodistwales.org.uk

6.4 Synod Chair (Chair of the District)

Rev Dr Stephen D Wigley

Assistant Chairs:

Rev Cathy Gale

Rev Christopher Gray

6.5 Secretary of the Synod

Rev Rosemarie E G Clarke

6.6 Assistant Secretary of the Synod

Mr Graham Illingworth

6.7 Synod Treasurer

Mr Richard Hodgson (resigned 31 August 2021)

Mr Chris Randall (appointed 1 September 2021)

6.8 Synod Schemes and Grants Secretary

Ms Gill Peace

6.9 Synod Property Officer

Mr Bob Gilston (resigned 31 August 2021)

Mr Martin Lougher (appointed 1 September 2021)

6.10 Names of trustees

The following served as trustees throughout 2019-20 or were Trustees at the time of this report being approved:

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Rev Dr Stephen Wigley (Synod Chair ex officio) appointed 1st September 2007
Rev Rosemarie Clarke (Synod Secretary) appointed 1st September 2012
Mr Graham Illingworth (Assistant Synod Secretary) appointed 1st September 2007
Mr Richard Hodgson (Synod Treasurer) appointed 1st September 2011, resigned 31 August 2021
Mr Martyn Boyce appointed 1st September 2012
Mr Barry Jordan appointed 1st September 2017, resigned 31 August 2021
Miss Linda Davies appointed 1st September 2018
Rev Nicholas Oborski appointed 1st September 2015, resigned 31 August 2021
Mrs Janet Rees appointed 14th March 2020
Rev Roger K Hides appointed 1st September 2013, resigned 31 August 2021
Mrs Pat Preston appointed 1st September 2017
Miss Margaret Webber appointed 1st September 2018
Rev Paul Donnison appointed 1st September 2013, resigned 31 August 2021
Rev Rosemary Davies appointed 1st September 2018
Rev Gordon Gresswell appointed 1st September 2018
Ms Sandra Hanbury appointed 1st September 2017, resigned 31 August 2021
Rev Felicity Randall appointed 1st September 2015, resigned 31 August 2021
Rev Leslie Noon appointed 1st September 2014
Rev Bob Thomas appointed 1st September 2017, resigned 31 August 2021
Rev Phillip Poole appointed 1st September 2017
Rev Carole Challis appointed 1st September 2018, resigned 31 August 2021
Rev Phillip Challis appointed 1st September 2015, resigned 31 August 2021
Mr Martin Lougher appointed 1st September 2007
Rev Dr Kofi Amissah appointed 1st September 2020
Rev Margaret Presdee appointed 1st September 2020, resigned 31 August 2021
Rev Stephen Boxall appointed 1st September 2020
Rev Jacquie Evans appointed 1st September 2020

Appointed subsequent to 31st August 2021:

Rev Teddy Kalongo appointed 1st September 2021
Rev Alf Williams appointed 1st September 2021
Mr Barry Hawkins appointed 1st September 2021
Mrs Margaret Birch appointed 1st September 2021
Mr Chris Randall appointed 1st September 2021
Mr Roger Smith appointed 1st September 2021

The Managing Trustees for the Synod are the members of the Synod Policy Committee. No Trustee claims exemption from disclosure of his or her name here.

6.11 Chair's Secretary

Mrs Wendy Barwise

6.12 Bankers

Barclays Bank plc
1 Churchill Place London E14 5HP

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

THE METHODIST CHURCH IN WALES – WALES SYNOD
Year ended 31 August 2021

Trustees' Annual Report

6.13 Investment managers and custodian trustees

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

6.14 Independent Examiner

Mrs Heather Cox appointed 9th February 2019

Approvals

The Trustees' Report and the Financial Statements were approved by the Synod Policy Committee on 14th May 2022

Signed on behalf of the Synod Policy Committee, as authorised



Rev Dr Stephen Wigley
Synod Chair

15 June 2022



Chris Randall
Synod Treasurer

15 June 2022

THE METHODIST CHURCH IN WALES – WALES SYNOD
Year ended 31 August 2021

Trustees' Annual Report

7. Financial Statements

The Financial Statements comprise:

- the Statement of Financial Activities for the year ended 31st August 2021 (page 18)
- the Balance Sheet as at 31st August 2021 (page 19)
- the Notes to the Accounts (pages 20 to 32)

THE METHODIST CHURCH IN WALES – WALES SYNOD
Year ended 31 August 2021

THE METHODIST CHURCH - WALES SYNOD

District No 2

Statement of Financial Activities (SOFA) for the year ended 31 August 2021

	Notes to the accounts	General Fund (Unrestricted)	Other General Funds (Unrestricted)	Synod Advance Fund (Restricted)	Trust 14508 (Unrestricted)	Chair's Discretionary Fund (Restricted)	Total 2020-21	Total 2019-20
		£	£	£	£	£	£	£
Income from								
1 Donations and grants		35,804					35,804	50,549
2 Connexional Advance & Property Fund		864		134,670			135,534	126,454
3 Income from investments			422	2,424	13,293	15	16,154	24,868
Income from charitable activities								
4 Assessments on circuits	3	32,352					32,352	57,174
5 From Circuit Model Trust Funds				69,818			69,818	59,909
6 Contribution to the cost of the Chair	5	42,214					42,214	40,825
7 Other (Property)							0	0
8 Total income		111,234	422	206,912	13,293	15	331,877	359,779
Expenditure								
Expenditure on activities								
9 Grants and donations	7	28,328		171,779			200,108	299,960
10 Salaries and associated costs	8	108,234					108,234	110,241
11 Cost of the Chair	5	42,214					42,214	40,825
12 Property Maintenance	9	9,968			5,063		15,031	11,940
13 Office expenses	10	4,552					4,552	4,132
14 Synods, committees, Conference	11	4,005					4,005	11,035
15 Training		102					102	1,989
16 Other outgoings	12	28,409	209	1,236	1,347	9	31,211	37,524
17 Total expenditure		225,813	209	173,015	6,410	9	405,456	517,646
18 Net income before investment		-114,579	213	33,897	6,883	6	-73,580	-157,867
19 Transfers between funds	14	124,650	-12,110	-66,040	-46,500	0	0	0
20 Gains on revaluation of fixed assets								
21 Realised and unrealised gains / losses on investments	13				118,626		118,626	-39,002
22 Net movement in funds		10,071	-11,897	-32,143	79,009	6	45,046	-196,869
Reconciliation of funds:-								
23 Total funds brought forward		431,781	219,541	744,499	1,026,861	4,454	2,427,136	2,624,005
24 Total funds carried forward		441,852	207,644	712,356	1,105,870	4,460	2,472,182	2,427,136

THE METHODIST CHURCH IN WALES – WALES SYNOD
Year ended 31 August 2021

Balance Sheet as at 31 August 2021

	Notes to the accounts	General Fund (Unrestricted) £	Other General Funds (Unrestricted) £	Synod Advance Fund (Restricted) £	Trust 14508 (Unrestricted) £	Chair's Discretionary Fund (Restricted) £	Total 2020-21 £	Total 2019-20 £
Fixed Assets								
Tangible Fixed Assets	15	396,090			350,000		746,090	761,090
Total fixed assets		396,090			350,000		746,090	761,090
Current Assets								
Debtors	16	5,852					5,852	132,237
Investments with TMCP	17		66,527	712,356	754,012	4,460	1,537,355	1,352,348
Central Finance Board Deposits			131,566				131,566	141,985
Cash at Bank and in hand		39,910	9,551		1,858		51,319	54,023
Total current assets		45,762	207,644	712,356	755,870	4,460	1,726,092	1,680,593
Current Liabilities								
Creditors (due in under 1 year)	19						0	14,547
Total current liabilities		0	0	0	0	0	0	14,547
Total assets less current liabilities		441,852	207,644	712,356	1,105,870	4,460	2,472,182	2,427,136
Net assets		441,852	207,644	712,356	1,105,870	4,460	2,472,182	2,427,136
Funds of the District								
General Fund (Unrestricted)		441,852					441,852	431,781
Other General Funds			207,644				207,644	219,541
Trust 14508				712,356			712,356	1,026,861
Total unrestricted funds		441,852	207,644	712,356	0	0	1,361,852	1,678,183
Chair's Discretionary Fund						4,460	4,460	4,454
Synod Advance Fund					1,105,870		1,105,870	744,499
Total Funds	23	441,852	207,644	712,356	1,105,870	4,460	2,472,182	2,427,136

Signed *C Randall*

Chris Randall
Synod Treasurer
15 June 2022

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with SORP(FRS102) as updated, being the current version of *Accounting and Reporting by Charities: Statement of Recommended Practice*. See also v Accounting framework, below.

ii Public benefit entity

The Wales Synod meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and the Trustees present accounts that show a true and fair view of the Synod's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound. Rounding differences should be ignored.

v Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of *Accounting and Reporting by Charities: Statement of Recommended Practice [SORP(FRS102)]* as amended, with the adoption of Section 1A of Financial Reporting Standard 102, in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein.

vi Going concern

To the best of their knowledge and belief, the Trustees confirm that there are no material uncertainties that would call into question the Synod's financial viability for at least 12 months from the date of approval of these accounts.

vii Consolidation

The Synod oversees the work of ministers (presbyters and deacons) and lay workers in Churches and Circuits within the Synod but has no power to control Circuits or Churches, ministers or lay workers except in extreme circumstances, none of which applied in the year. For this reason, the financial statements of the Churches and Circuits within the Synod are not consolidated into these financial statements.

viii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appears in Note 5. A similar figure appears in the Expenditure at Note 8.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The Synod acts as agent in the following matters:

Notes to the Accounts

- the payment of expenses of delegates from the District to the Methodist Conference
- the cost of ministerial health checks recovered from Circuits
- the holding of funds raised by Momentwm (formerly Synod Youth Work Action Group) for Youth events.

Note that the Wales Synod does not act as Agent in the collection of quarterly assessments from Circuits except in very rare occasions where a problem may have occurred. The Circuits all pay their Assessments direct to the Methodist Church Fund.

In the first two of these matters the transactions are not reflected in the SOFA because there is no obligation on the Synod to make up any shortfall. Any sums received as Circuit assessments cannot be recognised as income in the Synod as they are the income of the Methodist Church Fund, not the Synod.

The value of time donated by volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report.

ix Expenditure

This is recognised when a liability is incurred, regardless of the date of payment. Liabilities are recognised as soon as there is a legal or constructive obligation committing the Synod to pay out resources and that payment becomes probable. Until then any material contingent liabilities are noted.

x Grants

Grants are made annually even when an application is for a recurrent grant over more than one year. A satisfactory report of substance from the individual or grantee body on the previous year's activities and outcomes is critically reviewed by the Synod Schemes and Grants Committee and is necessary to trigger payment of any further instalment.

xi VAT

Since the Synod is not VAT registered, expenditure is inclusive of VAT where charged by the supplier.

xii Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold properties are shown in the accounts at 2015 deemed values, of which the land component is deemed to be £152,218. No depreciation is provided on the buildings because the trustees consider the residual fair value of the manse buildings is not less than the cost and the depreciation would be immaterial. The properties have been reviewed for impairment and none is provided.

xiii Investments

The investments of The Wales Synod are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised losses arising on investments at the end of the year are shown in the SOFA and in Note 23 below.

xiv Debtors and Creditors; Bank and Cash

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

Debtors are stated at the amounts owed to the Synod or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the Synod. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xv Loans

The Synod has not made any loans.

xvi Methodist Church Fund

The Wales Synod does not generally act as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits except in extreme circumstances and does not, therefore, include the assessments in the SOFA.

xviii Funds

The trustees have adopted a policy for all unrestricted reserves which is that, over the medium term, there should be a gradual diminution in the balance in each fund. This includes all unrestricted reserves (the General Fund and the Synod Advance Fund) but not the restricted funds.

xix Ministers' manse costs

The Wales Synod is required to provide accommodation for the Synod Chair and his family and also for the minister holding the post of Synod Enabler (Culturally Diverse Congregations). The Synod bears the cost of repairs, maintenance and building insurance and also Council Tax and Water Rates on these properties. The Wales Synod also pays the Council Tax and Water Rates on behalf of the Ministerial Chaplaincy employee who resides in a property rent free owned by the Cardiff Methodist Circuit.

2 Prior year

Restatement of comparative figures

In preparing the accounts the trustees have considered where, in applying the accounting policies required by the Charities SORP(FRS102), any comparative figures have needed restatement. No restatements were required.

3 Assessments on Circuits

The District is made up of the following Circuits:

Circuit No	Circuit Name
2/03	Bangor & Holyhead
2/06	Bridgend
2/07	Buckley & Deeside
2/09	Cardiff
2/10	Ceredigion
2/12	Conwy & Prestatyn

Notes to the Accounts

2/13	Gwent Hills & Vales
2/16	Mid Glamorgan Mission
2/18	Neath Port Talbot
2/19	Newport & Lower Wye
2/20	South West Wales
2/24	Swansea & Gower
2/25	Welshpool & Bro Hafren
2/26	Wrexham
2/27	Vale of Glamorgan

All Circuits paid their assessments as requested to the Synod and to the MCF during the year. An assessment on Circuits is determined annually by the Synod Policy Committee by reference to the number of staff in the Circuits but may also take into account a Circuit's ability to pay. During 2020/21 allowance and agreement not to pay the assessed amount, was made in the first three quarters to assist in Circuit outgoings in a number of Circuits as a result of Covid-19.

4 Contributions to the Methodist Church Fund (MCF)

In addition to the assessments on Circuits (as above) to help defray the costs of running the Synod, Circuits are also assessed towards the costs of running of The Methodist Church in Great Britain which they must pay direct to MCF. These amounts do not pass through the accounts of the Synod and are therefore not included in these financial Statements.

5 Cost of Chair and trustees

The Chair of Synod chairs meetings of the Synod Policy Committee (SPC). The members of the SPC are the trustees of the Synod. The stipend, employer's NIC and employer's pension contributions of the Chair of Synod are paid by the Methodist Connexion. The Chair's other costs are met mostly by the Synod.

	2019-20	2018-19
	£	£
Stipend of Chair of District, Rev Dr Stephen Wigley	31,905	31,065
Employer's National Insurance contributions and Apprenticeship Levy	3,443	3,075
Employer's pension contributions	6,866	6,685
Cash cost paid by the Connexion (see SOFA, line 6)	42,214	40,825

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

Chair's expenses	1,900	1,346
Total cost	44,114	41,473

Since the stipend-related costs above (*i.e.* £42,214; 2019-20 £40,825) are borne by the Connexion, they appear both in the Income of the Synod and the Expenditure of the Synod (See Note 8). The aggregate expenses of the Chair's accommodation were £7,968 (see Note 9) making the total cost of his emoluments £50,182. The Chair of Synod is the sole paid key management person and is supported by members of the SPC.

No accrual is made for the Chair's entitlement to a sabbatical as he would continue to be paid during his sabbatical and there would be little additional cost incurred by those taking on the Chair's responsibilities in the short term.

5.1 Payments to trustees

It is Synod policy to offer to reimburse members of the Synod Policy Committee and others involved in the administration of Synod affairs for expenditure properly incurred in carrying out their duties. The Chair of the Synod undertakes the primary executive role within the Synod. Apart from the Chair of Synod and the Synod Secretary (who receives an honorarium) no member of the Synod Policy Committee was in receipt of any payment for work undertaken on behalf of the Synod, although certain travelling and administration costs were reimbursed whenever this was requested.

None of the trustees is an employee of the Synod. Apart from the Chair of the Synod travel and other necessary expenses have been reimbursed to none (2019-20: one) of the trustees (members of the Synod Policy Committee (SPC)) who, in aggregate, have received the cost of travel incurred in attending meetings and other necessary expenses amounting to £Nil (2019-20 £81.00).

6 Other income

The District does not undertake fundraising for general purposes.

7 Grants and donations and related support costs

Grants and donations totalling £200,108 were made during the year (2019-20: £299,960).

	2020-21	2019-20
	£	£
From General Fund	28,328	30,147
From SAF (see Note 20)	171,779	268,013
From Chair's Discretionary Fund	0	1,800
Total	200,108	299,960

Notes to the Accounts

Expenditure on charitable activities through the Synod Advance Fund

This fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the Synod and redistributes the monies to grantees in the Synod through relevant grants as assessed by the Synod Grants Committee. During the year the following grants were made:

To	£	For	£
Churches	70,418	Property	17,990
Circuits	98,417	Ministry	193,357
Other projects	2,944	Online worship & Mission	26,472
<i>Sub total</i>	<i>171,779</i>		
Wales Synod	66,040		
Total	237,819		237,819

The income of the fund was £205,676 (net of costs) during the year, meaning some £32,143 in excess of the total income was paid out in grants in the year.

The Grants Committee is aware that grant applications must demonstrate public benefit.

The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

8.1 Salaries and associated costs

Gross salaries paid to two full time (2019-20: two) and two part time (2019-20 three) employees were as follows:

	2019-20 £	2019-20 £
Gross pay	84,316	88,661
Employer's National Insurance contributions	6,799	6,851
Employer's pension contributions to defined contribution schemes	16,329	13,466
Apprenticeship levy, computers in ministry allowance and payroll administration	790	1,263
Total costs of 4 staff	108,234	110,241
Cost of Chair (see Note 5)	42,214	40,825
Total staff costs	150,448	151,066
 Total weekly contractual hours of two (2019-20 three) non-ministerial staff	 40	 52

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

One of the part time employees was engaged exclusively in safeguarding matters and one provided secretarial assistance at the Synod office. The two other staff members are full time presbyters.

8.2 Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand, lay employees are contractually employed and have the option of joining the Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC), The Pensions Trust or some other arrangement. In the case of The Wales Synod, the Pensions Trust, which is a defined benefit scheme, is that to which Lay Employees are enrolled as members although two of the employees voluntarily declined to join the scheme.

The Connexion accounts for both the MMPS and PASLEMC pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficits on these schemes can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk. It would be difficult to determine the liability that could fall on the Wales Synod and no attempt has been made to calculate this valuation.

9 Property costs

	2020-21 £	2019-20 £
Synod office and services	2,000	2,500
Manse Llwyn y Grant Road	7,968	4,180
Manse Caewal Road (Trust 14508)	5,063	5,260
Total	15,031	11,940

10 Office expenses (General fund)

	2020-21 £	2019-20 £
Printing, photocopying, postage, telephones	4,350	2,366
Stationery	592	1,110
Other office costs	-390	656
Total	4,552	4,132

Notes to the Accounts

11 Synods, Committees, Conference

	2019-20	2018-19
	£	£
Synods	0	1,260
Committees	145	1,652
Chair's travel	1,544	2,853
Other	2,316	5,270
Total	4,005	11,035

12 Other outgoings

	2020-21	2019-20
	£	£
Chaplaincy expenses	5,171	5,897
Synod Enabler Ethnic Minorities expenses	2,739	3,322
Safeguarding (excluding salaries)	347	2,157
Assistant Chairs	15,697	17,272
Other expenses	4,455	5,425
Total	28,409	34,073

None of the remaining individual amounts – aggregated as 'Other' above - is considered material and none is listed separately.

13 Investment management

During the year the Synod paid £2,730 to TMCP, the custodians of the Synod's investments (Synod Advance Fund, Manse Reserve Fund, Chair's Discretionary Fund and Trust 14508 (2019-20: £3,399). Included in this is the sum of £1,383 which was levied at 0.2% on the value of the funds at the end of the previous year.

The sum of £118,626 represents a net gain (£13,484 realised and £105,412 unrealised) on the invested funds of Trust 14508.

14 Transfers between funds

The transfers between funds shown on the SOFA represent sums that were transferred from one fund to another under the direction of the Trustees.

£1,110 from CDiM reserve to General Funds to cover CDiM payments made to presbyters.

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

£9,500 to General Funds from Synod Reserve being the excess of income over expenditure during 2018/19 held in reserve and paid over to the Methodist Church Fund in 2020/21 as a contribution from Synod, as a way of reducing the commitment from Circuits.

£31,115 from the Synod Advance Fund to General Funds towards the cost of the District Assessment, as a way of reducing the commitment from Circuits

£15,000 from the Synod Advance Fund to General Funds in support of the Synod Enabler (Culturally Diverse Congregations) post.

£4,000 from the Synod Advance Fund to General Funds in support of the Higher Education Chaplaincy (Cardiff) appointment.

£2,000 from the Synod Advance Fund to General Funds as agreed support for Training.

£25,400 (net) from Trust 14508 to General Funds in support of the Synod Enabler (Culturally Diverse Congregations) post

£21,100 from Trust 14508 to General Funds to support the Higher Education Chaplaincy (Cardiff) appointment

£13,925 from the Synod Advance Fund to General Funds towards the cost of Safeguarding.

£1,000 to the Momentwm Youth Exchange Account from General Funds being unused Momentwm budget.

£1,000 to the Momentwm Youth Exchange Account from Synod Advance Fund towards the cost of the forthcoming Youth Exchange (postponed due to Covid-19).

£2,500 to the Manse Reserve Fund from General Funds towards the cost of manse repairs.

15 Manse and other property

The value of the two manses as at 31st August 2021 is believed to be greater than their deemed cost as shown in the accounts. There is no depreciation provision on the manse buildings as it is judged that this would be immaterial.

16 Debtors and prepayments

Shown in advance and due on 1st September 2021 is the payment of one month's stipends for the two Synod presbyteral appointments totalling £5,852. (1st September 2020 £5,783).

17 Investments with Trustees for Methodist Church Purposes

The funds that support the Synod Advance Fund, The Chair's Discretionary Fund, the Manse Reserve Fund and Trust 14508 are held by TMCP in Trustees' Interest Funds on which interest is credited to the accounts each month. In addition, within Trust 14508 The Synod holds units in the

Notes to the Accounts

Managed Equity Fund and the Managed Mixed Fund which are regarded as medium to long-term investments.

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

17.1 Holdings of units as at 31st August 2021 (2020)

Fund	Units	£
Managed Equity Fund	10,739 (11,421)	329,558 (276,251)
Managed Mixed Fund	66,772 (70,517)	374,124 (333,827)
Total		703,682 (610,078)

18 Central Finance Board (CFB) and Cash at Bank

The Synod has two current accounts at Barclays plc, an authorised institution. The sums held on those accounts are immediately available. In addition, the Synod has three deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. The Synod has no other financial instruments. These sums are viewed as being liquid and are shown as current assets on the Balance Sheet.

19 Creditors and accrued expenses

Creditors at 31 August 2021 were £Nil (2019/20 £14,547).

20 Grant Commitments and the Synod Advance Fund

Expenditure on charitable activities: Synod Advance Fund:

Some grants are payable in annual instalments. The Synod expects to receive a report of the outcomes of the first (and subsequent) year's activities funded by these grants. Future commitments already agreed, but subject to satisfactory reporting, are: -

2021-22	£134,196
2022-23	£43,572
2023-24	£26,500
2024-25	<u>£15,000</u>
	£219,268

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

After recognising the liabilities for future grants payable through the SAF, there is still a sum of £493,088 available for future grants. In the following year and subsequent years, further sums are expected to be credited to the SAF from the CMTF levies of those years.

The award of a grant by the Synod does not create a contractual relationship.

No individual or institution received grants of such magnitude that they should be separately reported.

21 Unrestricted Funds

21.1 General Fund – balance £441,852 as at 31 August 2021 (2020: £431,781)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the Synod and which have not been designated for other purposes. About 90% of this fund is held as a freehold property, the Synod manse for the Chair of District. During the year £28,328 was paid out as grants and donations from the General Fund.

21.2 Other Designated Funds – balance £920,000 as at 31 August 2021 (2020: £1,246,401)

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. Full details, breakdown of balances and the purpose behind each Designated Fund will be found in depth as part of the Trustees' Annual Report earlier in this document.

22 Restricted Funds - balance £1,110,330 as at 31 August 2021 (2020: £748,953)

The Synod Advance Fund and the Chair's Discretionary Fund are restricted funds. Full details, breakdown of the balances and the purpose behind each fund will be found in depth as part of the Trustees' Annual Report earlier in this document. The assets of both these funds are managed by TMCP. Grants are awarded out of the SAF by the Synod Schemes and Grants Committee on the authority of the SPC who are the Trustees of the Synod.

23 Summary of movements on significant individual funds

The Methodist Church in Wales – Wales Synod
Year ended 31st August 2021

Notes to the Accounts

Fund	Balance at 01-Sep-20 £	Income £	Expenditure £	Transfers £	Gains/ Losses £	Balance at 31-Aug-21 £
General Fund	431,781	111,234	225,813	124,650		441,852
International Exchange	8,624	-	73	1,000		9,551
Training	10,024	14	-	-		10,038
CDiM	24,335	33	-	1,110		23,258
Synod Reserve	107,625	143	-	9,500		98,268
Manse Reserve	68,933	232	137	2,500		66,528
Trust 14508	1,026,861	13,293	6,410	46,500	118,626	1,105,870
<i>Total other designated</i>	<i>1,246,402</i>	<i>13,715</i>	<i>6,619</i>	<i>58,610</i>	<i>118,626</i>	<i>1,313,514</i>
<i>Total unrestricted funds</i>	<i>1,678,183</i>	<i>124,949</i>	<i>232,432</i>	<i>66,040</i>	<i>118,626</i>	<i>1,755,366</i>
Synod Advance Fund	744,499	206,912	173,015	66,040		712,356
Chair's Discretionary Fund	4,454	15	9			4,460
<i>Total restricted</i>	<i>748,953</i>	<i>206,928</i>	<i>173,024</i>	<i>66,040</i>	<i>-</i>	<i>716,816</i>
Total Funds	2,427,136	331,877	405,456	-	118,626	2,472,182

24 Related Parties

None of the Synod Trustees made donations direct to the Synod during the year or in the preceding year. All of the Synod trustees are members of one or another Church and Circuit within the Synod and may be trustees in their Churches and/or Circuits.

Related parties include the Methodist Connexion, Circuits and Churches within the Synod, other Methodist Districts in Great Britain, Synod Charitable Trust, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or directors. The following table shows the receipts from and payments to related parties during 2020/21.

Names of Connected Organisations	Receipts £	Payments £	Adjustments £
Donor/Donor: Circuits within the Wales Synod (assessments on Circuits/grants and support)	32,352	102,192	
Donor/Donor: Methodist Church Fund	236,823	23,130	
Donee: Churches within the Wales Synod (grants)	-	72,418	

Information about payments to Trustees appears in Note 5.1

26 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. In the Wales Synod the principal contribution is by serving on committees of the Synod that deal with mission, manses, finance, policy, grants, training, development, safeguarding etc. We are

The Methodist Church in Wales – Wales Synod
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Notes to the Accounts

grateful to all of them for their help and commitment. No attempt has been made by this District to value the non-monetary contributions to the Synod in monetary terms.

27 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year-end (2019-20: £Nil).

28 Lease commitments

The Synod had no legal commitments under the terms of any lease but makes a voluntary contribution to Cyncoed Methodist Church towards the upkeep generally of the buildings as this is where the Synod offices are located, to include heating, light and cleaning. This amounted to £2,000 (2019-20 £2,500). During 2019/20 Synod voluntarily paid for essential and necessary upgrade works to the telephone system covering the whole premises as used by Synod, Cardiff Circuit and the local Cyncoed Methodist Church at a cost of £4,602.

The Methodist Church in Wales – Wales Synod

Year ended 31st August 2020

Declarations and Scrutiny

I confirm that these accruals based accounts for the year ended 31 August 2021 have been prepared from the records of the District and that they include all funds under the control of the District policy Committee.

Signature of Treasurer  Date 12 February 2022

Name and address of Treasurer: Chris Randall, Synod Office, Cyncoed Methodist Church,
Westminster Crescent, Cardiff CF23 6SE

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2021 were presented to the Synod Policy Committee held on 12 February 2022



Signature of the Chair of the meeting

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Name of the Chair of the meeting: Rev Dr Stephen Wigley

Date: 12 February 2022

The Methodist Church in Wales – Wales Synod

Year ended 31st August 2020

Declarations and Scrutiny

Independent Examiner's Report to the Trustees of the Wales Synod

Charity Number 1128205

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Wales Synod for the year ended 31 August 2021 set on pages 1 to 32. As the Synod'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 District'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

The Synod's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the Institute of Chartered Accountants.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below*) which give me cause to believe that, in any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records; or
- the accounts do not comply with the applicable requirements concerning the form and content requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination
- the trustees' annual report is not consistent with the accounts

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.

I have not* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of independent examiner 

Name of independent examiner: Heather Cox

Relevant professional qualification of independent examiner: ACA

Date 9-7-22