

THE METHODIST CHURCH IN GREAT BRITAIN

England & Wales · Charity number 1132208

Details

Status Registered

Legal form Previously excepted

Registered 2009-10-20

Register [View on the Charity Commission register](#)

Contact

Address Methodist Church House
25 Tavistock Place
London
WC1H 9SF

Phone 02074865502

Email lcp@methodistchurch.org.uk

Website www.methodist.org.uk

Activities

Objects: THE ADVANCEMENT OF THE CHRISTIAN FAITH IN ACCORDANCE WITH THE DOCTRINAL STANDARDS AND THE DISCIPLINE FOR THE METHODIST CHURCH

Activities: The provision of regular public acts of worship open to members of the church and and non members alike. The teaching of Christianity through sermons etc, Pastoral work including visiting the sick and bereaved. Promotion of Christianity through the staging of events and services. Promoting the whole mission of the Church through activities generally and for other specific needs groups.

Classification

- **How:** Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, NATIONAL AND OVERSEAS.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£58,805,000	£67,207,000	£273,656,000	398
2023-08-31	£52,975,000	£51,938,000	£269,588,000	431
2022-08-31	£56,227,000	£46,837,000	£279,125,000	378
2021-08-31	£40,280,000	£39,356,000	£290,142,000	378
2020-08-31	£44,364,000	£44,353,000	£264,041,000	420

Trustees

Name	Role	Appointed
ALETHEA SIOW		2024-06-30
ANNA MARGARET MALNUTT		2014-09-01
Barbara Easton		2025-09-01
Dawn Wood		2024-09-01
Judith Kathleen Neal		2025-09-01
KEITH HICKEY		2024-09-01
Matt Forsyth		2025-06-28
PAUL SPRAY		2024-09-01
Professor David Matthews		2024-09-01
Rev Cliff Shanganya		2025-09-01
Rev Mucharutya Chisvo		2025-09-01
Rev Richard Mark Andrew		2025-06-28
Rev Sarah Parkin		2023-06-13
Rev Sonia Marcia Hicks		2020-06-27
Revd Dr Joanne Cox-Darling		2024-09-01
Revd Dr Michael Long		2024-09-01
THOMAS ANDREW HART		2025-09-01
The Revd Dr Jonathan Richard Hustler		2018-07-02

Accounts

The Methodist Church in Great Britain
Consolidated Report and Financial Statements
for the year ended 31 August 2024

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	2
The Methodist Church in Great Britain Trustees' Report	3-42
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	3
Public benefit requirement	3
Structure	3
Overview of the work of The Methodist Church In Great Britain	11
Key activities	11
Plans for the future	26
The environment	27
Remuneration of key management personnel	27
Fundraising activities	28
Financial review	29
Reserves policy	30
Investments	33
Risk management	34
Data protection	37
Going concern	37
Related parties	38
Statement of Trustees' responsibilities	39
Independent Auditor's report to the Trustees of The Methodist Church in Great Britain	40
Consolidated Financial Statements	43-91
Statement of financial activities	44
Statement of financial activities – The Connexional Funds	45
Balance sheets	46
Cash flow statements	47
Notes to the Consolidated Financial Statements	48
Trustees and committee memberships	92
Reference and administrative details	94

Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

It is my privilege to introduce to you the annual report for 2023-24. The Calling of the Methodist Church in Great Britain is to respond to the Gospel of God's love in Christ and to live out our discipleship. We do that in response to events in the world around us and this report details how we have lived out Our Calling in the context of our day. The numbers and the narratives in this report give us an insight not only to the financial resources of the Church, but the wider work done that enables us to be a growing, inclusive, evangelistic and justice-seeking Church.

Part of that wider work has been to ensure that our structures enable us to fulfil Our Calling. Among the matters considered by the 2024 Conference in Leeds was the report from the Oversight and Trusteeship Task Group which highlights the work being done by a number of connexional bodies and committees and sets out how the structure of these groups is being adapted to ensure that our resources are used for the purposes of God's mission in the most effective way. These are some of the most far-reaching constitutional changes the Church has undergone in the last half-century.

1 September 2024 was the moment that the Connexional Council came into being as the trustee body for the Church's connexional business and property (as set out in pages 3-10 of the report). As we prepared for that transition, the Conference gave thanks to the Methodist Council and its members over the past years and for their careful stewardship and leadership in the Connexion.

Whilst those constitutional changes take effect, Methodist people in our 321 circuits have lived out Our Calling day by day in their localities. This Annual Report demonstrates the ways in which the Methodist Church continues to engage with the local communities and to use its resources wisely. The Report is a way of recognising and thanking all who work throughout the Connexion, whether as a member of staff or volunteer, who have been and continue to be stewards of the Church's resources in the world.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

26 February 2025

The Methodist Church in Great Britain Trustees' Report

Strategic Objectives, Aims and Purposes of The Methodist Church in Great Britain

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain ('The Methodist Church' or 'The Church'). The aim of The Methodist Church in Great Britain is expressed in its "Our Calling" statement:

"The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission."

Public Benefit Requirement

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

Structure

The Methodist Church registered as a charity on 20 October 2009 (charity number 1132208 – 'The Methodist Church in Great Britain' (MCiGB)) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

For 2023/24 the members of the Methodist Conference (the Conference) were the charity trustees (their names being publicly available on the Charity Commission website). Since 1 September 2024 the Conference has established a Connexional Council to act as the trustee body for the Methodist Church in Great Britain. This change has been made to improve the effectiveness of the governance of the charity and reduce the number of trustees from 225 to between 18 and 22.

In the following section, the structure in place during the financial year is described. Thereafter, the changes effective from September 2024 are outlined.

Structure – until 31 August 2024

The Methodist Council was appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Methodist Council was responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Methodist Council was responsible. The Methodist Council was further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

The entities included in this report are not a record of all the financial activities of the wider Methodist Church, as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 49 and include:

Table 1 – List of Consolidated Entities

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Y Care	(a separately registered company)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)

These financial statements are the consolidated financial statements for the Methodist Council and entities under its control. The above-named organisations have purposes that are consistent with those of the Methodist Church and at least 50% of their trustees are appointed by the Methodist Council, thus demonstrating a level of control. During 2023/24 the Methodist Council recognised the tension between exercising appropriate control whilst not having the ability to significantly influence these entities. As a result, work was commenced to look at how the governance of some of the entities could be amended leading to their demerger from the accounts.

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2024 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next 'tier' of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council was responsible was delegated to the Connexional Secretary and other members of the senior management group of the Connexional Team for matters relating to the objectives of the Connexional Team, and to local trustees in the case of the consolidated entities. These local trustees were accountable to the Methodist Council.

The governance structure of the MCiGB for 2023/24 is presented in the following diagram.



The Methodist Conference

The Conference is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church's affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 225 members comprising ministers and laypersons from the 28 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

The Methodist Council met three times a year and consisted of 54 members most of whom hold office for four years. Its terms of reference were to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- implement Conference decisions.

It agreed the following objectives for the year in order to support the delivery of the Church's strategic objective 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission':

1. Proclaiming the Gospel through worship / The ministry of the people of God in the life of the world
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for justice and peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership

In addition to the above, the Methodist Council was responsible for (*inter alia*):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering Connexional Funds;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Methodist Council (on the recommendation of the Heritage Committee) are historically significant are scrutinised before going ahead.

The following committees had an oversight/governance role and reported to the Methodist Council:

The Strategy and Resources Committee

The Conference appointed annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advised the Methodist Council in relation to all matters that were within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met five times in 2023/2024, had specific responsibility for detailed review and subsequent reporting to the Methodist Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Methodist Council and the Conference;
- encouraging a collaborative style of working to be adopted throughout the Connexional Team; and
- overseeing risk management within the Connexional Team.

The Audit and Risk Assurance Committee

This is a committee appointed by the Conference on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers and any appropriate staff members of the Connexional Team to attend its meetings.

Meeting three times in the year and reporting annually to the Methodist Council, the Audit and Risk Assurance Committee has responsibility for:

- advising the Methodist Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing and monitoring the effectiveness and appropriateness of procedures relating to risks;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Methodist Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Methodist Council.

Oversight Committees

To assist the Methodist Council in discharging its duties there were a number of other committees, the key ones being:

The Connexional Allowances Committee, which was responsible for recommending allowances for ministers and awarding grants from the following funds:

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Aspinall Robinson Trust, and
- The Benevolent Fund for Deaconesses.

The Finance Sub-Committee of the SRC whose remit was to:

- provide expert advice on financial matters to the SRC;

- review the Methodist Council's cash and investment holding; and
- represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.

The Ministries Committee, which reported to the Methodist Council, exists to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing and supporting programmes and processes for candidacy, training, oversight and related matters.

The Mission Committee, which reported to the Methodist Council, exists to ensure the mission and activities of the Church are in keeping with the response to Our Calling and agreed priorities. It enables the Church to take up various aspects of Mission as expressed in Part 10 of Standing Orders. It explores the challenges and opportunities faced by the Church for mission, local and global, in the multi-ethnic, multi-cultural and multi-faith context that is the society today.

The Property Development Committee, which worked to develop and maintain a connexional property strategy. Its responsibilities included:

- developing and proposing to the Methodist Council policies in respect of the use of Methodist property;
- exercising such managing trustee responsibilities and duties as may be delegated to it by the Methodist Council;
- identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
- reviewing and monitoring the use of all property held by bodies reporting to the Methodist Council, advising the Methodist Council on the effectiveness of current and planned use of property held by such bodies; and
- offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.

The Safeguarding Committee, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advised the Methodist Council on all related issues.

The Nominations Committee, which was established to ensure that the nominations which are made to the Conference or, as the case may be, the Connexional Council, for appointments to the Connexional Council and its committees, are brought as a result of processes which are in accordance with the church's principles for Justice, Dignity and Solidarity.

Other Oversight Bodies

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 61. For each of them, a local governance committee or group of managing trustees was appointed by the Methodist Council to oversee the entity, within the terms of responsibility delegated to them by the Methodist Council. Ultimate control in all these cases resided with the Methodist Council. Through a governance scrutiny process overseen by the SRC, the Methodist Council aimed to monitor standards of governance in all the entities that were accountable to the Methodist Council and the Conference.

The Methodist Council appointed members to the various trustee bodies, on the recommendations of existing members and based on a reasoned statement provided for each nominee. It followed a selection process that involved a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments were normally for a six-year period, but each trustee body would have its own governing document setting out the terms of appointment and re-appointment. The Methodist Council reviewed and re-confirmed the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

All new members of the Methodist Council underwent induction to familiarise themselves with the aims and work of the charity, and to ensure they understood fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees were provided with constitutional, governance, financial and organisational documentation. Trustees received regular updates and were made aware of relevant events and training opportunities.

Structure – from 1 September 2024

Following an extensive review of its governance structure, the Methodist Church changed its constitution with effect from 1 September 2024. External legal opinion was obtained confirming the changes were in line with the provisions and intention of the Charities Act 2011 and the changes were duly reported to the Charity Commission. The Methodist Conference remains the governing body of the wider Methodist Church (this being wider than the entities that constitute these accounts) and its particular responsibilities are set out in Section 18 of the Deed of Union. In summary, the Conference is responsible for:

- (i) doctrine;
- (ii) legislation;
- (iii) connexional mission and policy;
- (iv) connexional polity;
- (v) the formation, admission and discipline of ministers, officers and members;
- (vi) the stationing of ministers and probationers, and
- (vii) the connexional budget and allocation of district contributions.

However, the Conference has established a new body, the Connexional Council (the Council), to be the trustee body responsible for the administration and management of the Methodist Church in Great Britain. The names of the members of the Council are appended at the end of these financial statements. Whilst the Council has the legal role as the trustee body, it remains part of the wider conferring Church, working in close collaboration with the Conference. Nevertheless, the Deed of Union has been amended to clarify that the Conference will not inhibit the members of the Council in performing their duties as trustees.

The purpose of the change is to enable the Church in the 21st century better to fulfil its calling to respond to the Gospel of God's love in Christ and to live out its discipleship in worship and mission, whilst ensuring that it complies with regulatory requirements and adheres to charity governance good practice. The new Council has replaced the Methodist Council, and is supported by a revised sub-committee structure to better reflect the needs of the organisation. The creation of a Nominations Committee was an important step in ensuring a transparent and fair process for making committee appointments.

The power to appoint trustees to the entities listed in table 1 on page 4 transferred to the new Council on 1 September 2024 and therefore these entities continue to form part of the consolidation of the accounts. As part of the transition process two additional entities were identified where control was created by the power to appoint the majority of trustees, in a similar manner to other entities included within the consolidated accounts. These entities were New Room, Bristol and Methodist Central Hall Westminster. Whilst these entities technically fall within the requirements for consolidation, and will have in prior years, their activities are not considered

consistent with the activities managed by the trustees and no reporting or oversight has been in place by the charity's trustees. An amendment to the process of appointing trustees to these bodies will be put forward in February 2025 to move the appointment of trustees to a separate body. On this basis, and also as the amounts are not considered material in the context of the overall results and net asset position, the results of the two entities have not been included within these consolidated accounts and the prior year position has not been restated. Details of the financial results for these bodies is included in note 9.

The governance structure of the MCiGB from 1 September 2024 is presented in the following diagram.



The Connexional Council

The Council meets six times a year and consists of 18-22 members most of whom hold office for four years. It is the trustee body of the MCiGB as defined by Charity Law and has general powers and responsibilities that are set out in detail in Standing Orders with its overall role as set out below.

1. To enable the Church to fulfil its calling, the Council shall seek to implement the vision, strategies, decisions and directions set by the Conference.
2. In partnership with others in giving spiritual leadership in the Church, the Council shall keep in constant review the life of the Church, so as to assist in making its work and witness more effective. It shall receive and consider any representations which the Chairs' Meeting may from time to time submit upon matters of connexional or district concern.
3. In fulfilment of these responsibilities, the Council shall help to ensure that the Conference's decisions and objectives are implemented in a timely, cohesive and considered manner, and shall bring such proposals and reports to the Conference as will assist the Conference to determine the future policy and objectives of the Conference.

During 2023/24 the Methodist Council agreed its key objectives would align with the four headings of Our Calling:

WORSHIP - Ensuring our worship and ministry is effective, relevant and gives glory to God.
 LEARNING & CARING - We are an inclusive Church
 SERVICE - We are a justice-seeking Church
 EVANGELISM - We are an evangelistic people

These strategic objectives remain in place under the Connexional Council.

The Resourcing Committee

The Committee's role is to advise and assist the Connexional Council, and where required act under delegated authority, in fulfilling the Council's responsibilities for the strategic oversight and use of resources with regard to personnel, finance and physical assets which are within the purview of the Council. It shall further advise and assist the Secretary of the Conference and the Connexional Secretary as they devise strategic policies for presentation to the Council or the Conference.

The committee shall be responsible for:

- i. the presentation to the Conference for its approval, the budget for Connexional funds
- ii. advising and enabling the Council to fulfil its legal duties and obligations as an employer
- iii. oversight, on behalf of the Council, of all Connexional funds
- iv. making recommendations to the Council, to be brought to the Conference, as to ministerial stipends, allowances, and related matters; producing guidance on grants loans and allowances for ministers; making recommendation as to any other terms under which ministers and probationers serve within their covenant relationship with the Conference.
- v. oversight of Connexional property guidance; advise the Council concerning properties for which it is managing trustee.
- vi. overseeing the work of the Listed Building Advisory Committee.
- vii. overseeing the partnerships with the CFB, TMCP, JACEI and entities consolidated in the accounts of MCiGB.

Other Oversight Committees

The Audit & Risk Assurance, Ministries and Mission Committees all continue to operate with similar Terms of Reference to when they reported to the Methodist Council. The Strategy & Resources; Finance, Property Development, and Connexional Allowances Committees have all been dissolved with their responsibilities either retained by the Council or delegated within the new committee structure.

The Safeguarding Committee

Following the governance changes on 1 September 2024, the Safeguarding Committee is appointed by, and reports directly to the Methodist Conference, not the Council. It has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It continues to advise the Council on all related issues.

Overview of the Work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 3,571 places of worship, with around 130,090 members;
- the work of around 1,137 active Methodist ministers;
- pupils enrolled in 79 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 1050 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church. The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means.

This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.

Key Activities

Organisation of the work

The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, organises its work in the following eight key areas:

1. Building Communities
2. Children, Youth and Families
3. Evangelism and Growth
4. Global Relations
5. Learning Network
6. The Conference, Council and Governance
7. Ministries
8. Property

Each of these is reviewed below.

1. Building Communities

The Methodist Church continues to work ecumenically where possible. The Methodist Church continues to play its full role within the ecumenical bodies: Churches Together in England, former ACTS now the nascent Churches Together in Scotland, Cytun Churches Together in Wales and Churches Together in Britain and Ireland. It also keeps bi-lateral ecumenical relationships with several denominations. To name but a few: with the Church of England, the United Reformed Church (URC) and the Roman Catholic Church. With the Church of England it was agreed to re-start work on producing liturgy and legislation regarding mutual recognition of ministries. The Methodist Church shares much in common with the URC, with representatives participating in the URC's 50th anniversary celebrations, in addition to the working together in many Local Ecumenical Partnerships. With the Roman Catholic Church, the National Dialogue Commission

continues its work and the Methodist Church has contributed to the Synodical process that the URC is engaged with.

The Ecumenical desk of the Methodist Church supports with advice and guidance over 600 Local Ecumenical Partnerships (LEP) spread across the entire Connexion. There are around 28,000 Methodists worshipping in Local Ecumenical Partnerships. The LEPs offer a solid basis for ecumenical cooperation. They are resilient congregations.

The Ecumenical desk has provided training and support for those wanting to create new forms of cooperation or to document existing ones. The 'A Flexible Framework for Unity in Mission' continues to guide ecumenical cooperation in establishing the level of complexity required for different forms of collaboration: working agreement, partnership agreement, or the more complex constitutional agreement.

The Ecumenical Officers (EOs) of different denominations meet once a month on zoom to share concerns, plan joint work, and to pray. There are two annual Churches Together in England Conferences that the Methodist ecumenical desk is involved in leading: the All EOs' Conference and the Conference for new EOs. Globally, the Methodist Church sent a delegation to the World Council of Churches 11th Assembly in Karlsruhe, Germany, 31st August to the 8th September 2022, under the theme: "Christ's love moves the world to reconciliation and unity".

The Joint Public Issues Team (JPIT) has continued to support the Methodist Church to be alive to issues of justice and peace and to speak and act for change, alongside our partners in the Baptist Union of Great Britain and the United Reformed Church, and our associate partner, the Church of Scotland.

A major focus for the year was campaigning on the issue of poverty in the UK, which has deepened and become more entrenched, and is affecting 1 in 5 people in our communities. MCB brought together key partners to build and launch Let's End Poverty, a new movement which aimed to create the public and political will to end poverty in the UK. With initial funding and coordination from the Methodist Church, and the support of over 65 organisations, it mobilised communities to take action in the lead up to the UK General Election through events, media activities, resources and campaign actions.

JPIT also continued to support and champion the 'Guarantee our Essentials' campaign for benefit rates to be calculated to at least cover the cost of essentials like food, household bills and travel costs. It co-hosted a conference entitled 'Dignity for All' with Church Action on Poverty and the APLE Collective, which platformed those with lived experience of poverty, and also put on the Beckly Lecture at Methodist Conference which was delivered by colleagues from the Trussell foodbank network.

Churches and members were encouraged and resourced to 'Love, Pray and Vote' in the lead up to the General Election, through information materials and events to support effective engagement with the democratic process, including through hosting hustings and other events with candidates, reflecting on and asking candidates about key issues, and praying and preaching about the election. The Methodist Church became an ambassador for the new Voter Registration Champions initiative, supporting local churches to register people to vote and ensure they had appropriate form of identification. Following the election, JPIT encouraged and equipped local churches to begin building relationships with new MPs, which will be supported through a new Constituency Action Network launched in August 2024.

Alongside this, JPIT coordinated responses to political developments on various issues of concern, including changes in climate policy and legislation on the asylum system, and held an event in parliament for church leaders. It supported the Church in its response to conflicts in the Middle East, Ukraine and Myanmar. It also continued to resource local churches, members and

leaders in their engagement with issues of justice and peace, through its daily invitations to 'Stay and Pray', regular topical blogs and podcasts, including 'Politics in the Pulpit?', a weekly lectionary-based preaching podcast.

Publishing Services continue to work in close collaboration with the Communications team, together focused on delivering 'digital first'. For example, by supporting all teams responsible for their own web content to help them to curate and retarget copy to be more succinct, relevant and cross-linked with other related pages and digital channels. Rigorous commissioning and approvals processes aim to choose the channels and media for the widest distribution and greatest accessibility of Methodist resources across the Church, but also to ensure we only print when we really need to and in the smallest economic print quantities possible.

The majority of our resources are unpriced. The most significant annual investment in unpriced print continues to be the production and distribution of the flagship magazine, *the connexion*, with 58,000 copies of three issues distributed to around 20,000 addresses, plus a limited print run of a fourth promotional issue, re-emphasising the value of this publication to members of the Methodist Conference.

However, we did publish two 'trade' books in 2023/2024. *Finding Nana* is an innovative collaboration with Methodist Homes to help young children cope when elderly relatives need to move into care settings. While *We Have Voices* is a book of prayers for peace and justice for anyone leading public-worship, collective or group prayers, services and reflections, and linked to the embedding of our Justice-Seeking Church strategy.

2. Children, Youth and Families

Our annual Children and youth residential event 3Generate 2023 was a great success creating a vibrant engaging space for children, young people and their group leaders. We saw a growth in numbers attending the event with 1300 children and young people and approximately 400 group leaders supporting them. This included children and young people from 26 Methodist Districts. The event delivery was also supported by 240 volunteers who made up our facilitation and delivery team.

The event supports the Christian discipleship of children and young people aged 4-18 years old in the Methodist tradition. It offers a space to value, inspire, support and equip the group leaders who bring the children and young people to the event. During the event children and young people explore what it means to be a disciple in their local church and community.

4-7yr olds and significant adults Venue at 3Generate

There were 122 adults and children participating in the 4-7s venue, using an intergenerational approach where children and adults participate together and enjoy conversations about faith and big life questions.

Accessibility and inclusion at 3Generate

We partner with an organisation called "Growing Hope" who are experts in enabling accessibility for all children and young people in Church contexts. We have developed and delivered training to all our volunteer team that equips accessibility in all aspects of the event.

Volunteering is key to the success and delivery of 3Generate

Volunteers were welcomed from around the Connexion from a variety of contexts including Deacons, Ministers, Chairs, Local Church members, Cliff College Staff and Students and from the Connexional Team. We invest in our volunteers with training and they incur no personal financial costs. We pay travel, provide food and team clothing. All of our volunteer team have completed Unconscious Bias training, Safeguarding, Accessibility Training and attend a team building and briefing day.

Our event programme is informed by children and young people and is relevant and life changing
A Methodist Way of Life continues to be embedded in the event programme with opportunities to explore and engage with the 12 practices creatively across the entire event enabling both children and young people and their group leaders to engage with this. Alongside workshops, Worship and sessions to explore vocation, Justice and being a disciple now.

3. Evangelism and Growth

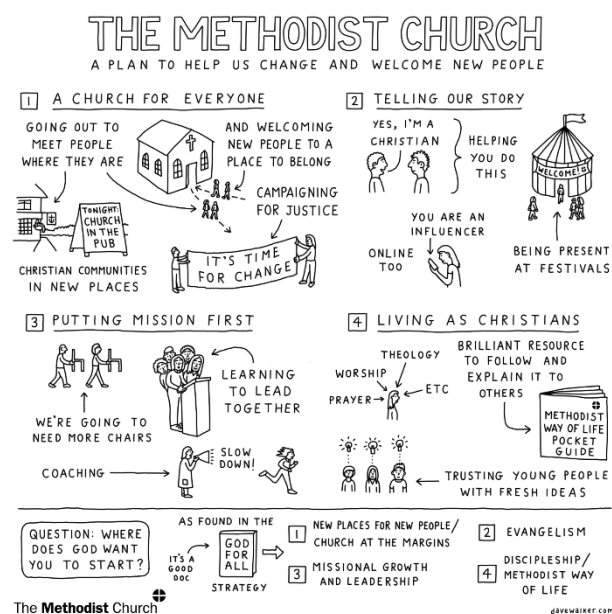
The *God For All: The Connexional Strategy for Evangelism and Growth – Strategic Update and Renewal (2025-2032)* report was received by the 2024 Conference. It detailed the work undertaken since the *God For All* strategy was agreed in 2020 and how this has since been shaping the mission and ministry of the Methodist Church ever since, while supporting its people in evangelism, discipleship, missional growth and leadership. The Conference voted to re-affirm the strategy, renewing its objectives until 2032.

Some highlights:

Starting New Christian Communities. New Places for New People new Christian communities have now been started in 18 districts, with planning active in the remaining districts. Our expanding Church at the Margins priority means that many of these new communities are being led by those experiencing poverty and also that existing churches in poorer communities are supported.

Evangelism in the Public Square. Through our deepening commitment to evangelism, the Methodist Church hosted high-quality creative “public square” venues at ten significant national cultural festivals including an RHS Flower Show, Edinburgh Fringe Festival, Formula 1 British Grand Prix, Cheltenham Literature Festival, Sidmouth Folk Festival, and London Comicon. These events involved training hundreds of Methodists as evangelists and having thousands of deep, spiritual conversations with festival goers.

Inclusive Mission. Our commitment to missional growth and leadership has deepened, with increased support for church and circuit teams to help them reflect on their growth and discipleship planning while learning about growing healthy and differently sized churches, with particular attention to youth and children, young adults, rural churches, and Culture and Language Diverse Fellowships and Congregations.



Towards a Joyous and Vibrant Future

To celebrate the Church's deepening commitments to be a growing, inclusive, evangelistic, and justice-seeking Church, the well-known artist and writer Dave Walker brought the words and promise of the report to life with a playful cartoon, which has been shared virally.

<https://media.methodist.org.uk/media/images/God-for-all-final5a-04-24.original.png>

4. Global relationships

The Methodist Church in Great Britain (MCB) has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC).

In 2023 the GRC set spending priorities for the World Mission Fund reflecting the fact that the long draw down of reserves was gradually nearing completion. This led to a new strategy focused on: short-term Capacity-building and Mission Initiative grants to our Partners and long and short-term personal global encounter and relationship sending. Following the extensive consultation with partners on these priorities, the difficult process of ending the lay mission partner programme was completed in August 2024. Prior to this a full debriefing and gathering took place. In May 2025, the Global Relationships team will collaborate with Methodists for World Mission to celebrate the contribution of lay Mission Partners.

As well as continuing to support Ordained Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the global Church.

We have one Global Mission Fellow (GMF) serving MCB from Malawi until July 2025, this is another enriching placement both for participant and placement site at Wesley's Chapel and Leysian Mission. We are encouraging young British Methodists between the ages of 20-30 to take up placements in this programme.

An eight and a half month Encounter Worldwide placement took place across two partner organisations and churches in Colombia and Chile. This supported the work of a grassroots faith based human rights organisation in Colombia and English teaching at a Methodist school in Chile.

Under the Encounter Together short-term group visits programme the 'Living Christianity in the Holy Land' visits are currently on hold. A visit of young people from the Birmingham District to the Methodist Church in the Caribbean Youth Event took place in July 2024. Through the Church Action Network (CAN) programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context. This work is entering its last two years of funding.

The first pilot global conversations based around the topic of inequality as it relates to land rights and the specific impact on women, children and disabled people was facilitated from September 2023. This has brought together practitioners, theologians and leaders from around the world. The work is moving into a stage to distil the findings and relate the theological insights to the practical approaches on this issue that can help provide others with 'tools' for application in their context.

We are continuing to encourage British Districts to twin with Partner Churches or parts thereof and have seen district twinning partnership visits to districts in Britain from partners, and to partners from British districts.

We received representatives from several of our Partner Churches at this year's Methodist Conference and had fruitful discussions at a 2-day Pre-Conference Consultation around topics chosen by our Partners, with focus on justice and solidarity.

An MCB only appeal was opened to respond to the crisis in Gaza. The funds collected are being focussed on the Princess Basma Centre which specialises in occupational therapy, physiotherapy, and speech and language therapy, and the Department of Service to Palestinian Refugees (DSPR) which is part of the Near East Council of Churches (NECC). Funds are

distributed working in partnership with the United Methodist Church (UMC)– United Methodist Committee on Relief (UMCOR).

The funds remaining in the Ukraine joint appeal funds are being distributed to work in Ukraine and Romania as the conflict continues. These funds were originally set aside for re-building projects but the ongoing needs caused by the extended conflict has led to the decision in collaboration with All We Can to release these funds. GR and AWC are working with partners to distribute these funds.

World Mission Fund Grants

As we continue to honour our commitments to the existing National in Mission Appointment (NMA) and Scholar and Leadership Training (SALT) for the agreed duration we have finalised the regional grant giving process. This helps bring the World Mission Fund down to its reserve level, in line with our responsibility for the effective stewardship of the resources available.

This Connexional year over £3million in Regional Grants have been approved for partners in the Pacific and Africa. The conflict continues in Myanmar with restrictions on direct fund transfers. The decision was approved by the GRC and SRC to release already approved grants to partners in Myanmar via a third party organisation, this work is now beginning.

In addition to that, £195k in Solidarity grants were distributed from the World Mission Fund to our partners across the regions in 2023-24.

The Solidarity grants this year were used to support: families in Pakistan affected by religious violence; flood victims in Kenya and Sri Lanka; relief for those affected by fires in Chile; the response to the Cholera outbreak in Zambia; those in Ecuador affected both by political violence and El Nino; the church in Haiti during the continuing political and social crisis; drought relief in Zimbabwe, and support 10 national church leaders to travel for the World Methodist Council and Conference.

One Lay Mission Partner supported partners with safeguarding policy, and safeguarding training. During this year safeguarding workshops were held in Uganda and South Africa. The basic work on safeguarding policies is complete, but will be kept under review.

All We Can (Methodist Relief and Development).

All We Can has provided long-term development support to 28 local partners in ten countries over the last year. In collaboration with the Global Relationships team All We Can has continued to provide organisational development support to Methodist churches across different regions through the ChurchCAN initiative. These churches include the Methodist Church in the Caribbean and Americas (MCCA – covering multiple districts and national churches across the region), the Church of North India (CNI), the Methodist Church in Sierra Leone (MCSL), and the Methodist Church of Southern Africa (MCSA- covering multiple districts and national churches within the region). The support involves supporting the churches development of a 5-year strategic plan, and subsequently providing funding and capacity development support for the church to implement these strategies. With the partnership with the Methodist Church in Sierra Leone having come to an end last year, All We Can facilitated a learning review in Freetown between 8 – 12 April 2024 to enable the church to reflect on change within their church.

All We Can has continued to engage and lead the development of research and working groups through the BOND network (the UK network for organisations working in international development), working to develop a comprehensive framework and guidelines for organisations willing to change their way of working. The approach puts local organisations and communities, in low- and middle-income countries, in the lead, to more sustainably and responsibly address poverty. This work will result in new and measurable sector commitments, transformative change

that acknowledges the intersectionality between racism and colonial models of aid, and a toolkit that will guide organisations through the process of developing a tangible action plan to change the way support is given around the globe.

The strategic planning process with MCSA has been reinvigorated following some delays, and All We Can facilitated the MCCA to undertake a midterm review as they approached the halfway point of their 5-year strategic planning. We continue to provide peer support to CNI while the partnership is paused.

Our emergency response work remains a critical part of our organisational impact. Utilising specialist responders and situational analysis, we responded to a variety of disasters and emergencies in the past year. Our decision to respond is based on the premise of added value.

We continued to respond to our regional East Africa appeal in Ethiopia and Somalia. In Ethiopia, we supported Danish Church Aid (DCA) undertake a MPCA programme for drought-affected households. MPCA is preferable over specific relief items (such as food and non-food items (NFIs)) as it gives households the freedom of choice as to what the grant is utilised for.

In Somalia, we supported LWF to improve household food security through climate-friendly income generating activities, including the production of energy saving stoves and a tree nursery, coupled with the promotion of peaceful co-existence within IDP camps/rural villages and climate change advocacy.

In Syria, we continued to support LWF, who sought to improve access to education in the aftermath of the 2023 earthquake through the installation of solar lighting at four schools and improve quality of life at home through the provision of solar lighting for students and their families.

The 2023/24 Financial Year witnessed the onset of the Israel-Palestine Conflict. All We Can was able to support both DCA and LWF respond to the immense needs in Palestine through one small grant to each organisation.

All We Can have an ongoing focus on building resilience, with a key focus of our work being on Disaster Risk Reduction (DRR), DRR seeks to ensure both response and subsequent recovery and rebuilding doesn't just hold people over until the next disaster (returning to pre-disaster levels of risk and vulnerability), but rather enables and supports solutions that will withstand them. In Malawi, our four local Partners (AGLIT+, CARD, FACE and Eagles) continued to walk alongside communities in the aftermath of Cyclone Freddy which caused widespread flooding in March 2023.

Last year, All We Can continued addressing the needs of Syrian and Rohingya refugees. In Bangladesh, after the decision of DanChurch Aid (DCA) to exit the country, we developed a new partnership with a local organisation, Bolipara Nari Kalyan Somity (BNKS). In the continuity of DCA's programmes, BNKS is ensuring refugees in Cox's Bazar refugee camp have access to quality education. Meanwhile, in Jordan, All We Can kept supporting the Lutheran World Federation (LWF)'s day care centre providing educational and psychosocial support activities to 3-5-year-old children in Zaatari Refugee Camp.

5. Learning network

The last year has continued to see the successful development of a joined-up delivery programme of online and in-person learning and development across the Learning Network team. This programme offers a range of options for local church leaders, lay and ordained, to engage with learning and development consistently across the connexion. The programme includes: Reflective Line Management and Lay Employees Orientation, Circuit Stewards training,

Explore, Positive Working Together courses, Supervisors and Supervisees, Supporting Rural Churches, Unconscious Bias and Worship Leading and Preaching support. An online brochure was created to advertise these programmes, which was shared in September 2024.

The Learning Network is now operating as one team with a new management structure this has enabled the team to work more collaboratively and effectively in equipping lay and ordained leaders across the church whilst identifying further learning and development opportunities.

Learning Network staff continue to work with colleagues in both the Ministries and Mission team, in supporting and resourcing learning and development in all aspects of the church's life. This includes working closely with the Evangelism and Growth team in the development and delivery of the God for All 2 strategy, as well as working with others on Children, Youth and Families, Local Lay Pastors, Supervision and Worship Leading and Preaching.

The rollout of the Way of Peace programme (the combination of the Positive Working Together and Reconciliation and Mediation Team) continues across the connexion, with the first stage of the phased roll-out starting in September 24 drawing in the Scotland, Shetland, Newcastle and Yorkshire West Districts. The remaining districts will be phased to join the programme over the following years.

6. The Conference, Council and Governance

The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting hosted from Leeds, in June/July 2024:

- 23 presbyters and 7 deacons were received into Full Connexion on Sunday 30 June, along with 10 presbyters by transfer and 1 presbyter by reinstatement and transfer. Later that day, those presbyters and deacons not already ordained travelled to churches around the region for the ordination services.
- The Conference adopted the Standing Order changes which enable the Connexional Council to come into being. The Connexional Council will be the trustee body for the Church's connexional business and property, and will undertake many of the functions of the Methodist Council and Strategy and Resources Committee.
- The Conference agreed to the establishment of a new District incorporating the present Plymouth and Exeter and Cornwall and Isles of Scilly Districts and is called the South West Peninsula District. The Conference agreed that the present Manchester and Stockport District should be incorporated into the new North West England District. The Conference also agreed to the establishment on 1 September 2025 of a new District, the West Midlands District, comprising the present Wolverhampton and Shrewsbury District and Birmingham District.
- Following the Conference's adoption last year of the Justice-Seeking Church report, it spent time conferring on the justice priority of poverty in the UK. The Conference was led each day in a Bible study which also focused on this theme; these were led by Jenny Sinclair, Founder Director of Together for the Common Good.
- The Conference received the report and adopted the recommendations of the review of the Church's complaints and discipline processes as set out in Part 11 of Standing Orders. The recommendations seek to ensure that the tenets and principles of the current processes are retained, whilst enhancing the core values of seeking resolution whilst providing support to those impacted by the processes.
- The Conference celebrated the work achieved so far as part of the Church's God For All Strategy for Evangelism and Growth and reaffirmed it for its next phase for the period from 2025 to 2032. The strategy links encouragement for bold evangelism with the

Church's missional priorities of justice, ministry in economically-marginalised communities, and worship renewal. The Conference commended the report to the Methodist Church for continuing prayerful discernment and missional action throughout the Connexion.

- The 3Generate report to the Conference detailed how the children and young people had expressed their views as part of their participation at 3Generate, the Methodist Children and Youth Assembly, held last October at the NEC in Birmingham. It explained how children and young people are aware of the ever-increasing social injustices that are present within our society in Britain and internationally and how the Church can support them as they grow in faith.

The Methodist Council

The following are just a few of the actions that the Council carried out during 2023/2024 in accordance with its governance responsibilities.

- It reviewed the risk management policy and the corporate risk register.
- It received reports from many committees and made appointments and nominations to various bodies and committees.
- The Connexional Secretary approved the Modern Slavery Transparency Statement for 2023/2024, on the Council's behalf.
- It received updates on serious incident reports made to the Charity Commission.
- It approved the list of authorisations and delegations.
- It received a report concerning some connexional funds and agreed the principles for amending their purposes to ensure that they are being used in support of Our Calling.

The Methodist Council also worked towards the transition to the new Connexional Council, which was established from 1 September 2024 and has taken on the legal role from the Conference as the trustee body and undertakes roles previously delegated to the former Methodist Council.

Safeguarding

Work has continued on all the areas detailed in last year's report – updating and developing of training resources, reviewing and refreshing policy – as well as the work around the future shape and functioning of safeguarding structures in the church. To this end the Conference agreed to the introduction of a single connexionally employed safeguarding service which will see existing District Safeguarding Officers moving into four regional teams under common management in order to assist greater consistency in practice and support to those undertaking the work. This is a substantial programme of change for all involved and will be completed by the end of the connexional year.

At the same time the Safeguarding Committee has been continuing to learn from the ongoing programme of district audits and brought forward proposals to provide a more independent approach to the oversight of safeguarding across the church and the revising of how the committee's membership is made up and undertakes its functions.

All of this is undertaken with an increasing commitment to learning from the experience of victims and survivors who have experienced abuse within the church and builds on work we are already doing in this area. We also meet with colleagues from the Church of England and are open to the lessons we can learn from their experience..

7. Ministries: Vocations & Worship

The Ministries: Vocations & Worship (MVW) Team has continued to work with the new candidating and vocational discernment scheme which has clearly demonstrated that it is more accessible to a broader range of people – both applicants/candidates and committee and group members involved in the processes. It has been hugely encouraging to witness and experience

the ways in which it is producing increased interest and engagement, with higher than expected numbers participating in the Discerning Ordained Vocation stages (DOV1 and DOV2) of discernment. The year 2023-24 involved work on the rollout of an 'Explore' phase which has enabled people to reflect deeply and proactively on their vocation and calling to ministry through worship, learning and caring, evangelism or service. During the year, there was continued work in the development of a number of key projects within the team's responsibilities.

In March 2024 the MVW team, with the support of a number of lay members, deacons and presbyters from across the Connexion, led two mornings for those considering ordained ministry. These have been well-attended and involved sharing information about the Discerning Ordained Vocation processes, reflecting on what it means to be an ordained minister in the Methodist Church, and the opportunity to talk with those engaged in ordained ministry in many different contexts.

The Church continues to invest in supervision with some 500 trained supervisors in place. Work to enhance the skillset of supervisors has included refresher days for those out of practice, a series of upskilling modules on topics as diverse as theological listening & the best use of forms to support the work and an intentional programme for those who support others in developing, and reflecting on, their supervision skills in practice. Mixed teams of employed staff and volunteer facilitators/experts continue to lead on this work. Senior leaders in the Church are supported through external professional supervision. Such supervisors gather to reflect and develop their own skillset convened by the MVW team. The church will undertake a significant piece of research over the next two years which will feed into reporting on supervision to the 2027 Conference.

The MVW team continues to support Superintendents through a 12-month Induction programme for new Superintendents. The team also organises and leads two residential Connexional Superintendents' Conferences at Oxford and Blackpool. Both pieces of work draw on expertise from other Connexional Team members to resource and support Superintendents as they lead circuits in mission and ministry. Additionally, the MVW team works closely with new District Chairs, facilitating induction and training sessions.

A priority of the MVW team is to support the wellbeing of ordained ministers. This includes leading a number of 'reflection space' residential events to support the wellbeing of ordained ministers. These have included 'First Moves in Ministry' for presbyters who are discerning whether to go into stationing after their first appointment, 10-12 years in ministry, 25+ years in ministry, residential events for those ministers who are going to become supernumerary. Feedback from these have been very positive. In addition, pensions and housing webinars are also held. The MVW team continues to develop the Superintendents' and ministers' handbooks which aim to resource ministers, and also include sections and resources on wellbeing.

A key focus for the MVW team this year has been to explore how Local Preachers' Meetings can fulfil their potential as dynamic learning communities, equipping and resourcing those engaged in worship and preaching in a wide variety of contexts. Opportunities for ongoing learning form a major part of this, together with exploration of how our Standing Orders need to change to reflect a church focused on increasing diversity of missional opportunity. Areas of work in support of the work of local preachers (LPs) and worship leaders (WLs) include:

- Re-constitution of the Necessitous Local Preachers' Fund
- Work to reform Local Preachers' Meetings as learning communities for all involved in leading worship
- Equipping people with the skills and confidence needed to plan and lead the increasing number of Local Arrangements.
- Establishment of the Ongoing Learning Hub for LPs and WLs

Translation of the Worship: Foundations training resources into Welsh has been completed and

work has commenced on provision of training materials for worship leaders and local preachers in Cantonese to replace the now-obsolete Faith & Worship materials and to support the growing and flourishing Chinese Fellowships.

The Worship: Leading & Preaching blended learning website now provides an ongoing learning hub to enable all local preachers and worship leaders to log and share their continuing development experiences. Work proceeds to encourage the transformation of Local Preachers' Meetings into learning communities. Regular online connexional "drop-in" sessions are now provided for Local Preachers' Secretaries.

We continue to work with Cliff College to provide learning and development for local lay-pastors (LL-Ps), supporting those currently on the accreditation pathway, reflecting on how we best support the Church in equipping LL-Ps. The learning and development pathway is adjusted to each Circuit's and LL-P's needs so that appropriate learning opportunities are given for people's skill and knowledge levels, very important for those who have been in LL-P roles before the office. This approach requires more resourcing, but is key to supporting local settings to appoint people to ministry that meets Circuits' missional needs. More Circuits are exploring a wider range of patterns of ministry, seeking support from the MVW team and Learning Network and increasingly there are conversations about LL-Ps. The MVW team is exploring how Circuits are supported in conversations to help congregations think differently about what ministry might look like, with more lay and ordained people working collaboratively, providing a great opportunity to release people to use their gifts for mission as part of the ministry of the whole people of God.

The MVW team has shared agreed priorities and ways of working with Cliff College, including those for shared work in Evangelism and Growth, and have been involved in the development of leadership resources through work at the Queen's Foundation, preparing for new online leadership resources. The team is also involved in participation on cross-connexional-team 'Flourish' project to equip local churches in their engagement with their local schools.

We have agreed scholarships towards research projects for Methodist students and there have also been two Research Conferences to support continuing students.

MVW hosted a very well attended online celebration of chaplaincy with the President and Vice-President of the 2023 Conference affirming and giving thanks for the ministry of chaplains, and inspiring some interesting theological conversations. Our work in MVW ensures chaplains are valued and supported, working with a range of partner organisations through the Methodist Chaplaincy Forum to build chaplaincy capacity, and develop strategies to tell chaplains' stories. The team is now developing a research project into chaplaincy and discipleship which will include theological reflections for helping chaplains and the church learn. In order that this work links with church priorities such as the God For All strategy, we are exploring how understandings of discipleship relate to chaplaincy. We hope chaplains feel better equipped to think about discipleship, but can also provide learning about what discipleship looks like beyond church buildings, in varied contexts, adding richness to understanding what fulfilling Our Calling looks like beyond church activities.

Singing the Faith Plus (StF+), now The Resource Hub, continues to be an incredibly popular resource and one of the most visited parts of the Methodist website. The MVW team has been working hard to ensure it continues to resource worship well. The transition of the StF+ editor into a direct working relationship with the MVW team (from August 2023) is one feature of the team's work to develop its Worship remit. A cross-Connexion visioning day hosted by the *Singing the Faith* (StF) Reference Group in March 2024 addressed the question of how to develop a shared vision for The Resource Hub across the Connexion, to support the Methodist Church in fulfilling the worship aspects of *Our Calling*. Additionally, the placing of StF-related work within the MVW team now underpins increased collaboration with other connexional projects. For example:

- With Methodist Way of Life initiatives, including service outline.
- Bible Month – closer cooperation with the development team in 2023 (including participation in the training session) has been followed up in 2024 with the production of the Bible Month resource on Genesis. This is the fifth Bible Month resource produced by StF+

The Resource Hub was envisaged at the outset as a ‘rolling resource’ to support and complement the printed hymn book. It publishes new hymns and songs that the hymn submissions group feels add something to the content of the hymn book in terms of style, theme or written expression. Following a revision of the content and criteria in 2020-21, The Resource Hub now has 130 hymns and songs on the site, with a further 16 currently under consideration. The suggestions of hymns to accompany the lectionary readings are the most popular landing points for site users. In the past year, The Resource Hub has adopted a policy of using these posts to link to other resources on The Resource Hub and elsewhere on the Methodist website. Ongoing development of the site will allow a still greater range of resources for worship and daily reflection to be accessed from the Hub’s calendar.

A refreshed and engaged StF Reference Group has facilitated new content on the website, often led by Reference Group volunteers or other supporters, for example:

- Methodist Liturgies are being made available online at The Resource Hub
- Sing All! help sheets to assist congregations to use popular worship songs listed in CCLI’s ‘top 100’ chart of most-used hymns and songs
- Index of where biblical readings appear in the lectionary
- Spreadsheet consolidating information about, and cross-referencing, all the hymns in Singing the Faith

The Queen’s Foundation

Foremost in its work as a Network Centre, Queen’s leads the Church’s responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen’s Connexional Course), and circuit-based learning pathway (CBLP). In the year 2023/24 the Foundation had a total of 39 student ministers. Of these, 25 were full-time and 14 part-time; 9 were student deacons and 30 student presbyters. Among the full-time students were 7 students who were on the CBLP.

These groups are part of the Foundation’s learning and formational communities, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen’s offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT. All probationers continue their studies through this pathway, with variations and exceptions agreed by the Ministerial Candidates and Probationers Oversight Committee [or’ by connexional oversight bodies’]. In 2024 there were 51 probationers on the programme of probation studies designed to build on their pre-ordination training.

Queen’s continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Birmingham Newman University). The research centre offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world’s best. Queen’s continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period, especially through projects and initiatives funded through the Methodist Church’s Global Relationships work. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation’s life, offering courses at undergraduate and postgraduate levels to students

across Britain. The re-launched Centre for Discipleship and Theology offers a range of courses in a variety of formats aimed primarily at those exercising lay ministry or interested in deepening their theological learning and reflection.

Cliff College

Cliff College is Methodism's 'own' college, and works under the authority of the Council, delegated via the Cliff Committee. It cherishes its historic commitments to evangelism, and its more recent and growing work in digital and global theological education. Cliff College works in partnership with several teams across the Connexion to deliver a range of projects and programmes which contribute to current priorities. The college now offers a limited number of focused courses, which are identified by the Church as being strategically important. This year these have included Pioneer Ministry and Faith in Change and Conflict. There continues to be shared work with the Evangelism and Growth and Global Relationships teams, the Cliff Festival and postgraduate degrees which contribute towards continuing ministerial development. They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

Recent work better to align Cliff's work with the wider Connexion, and to operate more closely together, has begun to bear fruit. There is now a shared set of priorities for work to be delivered in the coming year. The year 2023/24 saw continued embedding of the senior leadership team of Cliff into the Connexional Team, and the ongoing development of new governance plans and business and ministry strategies. MCBX is now established as the online learning site of the Connexion. Closer collaboration in the areas of global theological education, children, youth and family ministry, and evangelism are now consolidated.

The college continues to develop its Mission and Ministry Development Units, which were specifically designed to serve the needs of Local Lay Pastors, but are also broadly suitable for preachers, lay workers, and others who are involved in the life and ministry of the Church. Over the past year, units have been delivered in 'Ministry in the Methodist Tradition', 'Pastoral Practice', 'Christian Spirituality', 'Growing in Leadership', and 'Christian Theology in Outline'. Cliff's new BA degree has continued to prove attractive, with undergraduate recruitment looking promising through the year. The college has also developed a new MA Theology and Mission programme, which, like the new undergraduate degree, will be dual delivery (online and onsite). The new programme provides a suite of units that build on the College's heritage and emphasis on mission, as well as serving the priorities of the Methodist Church, given that many of our MA students come to the programme as part of their ongoing learning and development within ministry roles.

The College continues to invest in the development of its research culture. This has included the development of a regular hybrid research seminar, as a context for faculty, research students and guest scholars to share learning and discuss new developments in knowledge and practice. Cliff continues to be a place for gatherings and meetings, including work with Ministers of other Churches and Conferences (MOCCs), the pre-ordination retreat for presbyters, committee meetings and Stationing Matching Group. In addition, Cliff has been successful in attracting new clients to its conference facilities including the annual gathering of the Church of the Nazarene and collaboration with the Chatsworth Estate during its major events.

Southlands Methodist Trust

The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society.

The SMT co-sponsors an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at www.southlandsmethodisttrust.org.uk. A Methodist presbyter serves in an appointment as chaplain to the University, based at Southlands, and sharing the work with an interfaith team.

The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. Southlands co-hosted the International Association of Methodist-related Schools, Colleges and Universities (IAMSCU) global meeting in 2023, which brought well over 300 representatives of Methodist educational institutions from all over the globe to an in-person gathering in London, Bristol, Bath and Cambridge: all key centres of Methodism in England. This week-long gathering was a defining moment for Methodist Education, that will shape the strategic approach of both IAMSCU and member institutions for years to come.

Southlands worked throughout the year to support the agenda of the Methodist Church in Britain to nurture and develop its mission in Methodist Schools, which focuses on the education strategy, *Transforming Lives*. The Head of College continues to act as a trustee of Methodist Schools (MAST). During this year, the SMT has continued also to provide a significant grant to Methodist Schools, which enables MAST to sustain a leadership staff team which manages the practical implementation of the trustee body's responsibilities and decisions.

8. Property

During the year, the Property Support team has continued to provide a wide range of direct and indirect support across the Connexion, from Connexional properties through to supporting Trustees with their local church buildings.

Direct support to Managing Trustees and Ministers considering property matters such as redevelopment, reordering or disposal has increased during the year. This has been provided in a hybrid form involving online meetings where practical, alongside more traditional in person site visits. By year end, support covered the following very broad themes:

- 22% development with a new church
- 3% mission & development
- 13% sale combined with church reordering
- 19% property or portfolio reviews
- 3% reordering projects
- 3% property management
- 16% general property support/guidance
- 16% property sales
- 5% property leases

The team also provided support, at different levels, for Connexional property:

- New Methodist Church House at 25 Tavistock Place, London
- The Wesley Hotel's at Camden and Euston
- The Shrubbery, Strood (tenanted by Langley House Trust)

- Central Hall Manchester redevelopment
- Connexional manse portfolio nationally

In addition, the Connexional Conservation Officer continues to provide support and guidance to those tasked with managing Listed Buildings or buildings in Conservation Areas, together with administering the Ecclesiastical Exemption.

Indirect support in the form of written guidance and advice for a general audience supported the wider work of the Connexional team, including:

- Church and Circuit Property Stewards Handbook: the new report was published in September 2023 and forms part of the standard suite of Connexional Handbooks for various roles and responsibilities within the church. The new handbook is available to download at www.methodist.org.uk/for-churches/equipping-circuits/offices-and-roles/property-stewards/.
- Closing Church Property Guidance: the guidance was updated and republished in October 2023 and can be downloaded at www.methodist.org.uk/property/a-z.

The team has contributed to the organisation of and/or participation in the following committees, gatherings, training or other events:

- Online events for District Property Officers
- Listed Building Advisory Committee
- Housing & Homelessness Forums
- Superintendents' Conferences – two property workshops on alongside a daily surgery:
 - Home Truths: towards an honest discussion about property
 - Laying a firm foundation for a church building project
- Central Buildings Manchester Management Committee
- Probationer training, Queens Foundation, Birmingham

The team continue to value the network of District Property officer. The online monthly forums are now well established and provide a valuable way for officers to engage with others in their network along with property colleagues and others. This is complemented quarterly with longer, speaker-led events which provide officers with training and learning opportunities.

The Director, team and other Connexional team colleagues began work on a new Vision for Property strategy and guidance during the year. This was requested by the Property Development Committee (PDC) which included the establishment of a working party made up of a broad representation from across the Connexion. In August 2024 a draft report was presented and approved by the PDC for taking to the new Resourcing Committee in the 24/25 Connexional year following the end of the PDC under the new governance arrangements.

In terms of resources the Property Feasibility Fund, by the end of this year had distributed £101,897 to the 15 churches or circuits who had applied; this provided funding to churches exploring future uses of their property or property portfolio for mission (the fund provides 60% of the total costs required to explore the ideas, up to max. £10,000). The team also underwent a slight restructure to ensure it was meeting the demands for its support nationally, including the recruitment of a new Property Support Administrator, a Property Resourcing Officer and two new regional Development Managers to provide trustees with guidance around issues such as development, feasibility and funding.

Plans for the future

The Connexional Council continues to be shaped by and committed to the vision which was reaffirmed as the strategic driver of the Church's work in 2021, collectively known as 'Reaffirming Our Calling':

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

The Church does this through: Worship, Learning and Caring, Service, and Evangelism:

WORSHIP - Ensuring our worship and ministry is effective, relevant and gives glory to God.

LEARNING & CARING - We are an inclusive Church

SERVICE - We are a justice-seeking Church

EVANGELISM - We are an evangelistic people

The Council is also committed to A Methodist Way of Life (MWOL) which provides a further level of detail to the four aspects of Our Calling by elaborating aspects of each. A Methodist Way of Life aims to provide a clear, detailed, and practical framework for what Methodist discipleship can look like in the 21st century. A Methodist Way of Life seeks to connect the diverse work of the Church in the world and to communicate it clearly to the world:

A MWOL commits us as people to;

Worship

We will pray daily. We will worship with others regularly.

We will look and listen for God in Scripture, and the world.

Learning & Caring

We will care for ourselves and those around us. We will learn more about our faith.

We will practise hospitality and generosity.

Service

We will help people in our communities and beyond. We will care for creation and all God's gifts.

We will challenge injustice.

Evangelism

We will speak of the love of God.

We will live in a way that draws others to Jesus. We will share our faith with others.

The Council's work therefore continues to centre around how the work of the Connexional Team and the policies of the Council specifically support the four headings of Our Calling. Alongside this our Strategy for Evangelism and Growth (as agreed by the Methodist Conferences in 2020 and 2024) emphasises being an inclusive, evangelistic and justice-seeking Church to fulfil our calling.

The Methodist Conference affirmed that with the guiding principles of Our Calling and MWOL it seeks to become a growing Church once again: growing spiritually, growing in outreach and influence, growing in the depth of our commitment, and growing numerically.

The Environment

Action for Hope: care for creation

The Methodist Church has set an aspirational target of becoming a net zero carbon emissions church by 2030. We call the journey towards this goal, and the work it entails, [Action for Hope](#).

Throughout the 2023-2024 this work was led by the Action for Hope Implementation Officer. As this role was externally funded and on a limited term contract, a key responsibility of this post was to plan for the period 2024-2030 and embed net zero within the broader work of the Connexional Team.

Significant effort this year was devoted to creating a structure to deliver net zero work over the coming years, and as a result of this work a Director of Environmental Engagement has now been appointed. Alongside the Director, a Net Zero Property Officer role has been created. Further planning and development of the team will continue in the 2024-2025 Connexional Year.

Assets

As the majority of assets detailed within this aim (buildings, travel and investments) lie beyond the direct control of the Connexional Team, efforts have focussed on equipping and empowering those with responsibility in districts, circuits and churches. Good networks have been developed with key stakeholders including District Property Officers, District Chairs, property experts and Eco Leads throughout the Connexion.

A £3m grant fund was agreed by the Methodist Council in early 2024 to be administered by districts and to fund net zero adaptations in churches. Criteria were established with districts to ensure appropriate stewardship of funds, and implementation of this grant is ongoing.

Wisdom

The process to review and update [Hope in God's Future](#) (as outlined within the Action for Hope Faith Plan) is underway, and the timeline remains in place for the revised document to go to the Conference in 2025. Conversations are underway as to how the revised document is best utilised in engaging Methodists throughout the Connexion.

Eco Church have remained a close partner through the past year, and the criteria for an Eco District have been rewritten to encourage districts to participate, and thus drive up participation amongst local churches. This is in the context of a new Eco Church survey being launched and working both with A Rocha in consulting on the content of the new survey and helping churches to understand the changes.

Lifestyles

Work was undertaken during this Connexional Year to evaluate currently available carbon foot printing tools, in order to avoid recreating something which already exists. A preferred partner was identified for this work on the basis of the nature of the survey and the data which could be shared. Conversations have been ongoing with the provider of this service with the intention of using this approach to measure individual emissions.

With the co-operation of the Learning Network a Methodist Eco Community (a community of practice) has been developed to allow those working in this area throughout the Connexion to share stories and good practice and hear from experts as appropriate. This will sit alongside the Environmental Justice Priority Collaboration Group which will also support individuals in taking action on the environment.

Remuneration of Key Management Personnel

The Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Resourcing Committee (or Strategy & Resources Committee prior to 1 September 2024). The senior management group of the

Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church's policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Methodist Council and the Strategy and Resources Committee are in Notes 25–27 to the financial statements.

Fundraising Activities

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church;
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources; and
- legacies are received either for general funds or the mission funds.

The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means. It also acknowledges the generous support of the Benefact Trust which has provided grants of £0.675m during the 2023/24 financial year.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

Financial Review

The activities covered in these consolidated financial statements are those that were under the oversight of the Methodist Council (until 31 August 2024). The Methodist Church in Great Britain is the registered charity, and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

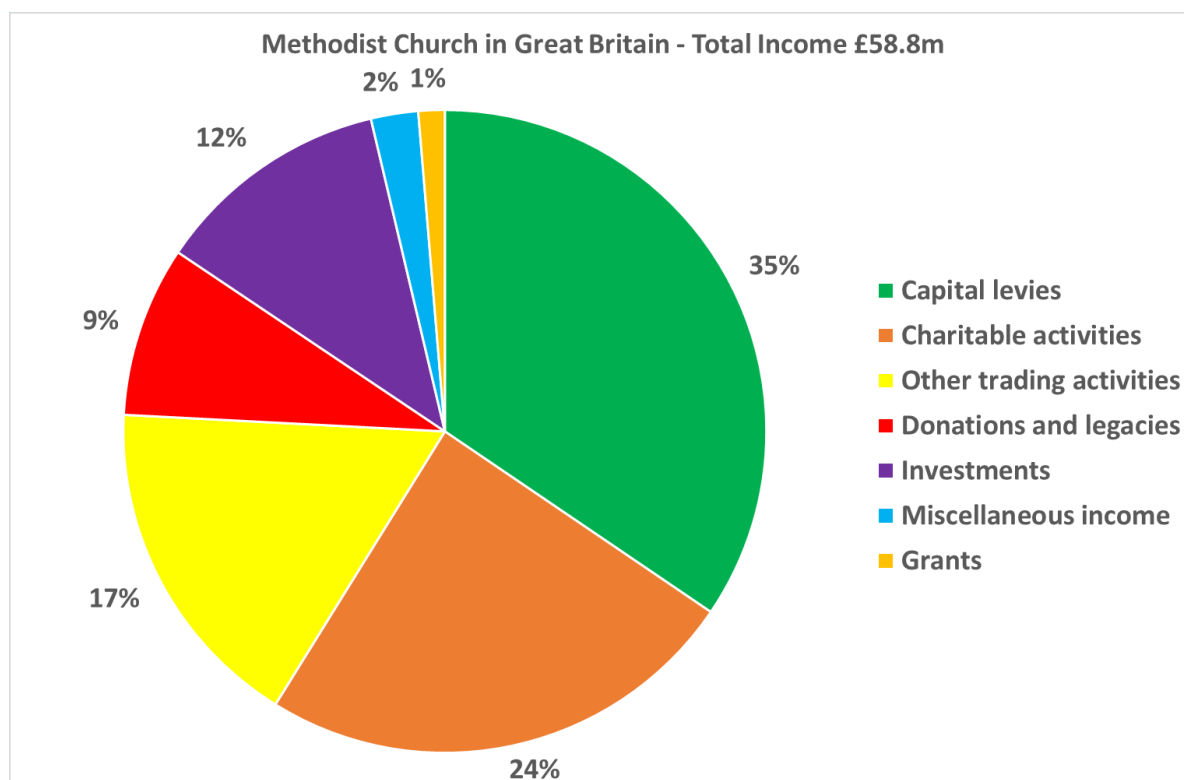
The net income for the year was a surplus of £5.8m (2023: £4.5m deficit), including net investment gains of £14.2m (2023: £5.6m loss). This investment gain largely reflected the improvement in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These increases reflected the market conditions in the wider economy.

Other recognised losses for the year were £1.7m (2023: £5.0m). A £1.2m loss (2023: £1.7m loss) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 86). A £0.5m loss (2023: £3.3m loss) resulted from the revaluation of the Church's charitable properties.

Income

The total income for the year was £58.8m (2023: £53.0m). The increase of £5.8m was mainly due to the following:

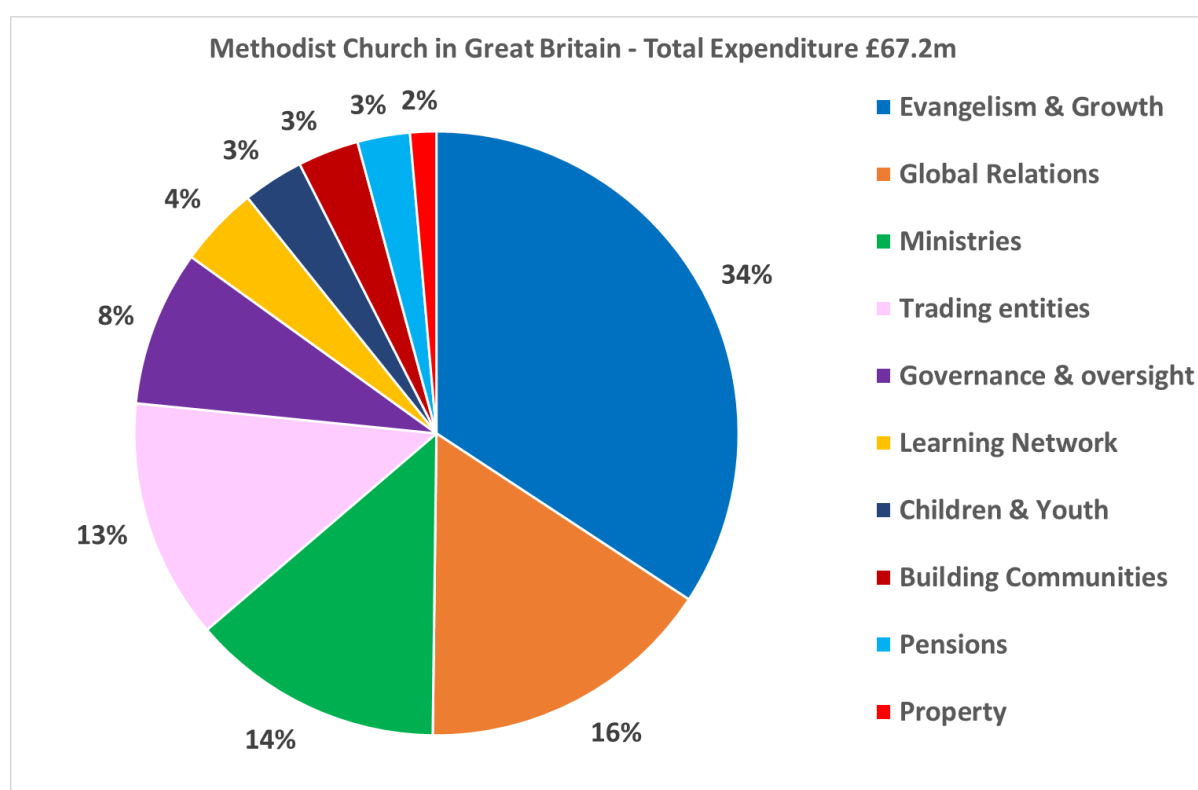
1. A £1.4m reduction in donations significantly due to: a reduced grant from the Benefact Trust, and reduced donations to Cliff College and Y Care International.
2. A £0.8m increase in District Assessment income.
3. A £1.0m increase in investment income.
4. A £0.5m increase in trading income as the activities at MICL continue to improve and there is a full year of trading at the new hotel in Camden.
5. A £4.8m increase in property levies as the average value of sales have increased.



Expenditure

Total expenditure increased to £67.2m (2023: £51.9m). Of this, £58.5m was spent on direct charitable activities (2023: £43.9m). This was mainly due to the following:

1. A £0.9m increase in the cost of raising funds due to increased trading activity at MICL.
2. A £15.3m increase in Evangelism and Growth expenditure as a result of: a £7.7m increase in grants to bodies that had previously donated to the pension reserve fund appeal in 2021/22; a £4.5m increase in grants to entities to support long term sustainability; a £1.7m increase in spending on the God For All strategy, and a £1.4m increase in contributions to the District Advance Funds as a result of the increase in property levy income received.
3. A £1.0m decrease in Global Relations spend reflecting the changes to grant making as the approach to supporting capacity development of our partners continued.
4. A £1.1m decrease in Ministries spend due to a reduction in grant expenditure.
5. A £0.5m increase in pension deficit payments.



Reserves Policy

The total value of funds held at 31 August 2024 was £274m (2023: £270m). There are restricted reserves of £123m (2023: £123m), unrestricted reserves of £131m (2023: £127m), and endowment reserves of £20m (2023: £19m). The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements were under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council.

General funds

There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);
- The Methodist International Centre (included within general funds);

- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

At 31 August 2024, the balance of the unrestricted general funds was £58m (2023: £56m). Of this £51m (2023: £51m) is invested in fixed assets, used in the day-to-day running of the Methodist Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £19.2m of tangible fixed assets and £33.2m of investment properties. The trustees approved a reserves balance of £5 million. This would ensure that there is always sufficient cash or near cash at hand to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2024 the free reserves balance was £10.7m (2023: £10.7m). In line with a reduction in Assessment funding over the five year period from 2023/24 onwards, the reserves balance is planned to fall each year reaching the £5m target in 2027/28.

Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed, or they decide not to continue with the project for which the funds were designated.

At 31 August 2024, the designated funds totalled £73 million (2023: £72 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£19 million
• Epworth Fund	£6 million
• The Pension Reserve Fund	£46 million
• Others	<u>£2 million</u>
Total:	£73 million

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. In 2021 the Methodist Council approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £1.5 million. This amount allows for one year of existing commitments to be maintained due to the timing of transactions. It is anticipated that the CPF reaches its reserve level by 2029.

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The purpose of the fund is to support long term innovative projects. In 2021 the Methodist Conference amended the reserves policy to £1m with a commitment to use the remaining funds for missional purposes and in particular the costs of investment in IT. The reserve amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

The Pension Reserve Fund (PRF) exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). Following an insurance buy-in of the PASLEMC liabilities in 2024 the level of financial risk has materially reduced. The PASLEMC risk will disappear completely once a proposed insurance buy-out is completed over the coming year or so. The Council has agreed with the Pension Trustee to maintain a PRF balance of circa £30m (plus property security of c£20m) to mitigate the ongoing financial risk associated with the MMPS.

At 31 August 2024 the reserves position on the designated funds is above the policy by £23m (2023: £16.5m). Excess balances have been allocated to: the delivery of *Our Calling*; the God For All Strategy; the Action for Hope aspiration to achieve net-zero carbon by 2030, and investments in Information Technology. The balance held in the smaller designated funds is detailed in Note 19c (page 74) in the notes to the financial statements.

Financial risks

The Council's general reserve enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Resourcing Committee (the Strategy and Resources Committee prior to 1 September 2024) considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of several key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left several circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference has started a process of reducing the Assessment (by 1% in 2021/22, a further 2% in 2022/23 and then a further additional 3% in real terms each year from 2023/24 to 2027/28).

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable and have been impacted by the closure of church buildings for much of the year.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over several years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. To mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. At the 2020 Valuation recovery plans were agreed to eliminate the deficits in both schemes as follows:

- MMPS: annual payments (conditional on interim valuations) of between £0m and £2.6m for the six years from 2021 to 2026.
- PASLEMC: annual payments of £2.4m plus annual payments (conditional on interim valuations) of between £0m and £0.5m, for the six years from 2021 to 2026.

Due to the interim valuations, no conditional payments were paid to either scheme during 2023/24. As a result of the 2023 Valuation the MMPS is in surplus and a £0.7m PASLEMC deficit was cleared by a payment from the PRF in April 2024 ahead of an insurance buy in.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long-term funding objective, a remedy mechanism should funding deviate from the long-term goal, and a contingent asset that provides the trustees security over Connexional properties should the Council or Conference ever default on payments due. Due to the improved funding position as at the 2023 Valuation, none of the triggers in the Agreement have been activated and the number of properties providing security has been reduced down to just one.

The level of reserves expected to be held in the Pension Reserve Fund (PRF) forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference. Due to the considerable balance already held in the PRF and the reducing level of risk associated with the pension funding positions, further payments in to the fund have been suspended.

Investments

As at 31 August 2024, the Church held fixed asset investments with a fair value of £176 million (2023: £186 million). The Finance Sub-Committee was responsible (Resourcing Committee now responsible from 1 September 2024) for reviewing the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee was satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church's in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal.

Performance and holdings

Gains on investments in year were £14.2m (2023: £5.6m loss). This performance was linked to the global market conditions reversing some of the losses experienced in the previous two years. The total returns as at 31 August 2024 for CFB managed funds are summarised as follows:

	1 year to 31.08.24	3 years to 31.08.24 (p.a.)	11.07.16 to 31.08.24 (p.a.)
Managed LT Methodist Council Fund	15.3	3.0	7.1
Managed MT Methodist Council Fund	12.4	1.1	4.4
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	18.8	3.9	5.8
FTSE All Share	17.0	7.5	6.1
CFB Global Equity Fund	15.3	4.3	11.2
Benchmark	19.5	7.9	11.9
CFB Managed Fixed Interest Fund	9.4	-3.6	0.9
Benchmark	8.6	-3.5	1.1
CFB Deposit Fund	5.2	3.0	1.3
Composite index	5.3	3.2	1.2

Property benchmarks

	1 year to 30.06.24	3 years to 30.06.24 (p.a.)	11.07.16 to 31.06.24 (p.a.)
Managed LT Methodist Council Fund	12.6	3.7	7.1
Benchmark	12.0	4.5	7.0
Managed MT Methodist Council Fund	10.6	1.2	4.2
Benchmark	9.6	1.0	3.8
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	12.0	3.8	5.6
FTSE All Share	13.0	7.4	5.9
CFB Property Fund	-0.9	-0.1	5.8
IPD All Balanced Funds Index	0.0	0.6	4.8

Risk Management

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and

operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church's ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church and the mitigations are as follows:

Risk	Current mitigations
Failure to make new disciples means the membership of the Church continues to decline.	God For All (GFA) strategy linked with the Justice, Dignity and Solidarity Strategy is signalling a desire to grow in new places. The Conference of 2024 approved the extension of GFA to 2032.
Ineffective recruitment and training of those who fulfil ministerial/lay roles results in a shortage of people to take on key roles within the life of the institution.	Work on the formation of leaders in the Methodist Church continues alongside the ongoing work in other areas. Review of Stationing Processes set up by Ministries Committee. New candidating processes in place has led to increased interest. New candidating process is more open - particularly removing Local Preacher requirement.
Safeguarding failures (such as serious allegations of current or historic abuse).	Review of policy on responding to survivors, reflection on the role and nature of internal enquiries as well as a general review of the actions taken over the last period. Development of crisis management policy to support a more effective response to issues as they arise; review of JDS Committee Action plan to ensure safeguarding aspect is fully covered. The 2024 Conference decided to transfer all district safeguarding officers to the employment of the Connexional Team to create a unified structure.
Breach of Immigration Rules due to not fulfilling Home Office criteria that will jeopardise sponsorship licence, and will require ministers and their dependents currently stationed to stop their appointments and to return to their home country.	The Connexional Team provide relevant and timely information to Districts and Circuits regarding their responsibilities relating to existing and /or potential individuals covered by the MCIB sponsorship licence. Regular review of all documentation for sponsored individuals to ensure compliance with Home Office criteria. Ongoing training and updates from UKVI and share relevant information with Districts and Circuits to enable licence compliance.
Inappropriate behaviour from Methodist leaders leads to reputational damage	The 2024 Conference adopted a revised policy for the election of the President and Vice-president. Review of existing processes to determine further mitigations needed.

In relation to the principal risks identified, these are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

Risk appetite

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk, but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Council to adopt appropriate behaviours, decisions, and controls according to the priorities in the Connexional Team's strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Risk strategy and responsibilities

The Council's role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- approving the risk management policy every three years;
- setting the risk appetite and tolerance and outline this in its risk management policy;
- ensuring risk management is embedded in the day-to-day working of the Connexional Team;
- considering the impact of any new strategy or policy on the risk register;
- receiving regular reports from the Audit and Risk Assurance Committee as to how risks are being actively managed and whether appropriate controls are in place and working effectively;
- making decisions that reflect its appetite for risk;
- ensuring that the Senior Management Group of the Connexional Team is clear who are the risk owners in respect of the risk register and shall hold such risk owners to account for their action to mitigate the identified risk;
- reviewing the corporate risk register and Connexional Team Risk Register twice a year, and
- receiving a regular report from the Conference Officer for Legal and Constitutional Practice on any serious incident report made to the Charity Commission or another external regulator during the course of the year that affects the Methodist Church in Great Britain.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees receive several key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Resourcing Committee, is used to set objectives, agree action plans and

allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.

- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any issues of concern. A summary of the terms of reference of the committee can be found on page 6.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external auditor provides a report to the Audit & Risk Assurance Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit and Risk Assurance Committee and makes recommendations to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses several elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

Data Protection

In respect of enhancing our Data Protection Governance during 2023/2024, we have continued our UK GDPR refresher training for staff, which is an induction training requirement for new starters. We are continuing to review and update where necessary our IT Data Security Policy to improve our UK GDPR and Data Protection obligations for data processing and handling. We have also implemented and fully rolled out new IT software, which has been added to our email programme, in order to reduce the number of data breaches caused by human error. The Data Protection Officer continues to monitor data breaches, including near misses caused by human error and to provide ad hoc refresher updates via the Connexional Team meetings on the areas where breaches are occurring. This is to ensure that that additional training and focus is placed on these areas, with a view to preventing future breaches and near misses of this kind.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. Overall in-year financial performance for 2023/24 was favourable largely due to a significant increase in property levies this year. The additional income more than offset the additional costs incurred in year due to repaying the voluntary donations previously received in 2021 towards the Pension Reserve Fund. The budget for 2024/25 has been set consistent with the assumptions agreed by the Conference in 2023. Inflation is significant with a 6.7% pay award in September 2024, assessment income from districts falls 3% this year and there is the unbudgeted impact of the April 2025 increase in National Insurance. However, transitional funding is being deployed from the Connexional Priority Fund to offset the underlying deficit for the next 4 years whilst a transformation programme is planned and implemented. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.7m) and pay their ministers (c£50m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £250m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across all churches and circuits of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches and manse across the Connexion continues to provide a flow of money into both local church/circuit funds and the Connexional Funds that further supports the medium-term financial viability of the charity. Significant improvements in the funding position of both pension schemes (see below) have led to further measures to permanently decrease the level of risk. It has also allowed some of the monies previously tied up in the Pension Reserve Fund to be released.

Related Parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

1. The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
2. The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
3. The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
4. The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
5. Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 84) of the financial statements.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

Following a competitive tender process in 2023, RSM UK Audit LLP were appointed for a further three years as auditor to the charity.



The Revd Sonia Hicks
Chair of the Council

26 February 2025

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE METHODIST CHURCH IN GREAT BRITAIN

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Connexional Funds Statement of Financial Activities, the Consolidated and Connexional Funds Balance Sheets, the Consolidated and Connexional Funds Cash Flow Statements and notes to the financial statements, including 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 group's and charity's affairs as at 31 August 2024 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent 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 group's or parent 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 Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 39, 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 group's and parent 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 group or parent 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud. Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operate in and how the group and parent charity are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection regulations in the UK and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands, B3 3AG

Date: 20 March 2025

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities for the year ended 31 August 2024

The Methodist Church in Great Britain

Consolidated statement of financial activities

For the year ended 31 August 2024

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2024 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000
Income and endowments from:									
Donations and legacies	3a	598	4,450	-	5,048	567	5,913	-	6,480
Charitable activities	3e	14,057	259	-	14,316	13,261	269	-	13,530
Investments	4a	3,486	3,508	-	6,994	2,322	3,714	-	6,036
Other trading activities	5a	8,150	1,835	-	9,985	7,816	1,555	-	9,371
Other									
Capital levies	6a	20,286	-	-	20,286	15,471	-	-	15,471
Grants	6b	3	776	-	779	2	864	-	866
Miscellaneous income	3c	624	462	-	1,086	608	428	-	1,036
Net gains/(losses) on the disposal of tangible fixed assets		311	-	-	311	139	46	-	185
Total income	19a, 20a	47,515	11,290	-	58,805	40,186	12,789	-	52,975
Expenditure on:									
Raising funds		7,540	1,098	6	8,644	6,952	1,066	6	8,024
Charitable activities									
Building communities	7a	1,466	728	-	2,194	1,456	957	-	2,413
Children & Youth	7a	2,198	1	-	2,199	1,505	1	-	1,506
Evangelism & Growth	7a	22,263	765	-	23,028	7,496	143	-	7,639
Global relations	7a	1,349	9,359	-	10,708	1,173	10,633	-	11,806
Learning Network	7a	2,899	2	-	2,901	3,019	2	-	3,021
Methodist Council & Governance	7a	5,603	2	-	5,605	5,168	19	-	5,187
Ministry	7a	4,040	5,056	-	9,096	3,404	6,772	-	10,176
Property	7a	742	200	-	942	681	146	-	827
Others - Pensions	7a	1,890	-	-	1,890	1,339	-	-	1,339
Total expenditure	19a, 20a, 21a	49,990	17,211	6	67,207	32,193	19,739	6	51,938
Net gains/(losses) on investments	14a	8,348	5,122	748	14,218	(2,162)	(2,839)	(579)	(5,580)
Net income		5,873	(799)	742	5,816	5,831	(9,789)	(585)	(4,543)
Transfers between funds	22	(1,261)	971	290	-	1,718	(1,985)	267	-
Net income after transfers		4,612	172	1,032	5,816	7,549	(11,774)	(318)	(4,543)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,150)	(86)	-	(1,236)	(1,813)	94	-	(1,719)
Gains(losses) on revaluation of charitable properties		(291)	(221)	-	(512)	74	(3,349)	-	(3,275)
Net movement in funds		3,171	(135)	1,032	4,068	5,810	(15,029)	(318)	(9,537)
Total funds at 1 September		127,442	122,880	19,266	269,588	121,632	137,909	19,584	279,125
Total funds at 31 August		130,613	122,745	20,298	273,656	127,442	122,880	19,266	269,588

The Methodist Church in Great Britain

Statement of financial activities – The Connexional Funds

For the year ended 31 August 2024

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2024 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000
Income and endowments from:									
Donations and legacies	3b	1,945	2,002	-	3,947	677	2,522	-	3,199
Charitable activities	3f	14,057	259	-	14,316	13,261	269	-	13,530
Investments	4b	4,404	2,933	-	7,337	3,019	3,108	-	6,127
Other trading activities	5b	237	1,299	-	1,536	366	1,214	-	1,580
Other									
Capital levies	6a	20,286	-	-	20,286	15,471	-	-	15,471
Grants	6c	3	11	-	14	2	94	-	96
Miscellaneous income	3d	626	84	-	710	618	117	-	735
Net gains on the disposal of tangible fixed assets		311	-	-	311	139	46	-	185
Total income	19b, 20b	41,869	6,588	-	48,457	33,553	7,370	-	40,923
Expenditure on:									
Raising funds		1,412	1,098	6	2,516	1,511	1,066	6	2,583
Charitable activities									
Building communities	7b	1,465	727	-	2,192	1,455	957	-	2,412
Children & Youth	7b	2,198	1	-	2,199	1,504	1	-	1,505
Evangelism & Growth	7b	22,264	764	-	23,028	7,496	143	-	7,639
Global relations	7b	1,349	5,774	-	7,123	1,173	5,685	-	6,858
Learning Network	7b	2,899	1	-	2,900	3,019	2	-	3,021
Methodist Council & Governance	7b	5,603	2	-	5,605	5,168	18	-	5,186
Ministry	7b	4,682	1,785	-	6,467	4,029	3,610	-	7,639
Property	7b	742	199	-	941	681	146	-	827
Others - Pensions	7b	1,890	-	-	1,890	1,339	-	-	1,339
Total expenditure	19b, 20b, 21a	44,504	10,351	6	54,861	27,375	11,628	6	39,009
Net gains/(losses) on investments	14b	8,348	4,831	748	13,927	(2,162)	(1,494)	(579)	(4,235)
Net income		5,713	1,068	742	7,523	4,016	(5,752)	(585)	(2,321)
Transfers between funds	22	(1,261)	971	290	-	1,718	(1,985)	267	-
Net income after transfers		4,452	2,039	1,032	7,523	5,734	(7,737)	(318)	(2,321)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,150)	(86)	-	(1,236)	(1,813)	94	-	(1,719)
Gains on revaluation of charitable properties		(291)	(221)	-	(512)	74	(3,791)	-	(3,717)
Net movement in funds		3,011	1,732	1,032	5,775	3,995	(11,434)	(318)	(7,757)
Total funds at 1 September		122,289	101,628	19,266	243,183	118,294	113,062	19,584	250,940
Total funds at 31 August		125,300	103,360	20,298	248,958	122,289	101,628	19,266	243,183

The Methodist Church in Great Britain

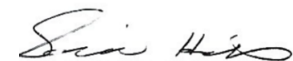
Balance Sheet as at 31 August 2024

		The Methodist Church in Great Britain		The Connexional Funds	
	Notes	2024	2023	2024	2023
		£000	£000	£000	£000
Fixed assets					
Intangible assets	13c	153	178	81	106
Tangible fixed assets	13a&b	75,158	66,704	64,594	56,033
Investments	14a&b	175,730	186,469	174,311	173,482
		251,041	253,351	238,986	229,621
Current assets					
Stocks	17	35	42	21	30
Debtors	15	5,416	7,138	6,484	6,401
Short-term deposits		33,160	21,554	21,161	19,991
Cash at bank and in hand		6,287	7,539	3,968	4,657
Total current assets		44,898	36,273	31,634	31,079
Creditors					
Amounts falling due within one year	16a	(19,313)	(17,057)	(18,845)	(14,814)
Net current assets		25,585	19,216	12,789	16,265
Total assets less current liabilities		276,626	272,567	251,775	245,886
Creditors					
Amounts falling due after more than one year	16b	(759)	(1,748)	(606)	(1,472)
Net assets excluding pension liability		275,867	270,819	251,169	244,414
Defined benefit pension scheme liability	28	(2,211)	(1,231)	(2,211)	(1,231)
Net assets including pension liability	23	273,656	269,588	248,958	243,183
The funds of the charity					
Unrestricted funds					
General funds		58,368	55,585	54,944	51,866
Designated funds		73,180	71,857	71,291	70,423
Defined benefit pension scheme liability	28	(935)	-	(935)	-
Total unrestricted funds	19	130,613	127,442	125,300	122,289
Restricted funds	20	122,745	122,880	103,360	101,628
Endowment funds	21	20,298	19,266	20,298	19,266
Total funds		273,656	269,588	248,958	243,183

Total unrestricted funds include revaluation reserve of £7.0m (2023: £7.3m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £44.9m (2023: £45.2m) for The Methodist Church in Great Britain and £39.3m (2023: £39.6m) for The Connexional Funds. (Note 24 Page 84)

The notes on pages 47 to 95 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26 February 2025 and signed on their behalf by:



The Revd. Sonia Hicks
Chair of the Council

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2024

		The Methodist Church in Great Britain		The Connexional Funds	
		2024	2023	2024	2023
Statement of cash flows	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net cash generated used in operating activities		(13,051)	(5,586)	(11,522)	(5,991)
Cash flows from investing activities					
Dividends, interest and rents from investments		6,993	6,036	7,337	6,127
Proceeds from the sale of property, plant and equipment		1,286	806	1,156	806
Purchase of property, plant and equipment		(9,613)	(1,652)	(9,395)	(1,244)
Purchase of intangible assets	13c	(24)	(186)	-	(98)
Proceeds from the sale of investments	14a, 14b	25,636	2,841	13,208	100
Purchase of investments	14a, 14b	(872)	(3,422)	(303)	(1,669)
Net cash provided by investing activities		23,406	4,423	12,003	4,022
Cash flows from financing activities					
Repayment of loans		(1)	(279)	-	-
Net cash from/(used in) financing activities		(1)	(279)	-	-
Change in cash and cash equivalents in the reporting period		10,354	(1,442)	481	(1,969)
Cash and cash equivalents at the beginning of the reporting period		29,093	30,535	24,648	26,617
Cash and cash equivalents at the end of the reporting period		39,447	29,093	25,129	24,648
		2024	2023	2024	2023
		£000	£000	£000	£000
Reconciliation of net income to net cash flow from operating activities					
Net income for the year		5,816	(4,543)	7,523	(2,321)
Adjustments for:					
Depreciation and amortisation charges	13a, 13c	344	346	124	127
Gain on revaluation of fixed asset		(428)	(113)	(428)	(113)
Realised loss on the sale of fixed assets		(311)	(185)	(311)	(185)
London Committee property donated to Kings Cross		-	209	-	209
Net (gains)/ losses on investments	14	(14,218)	5,580	(13,927)	4,235
Investment income		(6,994)	(6,036)	(7,337)	(6,127)
Decrease in stocks	17	7	2	9	(1)
(Increase)/decrease in debtors	15	1,722	56	(83)	(478)
(Decrease)/increase in creditors	16	1,268	954	3,165	519
Pension costs/difference between pension costs charged and paid		(257)	(1,856)	(257)	(1,856)
Net cash generated used in operating activities		(13,051)	(5,586)	(11,522)	(5,991)
		2024	2023	2024	2023
		£000	£000	£000	£000
Analysis of cash and cash equivalents					
Cash in hand and at bank		6,287	7,539	3,968	4,657
Short-term deposits (less than 3 months)		33,160	21,554	21,161	19,991
Total cash and cash equivalents		39,447	29,093	25,129	24,648
Analysis of changes in net debt					
The Methodist Church in Great Britain		01-Sep	Cash flows	Non-cash	31-Aug
		2023		changes	2024
		£000	£000	£000	£000
Cash and cash equivalents					
Short-term deposits		21,554	11,606	-	33,160
Cash at bank and in hand		7,539	(1,252)	-	6,287
		29,093	10,354	-	39,447
Borrowings					
Debt due within one year		(294)	10	-	(284)
Debt due after one year		(75)	(9)	-	(84)
		(369)	1	-	(368)
Total		28,724	10,355	-	39,079
The Connexional Funds		01-Sep	Cash flows	Non-cash	31-Aug
		2023		changes	2024
		£000	£000	£000	£000
Cash and cash equivalents					
Short-term deposits		19,991	1,170	-	21,161
Cash at bank and in hand		4,657	(689)	-	3,968
Total		24,648	481	-	25,129

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024

1. Accounting policies

a) Scope and basis of the preparation of the financial statements

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 55. The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

b) Preparation of the financial statements on a going concern basis

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. Overall in-year financial performance for 2023/24 was favourable largely due to a significant increase in property levies this year. The additional income more than offset the additional costs incurred in year due to repaying the voluntary donations previously received in 2021 towards the Pension Reserve Fund. The budget for 2024/25 has been set consistent with the assumptions agreed by the Conference in 2023. Inflation is significant with a 6.7% pay award in September 2024, assessment income from districts falls 3% this year and there is the unbudgeted impact of the April 2025 increase in National Insurance. However, transitional funding is being deployed from the Connexional Priority Fund to offset the underlying deficit for the next 4 years whilst a transformation programme is planned and implemented. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.7m) and pay their ministers (c£50m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £250m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across all churches and circuits of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches and manses across the Connexion continues to provide a flow of money into both local church/circuit funds and the Connexional Funds that further supports the medium-term financial viability of the charity. Significant improvements in the funding position of both pension schemes (see below) have led to further measures to permanently decrease the level of risk. It has also allowed some of the monies previously tied up in the Pension Reserve Fund to be released.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below. The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities.

This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, had the ability to govern the financial and operating policies of the entities during the period of these accounts. This responsibility transferred to the new Connexional Council on 1 September 2024.

For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

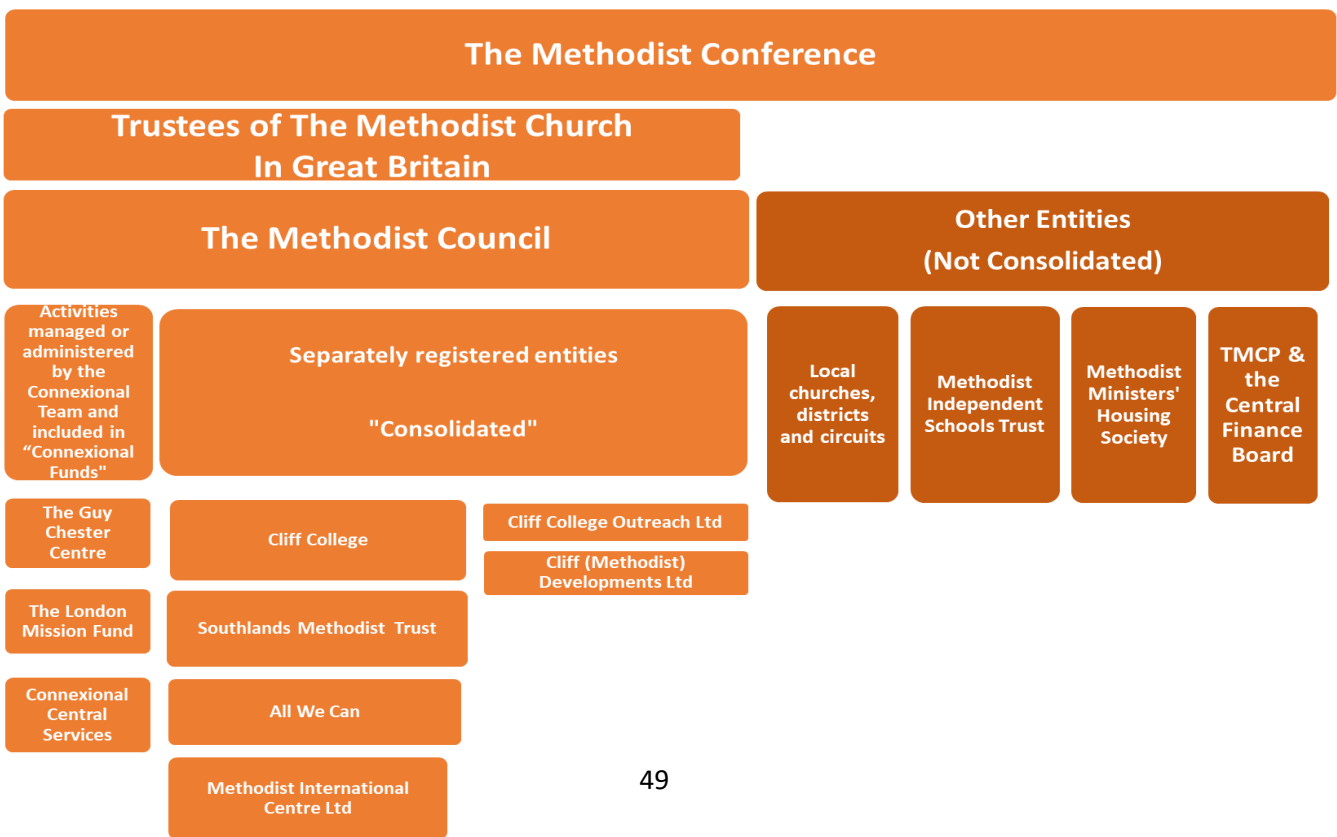
The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

d) The group structure (until 31/8/24)



The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The power to appoint trustees to the consolidated entities transferred to the new Connexional Council on 1 September 2024 and therefore these entities continue to form part of the consolidation of the accounts. As part of the transition process two additional entities were identified where control was created by the power to appoint the majority of trustees, in a similar manner to other entities included within the consolidated accounts. These entities were New Room, Bristol and Methodist Central Hall Westminster. Whilst these entities technically fall within the requirements for consolidation, and will have in prior years, their activities are not considered consistent with the activities managed by the trustees and no reporting or oversight has been in place by the charity's trustees. An amendment to the process of appointing trustees to these bodies will be put forward in February 2025 to move the appointment of trustees to a separate body. On this basis, and also as the amounts are not considered material in the context of the overall results and net asset position, the results of the two entities have not been included within these consolidated accounts and the prior year position has not been restated. Details of the financial results for these bodies is included in note 9.

e) Excluded entities

There are a number of entities which form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

- Methodist churches, circuits and districts
- Methodist Independent Schools Trust
- Trustees for Methodist Church Purposes (TMCP)
- The Central Finance Board (CFB)
- The Methodist Ministers' Housing Society
- Westminster College Oxford Trust Ltd
- Westminster College Oxford Trust

f) Recognition of income and endowments

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

District Assessment

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained "by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]". The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

Donations

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church's stated purposes, or which are illegal are rejected by the Church.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

Legacies

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital (property) levies

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church's custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those which provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

j) Pension costs

Defined benefit pension schemes

The Methodist Council participates in three main pension schemes: the Methodist Ministers' Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 56-57.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the PASLEMC defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 56-57.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain.

On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

q) Heritage assets

There are four Methodist Heritage sites in Great Britain which fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire - the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol - the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London - John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe - exhibitions and activities focusing on one strand of 19th Century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2024, updated by the value of any share acquisitions (at cost) up to 31 August 2024. The assets are held at fair value.

s) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

t) Cash and cash equivalents

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £10,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits are those that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

2. Accounting estimates and judgments

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released.

Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

Cost allocation

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgement is exercised in applying cost drivers to cost categories.

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

Defined benefit pension scheme commitments

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC) The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of whom are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP), the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

The Methodist Ministers' Pension Scheme (MMPS)

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. The scheme has not been included in these financial statements for the reasons set out below:

There are approximately 1,087 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 69, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.5 million compared to £7.5m million paid by the circuits.

- a) The diagram on page 49 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- b) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

- c) The schedule of contributions that was in force for the majority of 2023/24 did not require any deficit payments to be made because of the improved funding position of the scheme. A new schedule of contributions was agreed in August 2024 reflecting the outcome of the 31 August 2023 Valuation which showed the scheme was in surplus and that no recovery plan was required. In addition, all but one of the charges on Connexional property were released to reflect the lower level of risk and some resources freed up from the Pension Reserve Fund.

As stated in the reserves policy section of the Trustees' Report on page 30, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and had been funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Given the current level of funding relative to the decreased risk, these funding transfers were suspended from 1 September 2023. Should a future deficit arise, it will not be funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

The annual depreciation charge for tangible fixed assets, particularly buildings is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor.

Methodist Church in Great Britain

Note to the consolidated financial statements. For the year ended 31 August 2024 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Donations	282	3,184	3,466	500	4,256	4,756
Legacies	316	1,266	1,582	67	1,657	1,724
Total	598	4,450	5,048	567	5,913	6,480

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Donations	1,629	1,747	3,376	610	2,136	2,746
Legacies	316	255	571	67	386	453
Total	1,945	2,002	3,947	677	2,522	3,199

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	207	207	-	165	165
Seminars and events	88	-	88	148	49	197
Conference income	15	-	15	20	-	20
Administration & IT services	1	-	1	2	-	2
Bureau & Accountancy services	378	-	378	8	-	8
Others	142	255	397	430	214	644
Total	624	462	1,086	608	428	1,036

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	88	-	88	148	-	148
Conference income	15	-	15	21	-	21
Administration & IT services	1	-	1	2	-	2
Bureau & Accountancy services	378	-	378	8	-	8
Others	144	84	228	439	117	556
Total	626	84	710	618	117	735

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
District assessment	14,057	129	14,186	13,261	121	13,382
Rental Income	-	130	130	-	148	148
Total	14,057	259	14,316	13,261	269	13,530

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
District assessment	14,057	129	14,186	13,261	121	13,382
Rental Income	-	130	130	-	148	148
Total	14,057	259	14,316	13,261	269	13,530

The Methodist Church in Great Britain

Note to the consolidated financial statements. For the year ended 31 August 2024 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	3,312	1,664	4,976	2,176	1,774	3,950
Interest and other investment income	32	8	40	16	4	20
Rental Income	142	902	1,044	130	952	1,082
William Leech Charities Fund	-	934	934	-	984	984
Total	3,486	3,508	6,994	2,322	3,714	6,036

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	3,240	1,474	4,714	2,175	1,664	3,839
Interest and other investment income	32	8	40	16	4	20
Rental Income	1,132	516	1,648	828	456	1,284
William Leech Charities Fund	-	935	935	-	984	984
Total	4,404	2,933	7,337	3,019	3,108	6,127

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Publishing	228	-	228	357	-	357
Room and conference hire	7,913	1,835	9,748	7,450	1,555	9,005
Advertising and fees	9	-	9	9	-	9
Total	8,150	1,835	9,985	7,816	1,555	9,371

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Publishing	228	-	228	357	-	357
Room and conference hire	-	1,299	1,299	-	1,214	1,214
Advertising and fees	9	-	9	9	-	9
Total	237	1,299	1,536	366	1,214	1,580

6a Capital levies

Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	213	213	-	253	253
The Aldershot Military Trust	-	-	-	-	75	75
Other*	3	566	569	2	536	538
Total	3	779	782	2	864	866

* Cliff College received government assistance from the Office for Student £14k (2023: £16k)

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2024 Total	Unrestricted	Restricted	2023 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	-	-	-	75	75
Other	3	11	14	2	19	21
Total	3	11	14	2	94	96

The Methodist Church in Great Britain

Notes to the consolidated financial statements. For the year ended 31 August 2024 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2024 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2023 Total £000
Raising funds	-	8,304	340	8,644	-	7,704	320	8,024
Charitable activities								
Building communities	493	1,304	397	2,194	540	1,507	366	2,413
Children & Youth	95	1,676	428	2,199	96	1,015	395	1,506
Evangelism & Growth	20,251	2,091	686	23,028	5,055	1,933	651	7,639
Global relations	4,542	5,263	903	10,708	5,395	5,557	854	11,806
Learning Network	150	2,003	748	2,901	119	2,215	687	3,021
Methodist Council & Governance	49	4,420	1,136	5,605	-	4,137	1,050	5,187
Ministry	3,053	5,418	625	9,096	4,903	4,683	590	10,176
Property	155	624	163	942	120	555	152	827
Others - Pensions	-	1,890	-	1,890	-	1,339	-	1,339
	28,788	24,689	5,086	58,563	16,228	22,941	4,745	43,914
Total	28,788	32,993	5,426	67,207	16,228	30,645	5,065	51,938

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated to align with Church's current activities.

7b. Expenditure - The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2024 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2023 Total £000
Raising funds	-	2,176	340	2,516	-	2,263	320	2,583
Charitable activities								
Building communities	493	1,302	397	2,192	540	1,506	366	2,412
Children & Youth	95	1,676	428	2,199	96	1,014	395	1,505
Evangelism & Growth	20,251	2,091	686	23,028	5,055	1,933	651	7,639
Global relations	3,244	2,976	903	7,123	3,385	2,620	853	6,858
Learning Network	150	2,002	748	2,900	119	2,215	687	3,021
Methodist Council & Governance	49	4,420	1,136	5,605	-	4,136	1,050	5,186
Ministry	3,395	2,447	625	6,467	5,047	2,001	591	7,639
Property	155	623	163	941	120	555	152	827
Others - Pensions	-	1,890	-	1,890	-	1,339	-	1,339
	27,832	19,427	5,086	52,345	14,362	17,319	4,745	36,426
Total	27,832	21,603	5,426	54,861	14,362	19,582	5,065	39,009

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £8.6m (2023: £8.0m) and for the Connexion - £2.5m (2023: £2.6m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
Cost of raising voluntary income	£0.3m	£0.3m	£0.3m	£0.3m
Cost of investment management	£0.4m	£0.4m	£0.4m	£0.4m
Cost of other trading activities	£7.9m	£7.3m	£1.8m	£1.9m

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

8a. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2024 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	67	74	59	89	133	66	22	192	37	739
Development & Personnel	Per capita	108	120	96	144	217	108	36	313	60	1,202
Financial Services	Per capita	114	114	435	526	183	343	69	320	183	2,287
Information Technology	Per capita	108	120	96	144	215	108	36	311	60	1,198
Total		397	428	686	903	748	625	163	1,136	340	5,426

8b. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2023 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	90	72	108	161	81	27	233	45	898
Development & Personnel	Per capita	83	92	73	110	165	83	28	239	46	919
Financial Services	Per capita	111	112	425	516	180	334	67	316	179	2,240
Information Technology	Per capita	91	101	81	120	181	92	30	262	50	1,008
Total		366	395	651	854	687	590	152	1,050	320	5,065

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International	Methodist Conference Property at Central Hall	The New Room JW Chapel (Note *)
2024	2024	2024	2024	2024	2024	2024	2024
	£000	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies		(86)	6	2,227	-	302	19
Investments		90	429	56	72	-	12
Other trading activities		633	1	15	7,957	31	248
Other:		-	-	-	-	-	-
Grants		1,076	-	397	-	16	101
Miscellaneous income		418	-	-	-	75	2
Total income		2,131	436	2,695	8,029	349	382
Expenditure on:							
Raising funds		265	15	688	7,155	268	340
Charitable activities							
Ministry		2,495	716	-	-	-	-
Global relations		-	91	2,275	-	357	-
Other charitable activities						682	211
Total expenditure on charitable activities		2,495	807	2,275	-	357	211
Total expenditure		2,760	822	2,963	7,155	625	551
Net gains/(losses) on investments		89	193	9	(437)	-	3
Net income/(expenditure)		(540)	(193)	(259)	437	(276)	(166)
Distribution under Gift aid		-	-	-	-	-	-
Net movement in funds		(540)	(193)	(259)	437	(276)	(166)
Net assets							
Fixed assets		10,037	8	-	593	-	163
Investments		16	1,403	-	-	-	-
Current assets		364	10,658	2,126	1,527	777	239
Creditors and loans		(554)	(280)	(133)	(1,564)	(339)	(44)
Total		9,863	11,789	1,993	556	438	358

Note*: The figures for 2024 are based on 2023 estimates on the basis that there are no material changes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

9. Subsidiaries (continued)

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International	Methodist Conference Property at Central Hall	The New Room JW Chapel
2023	2023	2023	2023	2023	2023	2023	2023
	£000	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	428	-	2,147	-	816	-	19
Investments	96	451	60	1	-	-	12
Other trading activities	374	16	-	7,469	-	8,318	248
Other:							
Grants	554	-	842	-	7	-	101
Miscellaneous income	522	-	-	-	-	233	2
Total income	1,974	467	3,049	7,470	823	8,551	382
Expenditure on:							
Raising funds	305	47	942	6,250	224	8,780	340
Charitable activities							
Ministry	2,453	359	-	-	-	-	-
Global relations	-	296	3,053	-	730	-	-
Others						726	211
Total expenditure on charitable activities	2,453	655	3,053	-	730	726	211
Total expenditure	2,758	702	3,995	6,250	954	9,506	551
Net gains/(losses) on investments	441	(1,352)	7	-	-	-	3
Net income/(expenditure)	(343)	(1,587)	(939)	1,220	(131)	(955)	(166)
Distribution under Gift aid	-	-	-	-	-	-	-
Net movement in funds	(343)	(1,587)	(939)	1,220	(131)	(955)	(166)
Net assets							
Fixed assets	10,229	11	3	500	-	10,360	163
Investments	15	12,330	641	-	-	-	-
Current assets	637	47	2,061	2,659	1,275	690	239
Creditors and loans	(479)	(406)	(453)	(2,103)	(561)	(5,641)	(44)
Total	10,402	11,982	2,252	1,056	714	5,409	358

Cliff College

Charity Number 529386

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

Cliff (Methodist) Developments Limited

Company Number 4934377

All We Can

Charity Number 291691

All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

Southlands Methodist Trust

Charity Number 1100660

Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through

Methodist International Centre Limited

Company Number 3866984

A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise

Y Care International

Company Number 3997006

Y Care international is a subsidiary of All We Can.

Y Care International is the international relief and development agency of the Young Men's Christian association (YMCA) in the UK and Ireland. They work in partnership with YMCAs that are already playing key roles in their communities. Their mission is to create opportunities with vulnerable young women and men to change lives for the better, fulfil their potential and play a full role in society. The YMCA work to bring social justice and peace to young people and their communities, regardless of religion, race, gender or culture.

The New Room/John Wesley Chapel

Charity Number 1137957

The Charity maintains John Wesley's New Room and Charles Wesley's House and promotes them as a heritage site community facility, educational

Methodist Conference Property at Central Hall Westminster

Charity Number 1133912

The object of the Trust is the provision of funds to support the work of the Methodist Church and to maintain an on-going programme of refurbishment of the Methodist Central Hall Westminster, which is its principal asset.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2024 Total	2023 Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	2,932	2,932	3,152
Scholarship programmes	-	265	265	196
Ministerial and personnel support grants	-	47	47	36
Annual grants	-	1,297	1,297	2,011
Total	-	4,541	4,541	5,395
Other grants	£000	£000	£000	£000
Building communities	216	276	492	540
Children & Youth	-	95	95	96
Evangelism & Growth	330	19,922	20,252	5,055
Learning Network	-	150	150	119
Methodist Council & Governance	-	49	49	-
Ministry	1,423	1,629	3,052	4,903
Property	-	155	155	120
Others - Pensions	-	0	0	-
Total	1,969	22,276	24,245	10,833
Grand Total	1,969	26,817	28,786	16,228

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2024 Total	2023 Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	2,932	2,932	3,152
Scholarship programmes	-	265	265	196
Ministerial and personnel support grants	-	47	47	37
Total	-	3,244	3,244	3,385
Other grants	£000	£000	£000	£000
Building communities	216	276	492	540
Children & Youth	-	95	95	96
Evangelism & Growth	330	19,922	20,252	5,055
Learning Network	-	150	150	119
Methodist Council & Governance	-	49	49	-
Ministry	1,858	1,538	3,396	5,047
Property	-	155	155	120
Others - Pensions	-	0	0	-
Total	2,404	22,185	24,589	10,977
Grand Total	2,404	25,429	27,833	14,362

The figures in Note 10 are not intended to be the same as those listed for grants on page 17-19.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Audit and consultancy fees				
Payable to RSM UK Audit LLP	89	86	89	86
Payable to RSM UK Tax & Accounting Ltd for taxation advice	7	21	7	21
Payable to other auditors - for internal audit services	19	25	19	25
Payable to other auditors - for audit of consolidated entities	80	74	-	-
Payable to other auditors - for financial advice to consolidated entities	9	9	-	-
Depreciation	295	276	99	92
Amortisation	49	-	25	-
Foreign exchange differences	-	-	-	-
Loan interest payable	12	46	-	-

12. Stipends and salary costs

The Methodist Council appointed or employed on average 398 (2023:431) people during the year, of which Connexional Funds had 256 (2023: 263) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Stipends and salaries	16,294	14,596	11,115	10,077
Redundancy costs (loss of office)	53	118	2	89
Temporary staff costs	122	160	33	61
Social security costs	1,579	1,403	1,077	986
Pension costs - (defined contribution schemes)	1,589	2,148	1,338	1,962
Defined benefit pension costs excluding interest	2,604	3,013	2,590	2,988
Total	22,241	21,438	16,155	16,163

The Methodist Church in Great Britain

27 employees were paid £60k or more during the year (2023: 23 employees). The total aggregate pension contributions for these employees for the year were £258k (2023: £202k).

The Connexional Funds

20 employees were paid £60k or more during the year (2023: 16 employees). The total aggregate pension contributions for these employees for the year were £209k (2023: £170k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	Number of employees	Number of employees	Number of employees	Number of employees
Basic salary plus bonus				
£60,000 - £70,000	11	10	8	8
£70,001 - £80,000	10	8	7	5
£80,001 - £90,000	4	3	3	1
£90,001 - £100,000	2	1	2	1
£100,001 - £110,000	-	-	-	1
£110,001 - £120,000	1	1	1	1

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
Methodist Council & Governance	55.2	54.8	55.2	54.8
Global Relations	53.4	54.3	29.5	26.5
Evangelism & Growth	16.9	17.8	16.9	17.8
Learning Network	34.3	40.6	34.3	40.6
Children & Youth	6.6	12.6	6.6	12.6
Ministry	64.9	77.3	27.3	26.6
Building Communities	18.3	17.7	18.3	17.7
Administration & Support	46.3	44.7	46.3	44.7
Property	5.0	4.7	5.0	4.7
Fundraising	96.7	106.4	16.7	16.9
Total	397.6	430.9	256.1	262.9

The average number of volunteers working for the Council during the year was 1,050 (2023: 842).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Mission, the Head of Ministries & Learning, the Director of Communications, the Executive Director of Finance and Resources and the Director of Human Resources. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and employer's national insurance, but excluding pension contributions was £682k (2023: £645k). In addition, pension contributions of £101k were paid into defined contribution pension schemes on behalf of these personnel (2023: £95k).

Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers' Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

12. Pension costs (continued)

The Methodist Ministers' Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 58-59 with further information as required by FRS102 included on pages 96-98.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,087 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of 69 ministers. The majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2020, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund both this deficit and the shortfall arising from the level of future service contributions being paid. It was agreed that contributions from the Methodist Church's Pension Reserve Fund would be made as follows:

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2026; and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Superannuation Scheme for Lay Mission Partners (SSMP)

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2020, indicated that the Scheme had a surplus of £159k.

There are 20 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £223.93 per year of qualifying service to a single retired mission partner or widow / widower, £298.65 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £148.81 (single) / £198.91 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2024 by the Scheme's actuary and shown in Note 28.

Other pension schemes

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £132k (2023: £132k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £5.3k (2023: £5.3k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

13a. Tangible fixed assets - The Methodist Church in Great Britain

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2023	66,840	1,965	2,072	46	70,923
Additions during the year	9,414	48	150	-	9,612
Revaluations	428	-	-	-	428
Disposals	(1,293)	-	-	-	(1,293)
Total	75,389	2,013	2,222	46	79,670
Depreciation					
At 1 September 2023	432	1,881	1,873	29	4,215
Charge for the year	129	44	117	5	295
Disposals	-	-	-	-	-
Total	561	1,925	1,990	34	4,510
Net book value as at 31 August 2024	74,828	88	232	12	75,160
Net book value as at 31 August 2023	66,408	84	199	17	66,708

13b. Tangible fixed assets - The Connexional Funds

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2023	55,847	916	1,475	-	58,238
Additions during the year	9,260	5	130	-	9,395
Revaluations	428	-	-	-	428
Disposals	(1,163)	-	-	-	(1,163)
Total	64,372	921	1,605	-	66,898
Depreciation					
At 1 September 2023	-	889	1,316	-	2,205
Charge for the year	-	9	90	-	99
Disposals	-	-	-	-	-
Total	-	898	1,406	-	2,304
Net book value as at 31 August 2024	64,372	23	199	-	64,594
Net book value as at 31 August 2023	55,847	27	159	-	56,033

Depreciation cost is included in the support cost and apportion in other activities (Note 8)

Contingent asset

During the prior year, the London Committee entered into an agreement to transfer a property in Kings Cross to the Church Council of King's Cross Methodist Church. The terms of the agreement were to transfer the property in exchange for a loan which would be payable at a point where either the property was sold or utilised for activities outside the objectives of the Methodist Church, with the value payable based on the proceeds achieved or an indexed value starting from £2,800k which was a valuation of the property in May 2011.

Any future loan repayments are under the control of the Church Council of King's Cross Methodist Church which will not be required to transfer funds unless it takes a decision to change the use of the building, either via sale or use.

We have recognised the disposal but no corresponding debtor will be recognised until the use changes and amounts are due for the transfer. The potential future receipt is estimated at £4,483k as at 31st August 2024.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

13c. Intangible fixed assets

	The Methodist Church in Great £000	The Connexional Funds £000
Software		
At cost		
At 1 September 2023	604	451
Additions during the year	24	-
Total	628	451
Amortisation		
At 1 September 2023	426	345
Charge for the year	49	25
Total	475	370
Net book value as at 31 August 2024	153	81
Net book value as at 31 August 2023	178	106

Amortisation cost is included in the support cost and apportion in other activities (Note 8)

13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2024 except for Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850k.

The manses, which are residential and have a well established market, were revalued by independent Valuer, Paul G. Beardmore BSc MRICS from Butters John Bee, Albion House, Stoke-on-Trent ST1 5RQ on 31 August 2024. The trustees consider the valuation of these properties and consider that there is no material difference between amounts in the accounts and the current individual valuations.

The commercial properties were valued by professional independent valuers as follows:

1-5 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU, in July 2022 for £10k.

90 Hayes Lane, Kenley - valuation carried out in July 2022 by Richard Moss MRICS and John Barrett FRICS from Cluttons, Portman Street, London W1H 6DU; valued at £870k.

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in August 2021 by M J Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £6,066k.

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by Savills. The valuation was done in September 2022. The property was valued at £14,865.5k.

The place of worship part of the Wesley Hotel Camden located at 89 Plender Street, Camden Town, London NW1 0JN was revalued by Savills on 31 August 2023. The current market value is £1,134k.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £44,000k (2023: £35,500k) for the Methodist Church in Great Britain and £36,000k (2023: £27,600k) for Connexional Funds.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2024	2023
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	50,813	125,115	9,546	995	186,469	182,267
Additions	24	569	279	-	872	2,833
Transfers (from Charitable property)	-	-	-	-	-	9,790
Disposals	(10,700)	(15,129)	-	-	(25,829)	(2,841)
Investment (losses)/gains	-	13,641	577	-	14,218	(5,580)
Fair value as at 31 August	40,137	124,196	10,402	995	175,730	186,469

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2024	2023
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	40,190	122,846	9,546	900	173,482	167,766
Additions	24	-	279	-	303	261
Transfers	-	-	-	-	-	9,790
Disposals	-	(13,400)	-	-	(13,400)	(100)
Investment (losses)/gains	-	13,349	577	-	13,926	(4,235)
Fair value as at 31 August	40,214	122,795	10,402	900	174,311	173,482

Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

William Leech Charities Fund

The Methodist Church holds investments valued at £10.4m (2023: £9.5m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2024. The holding is based on the company's audited accounts to 31 March 2024, updated with management accounts to 31 August 2024. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
14c. Analysis of movement of investment properties	2024	2023	2024	2023
	£000	£000	£000	£000
Fair value at 1 September	50,814	41,377	40,190	29,453
Additions	24	-	24	-
Transfers	-	9,790	-	9,790
Revaluation gain/(loss)	-	(353)	-	947
Disposals	(10,701)	-	-	-
Fair value at 31 August	40,137	50,814	40,214	40,190

Included within investment properties are the following revalued properties:

i) London Mission Fund

The London Mission property portfolio was valued by G Parks MRICS for and on behalf of Cluttons LLP.

The valuation was done in July 2022 for 229 King St, Hammersmith and July 2023 for the other three properties.

- a) Hove Residential at 20 Bigwood Avenue: £285k (2022: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £575k (2021: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £400k (2022: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,870k (2022: £1,700k)

ii) Guy Chester Centre

A property known as the Hazlehurst, 7 Colney Hatch Lane, London N10 1PN was valued on 24 July, 2023 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,785k (2023: £3785k).

iii) The Wesley Hotel, Camden

The property is located at 89 Plender Street, Camden Town, London NW1 0JN. It was valued on 31 August 2023 by Savills and the current market value for the hotel is £10,866k.

iv) The Wesley Hotel, Euston Street

The property is located at 81-103 Euston Street, London, NW1 2EZ. It was valued in August 2022 by Savills and the current market value is £20,400K.

v) 4 John Wesley Road

The property is located at 4 John Wesley Road, Werrington, Peterborough, PE4 6ZL. It was valued in August 2022 by Eddisons, Incorporating Barker Storey Matthews. The current market value is £1,900K.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Prepayments and accrued interest	2,383	3,710	2,007	2,185
Loans to other entities	-	19	718	805
Concessionary loans due within one year	187	182	187	182
Concessionary loans due after more than one year	331	406	331	406
Other debtors	2,515	2,821	3,241	2,823
Total	5,416	7,138	6,484	6,401

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. The Methodist Council have extended the period of the loan.

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Accruals	4,996	1,969	3,845	708
Loans	284	294	-	-
Tax and social security	660	718	316	279
Grant commitments	9,816	8,387	9,684	7,763
Other creditors	3,557	5,689	5,000	6,064
Total	19,313	17,057	18,845	14,814

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Loans	84	75	-	-
Grant commitments	675	1,673	606	1,472
Total	759	1,748	606	1,472

Loans

Cliff College - The Methodist Church in Great Britain

At 31 August 2024, the balance on the loan is £112k (2023: £140k) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021. The loan balance has been fully repaid as at 31 August 2024. (2023: £229k).

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Finished goods and goods for resale	35	42	21	30
Total	35	42	21	30

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised as an expense in the year were 10k (2023 £9k).

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2024	2023	2024	2023
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	124,196	125,114	122,795	122,846
William Leech Charities Fund and other investments	11,397	10,541	11,302	10,446
Total	135,593	135,655	134,097	133,292

Financial assets that are debt instruments measured at amortised cost

Debtors	2,515	2,821	3,241	2,823
Total	2,515	2,821	3,241	2,823

Financial liabilities measured at amortised cost

Loans	368	369	-	-
Accruals	4,996	1,969	3,845	708
Other creditors	3,557	5,689	5,000	6,064
Total	8,921	8,027	8,845	6,772

Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	187	182	187	182
Loan to Lesnes Abbey Circuit	-	19	718	805
Total	187	201	905	987

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
19a. Unrestricted funds							
General	55,585	24,400	(25,137)	-	406	3,114	58,368
Designated 19c	71,857	23,115	(25,068)	-	7,651	(4,375)	73,180
Defined Benefit Pension Scheme	-	-	215	(1,150)	-	-	(935)
Total	127,442	47,515	(49,990)	(1,150)	8,057	(1,261)	130,613

The Connexional Funds

	Balance at 1 September 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
19b. Unrestricted funds							
General	51,866	18,755	(19,197)	-	406	3,114	54,944
Designated 19d	70,423	23,114	(25,522)	-	7,651	(4,375)	71,291
Defined Benefit Pension Scheme	-	-	215	(1,150)	-	-	(935)
Total	122,289	41,869	(44,504)	(1,150)	8,057	(1,261)	125,300

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £2.3m to the general fund principally comprise the net balance of the management levy received (£1.8m) and other MIC contributions (£0.6m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
19c. Designated funds							
1) The Connexional Priority Fund	12,792	21,023	(13,483)	-	1,487	(2,540)	19,279
2) The Epworth Fund	6,180	217	(898)	-	630	(28)	6,101
3) The Designated Training Fund	1,405	1	(694)	-	-	1,400	2,112
4) The Pension Reserve Fund	51,481	1,874	(9,993)	-	5,534	(3,207)	45,689
Total	71,858	23,115	(25,068)	-	7,651	(4,375)	73,181

The Connexional Funds

	Balance at 1 September 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
19d. Designated funds							
1) The Connexional Priority Fund	12,730	21,023	(13,581)	-	1,487	(2,540)	19,119
2) The Epworth Fund	6,170	217	(898)	-	630	(28)	6,091
3) The Designated Training Fund	42	-	(1,050)	-	-	1,400	392
4) The Pension Reserve Fund	51,481	1,874	(9,993)	-	5,534	(3,207)	45,689
Total	70,423	23,114	(25,522)	-	7,651	(4,375)	71,291

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.96m management levy paid to the general fund and £5.6m to the Pension Reserve Fund (PRF). See Note 22 page 81.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19e. Unrestricted funds							
General	52,706	22,747	(22,568)	-	390	2,310	55,585
Designated 19c	68,926	17,439	(11,438)	-	(2,478)	(592)	71,857
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	121,632	40,186	(32,193)	(1,813)	(2,088)	1,718	127,442

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19f. Unrestricted funds							
General	50,531	16,118	(17,483)	-	390	2,310	51,866
Designated 19d	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	118,294	33,553	(27,375)	(1,813)	(2,088)	1,718	122,289

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.9m to the general fund principally comprise the net balance of the management levy received (£2.0m), payment to the Long-term Renewal Fund (£0.1m), donations made to Pension Reserve Fund (£0.5m) for contribution toward pension deficit and other MIC contributions (£0.5m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19g. Designated funds							
1) The Connexional Priority Fund	10,584	15,879	(6,535)	-	(511)	(6,625)	12,792
2) The Epworth Fund	7,135	172	(538)	-	(242)	(347)	6,180
3) The Designated Training Fund	1,129	1	(566)	-	-	841	1,405
4) The Pension Reserve Fund	50,078	1,387	(3,798)	-	(1,725)	5,539	51,481
Total	68,926	17,439	(11,437)	-	(2,478)	(592)	71,858

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19h. Designated funds							
1) The Connexional Priority Fund	10,558	15,878	(6,570)	-	(511)	(6,625)	12,730
2) The Epworth Fund	7,126	171	(538)	-	(242)	(347)	6,170
3) The Designated Training Fund	1	-	(800)	-	-	841	42
4) The Pension Reserve Fund	50,078	1,386	(3,797)	-	(1,725)	5,539	51,481
Total	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.5m to the Pension Reserve Fund (PRF). See Note 22 page 81.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

3) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

4) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
20a. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	6,096	224	(1,257)	-	303	2,573	7,939
2) Mission in Britain Fund	6,855	748	(828)	-	178	(50)	6,903
3) Centenary Hall Trust	27,462	316	(27)	-	591	(475)	27,867
4) The Fund for Training	2,549	550	(240)	-	(39)	(2)	2,818
5) The World Mission Fund *	12,530	2,061	(5,496)	-	846	(668)	9,273
6) The London Mission Fund	15,336	267	(532)	-	1,580	-	16,651
7) The Guy Chester Centre *	20,888	1,626	(973)	-	170	(350)	21,361
8) Cliff College *	5,855	1,414	(2,759)	-	89	-	4,599
9) Southlands Methodist Trust	11,982	436	(823)	-	193	-	11,788
10) Methodist Medical Benevolent Fund	2,274	65	(118)	-	193	-	2,414
11) Special Extension Fund	2,273	67	(5)	-	185	(2)	2,518
Total funds with balances > £2m	114,100	7,774	(13,058)	-	4,289	1,026	114,131
Other - 28 funds with balances < £2m *	8,780	3,516	(4,153)	(86)	612	(55)	8,614
Total	122,880	11,290	(17,211)	(86)	4,901	971	122,745
		£0.0112	£0.0112	£0.0002	£0.0002	£0.0002	

The Connexional Funds

	Balance at 31 August 2023	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2024
	£000	£000	£000	£000	£000	£000	£000
20b. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	6,096	224	(1,257)	-	303	2,573	7,939
2) Mission in Britain Fund	6,857	748	(848)	-	178	(50)	6,885
3) Centenary Hall Trust	27,751	316	(27)	-	591	(475)	28,156
4) The Fund for Training	2,504	550	(240)	-	(39)	(2)	2,773
5) The World Mission Fund *	10,970	2,061	(5,789)	-	846	(668)	7,420
6) The London Mission Fund	15,336	267	(532)	-	1,580	-	16,651
7) The Guy Chester Centre *	20,892	1,626	(973)	-	170	(350)	21,365
8) Methodist Medical Benevolent Fund	2,274	65	(118)	-	193	-	2,414
9) Special Extension Fund	2,273	67	(5)	-	185	(2)	2,518
Total funds with balances > £2m	94,953	5,924	(9,789)	-	4,007	1,026	96,121
Other - 27 funds with balances < £2m *	6,675	664	(562)	(86)	603	(55)	7,239
Total	101,628	6,588	(10,351)	(86)	4,610	971	103,360

Transfers out of the World Mission Fund principally relate to £0.46m management levy paid to the general fund and £0.27m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20C. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,383	1,033	(264)	-	(227)	(70)	6,855
3) Centenary Hall Trust	27,460	351	(23)	-	23	(349)	27,462
4) The Fund for Training	2,412	472	(244)	-	(23)	(68)	2,549
5) The World Mission Fund	16,997	2,422	(5,770)	-	(384)	(735)	12,530
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre	20,399	1,535	(937)	-	241	(350)	20,888
8) Cliff College	6,897	1,274	(2,758)	-	442	-	5,855
9) Southlands Methodist Trust	13,569	467	(702)	-	(1,352)	-	11,982
10) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
11) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	127,747	8,435	(14,696)	-	(5,848)	(1,538)	114,100
Other - 28 funds with balances < £2m	10,162	4,354	(5,043)	94	(340)	(447)	8,780
Sub-total	137,909	12,789	(19,739)	94	(6,188)	(1,985)	122,880

The Connexional Funds

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20d. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,385	1,033	(264)	-	(227)	(70)	6,857
3) Centenary Hall Trust	27,749	351	(23)	-	23	(349)	27,751
4) The Fund for Training	2,367	472	(244)	-	(23)	(68)	2,504
5) The World Mission Fund	15,437	2,422	(5,770)	-	(384)	(735)	10,970
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre	20,403	1,535	(937)	-	241	(350)	20,892
8) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
9) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	105,971	6,694	(11,236)	-	(4,938)	(1,538)	94,953
Other - 27 funds with balances < £2m	7,091	676	(392)	94	(347)	(447)	6,675
Total	113,062	7,370	(11,628)	94	(5,285)	(1,985)	101,628

Transfers out of the World Mission Fund principally relate to £0.55m management levy paid to the general fund and £0.25m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.

2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

3) Centenary Hall Trust

This exists to hold on trust a Church House, formerly 25 Marylebone Road and now 25 Tavistock Place.

4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches' Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn disperse the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in Our Calling. The Centre provides funding for the Learning Network.

9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The college now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

11) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September 2023	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August 2024
	£000	£000	£000	£000	£000	£000
21a. Endowment funds						
Permanent						
Rank Endowment Fund	7,305	-	(1)	5	-	7,309
Barratt Memorial	1,229	-	(3)	139	4	1,369
Bories Bequest	26	-	-	5	-	31
Sub-total	8,560	-	(4)	149	4	8,709
Expendable						
William Leech Charities Fund	9,545	-	-	578	279	10,402
Other - 4 funds with balances <£1m	1,161	-	(1)	21	7	1,188
Sub-total	10,706	-	(1)	599	286	11,590
Total	19,266	-	(5)	748	290	20,299

Transfers of £0.26m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000
21b. Endowment funds						
Permanent						
Rank Endowment Fund	7,314	-	(2)	(3)	(4)	7,305
Barratt Memorial	1,273	-	(4)	(44)	4	1,229
Other - 2 funds with balances <£1m	27	-	-	(1)	-	26
Sub-total	8,614	-	(6)	(48)	-	8,560
Expendable						
William Leech Charities Fund	9,808	-	-	(524)	261	9,545
Other - 4 funds with balances <£1m	1,162	-	-	(7)	6	1,161
Sub-total	10,970	-	-	(531)	267	10,706
Total	19,584	-	(6)	(579)	267	19,266

Transfers of £0.24m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain and The Connexional Funds

22. Fund Transfers

		2024			2023		
		Transfers in	Transfers out	Net transfer	Transfers in	Transfers out	Net transfer
		£000	£000	£000	£000	£000	£000
Unrestricted							
Connexional Priority Fund	(Note 19)	-	(2,540)	(2,540)	-	(6,625)	(6,625)
Pension Reserve Fund	(Note 19)	1,291	(1,898)	(607)	5,669	(130)	5,539
Designated Training Fund	(Note 19)	1,050	-	1,050	841	-	841
General Fund	(Note 19)	6,998	(2,834)	4,164	2,425	-	2,425
Methodist International Centre	(Note 19)	-	(1,050)	(1,050)	398	(513)	(115)
Epworth Fund	(Note 19)	-	(28)	(28)	-	(347)	(347)
Total		9,339	(8,350)	989	9,333	(7,615)	1,718
Restricted							
Long-term Renewal Fund		-	-	-	-	-	-
World Mission Fund	(Note 20)	1	(669)	(668)	-	(735)	(735)
Guy Chester Centre	(Note 20)	-	-	-	-	(350)	(350)
Fund for Training	(Note 20)	-	(2)	(2)	-	(68)	(68)
Mission in Britain	(Note 20)	-	(50)	(50)	-	(70)	(70)
Fund for Support of Presbyters & Deacons		-	(27)	(27)	65	(27)	38
Fund for property	(Note 20)	9	(35)	(26)	-	(426)	(426)
Centenary Hall Trust	(Note 20)	-	(475)	(475)	-	(349)	(349)
Others		3	(34)	(31)	-	(25)	(25)
Total		13	(1,292)	(1,279)	65	(2,050)	(1,985)
Endowments							
William Leech Charities Fund	(Note 21)	289	(10)	279	271	(10)	261
Rank Endowment	(Note 21)	7	(7)	-	3	(7)	(4)
Others	(Note 21)	13	(2)	11	11	(1)	10
Total		309	(19)	290	285	(18)	267
Grand Total		9,661	(9,661)	-	9,683	(9,683)	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Methodist Church in Great Britain

23a. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2024 Total £000
Intangible fixed assets	115	38	-	153
Tangible fixed assets	19,215	55,943	-	75,158
Investments	114,603	48,630	12,497	175,730
Current assets	21,868	22,979	50	44,897
Creditors due within one year	(24,003)	(3,061)	7,751	(19,313)
Creditors due after more than one year	(250)	(509)	-	(759)
Defined benefit pension scheme liability	(935)	(1,276)	-	(2,211)
Total	130,613	122,744	20,298	273,655

The Connexional Funds

23b. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2024 Total £000
Intangible fixed assets	81	-	-	81
Tangible fixed assets	18,656	45,938	-	64,594
Investments	114,603	47,211	12,497	174,311
Current assets	22,334	9,249	51	31,634
Creditors due within one year	(29,189)	2,594	7,750	(18,845)
Creditors due after more than one year	(250)	(356)	-	(606)
Defined benefit pension scheme liability	(935)	(1,276)	-	(2,211)
Total	125,300	103,360	20,298	248,958

The Methodist Church in Great Britain

23c. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	135	43	-	178
Tangible fixed assets	17,720	48,984	-	66,704
Investments	107,781	67,218	11,470	186,469
Current assets	21,137	15,093	43	36,273
Creditors due within one year	(19,132)	(5,678)	7,753	(17,057)
Creditors due after more than one year	(199)	(1,549)	(2,978)	(4,726)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	127,442	122,880	16,288	266,610

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	106	-	-	106
Tangible fixed assets	17,249	38,784	-	56,033
Investments	107,781	54,231	11,470	173,482
Current assets	19,768	11,268	43	31,079
Creditors due within one year	(22,370)	(197)	7,753	(14,814)
Creditors due after more than one year	(245)	(1,227)	-	(1,472)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	122,289	101,628	19,266	243,183

24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

The Methodist Church in Great Britain

24a. Revaluation reserve	1 September 2023 £000	Movement £000	31 August 2024 £000
Unrestricted	7,314	(291)	7,023
Restricted	45,152	(221)	44,931
Total	52,466	(512)	51,954

The Connexional Funds

24b. Revaluation reserve	1 September 2023 £000	Movement £000	31 August 2024 £000
Unrestricted	7,311	(291)	7,020
Restricted	39,556	(221)	39,335
Total	46,867	(512)	46,355

The Methodist Church in Great Britain

24c. Revaluation reserve	1 September 2022 £000	Movement £000	31 August 2023 £000
Unrestricted	7,240	74	7,314
Restricted	48,501	(3,349)	45,152
Total	55,741	(3,275)	52,466

The Connexional Funds

24d. Revaluation reserve	1 September 2022 £000	Movement £000	31 August 2023 £000
Unrestricted	7,237	74	7,311
Restricted	43,347	(3,791)	39,556
Total	50,584	(3,717)	46,867

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

25. Expenses reimbursed to the trustees	Number of trustees	2024	Number of trustees	2023
		£000		£000
Travel and other expenses reimbursed	41	31	43	45

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2024	2023	2024	2023
	£000	£000	£000	£000
Doug Godfrey-Swanney	19	17	156	140
Mrs Joanne Anderton	14	12	111	100
The Revd Dr Jonathan R Hustler	8	7	50	47
The Revd Gillian M Newton	8	7	50	45
Deacon Karen McBride	8	7	48	45
The Revd Helen R Kirk	8	7	48	45
The Revd S Mark Slaney	8	7	48	45
The Revd Richard M Andrew	8	7	48	45
The Revd Michaela A Youngson	8	7	47	45
Deacon Kerry Scarlett	8	7	40	37
The Revd Helen D Cameron	8	-	48	-
The Revd Marcus Torchon	8	-	43	-
The Revd Marie-Anne Kent	8	-	43	-
The Revd Sonia M Hicks	8	-	43	-
The Revd Steven R M Cooper	8	-	41	-
The Revd Graham Thompson	-	7	-	47
Total	137	92	864	641

Of the trustees listed above, 15 were in the Connexional team or District Chairs (2023: 13). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £1.07m (2023: £0.7m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2024	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related party
	Income from related party			
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	19	201	-	-
Methodist Ministers' Housing Society (b)	-	74	-	-
Methodist Ministers' Pension Scheme (c)	72	-	-	-
Pension Assurance Scheme for the Lay Employees of the Methodist Church (PASLEMC)	18	-	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	880	-	-
Methodist International Centre Ltd (e)	990	43	-	718

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A payment of £0.88m (2023: £1.10m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2023-24 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 23 to Aug 24.
- (e) Income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds £990k (2023: 698k) . The £43k relates to accommodation expenses (2023: £27k).
In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. Monthly instalment to repay the loan has started from July 2024, Balance as on 31 August 2024 is £718K.
- (f) A grant of £4,250k was made to Methodist Conference Property at Central Hall to enable the Trustees clear an external loan and reinstate the working capital.
- (g) A grant payment of £291k was made to The New Room John Wesley Chapel.

	2023 Income from related party £000	Payments to/(from) related party £000	Loans from related party £000	Amount owed by/(to) related party £000
Trustees for Methodist Church Purposes (a)	19	216	-	-
Methodist Ministers' Housing Society (b)	1	18	-	-
Methodist Ministers' Pension Scheme (c)	67	206	-	-
Pension Assurance Scheme for the Lay Employees of the Methodist Church (PASLEMC)	16	53	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,105	-	-
Methodist International Centre Ltd (e)	698	27	-	786
Methodist Conference Property at Central Hall (f)	-	4,250	-	-
The New Room John Wesley Chapel (g)	-	291	-	-

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church's investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £14.2m (2023: £13.4m)
- The awarding and distribution of grants to other Methodist entities amounts to £12.3m in 2024 (2023: £3.6m)
- Investment charges (TMCP & CFB) amounts to 381k in 2024 (2023: £375k)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members

- Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and
- Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2024 Total £000	2023 Total £000
Fair value of scheme assets	54,196	-	54,196	57,176
Present value of scheme liabilities	(55,131)	(1,276)	(56,407)	(54,457)
Sub Total	(935)	(1,276)	(2,211)	2,719
Unrecognised assets	-	-	-	(3,950)
Net defined benefit liability	(935)	(1,276)	(2,211)	(1,231)

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The Connexional

	Unrestricted PASLEMC £000	Restricted SSMP £000	2024 Total £000	2023 Total £000
Service cost (before contributions from other group employers)	41	-	41	84
Interest cost on scheme liabilities	2,719	64	2,783	2,622
Interest income on plan assets	(2,951)	(84)	(3,035)	(2,806)
Net finance costs	(232)	(20)	(252)	(184)
Total	(191)	(20)	(211)	(100)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2024 Total £000	2023 Total £000
Actual return on scheme assets	(1,320)	(151)	(1,471)	(12,709)
Amounts included in net interest on the net defined liability	(2,951)	151	(2,800)	(2,569)
Other actuarial gains/losses	(1,035)	(86)	(1,121)	14,314
Movement in unrecognised assets	4,156	-	4,156	(755)
Re-measurement gains and losses recognised in SoFA	(1,150)	(86)	(1,236)	(1,719)

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

Liabilities	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
At 1 September	53,226	66,915	1,231	1,368	54,457	68,283
Service cost	40	84	-	-	40	84
Interest on obligation	2,719	2,568	64	54	2,783	2,622
Contributions by members	-	-	-	-	-	-
Benefits paid	(1,889)	(2,121)	(105)	(97)	(1,994)	(2,218)
Actuarial gains/losses	1,035	(14,220)	86	(94)	1,121	(14,314)
At 31 August	55,131	53,226	1,276	1,231	56,407	54,457

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

Assets	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2024 £000	2023 £000	2024 £000	2023 £000	2024 £000	2023 £000
At 1 September	57,176	69,991	-	-	57,176	69,991
Interest on assets	2,951	2,735	-	-	2,951	2,735
Contributions by employers	1,050	2,384	-	-	1,050	2,384
Contributions by members	-	-	-	-	-	-
Administration expenses	(821)	(535)	-	-	(821)	(535)
Benefits paid	(1,889)	(2,121)	-	-	(1,889)	(2,121)
Actuarial return less interest income on plan assets	(4,271)	(15,278)	-	-	(4,271)	(15,278)
At 31 August	54,196	57,176	-	-	54,196	57,176
Unrecognised assets	-	(3,950)	-	-	-	(3,950)
Net Defined Benefit Liability	935	-	1,276	1,231	2,211	1,231

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2024 % pa	2023 % pa	2024 % pa	2023 % pa
Discount rate at end of year	5.0	5.2	5.0	5.4
Discount rate at start of year	5.2	3.9	5.4	4.1
RPI Inflation	3.3	3.4	3.4	3.5
CPI Inflation	2.7	2.8	-	-
Rate of increase in Pensionable earnings	2.7	2.8	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.7	2.8	3.4	3.5
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.5	3.4	3.5
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.2	3.3	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.2	2.2	-	-

Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2024	2023	2024	2023
Equities	-	-	18.3	16.5
Gilts	-	-	38.8	58.0
Corporate Bonds	-	45.6	33.3	12.7
Property	-	-	5.8	6.3
Cash	0.4	19.3	3.8	6.5
Liability Driven Investment	0.0	30.7	-	-
Annuities	4.6	4.4	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2024	2023
	£000	£000
Service cost	9,696	9,696
Interest cost on scheme liabilities	17,100	15,712
Interest Income on plan assets	(20,699)	(18,248)
Interest on unrecognised assets	-	-
Net Finance Costs	(3,599)	(2,536)

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2024	2023
	£000	£000
Actual Return on Scheme assets	27,391	(54,583)
Amounts included in net interest on the net defined liability	(20,699)	(18,248)
Other Actuarial gains/losses	(24,834)	72,374
Movement in unrecognised assets	13,754	(2,414)
Re-measurement gains and losses recognised in SOFA	(4,388)	(2,871)

c. The changes in the present value of the defined benefit obligation were:

	2024	2023
	£000	£000
Opening defined benefit obligation	333,682	403,424
Service cost	2,989	5,040
Interest cost	17,100	15,712
Cost of benefit Changes	-	-
Contributions by members	3,292	3,140
Benefits paid	(22,081)	(21,260)
Actuarial (gains)/losses	24,834	(72,374)
Closing defined benefit obligation	359,816	333,682

The weighted average duration of the liabilities of the Scheme was 11 years as at 31 August 2024.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

28. Defined benefit pension scheme commitments (continued)

d. The changes in the fair value of the plan assets during the year were:

	2024 £000	2023 £000
Opening fair value of scheme assets	395,831	460,862
Interest income on plan assets	20,699	18,248
Contributions by employers	8,211	8,808
Contributions by members	3,292	3,140
Benefits paid	(22,081)	(21,260)
Administration expenses	(1,139)	(1,136)
Actual return less interest income on plan assets	6,692	(72,831)
Closing fair value of scheme assets	411,505	395,831

The total assets and liabilities of the MMPS at 31 August were:

	2024 £000	2023 £000
Closing defined benefit obligation	(359,816)	(333,681)
Closing fair value of scheme assets	411,505	395,831
Net defined benefit scheme asset	51,689	62,150
Assets that would not have been recognised had the scheme been included	13,754	(2,414)
Net defined benefit asset	65,443	59,736

The principal actuarial assumptions at the balance sheet date in respect of the Scheme were:

	2024 % pa	2023 % pa
Discount rate at end of year	5.0	5.3
Discount rate at start of year	5.3	4.0
Inflation	3.3	3.5
Rate of increase in pensionable earnings	3.5	3.6
Rate of increase in deferred pensions pre 2009	3.0	3.1
Rate of increase in deferred pension post 2009	2.5	2.5
Rate of increase in pension in payment main benefits CPI LPI 5%	3.0	3.0
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.1	2.2
Rate of increase in pension in payment AVCs RPI LPI 5%	3.2	3.3
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.2	2.3

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2024 (continued)

28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers' Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2024	2023
	%	%
Equities	5.4	12.8
Gilts	0.1	0.1
Corporate Bonds	47.0	46.6
Property	-	-
Cash	1.0	1.5
Liability driven Investment	30.6	29.7
Asset Backed Securities	4.4	-
Impact investing	11.5	9.3

The Methodist Church in Great Britain

The membership 2023/24 and 2024/25 are listed below.

Methodist Council:

2023/24 (until 31 August 2024)

Joanne Anderton
The Revd Richard M Andrew
Stephen Arnold
Marianne Barrett Rogers
The Revd Dr Moira Biggins
Anthony Boateng
Anne Bolton
Mark Braithwaite
The Revd Helen D Cameron
The Revd Deborah L Caulk
The Revd Steven R M Cooper
The Revd Dr Joanne Cox-Darling
Gill Dascombe
Eleanor Dixon
The Revd Simon C Edwards
The Revd Ann Fox
The Revd Andrew Fyall
The Revd Jennifer M Gill
Carolyn Godfrey

Doug Godfrey-Swanney
Peter Gregson
Matt Hays
Bet Holmes
Carolyn Hothersall
The Revd Dr Jonathan R
Hustler
The Revd Stephen Ingrouille
David James
The Revd Naomi Kaiga
The Revd Marie-Anne Kent
The Revd Helen R Kirk
Joseph Lambert
Professor David Matthews
Val Mayers
Deacon Karen McBride
Dr Daleep Mukarji
The Revd Gillian M Newton
Keith Norman

The Revd Charity Nzegwu
Dr Helen Okello
The Revd Romeo R Pedro
Sheila Pollard
Miss Bridget Quint
The Revd Dr Calvin T Samuel
Deacon Kerry R Scarlett
The Revd S Mark Slaney
The Revd Luke G S Smith
Sandie Smith
The Revd Rebekah Stennett
The Revd Howard J Stringer
Jenny Taylor
The Revd Graham Thompson
The Revd Marcus Torchon
Elizabeth Ward
The Revd Michaela A Youngson

Connexional Council (from 1 September 2024):

2024/25

The Revd Richard Byass
The Revd Helen Cameron
The Rev Dr Joanne Cox-Darling
Carolyn Godfrey
The Revd David Goodall
Keith Hickey
The Revd Sonia Hicks (Chair)
The Revd Bev Hollings
The Revd Dr Jonathan Hustler
The Revd Dr Mike Long

Anna Malnutt
David Matthews
The Revd Gill Newton
The Revd Nick Oborski
The Revd Sarah Parkin
Alethea Siow
Paul Spray
The Revd Tim Swindell
Dawn Wood

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.

The Methodist Church in Great Britain

The Strategy and Resources Committee (until 31 August 2024)

The membership for the 2023-24 year is listed below:

Voting Members

Janet Arthur
Anne Bolton
Nick Garrett
Professor David Matthews
Shelagh Morgan

Dr Daleep S Mukarji (Chair)
The Revd Gillian M Newton
The Revd Nicholas A Oborski
The Revd Kerry W Tankard
The Revd Marcus Torchon

Non-voting members

Joanne Anderton
The Revd Dr Jonathan R Hustler
Douglas Godfrey-Swanney
The Revd Michaela A Youngson

Other members of the senior management group may attend by invitation as the business shall require.

The Finance Sub-Committee of the Strategy and Resources Committee (until 31 August 2024)

The membership of the committee is:

Voting Members

Helen Blair
Sue Haworth
Anne Bolton (Chair)

Malcolm Pearson
The Revd Stephen J Radford

Members of the senior management group may attend by invitation as the business shall require.

The Audit and Risk Assurance Committee

The membership of the committee is:

Voting Members

Sarah Atwell-King
Adrian Burton
Keith Hickey (Chair from 1 September 2024)

Sue Mortimer
Michael Rickard

Non-voting members

Members of the senior management group may attend by invitation as the business shall require.

The Methodist Church in Great Britain

Reference and Administrative Details

Names and addresses

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

Methodist Church House
25 Tavistock Place
London WC1H 9SF
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Michaela A Youngson
Douglas Godfrey-Swanney
Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Investment Managers:

Central Finance Board of the Methodist Church
Methodist Church House
25 Tavistock Place
London WC1H 9SF

Bankers:

HSBC plc
Westminster Branch
4-8 Victoria Street
London SW1H 0NJ

Independent Auditor:

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands, B3 3AG

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Accounts

The Methodist Church in Great Britain
Consolidated Report and Financial Statements
for the year ended 31 August 2023

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	2
The Methodist Church in Great Britain Trustees' Report	3-40
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	3
Public benefit requirement	3
Structure	3
Overview of the work of The Methodist Church In Great Britain	9
Key activities	9
Grants	23
Plans for the future	24
The environment	25
Remuneration of key management personnel	26
Fundraising activities	26
Financial review	27
Reserves policy	28
Investments	31
Risk management	32
Data protection	35
Going concern	35
Related parties	36
Statement of Trustees' responsibilities	37
Independent Auditor's report to the Trustees of The Methodist Church in Great Britain	38
Consolidated Financial Statements	41-92
Statement of financial activities	42
Statement of financial activities – The Connexional Funds	43
Balance sheets	44
Cash flow statements	45
Notes to the Consolidated Financial Statements	47
Trustees and committee memberships	93
Reference and administrative details	95

Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

It is my privilege to introduce to you the annual report for 2022-23. With events of the past year shaping the work of the Church, this report demonstrates the variety of work that has been carried out and how it reflects Our Calling to respond to the Gospel of God's love in Christ and to live out our discipleship.

The priorities of the Methodist Church, which are embedded within Our Calling, underpin everything we do with God at our centre and this report gives us an insight not only to the financial resources of the Church, but the wider work done that has had an impact in the world as well as the Connexion.

The Annual Report gives us the opportunity to engage with the processes followed and enable us to focus on the resources at our disposal. We live in challenging times and this report documents the many ways in which the Methodist Church in Great Britain has faced the challenges. As we discover what it means to live on the other side of a global pandemic, wrestle with the opportunities and risks of the digital world, and accept that in many places the Church of the future will be very different from the church of the past, the responsible stewardship of our resources is a vital task.

This report is an account of that stewardship. Thanks are owed to all involved throughout the Connexion as we use what we have received to be an inclusive, evangelistic, growing, justice-seeking church.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2024

The Methodist Church in Great Britain Trustees' Report

Strategic Objectives, Aims and Purposes of The Methodist Church in Great Britain

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain ('The Methodist Church' or 'The Church'). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

Public Benefit Requirement

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

Structure

The entities included in this report are not a record of all the financial activities of the wider Methodist Church, as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 47 and include:

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Y Care	(a separately registered company)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. The above-named organisations have purposes that are consistent with those of the Methodist Church and at least 50% of their trustees are appointed by the Council, thus demonstrating a level of control.

The Methodist Church registered as a charity on 20 October 2009 (charity number 1132208 – 'The Methodist Church in Great Britain') when it became necessary for excepted charities with a gross annual income over £100,000 to register.

The members of the Methodist Conference (the Conference) are the charity trustees, and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2023 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the senior leadership group of the Connexional Team for matters relating to the objectives of the Connexional Team, and to local trustees in the case of the consolidated entities. These local trustees are accountable to the Methodist Council.

The basic governance structure as far as these consolidated financial statements are concerned is presented in the diagram below.



The Methodist Conference

The Conference is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church’s affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 29 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

The Methodist Council meets three times a year and consists of 54 members most of whom hold office for four years. Its terms of reference are to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- implement Conference decisions.

It has agreed the following objectives for the coming year in order to support the delivery of the Church's strategic objective 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission':

1. Proclaiming the Gospel through worship / The ministry of the people of God in the life of the world
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for justice and peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership

In addition to the above, the Methodist Council is responsible for (*inter alia*):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering Connexional Funds;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council (on the recommendation of the Heritage Committee) are historically significant are scrutinised before going ahead.

The following committees have an oversight/governance role and report to the Methodist Council:

The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2022/2023, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- encouraging a collaborative style of working to be adopted throughout the Connexional Team; and
- overseeing risk management within the Connexional Team.

The Audit and Risk Assurance Committee

This is a committee of the Conference appointed on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers and any appropriate staff members of the Connexional Team to attend its meetings.

Meeting three times in the year and reporting annually to the Methodist Council, the Audit and Risk Assurance Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing and monitoring the effectiveness and appropriateness of procedures relating to risks;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Council.

Oversight Committees

To assist the Methodist Council in discharging its duties there are a number of other committees, the key ones being:

The Connexional Allowances Committee, which is responsible for recommending allowances for ministers and awarding grants from the following funds:

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Aspinall Robinson Trust, and
- The Benevolent Fund for Deaconesses.

The Finance Sub-Committee of the Strategy and Resources Committee whose remit is to:

- provide expert advice on financial matters to the SRC;
- review the Council's cash and investment holding; and
- represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.

The Ministries Committee, which reports to the Methodist Council, exists to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing and supporting programmes and processes for candidacy, training, oversight and related matters.

The Mission Committee, which reports to the Methodist Council, exists to ensure the mission and activities of the Church are in keeping with the response to Our Calling and agreed priorities. It enables the Church to take up various aspects of Mission as expressed in Part 10 of Standing Orders. It explores the challenges and opportunities faced by the Church for mission, local and global, in the multi-ethnic, multi-cultural and multi-faith context that is the society today.

The Property Development Committee, which works to develop and maintain a connexional property strategy. Its responsibilities include:

- developing and proposing to the Council policies in respect of the use of Methodist property;
- exercising such managing trustee responsibilities and duties as may be delegated to it by the Council;
- identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
- reviewing and monitoring the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
- offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.

The Safeguarding Committee, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advises the Methodist Council on all related issues.

Other Oversight Bodies

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 61. For each of them, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

The Methodist Council appoints members to the various trustee bodies, on the recommendations of existing members and based on a reasoned statement provided for each nominee. It follows a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period, but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment.

The Council reviews and re-confirms the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

All new members of the Council undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees receive regular updates and are made aware of relevant events and training opportunities.

Proposed Governance and Oversight changes

Following an extensive review of its governance structure, The Methodist Church is changing its constitution which will move charity trusteeship from the Methodist Conference to a smaller charity trustee body called the Connexional Council. The Conference will remain the governing body of the Methodist Church. The Church has received counsel's advice on the constitutional amendments required to effect the changes and has notified the Charity Commission of the proposals. It is anticipated that the changes will be implemented on or around 1 September 2024.

The purpose of the proposals is to enable the Church to better fulfil its calling in the 21st century to respond to the Gospel of God's love in Christ and to live out its discipleship in worship and mission, whilst ensuring that it complies with regulatory requirements and adheres to charity governance good practice. The new Connexional Council will replace the existing Methodist Council and the Strategy and Resources Committee, and other changes to the committee structure are also proposed. The creation of a new Nominations Committee should ensure a transparent and fair process for making committee appointments.

Overview of the Work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 3,332 places of worship, with around 136,891 members;
- the work of around 1,226 active Methodist ministers;
- pupils enrolled in 84 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 842 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.

Key Activities

The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting hosted from Birmingham, in June 2023:

- 13 presbyters and 4 deacons were received into Full Connexion on Sunday 25 June, along with 10 presbyters by transfer and 1 presbyter by reinstatement and transfer. Later that day, ordination services took place in Coventry at Methodist Central Hall and Coventry Cathedral.
- The Conference received the Report on Oversight and Trusteeship proposals. Following consultation with the District Synods, the Conference confirmed changes to the Deed of Union which it agreed in 2022, to establish a Connexional Council from 1 September 2024. The Connexional Council will be the trustee body for the Church, and will undertake many of the functions of the present Methodist Council and Strategy and Resources Committee. Further to the decisions of the 2022 Conference in respect of reducing the size of the Conference from 2024, the Council brought a proposed allocation of seats in order to achieve that reduction. Among other changes, proposals were agreed to abolish the category of Conference-elected representatives and replace it with members of the Connexional Council.
- The Conference agreed to the establishment of a new District incorporating the present Cumbria, Lancashire, Liverpool and Bolton and Rochdale Districts, with a continuing consultation taking place in the Manchester and Stockport District concerning this proposal. The new District will come into being on 1 September 2024 and will be called the North West England District.
- There is Room – Triennial Membership Returns 2019-2022 were reported. For the years 2020 and 2021 attendances were not recorded due to the lockdown with many societies meeting online for that time. The attendance figures for 2022 (as for 2019) do not include

those who shared in online services. The numbers indicate a 3,000 reduction between 2021 and 2022, more typical of pre-pandemic trends.

- The report of the Walking with Micah project was presented to the Conference. Walking with Micah has been a two-year project helping the Methodist Church to explore what it means to be a justice-seeking Church. It draws on Methodist history, theology, current concerns and practice, and recommends a framework of principles for justice which underpin our understanding of God's justice and what it means to seek justice. The report recognised how much is being done in churches to tackle injustice and recommends a two-year programme to embed these principles, priorities and practices in order to support and encourage this work. The Conference commended the report for prayerful study and action throughout the Connexion.
- The Youth President highlighted the success of last year's 3Generate event that was bigger than ever before with 1,200 children and young people, 456 group leaders, and 252 volunteers joining together. The Conference received the report, which called upon all Methodists actively to engage in conversation with children and young people about faith and life.
- The Conference agreed to roll out a scheme to help resolve disputes in church communities across the Church following a successful pilot project. The Conference adopted the recommendation for the five-year programme, in partnership with Place for Hope, to offer an integrated approach in support of Positive Working Together and extending the Reconciliation and Mediation Team as a Connexion-wide programme.
- The Conference approved A Methodist Way of Life (methodist.org.uk/our-faith/a-methodist-way-of-life) and in workshops engaged with experiences and ideas of how this model of structured discipleship can help people to grow in faith and confidence.

Organisation of the work

The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, organises its work in the following eight key areas:

1. Building Communities
2. Children, Youth and Families
3. Evangelism and Growth
4. Global Relations
5. Learning Network
6. The Methodist Council and Governance
7. Ministries
8. Property

Each of these is reviewed below.

1. Building Communities

The Methodist Church continues to work ecumenically where possible. All the ministries of the Local Churches, Circuits, Districts and Connexional team can only happen after the question is posed: 'Can this be done ecumenically?' Only after that question is considered can any further ministry of the Methodist Church be developed.

The Methodist Church continues to play its full role within the ecumenical bodies: Churches Together in England, former ACTS now the nascent Churches Together in Scotland, Cytun Churches Together in Wales and Churches Together in Britain and Ireland. It also keeps bi-lateral ecumenical relationships with several denominations. To name but a few: with the Church of England, the United Reformed Church (URC) and the Roman Catholic Church. With the Church of England it was agreed to re-start work on producing liturgy and legislation regarding mutual

recognition of ministries. The Methodist Church shares much in common with the URC, a group or representatives participated in the URC's 50th anniversary celebrations, and the MC shares with the URC in many Local Ecumenical Partnerships locally as well as in ecumenical areas. With the Roman Catholic Church, the National Dialogue Commission continues its work and the Methodist Church has contributed to the Synodical process that the URC is engaged with.

The Ecumenical desk of the Methodist Church supports with advice and guidance over 600 Local Ecumenical Partnerships (LEP) spread across the entire Connexion. There are around 28,000 Methodists worshipping in Local Ecumenical Partnerships. The LEPs offer a solid basis for ecumenical cooperation. They are resilient congregations. Figures from the United Reformed Church and the Methodist Church show a slower decline in number of LEPs than in numbers of single denominational congregations.

The Ecumenical desk has provided training and support for those wanting to create new forms of cooperation or to document existing ones. The 'A Flexible Framework for Unity in Mission' continues to guide ecumenical cooperation in establishing the level of complexity required for different forms of collaboration: working agreement, partnership agreement, or the more complex constitutional agreement.

The Ecumenical Officers (EOs) of different denominations meet once a month on zoom to share concerns, plan joint work, and to pray. There are two annual Churches Together in England Conferences that the Methodist ecumenical desk is involved in leading: the All EOs' Conference and the Conference for new EOs. Globally, the Methodist Church sent a delegation to the World Council of Churches 11th Assembly in Karlsruhe, Germany, 31st August to the 8th September 2022, under the theme: "Christ's love moves the world to reconciliation and unity".

The Joint Public Issues Team (JPIT) has continued to support the Methodist Church to be alive to issues of justice and peace and to speak and act for change.

They have led interfaith and civil society groups to campaign on rising levels of poverty in the UK, launching the Let's End Poverty movement to mobilise local communities to call on political leaders to prioritise tackling UK poverty. In doing so they have sought to amplify the perspectives of people in our communities with first-hand experience of poverty, particularly at the joint 'Dignity' conference with Church Action on Poverty and the APLE collective.

They have continued to speak out for welcome towards refugees and people seeking asylum, coordinating over 1,450 church leaders to write to the Prime Minister about the Illegal Migration Bill. They have supported churches to explore the issues raised by the war in Ukraine with a briefing about the ethical and theological implications of the war, and have continued to equip churches to tackle the climate crisis through Net-Zero in My Neighbourhood resources and responding to UN COP27. At the May 2023 elections, JPIT supported the Methodist Church to ensure congregations were aware of the introduction of Voter ID rules, and to support communities to ensure vulnerable groups were not disenfranchised by new rules.

JPIT have continued to equip local leaders to preach and pray about justice and peace, reaching three years of daily Stay and Pray calls to prayer online, running a 'Preaching the Good News' roadshow with All We Can as well as continuing to provide the weekly Politics in the Pulpit lectionary based preaching podcast.

The operation and output of the Publishing Services team has continued to shift significantly in two directions. First, towards closer collaboration and providing editorial and design services for the Digital Communications team in response to our 'digital first' publishing strategy. This supports both wider distribution and greater accessibility for many in the Church, and our drive towards net zero.

Second, there has been a marked increase in the proportion of unpriced resources being produced in print or equivalent formats (such as machine-readable plain text, downloadable pdf or PowerPoint), which support the delivery of mission and ministry programmes, rather than, for example, publishing stand-alone books for sale. One notable exception is the popular and profitable annual *Methodist Prayer Handbook* of which we sold around 20k in the standard edition and more than 1,600 in a large print edition, plus releasing an e-book edition.

Many of our so-called ‘free’ publications are essential to the safe and effective running of our churches and integrate content available online with printed resources, from training manuals for Safeguarding courses, to posters and cards to support outreach at Christmas with video and worship resources provided online. By far the greatest annual investment in unpriced print was the production and distribution to 65k subscribers of four issues of the flagship magazine, *the connexion*, that shares how local churches and our partner organisations are responding to our calling and engaging in the mission of the Methodist Church.

2. Children, Youth and Families

Direct work with children and young people and supporting local leaders

3Generate 2022 and preparation for 2023

3Generate 2022 took place in September. There were 1,200 children and young people, 456 group leaders, and 252 volunteers joining together at the NEC in Birmingham. The Methodist Children and Youth Assembly report the results of elections held, bring to attention the topics that are important to children and young people, and present resolutions that aim to break barriers which impact children and young people from being full participants in their local churches.

3Generate aims to encourage children and young people to ‘Tune in to God, the World and Each Other’ and to discern what actions need to be taken for themselves, with peers, in their local church or community. One of this year’s resolutions to the Conference from the Assembly asked everyone to speak to children and young people in their context and encouraged the Church to be in dialogue with children and young people. They offered and encouraged access to churches to attend a Youthscape Essentials training module that equips good dialogue. These were run across the year by the Connexional Team and some of the District Ambassadors.

The 2023 Children and Youth Assembly took place from the 6th until the 8th of October at The NEC Birmingham. In January 2023 groups of children and young people from across the Connexion gathered at an Influencers’ Day to shape that year’s Assembly. The Youth President and 3Generate Reps facilitated conversations with children and young people from across the Connexion at this event to explore potential topics for sessions and what experiences and discussions they wanted at this year’s Assembly.

The 2023 Assembly was attended by 1,300 children and young people supported by nearly 500 leaders and a further 230 volunteers and members of the team who facilitate the event. The event included a collaboration with The Methodist Arts Committee to create an immersive art experience based on Eularia Clark, *The Five Thousand*. This created opportunities to respond and be in dialogue about food, sustainability, spirituality and faith.

The 4-7years intergenerational Assembly area grew from 80 to 120 attendees. This is modelling intergenerational dialogue and faith formation.

Support, Equipping and growing Young leaders across the Connexion

The Leadership year is a programme for the development of 18-30 year olds in leadership consisting of three residential weekends across the year where there is the opportunity to explore the Characteristics needed for healthy Christian Leadership.

13 young adults from across the connexion completed the final Leadership Year weekend for 2022/23 in July.

In the Connexional year 2023/24 twelve funded places are being offered for the Leadership Year and plans include involving some of the new students at Cliff College.

One Programme

Of those who have finished the One Programme in August 2023, 2 have continued to be employed by their project, with 1 hoping to find funding to continue at their project, and 1 has just started the degree course at Cliff College.

The One Programme will be on hold for 2023/2024 as we develop with Cliff College a young adult plan and that will have a number of focus areas for leadership growth and experiences.

3Generate Reps programme

This group are elected into their roles and act as the Youth President Advisory group alongside a selection of focused roles. They attend three residentials across the year where they receive training, mentoring and support. Part of their role is to talk to children and young people and to be involved in consultations representing children and young people. There are currently 13 Reps with the following roles; Conference, Council, Agents of Change (Social Action), Global and Digital.

Training and equipping

We continue to equip leaders across the connexion in Youth Mental Health First Aid and deliver three sessions a year, training up to 48 people in these essential skills annually.

We now have 20 people on the list of trainers for Youthscape essentials Youth Ministry Training (a mix of local workers, Connexional team and District Ambassadors) available to deliver the Youthscape Essentials training course. The first Connexional online course is currently underway (being delivered collaboratively by a number of trainers) and Southampton District have been running a local offering. There are also plans for another Connexional course starting January 2024 and some other local courses, including in Cumbria, Solihull and Enfield.

3. Evangelism and Growth

It's been three years since *God for All: The Connexional Strategy for Evangelism and Growth* launched in September 2020. Overall engagement has deepened in the past year: participation in the key programmes has increased; all districts continue to use the formal process of planning new Christian communities (New Places for New People) to receive their allocated funding; accompanying and supporting superintendents as missional leaders remains a focus; and the Evangelism & Growth Team has continued to offer help to circuits online and onsite.

Some key highlights:

- **A Methodist Way of Life.** The Methodist Way of Life / Discipleship Pathways toolkit launched in September 2023 after a successful year of piloting. This is a suite of resources to help individuals and church communities to use MWOL as a framework for their discipleship based on Our Calling. The toolkit includes 40 new webpages with guidance and interactive activities, two animations, and a range of physical resources including Pocket Guides and floor mats. More information can be found at: www.methodist.org.uk/discipleship
- **Sunshine and Showers.** The new Sunshine and Showers prayer course launched in August 2023. It is a way for groups to explore and discuss prayer by considering six paradoxes. The resource includes a series of animations, conversation videos, and a booklet for journaling. More information can be found at: www.methodist.org.uk/sunshine
- **Evangelistic engagement.** As well as rolling out continued evangelistic training with churches, circuits and districts and reaching increasing numbers, this year we've increased engagement at events of national significance. In 2022 we were present at four events,

and in 2023 we have been present at seven events, with Connexion-wide teams, equipping diverse people for effective evangelism and outreach. We've also launched a new community of support for people creating new Christian communities online, such as podcasts alongside a funding stream. This year four communities have been funded, and a further three projects have been supported by the community.

- **Church at the Margins.** Online courses to begin a Church at the Margins are available, alongside a newly launched workbook to resource small groups with practices to begin a new Christian community at the economic margins. Further development of Faith Rooted Community Organising (FRCO) has taken place, including introductory courses on FRCO at Cliff College, and resourcing of a pilot project in the West Midlands accompanying congregations to develop FRCO core practices.
- **Coach Training.** We have been developing our coach training programme, offering regular online training to complement our annual Cliff College course. We've also put in place regular coaching practice sessions to raise the quality of coaching. Team coaching training is planned to take place in the next few months, upskilling our existing coaches to work with circuit teams. Coaching aims to help leaders and churches transform for the sake of transformation in the world God loves.
- **Rural Mission & Ministry.** Work continues to integrate 'rural' into all aspects of wider mission and ministry.
- **The Rural Hope network.** This is still expanding, offering an ecumenical space for encouragement, training and inspiration for lay and ordained rural leaders, covering a wide variety of content. One new strand, 'merging for mission', is being further developed this year, supporting the wider Connexional team's work with smaller churches.

As we begin the fourth year of God for All, the Evangelism and Growth Team is deepening its understanding of the impact of the Church's engagement of the strategy thus far, with two goals:

1. To reflect on the rich feedback gathered from across the church from the Connexional Team and local Methodist practitioners, and embed the significant learning;
2. To continue to hone the second major season of God For All (2025-2032), to be presented to Conference. It will build upon the energy of the first five years, and be a refocused strategy through to the centenary of the Deed of Union in 2032. It will seek to centre partnership and intersection with work of other Connexional Teams and the wider church.

4. Global relationships

The Methodist Church in Great Britain has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC).

The decision to end lay Mission Partner employment in August 2024 and review the stipend levels of ordained Mission Partners to look at the possibility of stipend levels closer to the level of local ministers, was reported to the Methodist Conference in 2023. The processes of consultation with Mission Partners on these different decisions began in autumn 2023, while the GR team continued to provide pastoral support for all Mission Partners during this period.

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the global Church.

One Global Mission Fellow (GMF) from the USA served the Church until July 2023, this was another enriching placement both for participant and placement site at Wesley's Chapel and Leysian Mission. One British Methodist serving the Methodist Church in Ireland (MCI) completed his service in March 2023 and through this programme has further discerned his vocation and is now in employment with Coventry Central Hall.

Two successful 3 month Encounter Worldwide placements have taken place with partner churches in Namibia and Georgia (in Europe). These very different placements supported

partners in the setting up of children's groups in Namibia and in the support for Russian migrants to Georgia, one of the effects of the ongoing war in Ukraine. Both have served to strengthen ties of partnership, learning about the regions and the discernment of ongoing vocation for the newly retired participants.

Under the Encounter Together short-term group visits programme the 'Living Christianity in the Holy Land visit' was supported in January 2023. 13 people took part in this visit with 5 persons supported with qualifying bursaries from the World Mission Fund. Outcomes from this visit have been noted in vocational discernment for at least two participants.

Through the Church CAN programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context.

With MCI we have jointly hosted online conversations with all our Partner Churches and Organisations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts. This has now moved in to the implementation phase with the first pilot global conversations based around the topic of inequality to be led by partners and facilitated by Global Relationships from September 2023.

We are continuing to encourage British Districts to twin with Partner Churches or parts thereof and have seen district twinning partnership visits to districts in Britain from partners and to partners from British districts. This is an area of ongoing development.

We received representatives from several of our Partner Churches at this year's Methodist Conference and had fruitful discussions at a 2-day Pre-Conference Consultation around topics chosen by our Partners, with focus from partners around climate change, diversity and migration.

2022-23 Grants

One Year into the new grant payment process, the Essential grants no longer exist however Regional grants were made available to our partners as we continue to also honour our commitments to the existing Nationals in Mission Appointments and SALT for the agreed duration.

Notes:

- Solidarity Grants, a grant offered to show our support to a Partner in a crisis. This grant now continues the work of those grants previously called General Grants
- Regional Grants, a combination of Mission Initiative Grants, small grants to support a Partner in a new mission project and Capacity-building Grants given to Partners for building capacity, leadership, and long term stability

During 2022-23 we have stayed within the solidarity grants budget of £250,000 with support for 13 partners. Grants were given towards inter-faith and ecumenical peace building work in Cameroon, emergency relief after flooding events in Rwanda, Ecuador, Pakistan, Cyclone in Mozambique, water borehole construction in Tanzania, regional Methodist meetings and food programmes in Venezuela. Church staff wages to 3 partners where external support was deemed essential to the continued existence of the partner or its ability to operate at a minimal level.

55 applications totalling £3,1million in Regional Grants has been approved and sent to partners across four regions in 2022-23. In addition to that, there was a continuous downward trend in the number (23.8%) and amount of Solidarity grants given in 2022-23. It decreased from 21 Solidarity grant totalling £239k to 16 Solidarity grant totalling £197k (a decrease of 17.5% on 2021-22 amount and by 23.8% in number of applications agreed), There were no grants awarded in 2022-23 specifically for Covid-19 related work.

Due to unforeseen delays, the WMFGC were not able to make decisions on the combined regional grants for Partners in the Americas, Asia, Europe, only Mission Initiative grants for Pacific and none for Partner Organisations in Africa.

We are therefore anticipating spending £2.4million (£130k in Mission Initiative and £2.3m in Capacity-building) in regional grants for our partners in Africa, and £534k (Capacity-building) for the Pacific Partners within the first quarter of 2023/24.

The grants committee drawn with a majority of members from MCB partners around the world continues to function well online and process decisions in an efficient way.

To fulfil British Charity committee guidance, one of our Mission Partners, based in Togo is supporting any Partners who request help with the drafting of a safeguarding policy, or who request any support in Safeguarding training. During this year a West Africa regional safeguarding workshop was held with mission partner support in Sierra Leone.

All We Can supports locally-led community solutions and development to fulfil potential.

All We Can, Methodist relief and development, is a movement of people choosing to seek and bring hope, through committed and sustained support, action, and genuinely equal partnership. Being led by communities and partners in low- and middle-income countries means that the work we do together is driven by the hopes of those who seek it, to help drive them to overcome poverty and injustice and develop flourishing and resilient communities. This is what we do with our neighbours around the globe: we stand with them in hope of a better and more just future for them, for our whole world, for us all. We do this work as part of the Methodist family and as a means of enabling the church to respond to the issues and needs of people around the globe, who need support to enact their solutions to poverty and overcoming injustice.

Through its relational approach to partnership, All We Can believes local partner organisations rooted in their local communities are best placed to achieve meaningful and long-lasting change. By helping these organisations respond to the changing needs of their communities and supporting them with organisational capacity development, training, and resourcing, All We Can aims to leave a legacy of thriving, resilient partners who can continue to deliver impactful programmes long after our partnership ends.

In October 2022, we held a Partner Conference in Malawi to further deepen our partnership approach and bolster our policies and practice in the areas of emphasis for the current 2020-2025 strategy. The conference of Church and Non-Governmental organisational partners, hinged on our strategic pillar to: *'creating a legacy of resilient, thriving and impactful partners'*. A critical part of our capacity development approach is to foster relationship building between partners which cultivates a culture of shared learning and mutual support in country and internationally. An investment into an all-partner conference and gathering together is therefore not merely a nicety but a bedrock that catalyses our whole movement. Following the pandemic and a two-year period where no visits could take place, new entrants have joined our movement; and following a particularly challenging operating environment; this conference was needed more than ever to regroup, to recapitulate our values, vision and valour, and galvanise one another for even greater works, together.

All We Can has provided long-term development support to 24 local partners in eight countries over the last year, including two new focus countries, namely Sierra Leone and Liberia, where we have carried out extensive partner scoping and validation processes. As a result, we have established formal partnerships with four new Sierra Leonean partners and identified four Liberian organisations whose partnerships will commence in the 2022/23 financial year.

All We Can, in collaboration with the Global Relationships team of the Methodist Church in Britain is supporting various Methodist churches across different regions through the Church CAN initiative. These churches include the Methodist Church in the Caribbean and Americas (MCCA – covering multiple districts and national churches across the region), the Church of North India (CNI), the Methodist Church in Sierra Leone (MCSL), and the Methodist Church of Southern Africa (MCSA- covering multiple districts and national churches within the region). The support involves developing and implementing strategic plans, ultimately towards self-sustaining churches establishing policies and guidelines, training pastors and staff, and investing in digital resources. The impact of the support includes improved governance structures, strengthened departments, and enhanced outreach to communities. This year was the final year of support to the Methodist Church in Sierra Leone and the grant was used to establish a resource centre to improve virtual communication and online training for pastors across the conference and including training organised by Cliff College, UK. This resource centre is solar powered to ensure continuous power and internet connectivity.

Our major focus of our advocacy work has been focused on the importance of decolonising the aid sector, and modelling and influencing others to adapt a locally led partnership approach to development. All We Can was a pivotal partner in the development of research and working groups through the BOND network (the UK network for organisations working in international development), working to develop a comprehensive framework and guidelines for organisations willing to change their way of working. The approach puts local organisations and communities, in low- and middle-income countries, in the lead, to more sustainably and responsibly address poverty. This work will result in new and measurable sector commitments, transformative change that acknowledges the intersectionality between racism and colonial models of aid, and a toolkit that will guide organisations through the process of developing a tangible action plan to change the way support is given around the globe.

Our emergency response work remains a critical part of our organisational impact. Utilising specialist responders and situational analysis, we responded to a variety of disasters and emergencies in the past year. Our decision to respond is based on the premise of added value.

Our joint Ukraine Emergency Appeal response with the Methodist Church in Britain continues to support several humanitarian partners to provide vital housing, medicine, mental health and psychosocial support in multiple surrounding countries.

Through the joint Emergency Pakistan Flood Appeal, All We Can and the Methodist Church in Britain responded with food packages, hygiene kits and supported medical camps through our partners. Support continued through the winter months, providing blankets and quilts due to the extreme cold weather.

We responded to the Turkey & Syria Earthquake in February this year, choosing to focus on the less resourced response in Syria, working closely with our humanitarian aid partner supporting some of the most marginalised communities still affected by war in that country.

Through our flexible funding approach, enabling partners to repurpose their development grants, we also responded to the impact of Cyclone Freddy in Malawi which caused widespread flooding in March this year. We also launched our regional East Africa appeal, responding to the impact of the drought in the countries of Somalia, Kenya and Ethiopia.

All We Can have an ongoing focus on building resilience, with a key focus of our work being on Disaster Risk Reduction (DRR), including disaster preparedness and management. DRR seeks to ensure response work doesn't just hold people over until the next disaster (returning to pre-disaster levels of risk and vulnerability), but rather enables and supports solutions that will withstand them.

Our ongoing commitment to work with refugees, continues to be part of our operational impact. This focus, deriving from our very first Methodist appeal in 1938, continues to focus on work of humanitarian aid partners working in the camps of Cox's Bazar, Bangladesh alongside Rohingya refugees, as well as with Syrian refugees in Za'atari refugee camp in Jordan.

This All We Can movement, will continue to work tirelessly towards our vision, doing all the good we can, wherever we can, as long as ever we can.

5. Learning network

The last year has continued to see the successful development of a joined-up delivery programme of online learning and development across the Learning Network team. This programme offers a range of options for local church leaders, lay and ordained, to engage with learning and development consistently across the connexion. The programme includes: Line Management and Lay Employees, Theological Literacy, Circuit & Church Stewards training, Explore, Positive Working Together courses, Supervisors and Supervisees, Supporting Rural Churches, Unconscious Bias and Worship Leading and Preaching support. A brochure was created to advertise these programmes, which was shared online and at synods in September 2022.

The Learning Network has worked through a reconfiguration over the year, moving away from a regional structure to operating as a single Learning Network team, with a new management structure. These changes come into effect from 1 September 2023 and will enable the Learning Network to more effectively support, resource and equip lay and ordained leaders across the church through a wide range of learning and development opportunities.

The online learning platform, MCBX was launched, with the mandatory EDI module, Unconscious Bias, and Safeguarding Advanced Module training currently on the platform. There are plans to include the Church & Circuit Steward training later in the year.

Learning Network staff continue to work closely with colleagues in both the Ministries and Mission team, in supporting and resourcing learning and development in all aspects of the church's life. This includes working closely with the Evangelism and Growth team on the development and delivery of the God for All strategy, Children, Youth and Families, Chaplaincy, Supervision and Worship Leading and Preaching.

The pilot phase of the Reconciliation and Mediation Team (RMT) drew to an end in October 2023. The project was approved for a five-year rollout across the connexion at Conference in 2023. Work has begun on this.

We continue to develop a programme of Mental Health First Aid training and recently added Mental Health Aware, a half-day course.

6. The Methodist Council and Governance

The Methodist Council is charged with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The following are just a few of the actions that the Council carried out during 2022/2023 in accordance with its governance responsibilities.

- It adopted an updated risk management policy and the corporate risk register.
- The Council received reports from many committees and revised their terms of reference, and made appointments and nominations to various bodies and committees.
- It approved amended memoranda of understanding with linked organisations.
- It adopted the Modern Slavery Transparency Statement for 2022/2023.
- It received the report of the Pension Fund valuation and ratified the completed actions.
- It received a report concerning the scrutiny of the annual governance returns of Methodist entities.

Safeguarding

Safeguarding has continued to be an area of concern that is being incorporated across all our church activities. This has been enhanced with the new study guide encouraging all groups to engage with the Theology of Safeguarding report and understand how this is integral to our values and practice. Work has continued in refreshing our core training (updated Advanced Module introduced earlier this year and Foundation early next year) and preparing a new senior leadership course. Alongside this, work is underway to review safeguarding structures with a report to next year's conference on the employment of DSOs and the benefits of introducing a single connexional safeguarding structure. The safeguarding committee is undertaking a programme of district audit and also addressing the areas of independence in decision making and governance with expected proposals from this emerging next year.

7. Ministries: Vocations & Worship

The Ministries: Vocations & Worship Team has continued to work on the implementation of the Candidating Review: this represents a major moment of change in the life of the Church, requiring a great deal of care, skill and attention. It has been hugely encouraging to witness and experience the ways in which it is producing increased interest and engagement, with higher than expected numbers participating in the Discerning Ordained Ministry first stage (DOV1) of discernment. The year 2023-24 will involve work on the rollout of an 'Explore' phase which will enable people to reflect deeply on their vocation and calling to ministry.

During the year, there was continued work in the development of a number of key projects within the team's responsibilities. These included:

- Reflective Supervision, and the beginning of exploration towards bringing the next iteration of the policy to the 2026 Conference, including a major research project;
- Local Preachers and Worship Leaders: including the ongoing review of training materials, portfolio moderation processes and work among congregations of a particular cultural character;
- The encouragement and equipping of those leading worship with resources, including via the Singing the Faith Plus website;
- Lay ministries, including the embedding of Local Lay-Pastors as a new authorised ministry in the Church's life;
- Chaplaincy, connecting and resourcing the various networks of Methodist chaplains in a variety of contexts;
- The two Superintendents' Conferences, which are now well-established as crucial spaces for the formation, encouragement, resourcing and networking of those in superintendency;
- The induction of those coming into superintendency and those beginning an appointment as a District Chair;
- Shared work with the Learning Network and Network Centres on the development of theological and practical resources on leadership in the Church's life and ministries;

- Oversight of the Church's work in theological education and ministerial formation, including partnership at both Network Centres, at Southlands College, and in fostering a forum of Methodist-related centres of higher education and research (see also the reports on those places of learning);
- The Higher Education Awards programme, encouraging Methodist scholars in a range of theological disciplines and fields, which this year included the creation of new doctoral scholarships at the Network Centres and the University of Roehampton;
- Continued development of guidance for those exercising a wide range of ministries, including Superintendents, Circuit and Church Stewards, and those tutoring, mentoring and training Local Preachers and Worship Leaders.

The Ministries: Vocations & Worship Team has continued to work hard at being intentional in listening to and learning from those in all kinds of ministry across the Connexion. This has included the ongoing "Voices of Identity" project, which has gathered the voices of ministers in specific contexts and situations, as well as forums for those engaged in local ministry, ministerial formation, preaching and worship leading, and lay ministry in all its forms.

The Queen's Foundation

Foremost in its work as a Network Centre, Queen's leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2022/23, the Foundation worked with 51 student presbyters and deacons and 46 probationer ministers, along with 17 ministers continuing to work towards degrees after ordination. These groups combined represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT. Almost all those leaving Queen's now choose this option as they enter a circuit appointment.

Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world's best. Queen's continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period, especially through projects and initiatives funded through the Methodist Church's Global Relationships work. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain. The re-launched Centre for Discipleship and Theology offers a range of courses in a variety of formats aimed primarily at those exercising lay ministry or interested in deepening their theological learning and reflection.

Cliff College

Cliff College is Methodism's 'own' college, and works under the authority of the Council, delegated via the Cliff Committee. It cherishes its historic commitments to evangelism, and its more recent and growing work in digital and global theological education. Cliff College works in partnership with several teams and clusters across the Connexion to deliver a range of projects and programmes which contribute to current priorities. These include innovative short courses, shared work with the Evangelism and Growth and Global Relationships teams, the Cliff Festival and postgraduate degrees which are especially valuable in continuing ministerial development.

They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

Recent work better to align Cliff's work with the wider Connexion, and to operate more closely together, has begun to bear fruit. There is now a shared set of priorities for work to be delivered in the coming year. The year 2022/23 saw continued embedding of the senior leadership team of Cliff into the Connexional Team, and the ongoing development of new governance plans and business and ministry strategies. MCBX is now established as the online learning site of the Connexion. Closer collaboration in the areas of global theological education, children, youth and family ministry, and evangelism are now consolidated, and continued developmental work is under way on integrated training programmes for Local Preachers and Local Lay Pastors. Cliff's new BA degree has proved very attractive, with undergraduate recruitment looking very promising through the year.

A growing number of Connexional gathering and meetings now take place on site at Cliff, including work with Ministers of other Churches and Conferences, the pre-ordination retreat for presbyters, committee meetings and Stationing Matching Group. In addition, Cliff has expanded its offer as a conference centre and has been successful in attracting new clients including the annual gathering of the Church of the Nazarene and collaboration with the Chatsworth Estate during its major events.

Southlands Methodist Trust

The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society. During the year, there has been continued and deepening collaboration between the SWF and the Connexion in some key areas of current interest and priority, including ecumenical collaboration and the JDS Strategy. In April 2023 Southlands hosted a global gathering of Methodist educators as part of the 'Transforming Lives' Conference.

The SMT co-sponsors an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at www.southlandsmethodisttrust.org.uk. A Methodist presbyter serves in an appointment as chaplain to the University, based at Southlands, and sharing the work with an interfaith team.

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

8. Property

During the year, the Connexional Property Team (CPT) has continued to provide a wide range of direct and indirect support across the Connexion, from connexional properties through to local church buildings.

Direct support to Managing Trustees and Ministers considering property matters such as redevelopment, reordering or disposal has increased during the year. This has been provided in a hybrid form involving online meetings where practical, alongside more traditional in person site visits. By year end, support covered the following broad themes:

- 7% property leases and legal agreements
- 14% redevelopment projects
- 21% redevelopment where a new church is to be built
- 10% mission driven development projects
- 10% circuit portfolio reviews
- 10% church reordering projects
- 4% property management guidance and support
- 10% general property advice
- 14% property disposals

The team provided support for ongoing Connexional property projects including:

- Completion of RIBA Stage 3 designs and appointment of a contractor for the refurbishment of the new Church House at 25 Tavistock Place, with a view to commencement on site in the early part of the new Connexional Year 2023;
- The conversion and fit out of Camden Town Methodist Church as the new Wesley Camden hotel was completed towards the end of 2022 with the hotel officially opening in January 2023.

Indirect support in the form of written guidance and advice for a general audience supported the wider work of the connexional team:

- Accessibility and Property: new guidance for accessibility was published in June to support the report to Conference on the JDS strategy work. This is a significant resource and can be found in a designated area on the property webpage – Making Buildings Accessible (methodist.org.uk)
- Church and Circuit Property Stewards Handbook: the team completed the final draft of a new Church and Circuit Property Steward's Handbook. This will be produced in the same format as the existing 'Handbooks' so they form a suite of information for those with different responsibilities in the church. The final version will be published during the 23/24 Connexional Year.
- Closing Church Property Guidance: the existing guidance was reviewed during the year to update the content and include more detailed sections for heritage and legal matters. It will be published during the 23/24 Connexional Year.
- Energy Buying: during the year the team worked with procurement colleagues to set in place a provision for managing trustees to access cheaper energy sources. Following a process of interviews and due diligence, an organisation will be in place for Autumn/Winter 2023. They will be able to offer a broker type service, to ensure the best possible deals on the day of renewal of an energy contract.

The team continue to provide support and input into numerous working areas of the Connexion including Central Hall Manchester and its redevelopment project; the Superintendents' Conferences; Listed Building Advisory Committee; Property Development Committee and Connexional Manse Committee, Trustees Legal and Governance Committee and Probationer Minister training at Queens Foundation.

The team continue to value the network of District Property colleagues, and at the beginning of the year established a monthly online event for DPS's which has run throughout the year. They vary between formal speakers or more informal forums for questions and discussions.

In terms of connexional resources, the Property Feasibility Fund, by the end of this year had distributed £49,384 to those who applied; this provided funding to churches exploring future uses of their property for mission (60% of the total costs up to max. £10,000).

Grants

As agreed by the Council the connexional grant-giving processes have been redesigned, in particular those grants which were made from the Mission in Britain Fund, the Fund for Property, and the World Mission Fund. These changes have enabled streamlined and efficient processes in respect of the three funds which were previously under the oversight of the Connexional Grants Committee. Legacy grants previously agreed by the Connexional Grants Committee continue to be honoured and the monitoring of their impact and gathering of learning from them being undertaken by the relevant part of the Connexional Team and reported to the Strategy and Resources Committee.

Plans for the future

The Methodist Council continues to be shaped by and committed to this vision which was reaffirmed as the strategic driver of the Church's work in 2021, collectively known as 'Reaffirming Our Calling':

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

The Church does this through: Worship, Learning and Caring, Service, and Evangelism:

WORSHIP - Ensuring our worship and ministry is effective, relevant and gives glory to God.

LEARNING & CARING - We are an inclusive Church

SERVICE - We are a justice-seeking Church

EVANGELISM - We are an evangelistic people

The Council is also committed to A Methodist Way of Life (MWOL) which provides a further level of detail to the four aspects of Our Calling by elaborating aspects of each. A Methodist Way of Life aims to provide a clear, detailed, and practical framework for what Methodist discipleship can look like in the 21st century. A Methodist Way of Life seeks to connect the diverse work of the Church in the world and to communicate it clearly to the world:

A MWOL commits us as people to;

Worship

We will pray daily. We will worship with others regularly.

We will look and listen for God in Scripture, and the world.

Learning & Caring

We will care for ourselves and those around us. We will learn more about our faith.

We will practise hospitality and generosity.

Service

We will help people in our communities and beyond. We will care for creation and all God's gifts.

We will challenge injustice.

Evangelism

We will speak of the love of God.

We will live in a way that draws others to Jesus. We will share our faith with others.

The Methodist Council's work therefore continues to centre around how the work of the Connexional Team and the policies of the Council specifically support the four headings of Our Calling. Alongside this our Strategy for Evangelism and Growth (as agreed by the Methodist Conference in 2020) emphasises being an inclusive, evangelistic and justice-seeking Church to fulfil our calling.

The Methodist Conference affirmed that with the guiding principles of Our Calling and MWOL it seeks to become a growing Church once again: growing spiritually, growing in outreach and influence, growing in the depth of our commitment, and growing numerically.

The Environment

Action for Hope: care for creation

The Methodist Church has set an aspirational target of becoming a net zero carbon emissions church by 2030. Many districts, circuits and churches have already begun to work towards net zero goals, an Eco District award, or other aims in caring for creation. We call this work [Action for Hope](#).

An Action for Hope Implementation Officer was appointed in early 2023 to co-ordinate and support this work across the Connexion, and to ensure that the priority is embedded in the work of the Connexional Team. A Working Group has been established with representatives from the mission; ministries; finance; property; procurement and communications teams, as well as the Learning Network.

Assets

Work is underway to establish a baseline figure for the carbon footprint of the Connexional Team, and a variety of avenues are being explored for estimating the footprint of churches and other buildings throughout the Connexion.

A variety of guidance for property has been produced, with guides in production and planned. A working group is being established to consider the role of property in mission, and Action for Hope will be part of that work, ensuring a strategic approach to the journey to net zero is offered. Conversations have begun with the Joint Advisory Committee on the Ethics of Investment and the Central Finance Board around the production of guidance on ethical investment and use of money.

Wisdom

At The Methodist Conference in 2023 it was agreed that a process would be established to review and update [Hope in God's Future](#). The report has the status of a Statement of Conference, so it is vital that this process be undertaken in a way which culminates in a decision of the Conference to accept (or reject) the update. A timeline is in place for this to return to the Conference in 2025, with a contingency built in for an additional year if the review group believes that more fundamental change is required.

The Action for Hope Faith Plan document outlines a goal of 50% of Methodist Churches having signed up to Eco Church or Eco Congregation by 2026. This figure currently stands at approximately 27%, and both Eco Church and Eco Congregation have been valued partners in encouraging participation.

Work is currently underway to gather good examples of worship materials, prayers and small group resources which can be shared and used throughout the Connexion. As and when gaps are identified work will be undertaken to create resources to fill these niches.

Lifestyles

Conversations are taking place with the team developing the Methodist Way of Life materials to ensure that we offer a coherent approach to the lifestyle aim which brings together these key priorities for the Church.

Work towards how best we measure the impact of this work, as well as the carbon footprint of Methodist members, is currently ongoing, but the production and dissemination of resources will take place while our approach to measurement is developed.

Co-operation with JPIT and the Justice Seeking Church team are also valued in this area.

Remuneration of Key Management Personnel

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC). The senior management group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church's policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are in Notes 25–27 to the financial statements.

Fundraising Activities

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church;
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources; and
- legacies are received either for general funds or the mission funds.

The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means. It also acknowledges the generous support of the Benefact Trust which has provided grants of £1.15m during the 2022/23 financial year.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

Financial Review

The activities covered in these consolidated financial statements are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity, and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

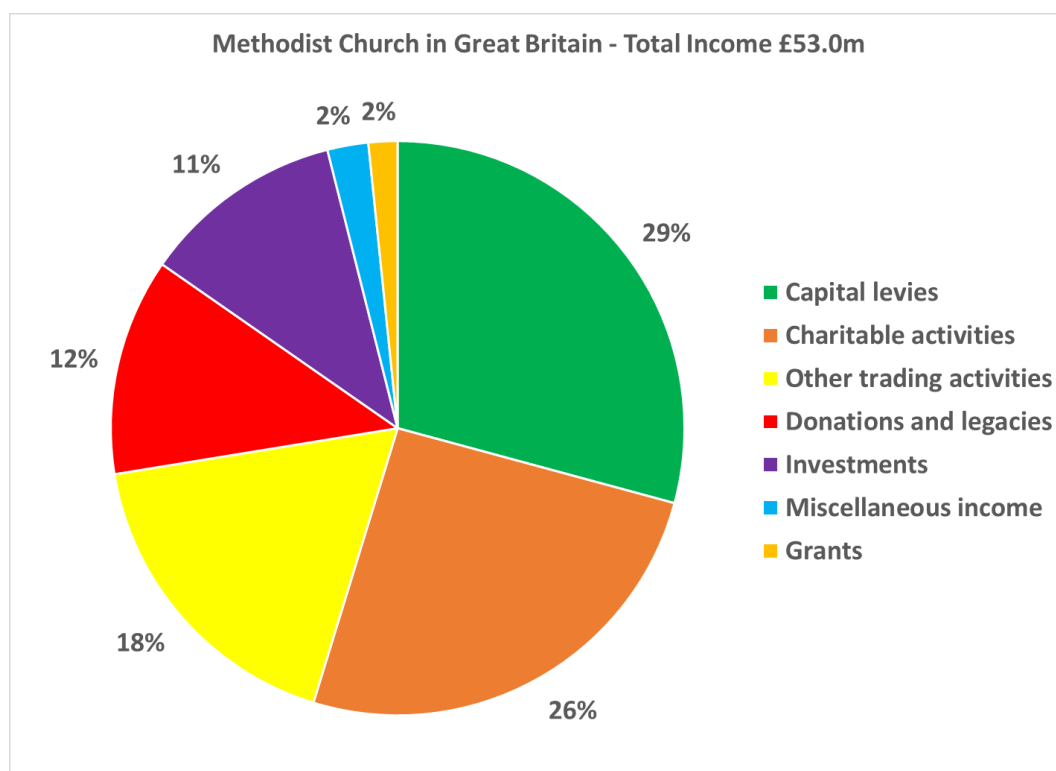
The net income for the year was a deficit of £4.5m (2022: £2.6m deficit), including net investment losses of £5.6m (2022: £12.0m loss). This investment loss largely reflected the deterioration in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These reductions reflected the unstable market conditions in the wider economy.

Other recognised losses for the year were £5.0m (2022: £8.4m loss). A £1.7m loss (2022: £1.9m loss) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 87). A £3.3m loss (2022: £6.6m loss) resulted from the revaluation of the Church's charitable properties.

Income

The total income for the year was £53.0m (2022: £56.2m). The reduction of £3.2m was mainly due to the following:

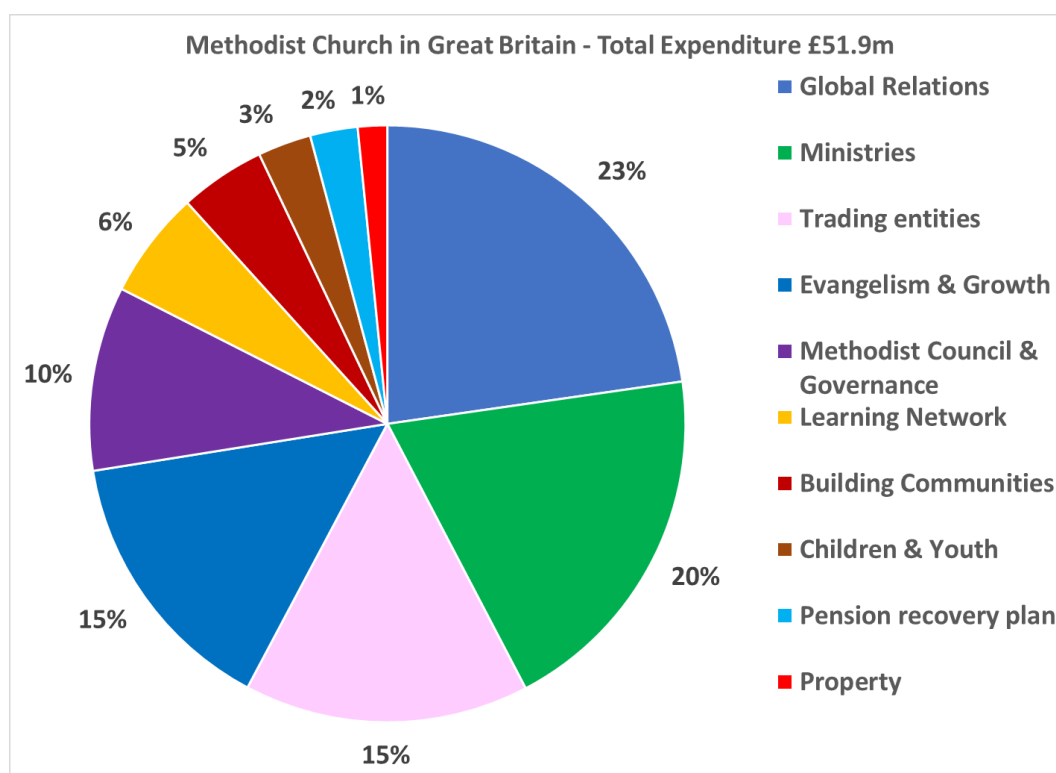
1. A £9.2m reduction in donations significantly due to: the one off appeal for the Pension Reserve Fund of £7.2m in 2021/22 and reduced donations to All We Can and Y Care International.
2. A £0.3m reduction in District Assessment income.
3. A £3.4m increase in trading income as the activities at MICL continue to recover following the pandemic and a new hotel opened in Camden.
4. A £5.4m increase in property levies as both the volume and average value of sales have increased.
5. A £1.8m reduction in gains on disposal of fixed assets.
6. A £0.4m reduction in grant income to the consolidated entities.



Expenditure

Total expenditure increased to £51.9m (2022: £46.8m). Of this, £43.9m was spent on direct charitable activities (2022: £41.2m). This was mainly due to the following:

1. A £2.4m increase in the cost of raising funds due to increased trading activity at MIC.
2. A £1.6m increase in the expenditure on Evangelism and Growth as implementation of the God For All strategy increased.
3. A £2.9m increase in Global Relations spend reflecting increased grant making as the approach to supporting capacity development of our partners continued.
4. A £2.1m increase in Ministries spend as one off cost of living payments were made to all ministers.
5. A £4.7m reduction in Property spend due to the one off loss in 2021/22.



Reserves Policy

The total value of funds held at 31 August 2023 was £270m (2022: £279m). There are restricted reserves of £123m (2022: £138m), unrestricted reserves of £127m (2022: £122m), and endowment reserves of £19m (2022: £20m). The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council.

General funds

There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);
- The Methodist International Centre (included within general funds);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

At 31 August 2023, the balance of the unrestricted general funds was £56m (2022: £53m). Of this £51m (2022: £50m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £17.7m of tangible fixed assets and £33.2m of investment properties. The trustees approved a reserves balance of £5 million. This would ensure that there is always sufficient cash or near cash at hand to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2023 the free reserves balance was £10.7m (2022: £10.7m). In line with a reduction in Assessment funding over the five year period from 2023/24 onwards, the reserves balance is planned to fall each year reaching the £5m target in 2027/28.

Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed, or they decide not to continue with the project for which the funds were designated.

At 31 August 2023, the designated funds totalled £72 million (2022: £69 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£13 million
• Epworth Fund	£6 million
• The Pension Reserve Fund	£51 million
• Others	<u>£2 million</u>
Total:	£72 million

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. In 2021 the Methodist Council approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £1.5 million. This amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. In 2021 the Methodist Council amended the reserves policy to £1m to allow the capital balance of the fund to be used for missional purposes. This amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). In 2021, the Methodist Conference made an appeal to Methodist churches, circuits and districts for voluntary donations to help fund the pension deficits on both MMPS and PASLEMC. Donations were received and recorded in the PRF. To date, the fund has received £7.2m. In 2023, the Methodist Conference passed Resolution 26/4 as follows – "The Conference approves that should circumstances allow over the coming years, the voluntary contributions to the Pension Reserve Fund be returned to the donors with interest paid at the CFB Deposit Rate." It remains uncertain when these repayments will be possible but the position will be reviewed later in 2023/24.

At 31 August 2023 the reserves position on the designated funds is above the policy by £16.5m (2022: £15.2m). Excess balances have been allocated to: the delivery of *Our Calling*; the God For All Strategy; the Action for Hope aspiration to achieve net-zero carbon by 2030, and investments

in Information Technology. The balance held in the smaller designated funds is detailed in Note 19c (page 74) in the notes to the financial statements.

Financial risks

The Council's general reserve enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of several key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Methodist Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left several circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference has started a process of reducing the Assessment (by 1% in 2021/22, a further 2% in 2022/23 and then a further additional 3% each year from 2023/24).

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable and have been impacted by the closure of church buildings for much of the year.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over several years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. To mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. At the 2020 Valuation recovery plans were agreed to eliminate the deficits in both schemes as follows:

- MMPS: annual payments (conditional on interim valuations) of between £0m and £2.6m for the six years from 2021 to 2026.
- PASLEMC: annual payments of £2.4m plus annual payments (conditional on interim valuations) of between £0m and £0.5m, for the six years from 2021 to 2026.

Due to the interim valuations, no conditional payments were paid to either scheme during 2022/23.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long-term funding objective, a remedy mechanism should funding deviate from the long-term goal, and a contingent asset that provides the trustees security over Connexional properties should the Council or Conference ever default on payments due.

The level of reserves expected to be held in the Pension Reserve Fund (PRF) forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference. Due to the considerable balance already held in the PRF and the reducing level of risk associated with the pension funding positions, further payments in to the fund have been suspended.

Investments

As at 31 August 2023, the Church held fixed asset investments with a fair value of £186 million (2022: £182 million). The Finance Sub-Committee is responsible for reviewing the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church's in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal.

Performance and holdings

Losses on investments in year were £5.6m (2022: £12.0m). This performance was linked to the global market conditions that were materially impacted by the war in Ukraine and the Church's ethical stance not to invest in oil and gas. The total returns as at 31 August 2023 for CFB managed funds are summarised as follows:

	1 year to 31.08.23	3 years to 31.08.23 (p.a.)	11.07.16 to 31.08.23 (p.a.)
Managed LT Methodist Council Fund	-1.0%	5.1%	6.1%
Managed MT Methodist Council Fund	-1.9%	1.1%	3.3%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	2.7%	7.0%	5.1%
FTSE All Share	5.2%	10.5%	5.5%
CFB Global Equity Fund	6.3%	8.3%	11.0%
Benchmark	5.1%	9.7%	11.7%
CFB Short Fixed Interest Fund	-2.9%	-4.4%	0.3%
Benchmark	-3.4%	-4.5%	0.4%
CFB Corporate Bond Fund	-2.2%	-6.1%	1.5%
Benchmark	-1.0%	-5.8%	1.9%
CFB Deposit Fund	3.5%	1.3%	0.8%
Composite index	3.8%	1.4%	0.7%

Property benchmarks

	1 year to 30.06.23	3 years to 30.06.23 (p.a.)	11.07.16 to 31.06.23 (p.a.)
Managed LT Methodist Council Fund	2.2%	5.6%	6.3%
Benchmark	1.5%	5.9%	3.6%
Managed MT Methodist Council Fund	-2.1%	1.1%	3.3%
Benchmark	-3.3%	0.5%	3.0%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	5.6%	7.5%	5.8%
FTSE All Share	7.9%	10.0%	5.9%
CFB Property Fund	-18.0%	3.1%	7.3%
IPD All Balanced Funds Index	-18.0%	3.1%	6.2%

Risk Management

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church's ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church and the mitigations are as follows:

Risk	Current mitigations
Failure to make new disciples means the membership of the Church continues to decline.	God For All strategy linked with the Justice, Dignity and Solidarity Strategy is signalling a desire to grow in new places.
Ineffective recruitment and training of those who fulfil ministerial/lay roles results in a shortage of people to take on key roles within the life of the institution.	Work on the formation of leaders in the Methodist Church continues alongside the ongoing work in other areas. Review of Stationing Processes set up by Ministries Committee. New candidating processes in place has led to increased interest. New candidating process is more open - particularly removing Local Preacher requirement.
Safeguarding failures (such as serious allegations of current or historic abuse).	Review of policy on responding to survivors, reflection on the role and nature of internal enquiries as well as a general review of the actions taken over the last period. Development of crisis management policy to support a more effective response to issues as they arise; review of JDS Committee Action plan to ensure safeguarding aspect is fully covered.
Breach of Immigration Rules due to not fulfilling Home Office criteria that will jeopardise sponsorship licence, and will require ministers and their dependents currently stationed to stop their appointments and to return to their home country.	The Connexional Team provide relevant and timely information to Districts and Circuits regarding their responsibilities relating to existing and /or potential individuals covered by the MCIB sponsorship licence. Regular review of all documentation for sponsored individuals to ensure compliance with Home Office criteria. Ongoing training and updates from UKVI and share relevant information with Districts and Circuits to enable licence compliance.
Inappropriate behaviour from Methodist leaders leads to reputational damage	Review of existing processes to determine further mitigations needed.

In relation to the principal risks identified, these are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Methodist Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

Risk appetite

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk, but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Methodist Council to adopt appropriate behaviours, decisions, and controls according to the priorities in the Connexional Team's strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Risk strategy and responsibilities

The Council's role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;
- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit & Risk Assurance Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit & Risk Assurance Committee and the Strategy and Resources Committee) receive several key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes

the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.

- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any issues of concern. A summary of the terms of reference of the committee can be found on page 6.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external auditor provides a report to the Audit & Risk Assurance Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit and Risk Assurance Committee and makes recommendations to the Strategy and Resources Committee and/or to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses several elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

Data Protection

In respect of enhancing our Data Protection Governance during 2022/2023, we continue our UK GDPR refresher training for staff, which also now forms part of requirement induction training for new starters. Data Protection handy hints by the Methodist church Data Protection officer have been a regular feature of Connexional meetings, so as to ensure that UK GDPR responsibilities are kept in the forefront of staff and church members minds during their day to day work.

We are continuing to update our IT Data Security Policy to improve our UK GDPR and Data Protection obligations for data processing and handling. We have also reviewed and are updating our Serious Incident Policy to be even more comprehensive and we are implementing new IT software to add to our outlook programme in order to reduce the number of data breaches caused by human error.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. In-year financial performance was favourable

to plan due to additional property levy income. Looking forward, the budget for 2023/24 has been set on the basis of a broadly breakeven position on the general fund with planned for reductions in restricted fund balances in line with reserves policy. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.2m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

Related Parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

1. The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
2. The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
3. The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
4. The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
5. Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 85) of the financial statements.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

Following a competitive tender process in 2023, RSM UK Audit LLP were appointed for a further three years as auditor to the charity.



The Revd Sonia Hicks
Chair of the Council

29 January 2024

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE METHODIST CHURCH IN GREAT BRITAIN

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Connexional Funds Statement of Financial Activities, the Consolidated and Connexional Funds Balance Sheets, the Consolidated and Connexional Funds Cash Flow Statements and notes to the financial statements, including 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 group's and charity's affairs as at 31 August 2023 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent 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 group's or parent 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 Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 37, 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 group's and parent 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 group or parent 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operate in and how the group and parent charity are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection regulations in the UK and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP
RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands, B3 3AG

Date: 5 February 2024

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities for the year ended 31 August 2023

The Methodist Church in Great Britain
Consolidated statement of financial activities
For the year ended 31 August 2023

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
Income and endowments from:									
Donations and legacies	3a	567	5,913	-	6,480	8,173	7,502	-	15,675
Charitable activities	3e	13,261	269	-	13,530	13,532	335	-	13,867
Investments	4a	2,322	3,714	-	6,036	2,032	4,109	-	6,141
Other trading activities	5a	7,816	1,555	-	9,371	4,566	1,384	-	5,950
Other									
Capital levies	6a	15,471	-	-	15,471	10,061	-	-	10,061
Grants	6b	2	864	-	866	15	1,282	-	1,297
Miscellaneous income	3c	608	428	-	1,036	826	384	-	1,210
Net gains/(losses) on the disposal of tangible fixed assets		139	46	-	185	(57)	2,083	-	2,026
Total income	19a, 20a	40,186	12,789	-	52,975	39,148	17,079	-	56,227
Expenditure on:									
Raising funds		6,952	1,066	6	8,024	4,682	964	19	5,665
Charitable activities									
Building communities	7a	1,456	957	-	2,413	1,229	759	-	1,988
Children & Youth	7a	1,505	1	-	1,506	1,520	33	-	1,553
Evangelism & Growth	7a	7,496	143	-	7,639	5,510	512	-	6,022
Global relations	7a	1,173	10,633	-	11,806	977	7,961	-	8,938
Learning Network	7a	3,019	2	-	3,021	2,719	59	-	2,778
Methodist Council & Governance	7a	5,168	19	-	5,187	4,777	85	-	4,862
Ministry	7a	3,404	6,772	-	10,176	3,356	4,674	-	8,030
Property	7a	681	146	-	827	655	4,850	-	5,505
Others - Pensions	7a	1,339	-	-	1,339	1,496	-	-	1,496
Total expenditure	19a, 20a, 21a	32,193	19,739	6	51,938	26,921	19,897	19	46,837
Net gains/(losses) on investments	14a	(2,162)	(2,839)	(579)	(5,580)	(7,304)	(1,046)	(3,603)	(11,953)
Net income		5,831	(9,789)	(585)	(4,543)	4,923	(3,864)	(3,622)	(2,563)
Transfers between funds	22	1,718	(1,985)	267	-	934	(1,305)	371	-
Net income after transfers		7,549	(11,774)	(318)	(4,543)	5,857	(5,169)	(3,251)	(2,563)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,813)	94	-	(1,719)	(2,201)	311	-	(1,890)
Gains(losses) on revaluation of charitable properties		74	(3,349)	-	(3,275)	-	(6,564)	-	(6,564)
Net movement in funds		5,810	(15,029)	(318)	(9,537)	3,656	(11,422)	(3,251)	(11,017)
Total funds at 1 September		121,632	137,909	19,584	279,125	117,976	149,331	22,835	290,142
Total funds at 31 August		127,442	122,880	19,266	269,588	121,632	137,909	19,584	279,125

The Methodist Church in Great Britain

Statement of financial activities – The Connexional Funds

For the year ended 31 August 2023

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
Income and endowments from:									
Donations and legacies	3b	677	2,522	-	3,199	8,173	2,532	-	10,705
Charitable activities	3f	13,261	269	-	13,530	13,532	335	-	13,867
Investments	4b	3,019	3,108	-	6,127	2,348	3,559	-	5,907
Other trading activities	5b	366	1,214	-	1,580	356	933	-	1,289
Other									
Capital levies	6a	15,471	-	-	15,471	10,061	-	-	10,061
Grants	6c	2	94	-	96	2	99	-	101
Miscellaneous income	3d	618	117	-	735	874	60	-	934
Net gains on the disposal of tangible fixed assets		139	46	-	185	(57)	2,083	-	2,026
Total income	19b, 20b	33,553	7,370	-	40,923	35,289	9,601	-	44,890
Expenditure on:									
Raising funds		1,511	1,066	6	2,583	1,443	964	19	2,426
Charitable activities									
Building communities	7b	1,455	957	-	2,412	1,229	759	-	1,988
Children & Youth	7b	1,504	1	-	1,505	1,520	33	-	1,553
Evangelism & Growth	7b	7,496	143	-	7,639	5,511	511	-	6,022
Global relations	7b	1,173	5,685	-	6,858	977	3,405	-	4,382
Learning Network	7b	3,019	2	-	3,021	2,719	59	-	2,778
Methodist Council & Governance	7b	5,168	18	-	5,186	4,777	85	-	4,862
Ministry	7b	4,029	3,610	-	7,639	3,918	1,616	-	5,534
Property	7b	681	146	-	827	655	4,850	-	5,505
Others - Pensions	7b	1,339	-	-	1,339	1,496	-	-	1,496
Total expenditure	19b, 20b, 21a	27,375	11,628	6	39,009	24,245	12,282	19	36,546
Net gains/(losses) on investments	14b	(2,162)	(1,494)	(579)	(4,235)	(7,304)	(4,485)	(3,603)	(15,392)
Net income		4,016	(5,752)	(585)	(2,321)	3,740	(7,166)	(3,622)	(7,048)
Transfers between funds	22	1,718	(1,985)	267	-	934	(1,305)	371	-
Net income after transfers		5,734	(7,737)	(318)	(2,321)	4,674	(8,471)	(3,251)	(7,048)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,813)	94	-	(1,719)	(2,201)	311	-	(1,890)
Gains on revaluation of charitable properties		74	(3,791)	-	(3,717)	-	(8,836)	-	(8,836)
Net movement in funds		3,995	(11,434)	(318)	(7,757)	2,473	(16,996)	(3,251)	(17,774)
Total funds at 1 September		118,294	113,062	19,584	250,940	115,821	130,058	22,835	268,714
Total funds at 31 August		122,289	101,628	19,266	243,183	118,294	113,062	19,584	250,940

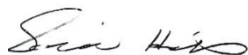
The Methodist Church in Great Britain
Balance Sheets as at 31 August 2023

		The Methodist Church in Great Britain		The Connexional Funds	
	Notes	2023 £000	2022 £000	2023 £000	2022 £000
Fixed assets					
Intangible assets	13c	178	62	106	43
Tangible fixed assets	13a&b	66,704	80,051	56,033	69,228
Investments	14a&b	186,469	182,267	173,482	167,766
		253,351	262,380	229,621	237,037
Current assets					
Stocks	17	42	44	30	29
Debtors	15	7,138	5,664	6,401	4,393
Short-term deposits		21,554	25,513	19,991	23,605
Cash at bank and in hand		7,539	5,022	4,657	3,012
Total current assets		36,273	36,243	31,079	31,039
Creditors					
Amounts falling due within one year	16a	(17,057)	(15,774)	(14,814)	(13,975)
Net current assets		19,216	20,469	16,265	17,064
Total assets less current liabilities		272,567	282,849	245,886	254,101
Creditors					
Amounts falling due after more than one year	16b	(1,748)	(2,356)	(1,472)	(1,792)
Net assets excluding pension liability		270,819	280,493	244,414	252,309
Defined benefit pension scheme liability	28	(1,231)	(1,368)	(1,231)	(1,368)
Net assets including pension liability	23	269,588	279,125	243,183	250,941
The funds of the charity					
Unrestricted funds					
General funds		55,585	52,706	51,866	50,531
Designated funds		71,857	68,926	70,423	67,763
Defined benefit pension scheme liability	28	-	-	-	-
Total unrestricted funds	19	127,442	121,632	122,289	118,294
Restricted funds	20	122,880	137,909	101,628	113,062
Endowment funds	21	19,266	19,584	19,266	19,584
Total funds		269,588	279,125	243,183	250,940

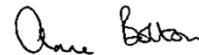
Total unrestricted funds include revaluation reserve of £7.3m (2022: £7.3m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £45.2m (2022: £48.5m) for The Methodist Church in Great Britain and £39.6m (2022: £43.3m) for The Connexional Funds. (Note 24 Page 84)

The notes on pages 47 to 95 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 29th January 2024 and signed on their behalf by:



The Revd. Sonia Hicks
Chair of the Council



Anne Bolton
Connexional Treasurer

The Methodist Church in Great Britain
Cash flow statements for the year ended 31 August 2023

	The Methodist Church in Great Britain	The Connexional Funds	
		2023	2022
Statement of cash flows	Note	£000	£000
Cash flows from operating activities			
Net cash generated used in operating activities		(5,586)	488
Cash flows from investing activities			
Dividends, interest and rents from investments		6,036	6,141
Proceeds from the sale of property, plant and equipment		806	30,289
Purchase of property, plant and equipment		(1,652)	(23,970)
Purchase of intangible assets	13c	(186)	(16)
Proceeds from the sale of investments	14a, 14b	2,841	642
Purchase of investments	14a, 14b	(3,422)	(1,287)
Net cash provided by investing activities		4,423	11,799
Cash flows from financing activities			
Repayment of loans		(279)	(48)
Net cash from/(used in) financing activities		(279)	(48)
Change in cash and cash equivalents in the reporting period		(1,442)	12,239
Cash and cash equivalents at the beginning of the reporting period		30,535	18,296
Cash and cash equivalents at the end of the reporting period		29,093	30,535
		2023	2022
Reconciliation of net income to net cash flow from operating activities		£000	£000
Net income for the year		(4,543)	(2,563)
Adjustments for:			
Depreciation and amortisation charges	13a, 13c	346	283
Gain on revaluation of fixed asset		(113)	4,785
Realised loss on the sale of fixed assets		(185)	(2,026)
London Committee property donated to Kings Cross		209	-
Net (gains)/ losses on investments	14	5,580	11,953
Investment income		(6,036)	(6,141)
Decrease in stocks	17	2	10
(Increase) in debtors	15	56	(2,053)
(Decrease)/increase in creditors	16	954	(163)
Pension costs/difference between pension costs charged and paid		(1,856)	(3,597)
Net cash generated used in operating activities		(5,586)	488
		2023	2022
Analysis of cash and cash equivalents		£000	£000
Cash in hand and at bank		7,539	5,022
Short-term deposits (less than 3 months)		21,554	25,513
Total cash and cash equivalents		29,093	30,535

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2023 (continued)

Analysis of changes in net assets

The Methodist Church in Great Britain

	01-Sep 2022	Cash flows	Non-cash changes	31-Aug 2023
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	25,513	(3,959)	-	21,554
Cash at bank and in hand	5,022	2,517	-	7,539
	30,535	(1,442)	-	29,093
Borrowings				
Debt due within one year	(257)	(37)	-	(294)
Debt due after one year	(391)	316	-	(75)
	(648)	279	-	(369)
Total	29,887	(1,163)	-	28,724

The Connexional Funds

	01-Sep 2022	Cash flows	Non-cash changes	31-Aug 2023
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	23,606	(3,615)	-	19,991
Cash at bank and in hand	3,011	1,646	-	4,657
Total	26,617	(1,969)	-	24,648

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023

1. Accounting policies

a) Scope and basis of the preparation of the financial statements

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 54. The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

b) Preparation of the financial statements on a going concern basis

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. In-year financial performance was favourable to plan due to additional property levy income. Looking forward, the budget for 2023/24 has been set on the basis of a broadly breakeven position on the general fund with planned for reductions in restricted fund balances in line with reserves policy. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.2m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below. The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities.

The Methodist Church in Great Britain

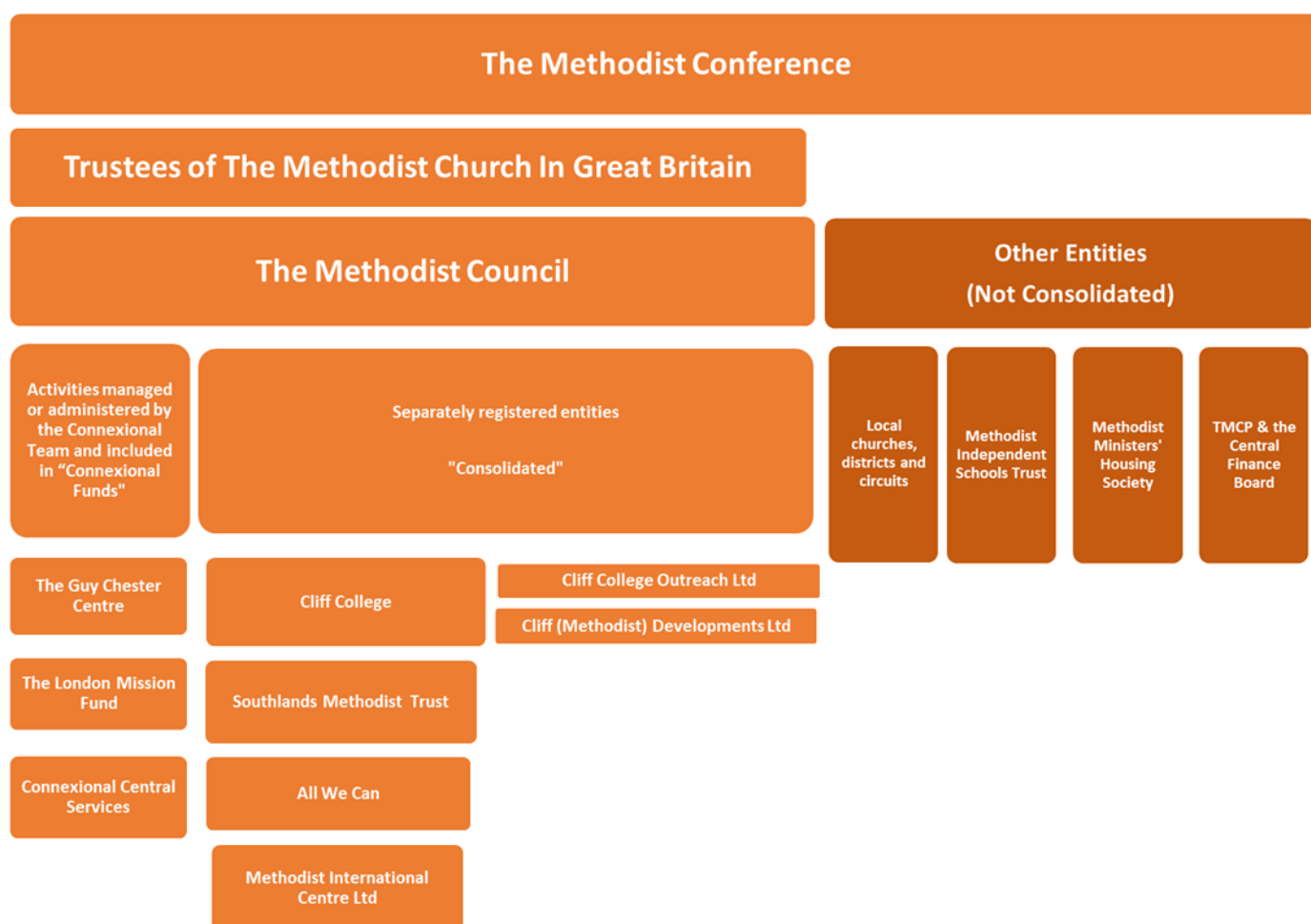
Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

d) The group structure



The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

e) Excluded entities

There are a number of entities which form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

Methodist churches, circuits and districts
Methodist Independent Schools Trust
Trustees for Methodist Church Purposes (TMCP)
The Central Finance Board (CFB)
The Methodist Ministers' Housing Society
Westminster College Oxford Trust Ltd
Westminster College Oxford Trust

f) Recognition of income and endowments

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

District Assessment

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained "by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]". The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

Donations

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church's stated purposes, or which are illegal are rejected by the Church.

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

Legacies

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital (property) levies

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church's custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those which provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

j) Pension costs

Defined benefit pension schemes

The Methodist Council participates in three main pension schemes: the Methodist Ministers' Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 55-56.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the PASLEMC defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 55-56. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

q) Heritage assets

There are four Methodist Heritage sites in Great Britain which fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire - the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol - the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London - John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe - exhibitions and activities focusing on one strand of 19th Century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2023, updated by the value of any share acquisitions (at cost) up to 31 August 2023. The assets are held at fair value.

s) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

t) Cash and cash equivalents

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £10,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits are those that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

2. Accounting estimates and judgments

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released.

Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Cost allocation

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgement is exercised in applying cost drivers to cost categories.

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

Defined benefit pension scheme commitments

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of whom are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP), the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

The Methodist Ministers' Pension Scheme (MMPS)

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. The scheme has not been included in these financial statements for the reasons set out below:

- a) There are approximately 1,136 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 64, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.44 million compared to £7.4m million paid by the circuits.
- b) The diagram on page 48 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council agreed a recovery plan and long term funding objective for the Scheme in April 2022. The Recovery Plan consists of conditional payments (determined by the Scheme Actuary each year having regard to scheme experience) of between £0 and £2.64m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. In addition, a framework agreement was agreed that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory. Charges on Connexional properties were put in place to provide funding of last resort should remedy payments not be made. Material increases in long term interest rates have significantly reduced pension liabilities as at 31 August 2023 meaning no recovery plan conditional payments have been required. It has also led to a significant de-risking of the Pension Scheme's investment portfolio.

As stated in the reserves policy section of the Trustees' Report on page 28, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and has been funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Given the current level of funding relative to the decreased risk, these funding transfers have been stopped from 1 September 2023. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

The annual depreciation charge for tangible fixed assets, particularly buildings is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Donations	500	4,256	4,756	8,063	5,107	13,170
Legacies	67	1,657	1,724	110	2,395	2,505
Total	567	5,913	6,480	8,173	7,502	15,675

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Donations	610	2,136	2,746	8,063	1,990	10,053
Legacies	67	386	453	110	542	652
Total	677	2,522	3,199	8,173	2,532	10,705

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	165	165	-	132	132
Seminars and events	148	49	197	131	-	131
Conference income	20	-	20	18	-	18
Administration & IT services	2	-	2	20	-	20
Bureau & Accountancy services	8	-	8	84	-	84
Others	430	214	644	573	252	825
Total	608	428	1,036	826	384	1,210

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	148	-	148	131	-	131
Conference income	21	-	21	18	-	18
Administration & IT services	2	-	2	20	-	20
Bureau & Accountancy services	8	-	8	548	-	548
Others	439	117	556	157	60	217
Total	618	117	735	874	60	934

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,261	121	13,382	13,532	125	13,657
Rental Income	-	148	148	-	210	210
Total	13,261	269	13,530	13,532	335	13,867

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,261	121	13,382	13,532	125	13,657
Rental Income	-	148	148	-	210	210
Total	13,261	269	13,530	13,532	335	13,867

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	2,176	1,774	3,950	1,863	1,568	3,431
Interest and other investment income	16	4	20	4	12	16
Rental Income	130	952	1,082	165	870	1,035
William Leech Charities Fund	-	984	984	-	1,659	1,659
Total	2,322	3,714	6,036	2,032	4,109	6,141

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	2,175	1,664	3,839	1,863	1,492	3,355
Interest and other investment income	16	4	20	4	-	4
Rental Income	828	456	1,284	481	408	889
William Leech Charities Fund	-	984	984	-	1,659	1,659
Total	3,019	3,108	6,127	2,348	3,559	5,907

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Publishing	357	-	357	347	-	347
Room and conference hire	7,450	1,555	9,005	4,210	1,384	5,594
Advertising and fees	9	-	9	9	-	9
Total	7,816	1,555	9,371	4,566	1,384	5,950

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Publishing	357	-	357	347	-	347
Room and conference hire	-	1,214	1,214	-	933	933
Advertising and fees	9	-	9	9	-	9
Total	366	1,214	1,580	356	933	1,289

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

6a Capital levies

Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	253	253	-	253	253
The Aldershot Military Trust	-	75	75	-	75	75
Other*	2	536	538	15	954	969
Total	2	864	866	15	1,282	1,297

* Cliff College (£24k) have undertaken the government furlough scheme of which £24k has been included in other incoming grants, (2022: £31k).

There are no unfulfilled conditions or contingencies attached to the grants. Cliff College has also received other forms of government assistance of which they have benefitted in 2021/22. Cliff College received £39k (2022: £39k) from the Office of Students and Derbyshire County Council.

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	75	75	-	75	75
Other	2	19	21	2	24	26
Total	2	94	96	2	99	101

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2023 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000
Raising funds	-	7,704	320	8,024	-	5,375	290	5,665
Charitable activities								
Building communities	540	1,507	366	2,413	522	1,122	344	1,988
Children & Youth	96	1,015	395	1,506	95	1,086	372	1,553
Evangelism & Growth	5,055	1,933	651	7,639	4,006	1,434	582	6,022
Global relations	5,395	5,557	854	11,806	2,798	5,372	768	8,938
Learning Network	119	2,215	687	3,021	113	2,014	651	2,778
Methodist Council & Governance	-	4,137	1,050	5,187	97	3,779	986	4,862
Ministry	4,903	4,683	590	10,176	3,245	4,251	534	8,030
Property	120	555	152	827	-	5,365	140	5,505
Others - Pensions	-	1,339	-	1,339	-	1,496	-	1,496
	16,228	22,941	4,745	43,914	10,876	25,919	4,377	41,172
Total	16,228	30,645	5,065	51,938	10,876	31,294	4,667	46,837

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated to align with Church's current activities.

7b. Expenditure - The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2023 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000
Raising funds	-	2,263	320	2,583	-	2,136	290	2,426
Charitable activities								
Building communities	540	1,506	366	2,412	522	1,122	344	1,988
Children & Youth	96	1,014	395	1,505	95	1,086	372	1,553
Evangelism & Growth	5,055	1,933	651	7,639	4,006	1,434	582	6,022
Global relations	3,385	2,620	853	6,858	976	2,638	768	4,382
Learning Network	119	2,215	687	3,021	113	2,014	651	2,778
Methodist Council & Governance	-	4,136	1,050	5,186	97	3,779	986	4,862
Ministry	5,047	2,001	591	7,639	3,220	1,780	534	5,534
Property	120	555	152	827	-	5,365	140	5,505
Others - Pensions	-	1,339	-	1,339	-	1,496	-	1,496
	14,362	17,319	4,745	36,426	9,029	20,714	4,377	34,120
Total	14,362	19,582	5,065	39,009	9,029	22,850	4,667	36,546

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £8.0m (2022: £5.7m) and for the Connexion - £2.6m (2022: £1.7m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Cost of raising voluntary income	£0.3m	£0.3m	£0.3m	£0.3m
Cost of investment management	£0.4m	£0.4m	£0.4m	£0.4m
Cost of other trading activities	£7.3m	£5.0m	£1.9m	£1.7m

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

8a. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2023 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	90	72	108	161	81	27	233	45	898
Development & Personnel	Per capita	83	92	73	110	165	83	28	239	46	919
Financial Services	Per capita	111	112	425	516	180	334	67	316	179	2,240
Information Technology	Per capita	91	101	81	120	181	92	30	262	50	1,008
Total		366	395	651	854	687	590	152	1,050	320	5,065

8b. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2023 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	91	72	109	163	81	27	235	45	904
Development & Personnel	Per capita	89	98	79	118	177	89	30	256	49	985
Financial Services	Per capita	95	95	360	436	152	284	57	265	152	1,896
Information Technology	Per capita	79	88	71	105	159	80	26	230	44	882
Total		344	372	582	768	651	534	140	986	290	4,667

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

	Cliff College	Southlands Methodist Trust	All We Can Do	Methodist International Centre Ltd	Y Care International
2023	2023	2023	2023	2023	2023
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	428	-	2147	-	816
Investments	96	451	60	1	-
Other trading activities	374	16	-	7,469	-
Other:					
Grants	554	-	842	-	7
Miscellaneous income	522	-	-	-	-
Total income	1,974	467	3,049	7,470	823
Expenditure on:					
Raising funds	305	47	942	6,250	224
Charitable activities					
Ministry	2,453	359	-	-	-
Global relations	-	296	3,053	-	730
Total expenditure on charitable activities	2,453	655	3,053	-	730
Total expenditure	2,758	702	3,995	6,250	954
Net gains/(losses) on investments	441	(1,352)	7	-	-
Net income/(expenditure)	(343)	(1,587)	(939)	1,220	(131)
Distribution under Gift aid	-	-	-	-	-
Net movement in funds	(343)	(1,587)	(939)	1,220	(131)
Net assets					
Fixed assets	10,229	11	3	500	-
Investments	15	12,330	641	-	-
Current assets	637	47	2,061	2,659	1,275
Creditors and loans	(479)	(406)	(453)	(2,103)	(561)
Total	10,402	11,982	2,252	1,056	714

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

9. Subsidiaries (continued)

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International
2022	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	147	-	3,396	-	1,031
Investments	103	457	19	-	1
Other trading activities	508	10	-	4,229	-
Other:					
Grants	799	50	934	13	54
Miscellaneous income	709	-	-	-	-
Total income	2,266	517	4,349	4,242	1,086
Expenditure on:					
Raising funds	220	54	539	3,556	158
Charitable activities					
Ministry	2,551	325	-	-	-
Global relations	-	482	3,449	-	588
Total expenditure on charitable activities	2,551	807	3,449	-	588
Total expenditure	2,771	861	3,988	3,556	746
Net gains/(losses) on investments	2,268	3,496	(54)	-	-
Net income/(expenditure)	1,763	3,152	307	686	340
Distribution under Gift aid	-	-	-	-	-
Net movement in funds	1,763	3,152	307	686	340
Net assets					
Fixed assets	10,617	15	7	204	-
Investments	16	13,860	625	-	-
Current assets	452	83	2,818	1,547	1,200
Creditors and loans	(342)	(388)	(259)	(1,915)	(356)
Total	10,743	13,570	3,191	(164)	844

Cliff College

Charity Number 529386

Cliff College Outreach Limited

Company Number 2331438

Cliff (Methodist) Developments Limited

Company Number 4934377

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

All We Can

Charity Number 291691

All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

Southlands Methodist Trust

Charity Number 1100660

Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through Southlands College that reflect its Methodist foundation and ethos.

Methodist International Centre Limited

Company Number 3866984

A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise hotel which also provides student accommodation.

Y Care International

Company Number 3997006

Y Care international is a subsidiary of All We Can.

Y Care International is the international relief and development agency of the Young Men's Christian association (YMCA) in the UK and Ireland. They work in partnership with YMCAs that are already playing key roles in their communities. Their mission is to create opportunities with vulnerable young women and men to change lives for the better, fulfil their potential and play a full role in society. The YMCA work to bring social justice and peace to young people and their communities, regardless of religion, race, gender or culture.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2023 Total	2022 Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Regional grants	-	3,152	3,152	568
Scholarship programmes	-	196	196	365
Ministerial and personnel support grants	-	36	36	43
Annual grants	-	2,011	2,011	1,823
Total	-	5,395	5,395	2,799
Other grants	£000	£000	£000	£000
Building communities	205	335	540	522
Children & Youth	-	96	96	95
Evangelism & Growth	-	5,055	5,055	4,006
Learning Network	-	119	119	113
Methodist Council & Governance	-	-	-	97
Ministry	3,979	924	4,903	3,244
Property	-	120	120	-
Total	4,184	6,649	10,833	8,077
Grand Total	4,184	12,044	16,228	10,876

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2023 Total	2022 Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Regional grants	-	3,152	3,152	568
Scholarship programmes	-	196	196	365
Ministerial and personnel support grants	-	37	37	43
Total	-	3,385	3,385	976
Other grants	£000	£000	£000	£000
Building communities	205	335	540	522
Children & Youth	-	96	96	95
Evangelism & Growth	-	5,055	5,055	4,006
Learning Network	-	119	119	113
Methodist Council & Governance	-	-	-	97
Ministry	3,952	1,095	5,047	3,220
Property	-	120	120	-
Total	4,157	6,820	10,977	8,053
Grand Total	4,157	10,205	14,362	9,029

The figures in Note 10 are not intended to be the same as those listed for grants on page 23.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Audit and consultancy fees				
Payable to RSM UK Audit LLP	86	79	86	79
Payable to RSM UK Tax & Accounting Ltd for taxation advice	21	10	21	10
Payable to other auditors - for internal audit services	25	30	25	30
Payable to other auditors - for audit of consolidated entities	74	68	-	-
Payable to other auditors - for financial advice to consolidated entities	9	7	-	-
Depreciation	276	253	92	60
Amortisation	0	30	0	20
Foreign exchange differences	-	3	-	3
Loan interest payable	46	87	-	-

12. Stipends and salary costs

The Methodist Council appointed or employed on average 431 (2022:378) people during the year, of which Connexional Funds had 263 (2022: 268) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Stipends and salaries	14,596	13,449	10,077	9,784
Redundancy costs (loss of office)	118	154	89	116
Temporary staff costs	160	158	61	59
Social security costs	1,403	1,340	986	956
Pension costs - (defined contribution schemes)	2,148	1,340	1,962	1,120
Defined benefit pension costs excluding interest	3,013	5,607	2,988	5,582
Total	21,438	22,048	16,163	17,617

The Methodist Church in Great Britain

23 employees were paid £60k or more during the year (2022: 16 employees). The total aggregate pension contributions for these employees for the year were £202k (2022: £139k).

The Connexional Funds

17 employees were paid £60k or more during the year (2022: 9 employees). The total aggregate pension contributions for these employees for the year were £170k (2022: £106k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	Number of employees	Number of employees	Number of employees	Number of employees
Basic salary plus bonus				
£60,001 - £70,000	10	6	8	4
£70,001 - £80,000	8	6	5	3
£80,001 - £90,000	3	3	1	1
£90,001 - £100,000	1	-	1	-
£100,001 - £110,000	-	1	1	1
£110,001 - £120,000	1	-	1	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Methodist Council & Governance	54.8	56.5	54.8	56.5
Global Relations	54.3	51.3	26.5	26.7
Evangelism & Growth	17.8	18.7	17.8	18.7
Learning Network	40.6	40.9	40.6	40.9
Children & Youth	12.6	13.8	12.6	13.8
Ministry	77.3	65.2	26.6	25.7
Building Communities	17.7	17.8	17.7	17.8
Administration & Support	44.7	48.9	44.7	48.9
Property	4.7	5.8	4.7	5.8
Fundraising	106.4	59.4	16.9	13.4
Total	430.9	378.3	262.9	268.2

The average number of volunteers working for the Council during the year was 842 (2022: 1,092).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Mission, the Head of Ministries (for 9 months of the year) the Head of Ministries & Learning, the Director of Communications, the Executive Director of Finance and Resources and the Director of Human Resources. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and employer's national insurance, but excluding pension contributions was £645k (2022: £623k). In addition, pension contributions of £95k were paid into defined contribution pension schemes on behalf of these personnel (2022: £94k).

Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers' Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

12. Pension costs (continued)

The Methodist Ministers' Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 58-59 with further information as required by FRS102 included on pages 96-98.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,136 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of 64 ministers. The majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2020, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund both this deficit and the shortfall arising from the level of future service contributions being paid. It was agreed that contributions from the Methodist Church's Pension Reserve Fund would be made as follows:

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2026; and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Superannuation Scheme for Lay Mission Partners (SSMP)

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit.

There are 22 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £205.63 per year of qualifying service to a single retired mission partner or widow / widower, £274.25 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £136.65 (single) / £182.65 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2023 by the Scheme's actuary and shown in Note 28.

Other pension schemes

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £132k (2022: £138k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £5.3k (2022: £9.7k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

13a. Tangible fixed assets - The Methodist Church in Great Britain

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2022	80,105	1,958	1,920	33	84,016
Additions during the year	1,674	42	152	13	1,881
Revaluations	283	-	-	-	283
Transfers (to Investment property)	(9,790)	-	-	-	(9,790)
Disposals	(5,435)	(36)	-	-	(5,471)
Total	66,837	1,964	2,072	46	70,919
Depreciation					
At 1 September 2022	329	1,845	1,766	25	3,965
Charge for the year	103	62	107	4	276
Disposals	-	(26)	-	-	(26)
Total	432	1,881	1,873	29	4,215
Net book value as at 31 August 2023	66,405	83	199	17	66,704
Net book value as at 31 August 2022	79,776	113	154	8	80,051

13b. Tangible fixed assets - The Connexional Funds

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2022	69,040	944	1,382	-	71,366
Additions during the year	1,143	8	93	-	1,244
Transfers	(9,790)	-	-	-	(9,790)
Revaluations	113	-	-	-	113
Disposals	(4,660)	(36)	-	-	(4,696)
Total	55,846	916	1,475	-	58,237
Depreciation					
At 1 September 2022	-	900	1,238	-	2,138
Charge for the year	-	15	77	-	92
Disposals	-	(26)	(26)	-	(52)
Total	-	889	1,315	-	2,204
Net book value as at 31 August 2023	55,847	27	160	-	56,034
Net book value as at 31 August 2022	69,040	44	144	-	69,228

Depreciation cost is included in the support cost and apportion in other activities (Note 8)

Contingent asset

During the year, the London Committee entered into an agreement to transfer a property in Kings Cross to the Church Council of King's Cross Methodist Church. The terms of the agreement were to transfer the property in exchange for a loan which would be payable at a point where either the property was sold or utilised for activities outside the objectives of the Methodist Church, with the value payable based on the proceeds achieved or an indexed value starting from £2,800k which was a valuation of the property in May 2011.

Any future loan repayments are under the control of the Church Council of King's Cross Methodist Church which will not be required to transfer funds unless it takes a decision to change the use of the building, either via sale or use.

We have recognised the disposal but no corresponding debtor will be recognised until the use changes and amounts are due for the transfer. The potential future receipt is estimated at £4,483k as at 31st August 2023.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

13c. Intangible fixed assets

At cost	£000	£000
At 1 September 2022	418	353
Additions during the year	186	98
Total	604	451
Amortisation		
At 1 September 2022	356	310
Charge for the year	70	35
Total	426	345
Net book value as at 31 August 2023	178	106
Net book value as at 31 August 2022	62	43

Amortisation cost is included in the support cost and apportion in other activities (Note 8)

13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2019 except for Asbury Overseas House, Birmingham which was revalued in 31 August 2020.

The manses, which are residential and have a well established market, were revalued internally by reference to current market prices on 31 August 2019. The trustees consider the valuation of these properties and consider that there is no material difference between amounts in the accounts and the current individual valuations.

Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850k.

The commercial properties were valued by professional independent valuers as follows:

1-5 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU, in July 2022 for £10k.

90 Hayes Lane, Kenley - valuation carried out in July 2022 by Richard Moss MRICS and John Barrett FRICS from Cluttons, Portman Street, London W1H 6DU; valued at £870k.

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in August 2021 by M J Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £6,066k.

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by Savills. The valuation was done in September 2022. The property was valued at £14,865.5k.

The place of worship part of the Wesley Hotel Camden located at 89 Plender Street, Camden Town, London NW1 0JN was valued as £1,134k by Savills on 31 August 2023. The current market value is £1,134k.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £35,800k (2022: £45,500k) for the Methodist Church in Great Britain and £27,800k (2022: £38,100k) for Connexional Funds.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	41,377	130,086	9,809	995	182,267	193,575
Additions	-	2,572	261	-	2,833	1,287
Transfers (from Charitable property)	9,790	-	-	-	9,790	-
Disposals	-	(2,841)	-	-	(2,841)	(642)
Investment (losses)/gains	(353)	(4,703)	(524)	-	(5,580)	(11,953)
Fair value as at 31 August	50,814	125,114	9,546	995	186,469	182,267

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	29,453	127,604	9,809	900	167,766	181,991
Additions	-	-	261	-	261	1,242
Transfers	9,790	-	-	-	9,790	-
Disposals	-	(100)	-	-	(100)	(75)
Investment (losses)/gains	947	(4,658)	(524)	-	(4,235)	(15,392)
Fair value as at 31 August	40,190	122,846	9,546	900	173,482	167,766

Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

William Leech Charities Fund

The Methodist Church holds investments valued at £9.5m (2022: £9.8m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2023. The holding is based on the company's audited accounts to 31 March 2023, updated with management accounts to 31 August 2023. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
14c. Analysis of movement of investment properties				
Fair value at 1 September	41,377	39,446	29,453	31,178
Additions	-	-	-	-
Transfers	9,790	-	9,790	-
Revaluation gain/(loss)	(353)	1,931	947	(1,725)
Disposals	-	-	-	-
Fair value at 31 August	50,814	41,377	40,190	29,453

Included within investment properties are the following revalued properties:

i) London Mission Fund

The London Mission property portfolio was valued by G Parks MRICS for and on behalf of Cluttons LLP.

The valuation was done in July 2022 for 229 King St, Hammersmith and July 2023 for the other three properties.

- a) Hove Residential at 20 Bigwood Avenue: £285k (2022: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £575k (2021: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £400k (2022: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,870k (2022: £1,700k)

ii) Guy Chester Centre

A property known as the Hazlehyrst, 7 Colney Hatch Lane, London N10 1PN was valued on 24 July, 2023 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,785k (2022: £3,620k).

iii) The Wesley Hotel, Camden

The property is located at 89 Plender Street, Camden Town, London NW1 0JN. It was valued on 31 August 2023 by Savills and the current market value for the hotel is £10.866m.

iv) The Wesley Hotel, Euston Street

The property is located at 81-103 Euston Street, London, NW1 2EZ. It was valued in August 2022 by Savills and the current market value is £20,400K.

v) 4 John Wesley Road

The property is located at 4 John Wesley Road, Werrington, Peterborough, PE4 6ZL. It was valued in August 2022 by Eddisons, Incorporating Barker Storey Matthews. The current market value is £1,900K.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
15. Debtors	2023	2022	2023	2022
	£000	£000	£000	£000
Prepayments and accrued interest	3,710	2,965	2,185	1,342
Loans to other entities	19	-	805	786
Concessionary loans due within one year	182	167	182	167
Concessionary loans due after more than one year	406	406	406	406
Other debtors	2,821	2,126	2,823	1,692
Total	7,138	5,664	6,401	4,393

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. The Methodist Council have extended the period of the loan which will now be repaid fully in May 2024.

	The Methodist Church in Great Britain		The Connexional Funds	
16a. Creditors: amounts due within one year	2023	2022	2023	2022
	£000	£000	£000	£000
Accruals	1,969	1,283	708	462
Loans	294	257	-	-
Tax and social security	718	565	279	255
Grant commitments	8,387	6,530	7,763	6,169
Other creditors	5,689	7,139	6,064	7,089
Total	17,057	15,774	14,814	13,975

	The Methodist Church in Great Britain		The Connexional Funds	
16b. Creditors: amounts due after more than one year	2023	2022	2023	2022
	£000	£000	£000	£000
Loans	75	391	-	-
Grant commitments	1,673	1,965	1,472	1,792
Total	1,748	2,356	1,472	1,792

Loans

Cliff College - The Methodist Church in Great Britain

At 31 August 2023, the balance on the loan is £140k (2022: £163k) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021. The loan balance as at 31 August 2023 is £229k (2022: £479k).

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Finished goods and goods for resale	42	44	30	29
Total	42	44	30	29

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised as an expense in the year were 9k (2022 £19k).

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	125,114	130,086	122,846	127,604
William Leech Charities Fund and other investments	10,541	10,804	10,446	10,709
Total	135,655	140,890	133,292	138,313

Financial assets that are debt instruments measured at amortised cost

Debtors	2,821	2,126	2,823	1,692
Total	2,821	2,126	2,823	1,692

Financial liabilities measured at amortised cost

Loans	369	648	-	-
Accruals	1,969	1,283	708	462
Other creditors	5,689	7,139	6,064	7,089
Total	8,027	9,070	6,772	7,551

Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	182	167	182	167
Loan to Lesnes Abbey Circuit	19	-	805	786
Total	201	167	987	953

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
19a. Unrestricted funds	£000	£000	£000	£000	£000	£000	£000
General	52,706	22,747	(22,568)	-	390	2,310	55,585
Designated 19c	68,926	17,439	(11,438)	-	(2,478)	(592)	71,857
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	121,632	40,186	(32,193)	(1,813)	(2,088)	1,718	127,442

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
19b. Unrestricted funds	£000	£000	£000	£000	£000	£000	£000
General	50,531	16,118	(17,483)	-	390	2,310	51,866
Designated 19d	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	118,294	33,553	(27,375)	(1,813)	(2,088)	1,718	122,289

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £2.3m to the general fund principally comprise the net balance of the management levy received (£1.8m) and other MIC contributions (£0.6m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
19c. Designated funds	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	10,584	15,879	(6,535)	-	(511)	(6,625)	12,792
2) The Epworth Fund	7,135	172	(538)	-	(242)	(347)	6,180
3) The Designated Training Fund	1,129	1	(566)	-	-	841	1,405
4) The Pension Reserve Fund	50,078	1,387	(3,798)	-	(1,725)	5,539	51,481
Total	68,926	17,439	(11,438)	-	(2,478)	(592)	71,857

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
19d. Designated funds	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	10,558	15,878	(6,570)	-	(511)	(6,625)	12,730
2) The Epworth Fund	7,126	171	(538)	-	(242)	(347)	6,170
3) The Designated Training Fund	1	-	(800)	-	-	841	42
4) The Pension Reserve Fund	50,078	1,386	(3,797)	-	(1,725)	5,539	51,481
Total	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.96m management levy paid to the general fund and £5.6m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
19e. Unrestricted funds							
General	53,214	20,677	(19,710)	-	(2,327)	852	52,706
Designated 19c	66,092	18,471	(10,742)	-	(4,977)	82	68,926
Defined Benefit Pension Scheme	(1,330)	-	3,531	(2,201)	-	-	-
Total	117,976	39,148	(26,921)	(2,201)	(7,304)	934	121,632

The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
19f. Unrestricted funds							
General	52,514	16,822	(17,330)	-	(2,327)	852	50,531
Designated 19d	64,984	18,467	(10,793)	-	(4,977)	82	67,763
Defined Benefit Pension Scheme	(1,677)	-	3,878	(2,201)	-	-	-
Total	115,821	35,289	(24,245)	(2,201)	(7,304)	934	118,294

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.9m to the general fund principally comprise the net balance of the management levy received (£2.0m), payment to the Long-term Renewal Fund (£0.1m), donations made to Pension Reserve Fund (£0.5m) for contribution toward pension deficit and other MIC contributions (£0.5m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
19g. Designated funds							
1) The Connexional Priority Fund	11,336	9,984	(4,589)	-	(983)	(5,164)	10,584
2) The Epworth Fund	7,738	189	(245)	-	(520)	(27)	7,135
3) The Designated Training Fund	1,096	1	(757)	-	-	789	1,129
4) The Pension Reserve Fund	45,922	8,297	(5,151)	-	(3,474)	4,484	50,078
Total	66,092	18,471	(10,742)	-	(4,977)	82	68,926

The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
19h. Designated funds							
1) The Connexional Priority Fund	11,327	9,983	(4,605)	-	(983)	(5,164)	10,558
2) The Epworth Fund	7,730	188	(245)	-	(520)	(27)	7,126
3) The Designated Training Fund	5	-	(793)	-	-	789	1
4) The Pension Reserve Fund	45,922	8,296	(5,150)	-	(3,474)	4,484	50,078
Total	64,984	18,467	(10,793)	-	(4,977)	82	67,763

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.5m to the Pension Reserve Fund (PRF). See Note 22.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

3) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

4) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20a. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,383	1,033	(264)	-	(227)	(70)	6,855
3) Centenary Hall Trust	27,460	351	(23)	-	23	(349)	27,462
4) The Fund for Training	2,412	472	(244)	-	(23)	(68)	2,549
5) The World Mission Fund *	16,997	2,422	(5,770)	-	(384)	(735)	12,530
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre *	20,399	1,535	(937)	-	241	(350)	20,888
8) Cliff College *	6,897	1,274	(2,758)	-	442	-	5,855
9) Southlands Methodist Trust	13,569	467	(702)	-	(1,352)	-	11,982
10) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
11) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	127,747	8,435	(14,696)	-	(5,848)	(1,538)	114,100
Other - 28 funds with balances < £2m *	10,162	4,354	(5,043)	94	(340)	(447)	8,780
Total	137,909	12,789	(19,739)	94	(6,188)	(1,985)	122,880

The Connexional Funds

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20b. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,385	1,033	(264)	-	(227)	(70)	6,857
3) Centenary Hall Trust	27,749	351	(23)	-	23	(349)	27,751
4) The Fund for Training	2,367	472	(244)	-	(23)	(68)	2,504
5) The World Mission Fund *	15,437	2,422	(5,770)	-	(384)	(735)	10,970
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre *	20,403	1,535	(937)	-	241	(350)	20,892
8) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
9) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	105,971	6,694	(11,236)	-	(4,938)	(1,538)	94,953
Other - 27 funds with balances < £2m *	7,091	676	(392)	94	(347)	(447)	6,675
Total	113,062	7,370	(11,628)	94	(5,285)	(1,985)	101,628

Transfers out of the World Mission Fund principally relate to £0.46m management levy paid to the general fund and £0.27m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

Note* : A prior period adjustment has been processed in the restricted funds to reflect property valuations which were incorrectly allocated in prior years. The impact of the adjustment has been to reduce the opening reserves for the World Mission Fund, The London Mission Fund and The Guy Chester Centre with the balance for other funds increasing by a similar amount. The overall value of restricted funds is not impacted by this change.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
20C. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	10,804	367	(1,207)	-	(609)	(61)	9,294
2) Mission in Britain Fund	6,521	977	(502)	-	(548)	(65)	6,383
3) Centenary Hall Trust	25,216	353	(328)	-	2,219	-	27,460
4) The Fund for Training	7,035	289	(68)	-	(4,835)	(9)	2,412
5) The World Mission Fund	18,835	2,974	(2,986)	-	(1,020)	(806)	16,997
6) The London Mission Fund	20,683	539	(434)	-	(1,129)	-	19,659
7) The Guy Chester Centre	29,349	1,240	(811)	-	(9,049)	(330)	20,399
8) Cliff College	8,312	1,358	(2,770)	-	(3)	-	6,897
9) Southlands Methodist Trust	10,418	517	(862)	-	3,496	-	13,569
10) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
11) Special Extension Fund	2,415	57	(7)	-	(171)	(2)	2,292
Total funds with balances > £2m	142,168	8,733	(10,056)	-	(11,824)	(1,274)	127,747
Other - 28 funds with balances < £2m	7,163	8,346	(9,841)	311	4,214	(31)	10,162
Sub-total	149,331	17,079	(19,897)	311	(7,610)	(1,305)	137,909

The Connexional Funds

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
20d. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	10,804	367	(1,207)	-	(609)	(61)	9,294
2) Mission in Britain Fund	6,523	977	(502)	-	(548)	(65)	6,385
3) Centenary Hall Trust	25,505	353	(328)	-	2,219	-	27,749
4) The Fund for Training	6,990	289	(4,853)	-	(50)	(9)	2,367
5) The World Mission Fund	17,845	2,974	(3,556)	-	(1,020)	(806)	15,437
6) The London Mission Fund	20,686	539	(437)	-	(1,129)	-	19,659
7) The Guy Chester Centre	29,353	1,240	(811)	-	(9,049)	(330)	20,403
8) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
9) Special Extension Fund	2,415	57	(7)	-	(171)	(2)	2,292
Total funds with balances > £2m	122,701	6,858	(11,782)	-	(10,532)	(1,274)	105,971
Other - 27 funds with balances < £2m	7,357	2,743	(500)	311	(2,789)	(31)	7,091
Total	130,058	9,601	(12,282)	311	(13,321)	(1,305)	113,062

Transfers out of the World Mission Fund principally relate to £0.55m management levy paid to the general fund and £0.25m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.

2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

3) Centenary Hall Trust

This exists to hold on trust a Church House, formerly 25 Marylebone Road and now 25 Tavistock Place.

4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches' Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn dispense the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in Our Calling. The Centre provides funding for the Learning Network.

9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The college now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

11) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000
21a. Endowment funds						
Permanent						
Rank Endowment Fund	7,314	-	(2)	(3)	(4)	7,305
Barratt Memorial	1,273	-	(4)	(44)	4	1,229
Bories Bequest	27	-	-	(1)	-	26
Sub-total	8,614	-	(6)	(48)	-	8,560
Expendable						
William Leech Charities Fund	9,808	-	-	(524)	261	9,545
Other - 4 funds with balances <£1m	1,162	-	-	(7)	6	1,161
Sub-total	10,970	-	-	(531)	267	10,706
Total	19,584	-	(6)	(579)	267	19,266

Transfers of £0.26m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000
21b. Endowment funds						
Permanent						
Rank Endowment Fund	7,177	-	(12)	86	63	7,314
Barratt Memorial	1,318	-	(4)	(89)	48	1,273
Other - 2 funds with balances <£1m	20	-	-	8	(1)	27
Sub-total	8,515	-	(16)	5	110	8,614
Expendable						
William Leech Charities Fund	13,188	-	-	(3,620)	240	9,808
Other - 4 funds with balances <£1m	1,132	-	(3)	12	21	1,162
Sub-total	14,320	-	(3)	(3,608)	261	10,970
Total	22,835	-	(19)	(3,603)	371	19,584

Transfers of £0.24m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

22. Fund Transfers		2023			2022		
		Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
Unrestricted							
Connexional Priority Fund	(Note 19)	-	(6,625)	(6,625)	-	(5,164)	(5,164)
Pension Reserve Fund	(Note 19)	5,669	(130)	5,539	5,027	(543)	4,484
Designated Training Fund	(Note 19)	841	-	841	789	-	789
General Fund	(Note 19)	2,425	-	2,425	1,957	(600)	1,357
Methodist International Centre	(Note 19)	398	(513)	(115)	-	(505)	(505)
Epworth Fund	(Note 19)	-	(347)	(347)	-	(27)	(27)
Total		9,333	(7,615)	1,718	7,773	(6,839)	934
Restricted							
Long-term Renewal Fund		-	347	-	100	-	100
World Mission Fund	(Note 20)	-	(735)	(735)	-	(806)	(806)
Guy Chester Centre	(Note 20)	-	(350)	(350)	-	(330)	(330)
Fund for Training	(Note 20)	-	(68)	(68)	-	(9)	(9)
Mission in Britain	(Note 20)	-	(70)	(70)	-	(65)	(65)
Fund for Support of Presbyters & Deacons		65	(27)	38	-	(61)	(61)
Fund for property	(Note 20)	-	(426)	(426)	23	(89)	(66)
Centenary Hall Trust	(Note 20)	-	(349)	(349)	-	-	-
Others		-	(25)	(25)	1	(69)	(68)
Total		(282)	(2,397)	(1,985)	124	(1,429)	(1,305)
Endowments							
William Leech Charities Fund	(Note 21)	271	(10)	261	253	(13)	240
Rank Endowment	(Note 21)	3	(7)	(4)	70	(7)	63
Others	(Note 21)	11	(1)	10	71	(3)	68
Total		285	(18)	267	394	(23)	371
Grand Total		9,336	(10,030)	-	8,291	(8,291)	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

23a. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	135	43	-	178
Tangible fixed assets	17,720	48,984	-	66,704
Investments	107,781	67,218	11,470	186,469
Current assets	21,137	15,093	43	36,273
Creditors due within one year	(19,132)	(5,678)	7,753	(17,057)
Creditors due after more than one year	(199)	(1,549)	2,978.00	(4,726)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	127,442	122,880	19,266	269,588

The Connexional Funds

23b. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	106	-	-	106
Tangible fixed assets	17,249	38,784	-	56,033
Investments	107,781	54,231	11,470	173,482
Current assets	19,768	11,268	43	31,079
Creditors due within one year	(22,370)	(197)	7,753	(14,814)
Creditors due after more than one year	(245)	(1,227)	-	(1,472)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	122,289	101,628	19,266	243,183

The Methodist Church in Great Britain

23c. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2022 Total £000
Intangible fixed assets	55	7	-	62
Tangible fixed assets	27,364	52,687	-	80,051
Investments	96,534	73,942	11,791	182,267
Current assets	15,676	20,345	222	36,243
Creditors due within one year	(17,459)	(5,886)	7,571	(15,774)
Creditors due after more than one year	(538)	(1,818)	-	(2,356)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
Total	121,632	137,909	19,584	279,125

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total
	£000	£000	£000	£000
Intangible fixed assets	43	-	-	43
Tangible fixed assets	27,173	42,055	-	69,228
Investments	96,534	59,441	11,791	167,766
Current assets	14,916	15,900	223	31,039
Creditors due within one year	(20,079)	(1,467)	7,570	(13,976)
Creditors due after more than one year	(293)	(1,499)	-	(1,792)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
Total	118,294	113,062	19,584	250,940

24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

The Methodist Church in Great Britain

24a. Revaluation reserve	1 September 2022	Movement	31 August 2023
	£000	£000	£000
Unrestricted	7,240	74	7,314
Restricted	48,501	(3,349)	45,152
Total	55,741	(3,275)	52,466

The Connexional Funds

24b. Revaluation reserve	1 September 2022	Movement	31 August 2023
	£000	£000	£000
Unrestricted	7,237	74	7,311
Restricted	43,347	(3,791)	39,556
Total	50,584	(3,717)	46,867

The Methodist Church in Great Britain

24c. Revaluation reserve	1 September 2021	Movement	31 August 2022
	£000	£000	£000
Unrestricted	7,240	-	7,240
Restricted	55,065	(6,564)	48,501
Total	62,305	(6,564)	55,741

The Connexional Funds

24d. Revaluation reserve	1 September 2021	Movement	31 August 2022
	£000	£000	£000
Unrestricted	7,237	-	7,237
Restricted	52,183	(8,836)	43,347
Total	59,420	(8,836)	50,584

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

25. Expenses reimbursed to the trustees	Number of trustees	2023	Number of trustees	2022
		£000		£000
Travel and other expenses reimbursed	43	45	44	23

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2023	2022	2023	2022
	£000	£000	£000	£000
Doug Godfrey-Swanney	17	17	140	137
Joanne Anderton	12	12	100	97
The Revd Dr Jonathan R Hustler	7	7	47	44
Deacon Karen McBride	7	7	45	43
The Revd Gillian M Newton	7	7	45	43
The Revd Leslie M Newton	7	7	45	43
The Revd Michaela A Youngson	7	7	45	43
The Revd Helen R Kirk	7	7	45	43
The Revd Graham Thompson	7	7	47	43
The Revd S Mark Slaney	7	-	45	-
The Revd Richard M Andrew	7	-	45	-
The Revd Angela Long	7	-	41	-
Deacon Kerry Scarlett	7	-	37	-
The Revd Dr Jongikaya Zihle	-	7	-	43
Total	106	85	727	579

Of the trustees listed above, 13 were in the Connexional team or District Chairs (2022: 10). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.7m (2022: £0.6m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2023		Loans from related party	Amount owed by/(to) related party
	Income from related party	Payments to/(from) related party		
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	19	216	-	-
Methodist Ministers' Housing Society (b)	1	18	-	-
Methodist Ministers' Pension Scheme (c)	67	206	-	-
Pension Assurance Scheme for the Lay Employees of the Methodist Church (PASLEMC)	16	53	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,105	-	-
Methodist International Centre Ltd (e)	698	27	-	786

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from MMPS (£67k) and from PASLEMC (£16k) is for rent and accountancy services.
Both schemes made payments to MCF (MMPS: £206k and PASLEMC:£53k) to reimburse salaries for Pensions Schemes staff.
- (d) A payment of £1.10m (2022: £1.04m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2022-23 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 22 to Aug 23.
- (e) Income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds £698k (2022: 316k) . The £27k relates to accommodation expenses (2022: £20k).
In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to for repayment starting from May 2024.

	2022			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	13	241	-	-
Methodist Ministers' Housing Society (b)	-	56	-	-
Methodist Ministers' Pension Scheme (c)	94	-	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,042	-	-
Methodist International Centre Ltd (MIC) (e)	316	20	-	786

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church's investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.4m (2022: £13.7m)
- The awarding and distribution of grants to other Methodist entities amounts to £3.6m in 2023 (2022: £4m)
- Investment charges (TMCP & CFB) amounts to 375k in 2023 (2022: £403k)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members - Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Fair value of scheme assets	57,176	-	57,176	69,991
Present value of scheme liabilities	(53,226)	(1,231)	(54,457)	(68,283)
Sub Total	3,950	(1,231)	2,719	1,708
Unrecognised assets	(3,950)	-	(3,950)	(3,076)
Net defined benefit liability	-	(1,231)	(1,231)	(1,368)

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The Connexional Funds

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Service cost (before contributions from other group employers)	84	-	84	135
Interest cost on scheme liabilities	2,568	54	2,622	1,651
Interest income on plan assets	(2,735)	(71)	(2,806)	(1,669)
Net finance costs	(167)	(17)	(184)	(18)
Total	(83)	(17)	(100)	117

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Actual return on scheme assets	(12,543)	(166)	(12,709)	(27,144)
Amounts included in net interest on the net defined liability	(2,735)	166	(2,569)	(1,423)
Other actuarial gains/losses	14,220	94	14,314	29,753
Movement in unrecognised assets	(755)	-	(755)	(3,076)
Re-measurement gains and losses recognised in SoFA	(1,813)	94	(1,719)	(1,890)

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

Liabilities	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
At 1 September	66,915	96,433	1,368	1,746	68,283	98,179
Service cost	84	135	-	-	84	135
Interest on obligation	2,568	1,624	54	27	2,622	1,651
Contributions by members	-	-	-	-	-	-
Benefits paid	(2,121)	(1,835)	(97)	(94)	(2,218)	(1,929)
Actuarial gains/losses	(14,220)	(29,442)	(94)	(311)	(14,314)	(29,753)
At 31 August	53,226	66,915	1,231	1,368	54,457	68,283

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

Assets	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
At 1 September	69,991	95,103	-	-	69,991	95,103
Interest on assets	2,735	1,636	-	-	2,735	1,636
Contributions by employers	2,384	4,110	-	-	2,384	4,110
Contributions by members	-	-	-	-	-	-
Administration expenses	(535)	(456)	-	-	(535)	(456)
Benefits paid	(2,121)	(1,836)	-	-	(2,121)	(1,836)
Actuarial return less interest income on plan assets	(15,278)	(28,566)	-	-	(15,278)	(28,566)
At 31 August	57,176	69,991	-	-	57,176	69,991
Unrecognised assets	(3,950)	(3,076)	-	-	(3,950)	(3,076)
Net Defined Benefit Liability	-	-	1,231	1,368	1,231	1,368

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2023 % pa	2022 % pa	2023 % pa	2022 % pa
Discount rate at end of year	5.2	3.9	5.4	4.1
Discount rate at start of year	3.9	1.7	4.1	1.6
RPI Inflation	3.4	3.5	3.5	3.9
CPI Inflation	2.8	3.0	-	-
Rate of increase in Pensionable earnings	2.8	3.0	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.8	3.0	3.5	3.7
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.5	3.5	3.7
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.3	3.4	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.2	2.3	-	-

Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2023	2022	2023	2022
Equities	-	12.5	16.5	20.0
Gilts	-	-	58.0	56.1
Corporate Bonds	45.6	36.6	12.7	12.3
Property	-	9.7	6.3	7.2
Cash	19.3	16.6	6.5	4.4
Liability Driven Investment	30.7	19.8	-	-
Annuities	4.4	4.8	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2023 £000	2022 £000
Service cost	9,696	9,696
Interest cost on scheme liabilities	15,712	8,496
Interest Income on plan assets	(18,248)	(9,122)
Interest on unrecognised assets	-	-
Net Finance Costs	(2,536)	(626)

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2023 £000	2022 £000
Actual Return on Scheme assets	(54,583)	(103,537)
Amounts included in net interest on the net defined liability	(18,248)	(9,122)
Other Actuarial gains/losses	72,374	138,573
Movement in unrecognised assets	(2,414)	(23,943)
Re-measurement gains and losses recognised in SOFA	(2,871)	1,971

c. The changes in the present value of the defined benefit obligation were:

	2023 £000	2022 £000
Opening defined benefit obligation	403,424	541,543
Service cost	5,040	9,696
Interest cost	15,712	8,496
Cost of benefit Changes	-	-
Contributions by members	3,140	3,294
Benefits paid	(21,260)	(21,032)
Actuarial (gains)/losses	(72,374)	(138,573)
Closing defined benefit obligation	333,682	403,424

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2021.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

d. The changes in the fair value of the plan assets during the year were:

	2023 £000	2022 £000
Opening fair value of scheme assets	460,862	574,510
Interest income on plan assets	18,248	9,121
Contributions by employers	8,808	8,926
Contributions by members	3,140	3,294
Benefits paid	(21,260)	(21,032)
Administration expenses	(1,136)	(1,298)
Actual return less interest income on plan assets	(72,831)	(112,659)
Closing fair value of scheme assets	395,831	460,862

The total assets and liabilities of the MMPS at 31 August were:

	2023 £000	2022 £000
Closing defined benefit obligation	(333,681)	(403,424)
Closing fair value of scheme assets	395,831	460,862
Net defined benefit scheme asset	62,150	57,438
Assets that would not have been recognised had the scheme been included	(2,414)	(23,943)
Net defined benefit asset	59,736	33,495

The principal actuarial assumptions at the balance sheet date in respect of the Scheme were:

	2023 % pa	2022 % pa
Discount rate at end of year	5.3	4.0
Discount rate at start of year	4.0	1.6
Inflation	3.5	3.6
Rate of increase in pensionable earnings	3.6	3.8
Rate of increase in deferred pensions pre 2009	3.1	3.3
Rate of increase in deferred pension post 2009	2.5	2.5
Rate of increase in pension in payment main benefits CPI LPI 5%	3.0	3.2
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.2	2.2
Rate of increase in pension in payment AVCs RPI LPI 5%	3.3	3.5
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.3

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers' Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2023	2022
	%	%
Equities	12.8	33.4
Gilts	0.1	0.1
Corporate Bonds	46.6	29.7
Property	-	10.1
Cash	1.5	3.5
Liability driven Investment	29.7	16.8
Impact investing	9.3	6.4

The Methodist Church in Great Britain

The membership 2022/2023 and 2023/2024 are listed below.

Methodist Council:

2022 / 2023

New Members from 1 September 2022 are marked with one asterisk (*)

The Revd Sonia M Hicks (Chair)	The Revd Jeremy H A Hackett	Dr Hellen Okello
Joanne Anderton	Bet W T Holmes	Sheila Pollard*
The Revd Richard M Andrew	The Revd Dr Jonathan R Hustler	Bridget Quint*
Stephen Arnold	The Revd Helen R Kirk	The Revd Mark Roberts*
The Revd Karen Beecham	Joseph Lambert	The Revd Dr Calvin T Samuel [from 18.10.22]*
Anthony Boateng	The Revd Angela Long	Deacon Kerry Scarlett*
The Revd Paul H Booth	Andrew Lowe	The Revd S Mark Slaney
Mark Braithwaite	Professor David Matthews	Sandie Smith
The Revd Dr Adrian Burdon	Val Mayers	The Revd Timothy A Swindell
David Burton	The Revd Samuel E McBratney	The Revd Rebekah Stennett
The Revd Deborah L Caulk*	Deacon Karen McBride	The Revd Howard J Stringer [from 17.10.22]*
The Revd Steven R M Cooper*	Alister McClure	Jenny Taylor
The Revd Dr Joanne Cox-Darling	Dr Daleep S Mukarji	The Revd Graham Thompson
Eleanor Dixon*	The Revd Gillian M Newton	The Revd Marcus Torchon*
Barbara Easton	The Revd Leslie M Newton	Verity Wild
The Revd Simon C Edwards	Keith Norman	The Revd Michaela A Youngson
Carl Fairclough	Helen Norton	
The Revd Ruth G S Fry	The Revd Charity Nzegwu	
Doug Godfrey-Swanney	Peter Gregson	

2023 / 2024

New Members from 1 September 2023 are marked with two asterisks (**)

Joanne Anderton	Matt Hays**	Dr Helen Okello
The Revd Richard M Andrew	Bet Holmes	The Revd Romeo R Pedro**
Stephen Arnold	Carolyn Hothersall**	Sheila Pollard
Marianne Barrett Rogers**	The Revd Dr Jonathan R Hustler	Miss Bridget Quint
The Revd Dr Moira Biggins**	The Revd Stephen Ingrouille**	The Revd Dr Calvin T Samuel
Anthony Boateng	David James**	Deacon Kerry R Scarlett
Anne Bolton**	The Revd Marie-Anne Kent**	The Revd S Mark Slaney
Mark Braithwaite	The Revd Helen R Kirk	The Revd Luke G S Smith**
The Revd Helen D Cameron**	Joseph Lambert	Sandie Smith
The Revd Deborah L Caulk	Professor David Matthews	The Revd Rebekah Stennett
The Revd Steven R M Cooper	Val Mayers	The Revd Howard J Stringer
The Revd Dr Joanne Cox-Darling	Deacon Karen McBride	Jenny Taylor
Gill Dascombe**	Dr Daleep Mukarji	The Revd Graham Thompson
Eleanor Dixon	The Revd Gillian M Newton	The Revd Marcus Torchon
The Revd Simon C Edwards	Keith Norman	Elizabeth Ward**
The Revd Ann Fox**	The Revd Charity Nzegwu	The Revd Michaela A Youngson
The Revd Jennifer M Gill**	Peter Gregson	
Carolyn Godfrey**		
Doug Godfrey-Swanney		

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.

The Methodist Church in Great Britain

The Strategy and Resources Committee

The membership for the 2023-24 year is listed below:

Voting Members

Janet Arthur
Anne Bolton
Nick Garrett
Professor David Matthews
Shelagh Morgan

Dr Daleep S Mukarji (Chair)
The Revd Gillian M Newton
The Revd Nicholas A Oborski
The Revd Kerry W Tankard
The Revd Marcus Torchon

Non-voting members

Joanne Anderton
The Revd Dr Jonathan R Hustler
Douglas Godfrey-Swanney
The Revd Michaela A Youngson

Other members of the senior management group may attend by invitation as the business shall require.

Induction of new SRC members normally includes: conversations with the chair of SRC and the senior staff of the Connexional Team; a mentoring relationship with an experienced member of SRC; and invitations to share in the induction sessions for Council members.

The Finance Sub-Committee (FSC) of the Strategy and Resources Committee (SRC)

The membership of the committee is:

Voting Members

Helen Blair
Sue Haworth
Anne Bolton (Chair)

Malcolm Pearson
The Revd Stephen J Radford

Members of the senior management group may attend by invitation as the business shall require.

The Audit and Risk Assurance Committee

The membership of the committee is:

Voting Members

Sarah Atwell-King
Adrian Burton
Alan Kershaw (Chair)

Susan M Mortimer
Michael Rickard

Non-voting members

Members of the senior management group may attend by invitation as the business shall require.

The Methodist Church in Great Britain

Reference and Administrative Details

Names and addresses

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church
25 Tavistock Place
London WC1H 9SF
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Michaela A Youngson
Douglas Godfrey-Swanney
Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association
25 Tavistock Place
London WC1H 9SF

Investment Managers:

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

Bankers:

HSBC plc
Westminster Branch
4-8 Victoria Street
London SW1H 0NJ

Independent Auditor:

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands, B3 3AG

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Accounts

The Methodist Church in Great Britain
Consolidated Report and Financial Statements
for the year ended 31 August 2022

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	2
The Methodist Church in Great Britain Trustees' Report	3-39
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	3
Public benefit requirement	3
Structure	3
Overview of the work of The Methodist Church In Great Britain	9
Key activities	9
Grants	22
Plans for the future	23
The environment	24
Remuneration of key management personnel	24
Fundraising activities	25
Financial review	25
Reserves policy	27
Investments	30
Risks management	31
Data protection	34
Going concern	34
Related parties	35
Statement of Trustees' responsibilities	36
Independent Auditor's report to the Trustees of The Methodist Church in Great Britain	37
Consolidated Financial Statements	40-93
Statement of financial activities	41
Statement of financial activities – The Connexional Funds	42
Balance sheets	43
Cash flow statements	44
Notes to the Consolidated Financial Statements	46
Trustees and committee memberships	94
Reference and administrative details	96

Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

It is a privilege to introduce this annual report, which documents the many and varied ways in which the Methodist Church in Great Britain has faced the challenges of the times and lives out its mission to be an inclusive, evangelistic, growing, justice-seeking church. It highlights the work being done by a number of connexional bodies. The Connexional Team is there to support Local Churches, Circuits and Districts to ensure that our resources are used to fulfil the calling of the Methodist Church. The report points out the work being carried out by the Joint Public Issues Team that guide conversations around complex issues, through to the work being done to make the church net zero and caring for our environment, in which we are entrusted with the responsibility of looking after.

There is a vast range of activity reported here but can I draw attention particularly to the last item, our commitment to become a net-zero Church by 2030. Without doubt, climate change is the biggest issue facing the world today and the greatest threat to the future life, health and prosperity of millions. Our response has three aspects – activities, wisdom and lifestyles. Those three aspects are to be found throughout the report, as we review how we have acted in God's name, how we have learned more of God's will for the Church and the world, and how individual Methodists have lived out Our Calling in daily life. I commend the report to you.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2023

The Methodist Church in Great Britain Trustees' Report

Strategic Objectives, Aims and Purposes of The Methodist Church in Great Britain

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain ('The Methodist Church' or 'The Church'). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

Public Benefit Requirement

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

Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church in Great Britain (MCiGB), as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 47 and include:

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Y Care	(a separately registered company)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)

On the 1 September 2021, All We Can entered into a partnership agreement with Y Care International. Y Care is a charitable company and the relief and development agency of the Young Men's Christian Association (YMCA) movement in the UK and Ireland. Whilst remaining a separate charitable body, all of Y Care's services are now provided by All We Can through a joint staff team. The Trustees of All We Can now form the majority of the trustee body of Y Care and as such, All We Can effectively controls Y Care. In line with Section 139 of the Charities Act 2011, it is not necessary for a charity to produce consolidated accounts when it is itself a subsidiary of another charity. This means that All We Can will not prepare consolidated accounts that include Y

Care International. Consequently, the accounts of Y Care International are included in the consolidated accounts of the Methodist Church in Great Britain in their own right.

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. During 2021/22 the Council undertook a review of the entities under its control. This review confirmed that the above-named organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The Methodist Church registered as a charity on 20 October 2009 (charity number 1132208 – ‘The Methodist Church in Great Britain’) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

The members of the Methodist Conference (the Conference) are the charity trustees, and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2022 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the senior leadership group of the Connexional Team for matters relating to the objectives of the Connexional Team, and to local trustees in the case of the consolidated entities. These local trustees are accountable to the Methodist Council.

The basic governance structure as far as these consolidated financial statements are concerned is presented in the diagram below.



The Methodist Conference

The Conference is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church's affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 30 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

The Methodist Council meets three times a year and consists of 54 members most of whom hold office for four years. Its terms of reference are to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- implement Conference decisions.

It has agreed the following objectives for the coming year in order to support the delivery of the Church's strategic objective 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission':

1. Proclaiming the Gospel through worship / The ministry of the people of God in the life of the world
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for justice and peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership

In addition to the above, the Methodist Council is responsible for (*inter alia*):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering the following funds:
 - The Methodist Church Fund
 - The Connexional Priority Fund
 - The World Mission Fund
 - The Mission in Britain Fund
 - The Fund for Training
 - The Fund for Property
 - The Epworth Fund
 - The Fund for the Support of Presbyters and Deacons
 - The Sabbatical Fund
 - The Pension Reserve Fund;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;

- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council (on the recommendation of the Heritage Committee) are historically significant are scrutinised before going ahead.

The following committees have an oversight/governance role and report to the Methodist Council:

The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2021/2022, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- encouraging a collaborative style of working to be adopted throughout the Connexional Team; and
- overseeing risk management within the Connexional Team.

The Audit and Risk Assurance Committee

This is a committee of the Conference appointed on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers and any appropriate staff members of the Connexional Team to attend its meetings.

Meeting three times in the year and reporting annually to the Methodist Council, the Audit and Risk Assurance Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing and monitoring the effectiveness and appropriateness of procedures relating to risks;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Council.

Oversight Committees

To assist the Methodist Council in discharging its duties there are a number of other committees, the key ones being:

The Connexional Allowances Committee, which is responsible for recommending allowances for ministers and awarding grants from the following funds:

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Methodist Ministers' Children's Relief Association;
- The Aspinall Robinson Trust, and
- The Benevolent Fund for Deaconesses.

The Finance Sub-Committee of the Strategy and Resources Committee whose remit is to:

- provide expert advice on financial matters to the SRC;
- provide the core membership of the Conference Financial Committee;
- review the Council's cash and investment holding; and
- represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.

The Ministries Committee, which reports to the Methodist Council, exists to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing and supporting programmes and processes for candidacy, training, oversight and related matters.

The Mission Committee, which reports to the Methodist Council, exists to ensure the mission and activities of the Church are in keeping with the response to Our Calling and agreed priorities. It enables the Church to take up various aspects of Mission as expressed in Part 10 of Standing Orders. It explores the challenges and opportunities faced by the Church for mission, local and global, in the multi-ethnic, multi-cultural and multi-faith context that is the society today.

The Property Development Committee, which works to develop and maintain a connexional property strategy. Its responsibilities include:

- developing and proposing to the Council policies in respect of the use of Methodist property;
- exercising such managing trustee responsibilities and duties as may be delegated to it by the Council;
- identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
- reviewing and monitoring the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
- offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.

The Safeguarding Committee, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advises the Methodist Council on all related issues.

Other Oversight Bodies

These include:

- The trustees of All We Can (the operating name of the Methodist Relief and Development Fund), whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist, ecumenical or other appropriate oversight, primarily overseas.
- Local managing trustees for those bodies that report to the Council but are not administered by the Connexional Team (they are consolidated entities).

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 61. For each of them, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

The Methodist Council appoints members to the various trustee bodies, on the recommendations of existing members and based on a reasoned statement provided for each nominee. It follows a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period, but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment. The Council reviews and re-confirms the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

All new members of the Council undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees receive regular updates and are made aware of relevant events and training opportunities.

Proposed Governance and Oversight changes

Following an extensive review of its governance structure, The Methodist Church is proposing changes to its constitution which will move charity trusteeship from the Methodist Conference to a smaller charity trustee body called the Connexional Council. The Conference would remain the governing body of the Methodist Church. The Church has received counsel's advice on the constitutional amendments required to effect the changes and has notified the Charity Commission of the proposals. The Church's prescribed consultation and approval process is currently underway. Once approved, it is anticipated that the changes would be implemented on or around 1 September 2024.

The purpose of the proposals is to enable the Church to better fulfil its calling in the 21st century to respond to the Gospel of God's love in Christ and to live out its discipleship in worship and mission, whilst ensuring that it complies with regulatory requirements and adheres to charity governance good practice. The new Connexional Council would replace the existing Methodist Council and the Strategy and Resources Committee, and other changes to the committee structure are also proposed. The creation of a new Nominations Committee should ensure a transparent and fair process for making committee appointments.

Overview of the Work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 3,850 places of worship, with around 156,710 members;
- the work of around 1,221 active Methodist ministers;
- pupils enrolled in 85 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 1092 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.

Key Activities

The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting held in Telford, in June 2022:

- 19 presbyters and 3 deacons were received into Full Connexion on Sunday 26 June, along with 7 presbyters by transfer. Later that day, ordination services took place in the vicinity of Telford.
- The Conference considered the Oversight and Trusteeship proposals. The Revd Dr Jonathan Hustler opened the presentations, emphasising that not all the discussions have resulted in agreement and that while changing structures will not in itself make the Church more effective in mission, it should free it from what holds it back. The wide-ranging proposals were put before the Conference to reflect more accurately the size of the Church and to reduce the burden of administration on Districts, Circuits and churches. The Conference agreed to reduce the size and duration of the Conference, with effect from 2024. It also agreed to establish a new charity trustee body, the Connexional Council, which will replace both the Methodist Council and the Strategy and Resources Committee;
- The Conference endorsed the establishment of a single new Synod for Wales, in place of the Wales Synod and Synod Cymru. The new Wales Synod Cymru, which is bilingual, came into being on 1 September 2022.
- The Conference adopted Standing Orders to establish the new Justice, Dignity and Solidarity Committee in place of the Equality, Diversity and Inclusion Committee.

Organisation of the work

The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, organises its work in the following eight key areas:

1. Building Communities
2. Children, Youth and Families
3. Evangelism and Growth
4. Global Relations
5. Learning Network
6. The Methodist Council and Governance
7. Ministries
8. Property

Each of these is reviewed below.

1. Building Communities

To build communities, the Methodist Church is committed to working with ecumenical partners from a wide variety of Christian traditions. Unity and mission are inseparable, and we continue to encourage flexible ways of working together wherever possible. The Conference has reason to be grateful to all those who represent the Methodist Church on a wide variety of committees, commissions and working groups thus enabling connexional, district, circuit and local initiatives.

One of the features that will remain with us from the time of lock-down, is the ability to meet remotely. National ecumenical officers continue to participate in regular virtual meetings hosted jointly by Churches Together in Britain and Ireland and Churches Together in England (CTE), where information is shared, and we can pray together. On these occasions the CTE and CTBI programmes and resources are shared. Another group was formed as a spin off from this meeting to plan and act together in solidarity with Ukraine.

Representatives from the Methodist Church in Britain attended the 11th Assembly of the World Council of Churches, in Karlsruhe, Germany. In the context of challenging and changing international relationships, our ecumenical relationships in Europe and through the World Council of Churches are opportunities for wider engagement and enrichment.

The Methodist Church in Britain continues to work with our concordat partners, the United Methodist Church (UMC), identifying areas of work where we are stronger together, such as our response to climate change. Together with the World Methodist Council and Global partners the Methodist Church in Britain was able to have a team present at COP26. There were opportunities in that initiative for young people and others to engage and contribute.

The ecumenical officers continue to work with MAPUM – Methodist-Anglican Panel for Unity in Mission and with the nascent Life in Covenant Group, this latter replaces the previous Joint Covenant Advocacy and Monitoring Group, to seek to implement the commitments made at the signing of the Anglican-Methodist Covenant, in 2003. This involves collective learning to live with differences and contradictory convictions in our church and at an inter-denominational level. One of the current issues is the registration for a building to be used for equal-marriage ceremonies. The legal advice currently being offered to LEPs by the Conference Officer for legal and Constitutional Practice is that: “Any denomination who is party to a sharing agreement under the Shared Building Act 1969 has the power to veto a registration of the building for same-sex marriage.” We are seeking ways, if possible, to minimize the impact of this statutory regulation.

The Methodist URC Liaison Group continues to meet and seek ways in which the ecumenical relationship can deepen. The 50th Anniversary of the URC is to be celebrated at the Westminster Methodist Central Hall. The group continues to work with the United Ecumenical Areas to identify and implement structural support for their ecumenical relationship. This has been made more difficult by the Charity Commission's changes in relation to policies regarding the composition of trustees' bodies. The United Ecumenical Areas continue to share in mission and ministry whilst efforts are made to clarify the structures they operate under.

Fellowship Groups are an expression of the global community present in and under the Methodist Church in Britain. The Assistant Ecumenical Officer continues to work with the Fellowship Groups and diverse languages congregations. They are present throughout the Connexion and are an integral part of the life of the Methodist Church in Britain. With the end of the quinquennium grants for some of the Chaplaincies to the Fellowships, a strategic review is necessary to see how the Fellowship Groups that have received support for their ministry for many years move forward to a different model of operating without losing their connectivity. This work will be now overseeing by the Mission Committee. Another aspect of this ministry is the arrival of people coming from Hong Kong in significant numbers. That has opened an opportunity for new mission initiatives. Work that started in the Northeast Region has grown connexionally and involves many from our churches offering to welcome and support the new arrivals. New groups have been formed, for example in Southwest London a congregation of Hong Kong people has gathered, and numbers are at around 200 people. King's Cross Methodist Church registered a significant increase in its participants with the arrival of the HK people. We seek to put in place coordinating structures for this work of welcoming HK people and offering them a sense of belonging in our churches and communities. The President and Vice-President of the Conference attended and addressed the Fellowships' Residential in September 2022. As well as the Assistant Secretary of the Conference. A Festival of Music, Fellowship and Food took place at the end of October in London.

The Assistant Ecumenical Officer oversees our Inter-Faith work. The desk continues to represent Methodism at Inter-religious events and committees, not least the Inter-Faith Network UK that relates to the Government, trying to influence public policies. Inter-religious work also happens through CTBI, its inter-religious activities and theological reflection group. The Inter-faith work is partnering with the Religion Media Centre to deliver a project for encounter opportunities for church and other faiths leaders with media people. This is to happen in five cities. Two have already taken place.

The Joint Public Issues Team (JPIT) has continued to support the Methodist Church to speak and act on issues of justice and peace.

Amplifying the voice of local churches, JPIT has coordinated cross sector campaigning on the cost-of-living crisis. They have worked with other faith groups, charity leaders and grassroots church projects to call on the government to ensure everyone has enough to live through the winter, particularly urging support for the poorest households in communities across the UK. In doing so, they have connected the vital work of service Methodist churches do across the country to provide foodbanks and other services, with a call for justice for the poorest and most marginalised in our communities.

JPIT have also coordinated interfaith support for welcoming refugees, including bringing together over 1000 faith leaders from across the UK to write to the Prime Minister about the Nationality and Borders Bill. They have supported churches to speak and act on the climate crisis, through the launch of the Net-Zero in my Neighbourhood resources, inviting churches to work with their Local Authorities for change for creation.

Continuing work to resource and equip local leaders, they gathered online and in person for their national conference in June, as well as providing Lent and Advent resources exploring themes of poverty and inequality in the UK and around the world.

The restructuring of Publishing Services continued in 2021/2022. We have reduced the in-house staff team and increased the pool of freelance editors and designers we can draw on. This will allow us to be more responsive and to engage an appropriate editor or designer according to the user and product in question. It also means that costs can be more easily tracked by product and production bottlenecks can be avoided by flexing capacity.

As we build on the strategic move to 'digital first' production, we are working closely with the Communications team to ensure programmes consider electronic outputs as their primary publications, but that electronic and any print resources are developed together and we have consistency between online messaging and printed resources in tone and visual identity as defined by our 'brand book' – a major output from Publishing Services and the Communications team, completed for the Connexional Team's use in August.

Each year we publish many routine but essential publications, such as diaries, *CPD* and *Minutes*, *Stewards'* and *Superintendents' Handbooks*, and safeguarding training resources. In addition, we create a number of recurrent and staple resources, such as *the connexion* magazine (four issues per year), and the *Methodist Prayer Handbook*, but which we are continually aiming to iteratively develop and improve. During the pandemic, we reduced circulation of *the connexion* to one copy per subscriber, but in June resumed printing up to 65,000 copies to meet large volume orders for onward distribution via local churches.

We also published a wide range of one-off resources to support key themes across the Church. These included *Six Steps to Net Zero* and the *Inclusive Language Guide*. For core areas of Our Calling, one-off publications for worship included *Hymns as Prayers* and a new record book and cards for recognising marriages; for mission, Festivals resources; and for ministry, the *Guide to Ministerial Development Review*; as well as publications to support communities establishing new places for new people, and seeking pathways for evangelism and discipleship, such as *Intergenerational Prayer Cards*.

2. Children, Youth and Families

In Connexional year 2021/22 we worked with nineteen local projects across the Connexion in the development of placements for Young Adult Leaders for the One Programme Leadership roles (OPL). Starting in Connexional year 2022/23 we have seven OPL placements (One Programme Leadership for Young Adults) they are based in a diverse selection of Projects. There are currently five fulltime placements and two part time. The programme invests intensively in young leaders in a placement context providing support, mentoring, and training over a year. The project makes an impact on the placement and the person in the role. The intentionality is to grow and develop confident Skilled Leaders at the same time enabling the Young adults to shape and influence the project they are based in.

This year's roles are;

- Football and Faith Worker
- Chaplaincy Worker
- Early Years and Family Engagement Worker
- Pioneer Worker with Mother House
- LGBTQI+ Community Link Worker
- Community Faith and Sports Worker
- Children and Families Worker/ Youth and Young Adults Worker

The Current OPL Development Officer Role is vacant as the previous incumbent has moved to a new role at Cliff College. We are suspending recruitment for Connexional Year 2023/2024 while we review the Role and how it sits in a wider strategy of supporting and Developing Young Adult Ministry.

The Leadership Year

This programme is now in its third year, and we have launched this out across the Connexion and have encouraged Circuits and Districts to sponsor Young Adults to attend. We currently have a cohort of 20 Young adults on this Year long programme that provides Training on the Christian Characteristics of Leadership and Mentoring of Young Adults in a Leadership Role. This year's cohort are made up from: Six Young Leaders from across the Connexion, including One Global Fellow; four young leaders from the Chinese Methodist Church in Brunswick; seven OPLs; five Cliff Year Students; the Youth President, and the Cliff College Student President.

Youth Mental Health First Aid Training

As an investment in our volunteers across the Connexion we continue to provide three training sessions per connexional year offering spaces at a subsidised rate. We also offer free related training on topics such as understanding Trauma.

3Generate Children and Youth Assembly

We exceeded our target for bookings for the 2022 event and have grown the event in size since 2021 at our new venue NEC was launched. With over 1200 children and Young people, 456 group leaders and 252 volunteers attending this year. There was a vibrant atmosphere with a diverse and engaging programme and a feeling of God moving in the church. After the 2021 event Caravan and Camping Magazine asked us to enter an article about our indoor camping villages at 3Generate. They were interested in the innovation of indoor camping and that we are using recycled tents from Festivals.

As groups registered and entered the venue there were gasps from children, young people, and leaders on the size of the event and the joy of gathering with so many Methodist groups. We continue to develop the 4–7-year-olds intergenerational section of 3Generate expanding the day event into the main venue and this also grew in numbers this year with 100 participants.

The Theme of 3Generate is to Tune into God. We had a varied and diverse programme at the event that included a wide variety of topics to explore. One of the NEC security guards asked, “what is God saying?” to which we responded, “there is hope”.

We invest in our group leaders (those that give their time to bring Young people to the event) at 3Generate by not charging a fee to leaders to attend and the provision of The Well relaxation and resourcing space at the event.

We also invest in our volunteer team who give of their time freely and ensure that we cover travel costs. As a part of equipping the volunteer team we continue to provide Unconscious Bias and Accessibility Training to all. We also brief on Safeguarding and Youth Mental Health First Aid.

We have strategically worked on accessibility and diversity at the event and have seen an increase in engagement at the event that covers the different EDI categories. Our accessibility team work hard to ensure that there are no barriers to attending or participating in the event. And we also offer support during the event we have sign interpreters, a dedicated accessibility team, and we hire in specialist equipment to enable access to the event.

Development of Training Resources for Youth, Children and Family

In the autumn of connexional year 2022/2023 we will be Launching Ministry Essentials for Youth Work in partnership with Youthscape and providing training for trainers of this Course. The Course is based on Leadership Characteristics, insights and Skills for this Ministry and encourages the building of personal Faith development and reflective practice of leaders and Confidence in talking about Faith.

We are also currently developing a training Pathway for Children, Family, and Intergenerational Ministry with an ecumenical Children's Ministry network and in partnership with Cliff College. This

will be hosted on Theology X platform and will initially be trainer facilitated. The Pathway includes insights into the Child's world and life, Skills, and Reflective practice and personal Faith development. This will be launched in autumn 2023.

3. Evangelism and Growth

It has been two years since *God for All: The Connexional Strategy for Evangelism and Growth* launched in September 2020. Overall engagement has deepened in the past year: participation in the key programmes has increased; every district is formally in the process of planning new Christian communities (New Places for New People); focused attention has been given to accompanying superintendents as missional leaders; and the Evangelism & Growth Team has visited more than 100 circuits for online or onsite meetings.

Some key highlights:

- **A Methodist Way of Life:** At Conference, at Superintendents' Conferences, and at different District Synods, the interactive, flexible and adventurous nature of this discipleship framework has been exceedingly well received. Work is now underway to journey with several pilot churches, the Learning Network and District Missioners to create a 'toolkit' to support local churches in utilising the framework in their churches for the benefit of flourishing cultures of deep discipleship.
- **Evangelistic engagement:** We're equipping churches to become more evangelistic by actually doing evangelism. We've led Connexion-wide teams at The Fringe and Greenbelt, Cliff Festival and 3Gen. We're thrilled that churches are using Connexional E&G resources to plan their own evangelism at agricultural fairs, arts and music festivals, Pride, and other events.
- **Church at the Margins:** New Church at the Margins advocates and practitioner online networks for Coastal, Rural, and Urban contexts have been set up, building upon the past year's consultative work. Three Introductory courses on the core practices of Community Organising are planned onsite at Cliff college. A renewed partnership with Fresh Expressions has been set up and includes supporting coaching and online ecumenical gatherings exploring fresh expressions of Church at the economic margins.
- **Rural mission and ministry:** The new Rural Hope network continues to grow and strategically shape the rural content of all work, from initial ministerial formation to ongoing support to lay and ordained leaders.

As we begin the third year of God for All, the Evangelism and Growth Team has begun a review and evaluation of the impact of the Church's engagement of the strategy thus far, with two goals: (1) to gather feedback – celebrations, challenges, and big questions – from across the Church, in order to embed learning; and (2) to prepare for a potential second major season of God For All (2025-2032) – not a simple extension of the current strategy but, if Conference welcomes it, an integration of the evaluation and energy of the first five years towards a refreshed and refocused strategy through to the centenary of the Deed of Union in 2032.

4. Global relations

The Church has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC). Its strategy is a part of the response to *Our Calling* and sits within the Mission Team of the Connexional Team, operating within the recommendations of the *Hope in God's Future* and *Inclusive Church* reports. It can be summarised as enabling churches, circuits and districts to be distinctive and highly effective participants in mission, by means of:

- true partnership with sister churches around the world;
- focus on the places and programmes where our participation can make a real difference locally and globally; and

- Evolution that encourages new initiatives while maintaining the best of what has gone on before.

This is expressed by maintaining and strengthening traditional and more recent partnerships through:

- fostering people-to-people encounters;
- enabling reciprocal learning and engagement in mission;
- sharing resources within the agreed strategies and priorities of the World Mission Fund;
- engaging in capacity building with global partners to enable long-term sustainability and mission;
- being flexible and alert to new opportunities for mission and co-operation; and
- Equipping members of the Methodist Church in Great Britain to celebrate and take confidence in God's presence and action in the world and respond to God's call.

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the global Church. These short-term Programmes were suspended because of the pandemic, but we now have begun to re-open them with the caveat that sending any Volunteers for a 3–12-month period on the Encounter Worldwide programme or supporting a Minister to spend their sabbatical with a Partner Church or Organisation, must be led by any needs of the Partner that could be served rather than by the desire of the person offering to serve abroad.

We have one Global Mission Fellow (GMF) serving MCiGB from the USA, and one British Methodist serving the Methodist Church in Ireland (MCI). We had been running a pilot project with the Council of Evangelical Latin American Churches (CIEMAL) to have an Evangelist work for three years in MCiGB; sadly, the evangelist curtailed his appointment after two years and we are reviewing the programme.

We hope to resume supporting short-term group visits to learn from and interact with a Partner Church or Organisation, through our Encounter Together programme from early 2023.

The World Mission Fund supported five out of the six COP26 Workers, in a programme which was embraced by the World Methodist Council. The team met at COP26 in Glasgow, having built momentum for their campaign, 'We believe in Climate Justice 4 All', online. The team produced eight short films ([here](#)), along with Worship Resources from around the world, and built up a network of climate activist volunteers in over 20 countries. They prepared a Global Declaration, signed by Church Leaders, representing different countries and regions, and by the World Methodist Council, the Pacific Conference of Churches, the United Methodist Church globally and the European Methodist Council; this called on governments, especially of the nations which are responsible for higher use of fossil fuels, to reduce carbon emissions, and for nations to contribute to support poorer nations cope with the effects of climate change and move towards cleaner energy.

Through the Church CAN programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context.

With MCI we have jointly hosted online conversations with all our Partner Churches and Organisations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts. The final report has been presented to the Global Relationships Committee which will now make recommendations for implementation.

During the 2019-20 and 2020-21 Connexional years, we increased the (£250,000) budget for Solidarity grants to help Partners in their response to the requests for assistance due to the

social, economic, psychological and physiological effects of COVID-19. This last Connexional year we have stayed within the Solidarity Grant budget; however, we have still given grants towards providing food, medication, school equipment and Church staff wages to 7 Partners responding to the ongoing impact of the pandemic. Other Solidarity grants this year have been for support in such things as floods in India and Pakistan, petrol tank fires in Sierra Leone and Haiti, the volcano in Tonga and the cholera outbreak in Cameroon.

In November 2021, we offered Essential Assistance Grants to over 30 Partners who had been receiving Annual Grants from the Church for many years. This was to help Partners in extreme cases, where external support was essential for the Partner in the year ahead to operate at a minimal level. This was intended to tide Partners over to this new Church Year when we hope to begin to support our Partners with one off Capacity-building Grants as we use grant-giving to take the World Mission Fund to its reserve level in just under 2 years' time. This could be financial capacity through income-generating schemes, IT capacity, or leadership capacity. These could be large grants, especially targeted to where we can help vulnerable Partners, targeted to areas when we can have the greatest impact, or to Partners working together over a project for mutual benefit.

Throughout, we recognise that there is much lacking in the Church's capacity too. Decisions on Grant-giving are now all made by the new World Mission Fund Grants Committee, formed 12 months ago, chaired by a member of MCiGB with one other MCiGB member, plus someone from MCI, with whom we do much global work jointly, and then 2 persons from each of the regions as we relate to them: i.e., Someone from Fiji, Hong Kong, Ghana, Rwanda, Germany, Portugal, Peru and Panama. Working online, this has proven a good way to genuinely involve representatives from our Partners in significant decision-making.

We have held Joint Appeals with All We Can for Ukraine and Pakistan. We have also run an MCiGB only Appeal for Sri Lanka as it endures economic crisis, as this did not meet All We Can's criteria for a Joint Appeal but is a country where we have a strong historic link with the Methodist Church, Sri Lanka (MCSL). This Appeal gives members of MCiGB the opportunity to support the MCSL's Samaritan Journey Programme, to which we have given a Solidarity grant, but which attends to needs which far outstrip what a Solidarity grant from us can do. This as a pilot and will need to review how it has gone.

British Charity Commission regulations on Safeguarding have meant that, as well as requiring our Partners to sign the International Principles which we jointly drafted and which have been signed by MCiGB, we now also need each Partner to have a Safeguarding, or, at least, Child protection Policy, before we can release any grants. We have appointed one of our Mission Partners, based in Togo, to spend 80% of his time supporting any Partners who request help with this, or who request any support in Safeguarding training. We continue to gather accounts of good practice in Safeguarding from our Partners for mutual learning.

We are continuing to encourage British Districts to twin with Partner Churches or parts thereof. We have produced online training to supplement our guidance.

We received representatives from several of our Partner Churches at this year's in-person Methodist Conference and had fruitful discussions at a 2-day Pre-Conference Consultation around topics chosen by our Partners.

We produce worship resources for Churches to explore the Presidential theme from the perspective of our global Partners.

Transforming lives through the work of All We Can.

All We Can, the relief and development charity of the Methodist Church in Britain, helped transform the lives of more than three hundred and fifty thousand* people between 1 September 2021 and 31 August 2022. By working in partnership with our global neighbours most impacted by disasters, poverty and injustice, All We Can seeks to enable flourishing and resilient communities and unleash potential.

In the 2021/22 financial year, All We Can partnered with 24 local partners in 8 countries. All We Can works together with talented local organisations who are rooted in their local communities – helping them not only respond to the needs they are facing, but also supporting them with capacity development, training and resourcing. All We Can works in partnership with these local organisations for many years, often over a decade, leaving a legacy of thriving and robust organisations. While no partners have graduated partnership this year, an Indian partner is in its final year of partnership, approaching graduation in November 2022– equipped with the skills they need to thrive and continue to work sustainably with their communities.

Additionally, through collaboration with Global Relationships, All We Can has worked with 4 Methodist church partners to deliver its Church CAN initiative. This work recognises that Churches have unique strengths that enable them to make an important contribution to seeing ‘everyone’s potential fulfilled’. Church CAN focuses on supporting Churches to implement their institutional strengthening priorities following a facilitated process of capacity self-assessment and strategic planning.

Our major focus of our advocacy work has been focused on the importance of decolonising the aid sector, and modelling and influencing others to adapt a locally led partnership approach to development. All We Can was a pivotal partner in the development of research and working groups through the BOND network (the UK network for organisations working in international development), working to develop a comprehensive framework and guidelines for organisations willing to change their way of working. The approach puts local organisations and communities, in low- and middle-income countries, in the lead, to address poverty more sustainably and responsibly. This work will result in new and measurable sector commitments, transformative change that acknowledges the intersectionality between racism and colonial models of aid, and a toolkit that will guide organisations through the process of developing a tangible action plan to change the way support is given around the globe.

Through the joint Emergency Ukraine Appeal, All We Can and the Methodist Church in Britain launched our most successful appeal to date, raising over one million pounds. This supported several organisations providing vital housing, medicine, mental health and psychosocial support. This support will continue pertaining to winterisation over the coming months (including insulation materials, solid fuels, electronic stoves, coats and blankets) and we have agreed to ring-fence a significant proportion for the longer-term recovery interventions.

We also responded to the impact of Cyclone Ana in Malawi which caused widespread flooding in January this year and supported responses to the Haiti earthquake which occurred in August 2021. The devastating floods in the summer of 2022 in Pakistan also required response and an ongoing appeal is active for this humanitarian emergency.

The origins of All We Can lie in the Methodist people’s generosity towards refugees in World War Two – and so the charity also remains steadfastly committed to supporting refugee communities. Notably it continues to support the work of humanitarian aid partners working in the camps of Cox’s Bazar, Bangladesh alongside Rohingya refugees, as well as with Syrian refugees in Za’atari refugee camp in Jordan.

*Final impact figures are contained in the All We Can's 21/22 Trustees Report and Accounts and the Annual Review. Figures given indicate direct, individual impact only.

5. Learning network

The last year has continued to see the successful development of a joined-up delivery programme of online learning and development across the Learning Network team. This programme offers a range of options for local church leaders, lay and ordained, to engage with learning and development consistently across the connexion. The programme includes: Biblical and Theological Literacy, Circuit Stewards training, Exploring your calling, Line Management and Lay Employees, Leadership, Positive Working Together courses, Supervisors and Supervisees, Supporting Rural Churches, Unconscious Bias and Worship Leading and Preaching support. The programme will continue to be developed during 2022-23.

Work continues developing our online learning platform, MCBX, which is based on the Theology X platform, including the development of a new mandatory JDS module, Unconscious Bias, Church and Circuit Stewards training, introduction to Methodism training, ongoing Safeguarding Advanced Module training.

Learning Network staff continue to work closely with colleagues in both the Mission and Ministries team in supporting and resourcing learning and development in all aspects of the church's life including working closely with the Evangelism and Growth team on the development and delivery of the God for All strategy, Children Youth and Families, Chaplaincy, Supervision and Worship Leading and Preaching including the successful development of the online Explore session programme and Summer and Spring schools. A rolling programme of eight modules, has been established, for ongoing professional development for those accredited as Supervisors. Work with the Conference Office has enabled the ongoing support and development of training for both Safeguarding and the delivery of the strategy for Justice, Dignity and Solidarity. Work on the mandatory JDS training has been a key aspect of this work.

The Reconciliation and Mediation Team (RMT) pilot project, in the Eastern region, London region and North West and Mann region, has continued to develop successfully. Working closely with Place for Hope in delivering this project is already resulting in positive outcomes in the areas where the project is offered with a range of referrals in all three regions. The project is delivering on all the aims and objectives that were set and a formal review of the project is planned for 2022-23 with a decision on extending the RMT project across the Connexion.

Working with our team of MHFA trainers we have developed a programme of Mental Health First Aid training delivery this year. The 11 trained trainers have continued working towards their final accreditation during this year. Further regular training is being planned for 2022/23.

6. The Methodist Council and Governance

The Methodist Council is charged with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The following are just a few of the actions that the Council carried out during 2021/2022 in accordance with its governance responsibilities.

- It adopted the corporate risk register.
- It adopted the updated anti-fraud policy and fraud response action plan.

- The Council received reports from many committees, revised their terms of reference, and made appointments and nominations to various bodies and committees.
- It approved amended memoranda of understanding with linked organisations.
- It oversaw, on behalf of the Conference, the purchase of a new building for Methodist Church House and the sale of the existing premises.

Safeguarding

The Church remains fully committed to ensuring best safeguarding practice is followed throughout the organisation. The Church participated in the Independent Inquiry into Child Sex Abuse (IICSA) and responded positively to IICSA's interim recommendations relating to child protection in religious organisations and settings when they were published in September 2021. IICSA's final report was published in October 2022 and the Church has taken careful note of the recommendations made.

7. Ministries

The ministries team have been working to begin the implementation of the Candidating Review. This includes delivery of an Explore phase which will enable people to reflect deeply on their vocation and calling to ministry and will involve the production of new vocational exploration materials, recruitment and training of accompanists. This is both needful and the thorough going change which will both widen access and shorten the candidating period.

We are designing a reading guide to “The Covenant Relationship between the Church and its Ministers: Commitments and Expectations”, agreed at Conference. This will encourage intentional conversation between ordained and lay that will lead to mutual support and up building in ministry.

New competencies for Local Lay Pastors, again agreed at Conference, will embed this significant new office in the life of the church.

There is ongoing work in the ministries team around a “voices of identity” project which has gathered the voices of ministers in specific contexts and situations, to reflect on learning for the church. The Ministries Committee received a report, which will lead to further thinking, reflection and action, on the experience of British born people of colour within the candidating process.

The Queen's Foundation

Queen's leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2021/22, the Foundation worked with 65 student presbyters and deacons and 40 probationer ministers, along with 14 ministers continuing to work towards degrees after ordination. These groups combined represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT. It is striking and gratifying to note that all probationers who left Queen's in 2020 and 2021 sought permission to fulfil the studies element of their probation at least in part through Queen's, whether on accredited or non-accredited routes.

Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world's best. Queen's continues also to cherish its

connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period, especially through projects and initiatives funded through the Methodist Church's Global Relationships work. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain.

Under the leadership of Professor Clive Marsh, the Foundation has weathered the very challenging pandemic period, and a large staff turnover, and is well-positioned to advance its offer in online learning, theological exploration and ministerial development. Further work is being undertaken at present to implement new systems for the review of Methodist tutorial staff appointments, to oversee workload, and to deepen the working relationship between the two Network Centres at Queen's and Cliff College.

Cliff College

Cliff College is Methodism's 'own' college, and works under the authority of the Council, delegated via the Cliff Committee. It cherishes its historic commitments to evangelism, and it's more recent and growing work in digital and global theological education. Cliff College works in partnership with several teams and clusters across the Connexion to deliver a range of projects and programmes which contribute to current priorities. These include innovative short courses, shared work with the Evangelism and Growth and Global Relationships teams, the Cliff Festival and postgraduate degrees which are especially valuable in continuing ministerial development. They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

The Cliff Committee continued to pursue the business plan formulated through Vision 21 and move the work of the college forward to meet future needs. The difficulties of the Covid-19 pandemic have found Cliff well placed to respond with creativity and flexibility, especially when there was a need quickly to move courses online. The Connexion had now finalised an ongoing business plan for the use of a new dedicated Virtual Learning Environment, housed within TheologyX, Cliff's online learning tool. This has already enabled the use of digital training resources for the needs of the Church, something which we now anticipate will grow significantly across a range of skills and areas. As the Church implements the Conference's decisions around new patterns of ministry, the College will be key to rolling out a new programme of training for Local Lay-Pastors, and in resourcing Connexional priorities. The Cliff Festival returned to an in-person format in May/June, with a theme focussed on the late Queen's Platinum Jubilee and involving cross-Connexional engagement.

During 2022, a thorough-going review of the College's work and alignment with Connexional priorities and wider concerns led to a systematic and strategic restructuring of the staff team, including extending Connexional Team membership to the Senior Management Group, and the creation of key roles in leadership. It is intended that this will lead to a clearer working relationship, building on the Shared Mission Plan, a stronger sense of shared priorities, an intentional Methodist 'offer' through Cliff to the wider Church, and a more dynamic and joined-up joint mission in theological education and vocational formation.

Southlands Methodist Trust

The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society. During the year, there has been continued and deepening collaboration between the SWF and the Connexion in some key areas of current interest and priority, including: clergy well-being; equality, diversity and inclusion; fostering learning communities; and the Action for Hope work on environmental sustainability and climate change.

The SMT co-sponsors an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at www.southlandsmethodisttrust.org.uk. A Methodist presbyter serves in an appointment as chaplain to the University, based at Southlands, and sharing the work with an interfaith team.

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. In this a tribute and debt of gratitude is owed to Stuart Brenner, the Archivist, who died earlier in the year.

A particular highlight of 2022 was the celebration of Southlands' 150th anniversary, marking its significant contribution to the teaching profession and to educational progress. A range of events took place in February and June, including a Gala Lunch, addressed by the Vice President of the Conference, a visit from overseas guests, and a service and lunch gathering which included many former alumni, and was addressed by the President of the Conference.

The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. As part of this contribution, it provides funding for the staffing of MAST. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

8. Property

During the year, the Connexional Property Team (CPT) has continued to build upon relationships established during the early days of the pandemic in 2020. This has included working closely and supporting colleagues across the Connexion and promoting the team's availability for support to churches, circuits and districts in the use of their property assets.

As with last year, the team continued to provide guidance for the use of church property under the government's Covid-19 restrictions on the main property page of the Methodist Church website. It was reviewed, and updated as required, weekly. With the removal of all restrictions during 2022, this is now available on the general guidance page on the property website. Support to Managing Trustees and Ministers for church development projects has increased during the year, benefitting from hybrid forms of meeting and communication developed during the pandemic. This has reduced travelling and increased the time available and offer of support to a wider geographic area. By year end, property development support could be broken down proportionately into the following areas:

- 3% support to districts
- 8% support to circuits
- 22% support on connexional properties

- 33% support to churches looking at mission and development or reordering
- 14% support to churches looking at larger mission and redevelopment projects
- 3% support to churches looking at property sales
- 6% support to churches looking at new churches' buildings
- 3% support to churches with building alterations and technical issues
- 8% support to churches looking at broader future plans in relation to property

Two key pieces of guidance for churches were launched this year:

- Property Development Pathways - [Property Development Pathways \(methodist.org.uk\)](https://methodist.org.uk/property-development-pathways), which provides a full set of guidance for those undertaking a property project from initial Mission Planning through to Project Completion; and
- Get Your Building Down to Net Zero - [Net Zero Carbon \(methodist.org.uk\)](https://methodist.org.uk/net-zero-carbon), which is a development of the Action for Hope work and focussed on the practical building options for churches looking to lower their energy usage and carbon footprint.

The CPT were also part of the wider Connexional group, with TMCP, who brought together the guidance for those wishing to take part in the Homes for Ukraine scheme.

Several pieces of work were progressed on Connexional property projects including:

- Completion of RIBA Stages 1 and 2 of the refurbishment project for the Connexional Team's new offices at 25 Tavistock Place, following its purchase in 2022;
- Work commenced to secure temporary accommodation for the Connexional team at Church House Westminster following the sale of MCH 25 Marylebone Road;
- The conversion and fit out of Camden Town Methodist Church as the new Wesley Camden hotel has progressed and has an expected completion in October 2022.

We are pleased to report that the project funded through the government's £2 billion Culture Recovery Fund, and enabled by the property team, led by the Connexional Conservation officer, and supported by TMCP is now complete. It saw Historic England grant £420,000 in funding for major repairs at St Saviourgate in York, a Grade II* Methodist chapel and school rooms, which will enable them to continue and expand their mission work in the city centre.

The CPT continue to provide support and input into a wide number of working areas of the Connexion including Central Hall Manchester Management Committee and its current feasibility study; the Superintendents' Conferences; LBAC; PDC; CMT; the Housing and Homelessness Working Group/Citizens UK; Trustees Legal and Governance Committee; Probationer Minister training at Queens Foundation and presentation at a TMCP Trustee day.

The CPT benefit hugely from the collaborative work with the District Property Secretary network and the CPT have been able to building on this through organising three online training events for DPS's in November 2021 and March & July 2022 with a mixture of speakers. In terms of connexional resources, the Feasibility Fund, by the end of this year had distributed £56,777 to those who applied; this provided funding to churches at the early stages of exploring future uses of their property for mission (60% of the total costs up to max. £10,000).

Grants

As agreed by the Council the connexional grant-giving processes have been redesigned, in particular those grants which were made from the Mission in Britain Fund, the Fund for Property, and the World Mission Fund. These changes have enabled streamlined and efficient processes in respect of the three funds which were previously under the oversight of the Connexional Grants Committee. Legacy grants previously agreed by the Connexional Grants Committee continue to be honoured and the monitoring of their impact and gathering of learning from them being undertaken by the relevant part of the Connexional Team and reported to the Strategy and Resources Committee.

World Mission Fund grants £568k (2021-22)

2021-22 is a period of transition for the Methodist Church in Britain's relationships with our global partners, and in particular for the World Mission Fund.

The Annual/NMA/SALT grants are no longer given from the World Mission Fund, although existing NMA and SALT grants are being honoured for the agreed duration.

From September 2021, the grants we made were:

- *Solidarity Grants*, a grant offered to show our support to a Partner in a crisis. This grant now continues the work of those grants previously called General Grants
- *Essential Assistance Grants*, a grant given to Partners only in extreme cases of longer-term organisational need

Thirty-three applicants qualified for £567,550 for the Essential Assistance grant. In addition to that, there was a downward trend in the number and amount of Solidarity grants given in 2021-22. It decreased from 31 General grants totalling £371k to 21 Solidarity grant totalling £239k, with seven (£88.6k) of the grants awarded specifically for Covid-19 related work.

Plans for the future

The Methodist Church's amended governance and oversight proposals are outlined at the start of the report on page 8.

Throughout the coming year The Methodist Council plans to continue pursuing its objectives which all seek to fulfil the Calling of the Methodist Church, in particular those objectives collectively referred to as: 'Reaffirming Our Calling'. The main strands of this work with some examples include:

1. Proclaiming the gospel through worship/ the ministry of the whole people of God in the life of the world.
Continuing to reflect on the impact and effectiveness of online worship including online communion.
2. A Church for all people / The Inclusive Church.
Implementing the action plans of the Justice, Diversity and Solidarity Strategy to ensure the Church as a whole becomes a more welcoming, diverse, and tolerant organisation. Continuing to ensure our churches are places of safety for all people.
3. God's Church in God's world / Striving for justice and peace.
Starting to implement the Church's net zero carbon emission targets whilst enabling the Conference to make decisions about the priorities for Methodist engagement in justice seeking,
4. Evangelism / God for all.
Working with Districts in the year ahead to increase our engagement in sharing the gospel in new ways, striving to work with those in the most marginalised communities in our world.
5. Resources for the Church: the use of God's gifts.
Updating the Guidance for the use and disposal of redundant property ensuring mission is considered, taking forward the proposals to create new Committee structures as directed by the Conference.
6. Responding to the gospel in partnership.
Working with the wider Methodist family to strengthen our impact in communities together. Linking the work of Methodist schools together. Working together with ecumenical partners.

The Environment

Action for Hope: care for creation

The Methodist Church has set an aspirational target of becoming a net zero carbon emissions church by 2030. Many districts, circuits and churches have already begun to work towards net zero goals, an Eco District award, or other aims in caring for creation. We call this work [Action for Hope](#).

The Methodist Church has decided to initially focus on three key areas:

- Faith-consistent use of assets – including investments, purchasing power, buildings and land.
- Wisdom – including theology, liturgies and prayer.
- Lifestyles – including traditions of simple living.

Assets

We have committed that by 2030 all travel, electricity and gas directly funded by the Church will have net zero emissions.

Much has already been achieved in recent years, notably in our investment policies and our support for [EcoChurch](#) and [EcoCongregation](#).

There is property guidance online for churches seeking to reduce the carbon emissions of their buildings, including guidance for listed and historic buildings, and new building projects.

Wisdom

The main resource available is [Hope in God's Future](#). The report offers not just a statement on our approach to climate change but resources for small group reflection and whole-church conversation.

The resource highlights the goodness and interconnectedness of all God has made and this, together with the theology and practice of good stewardship, informs much of the work of the Connexion – from Oversight and Trusteeship, to the emphasis of the JDS strategy on the need for a fairer approach to Christian life together.

In addition, [God's World, Our Home](#) is a resource specifically tailored for children and young people, encouraging and equipping them to take climate action.

Lifestyles

Several resources will be released in the coming months and years to support Methodist members and adherents to reduce their carbon footprints, particularly via the three key areas of energy, travel and diet (the biggest contributors to individual emissions).

Some resources are already available from the Joint Public Issues Team, including advice on ethical shopping and the Living Lent programme.

Remuneration of Key Management Personnel

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC). The senior management group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus

a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church's policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are in Notes 25–27 to the financial statements.

Fundraising Activities

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church;
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources; and
- legacies are received either for general funds or the mission funds.

The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means. It also acknowledges the generous support of the Benefact Trust which has provided grants of £1.28m during the 2021/22 financial year.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

Financial Review

The activities covered in these consolidated financial statements are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity, and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

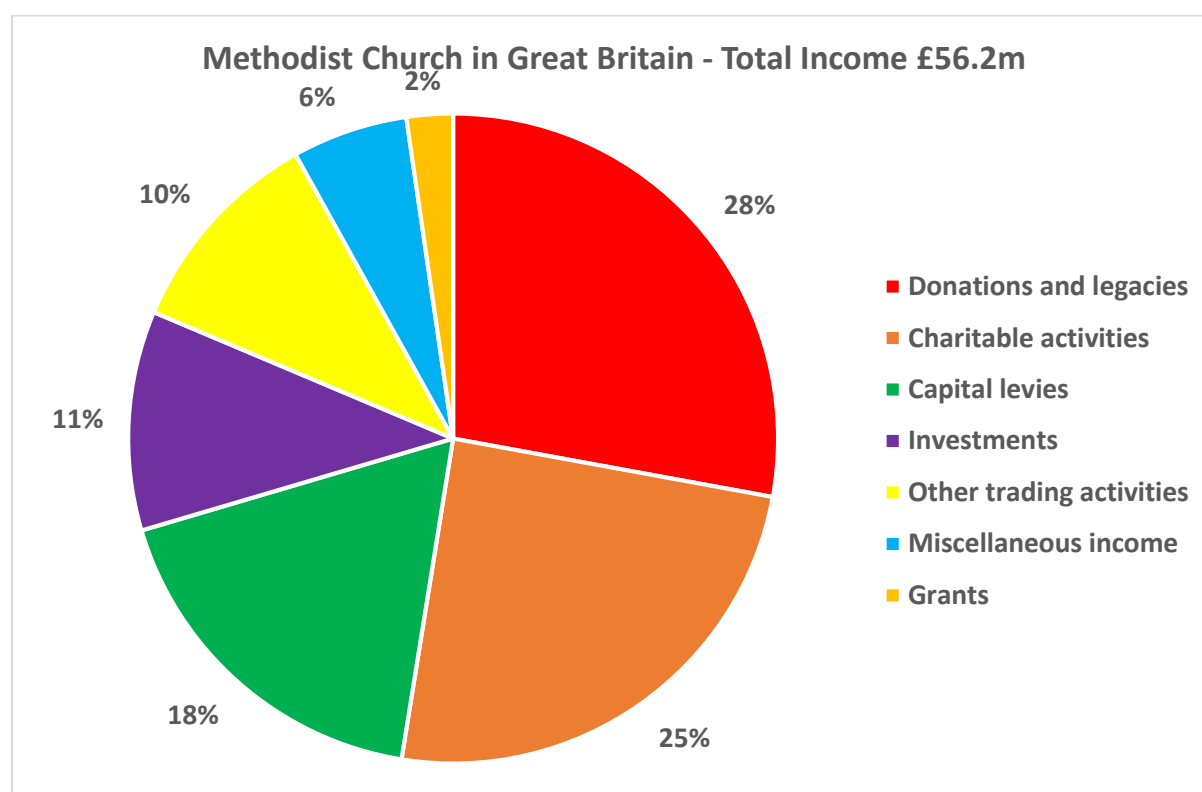
The net income for the year was a deficit of £2.6m (2021: £23.6m surplus), including net investment losses of £12.0m (2021: £22.7m gain). This investment loss largely reflected the deterioration in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These reductions reflected the unstable market conditions in year as the country suffered a further Covid-19 lockdown and war in Ukraine disrupted the energy market and supply chains.

Other recognised losses for the year were £8.4m (2021: £13.2m gain). A £1.9m loss (2021: £12.3m gain) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 88). A £6.6m loss resulted from the revaluation of the Church's charitable property. This was primarily due to a change in the valuation assumptions for the North Bank Estate.

Income

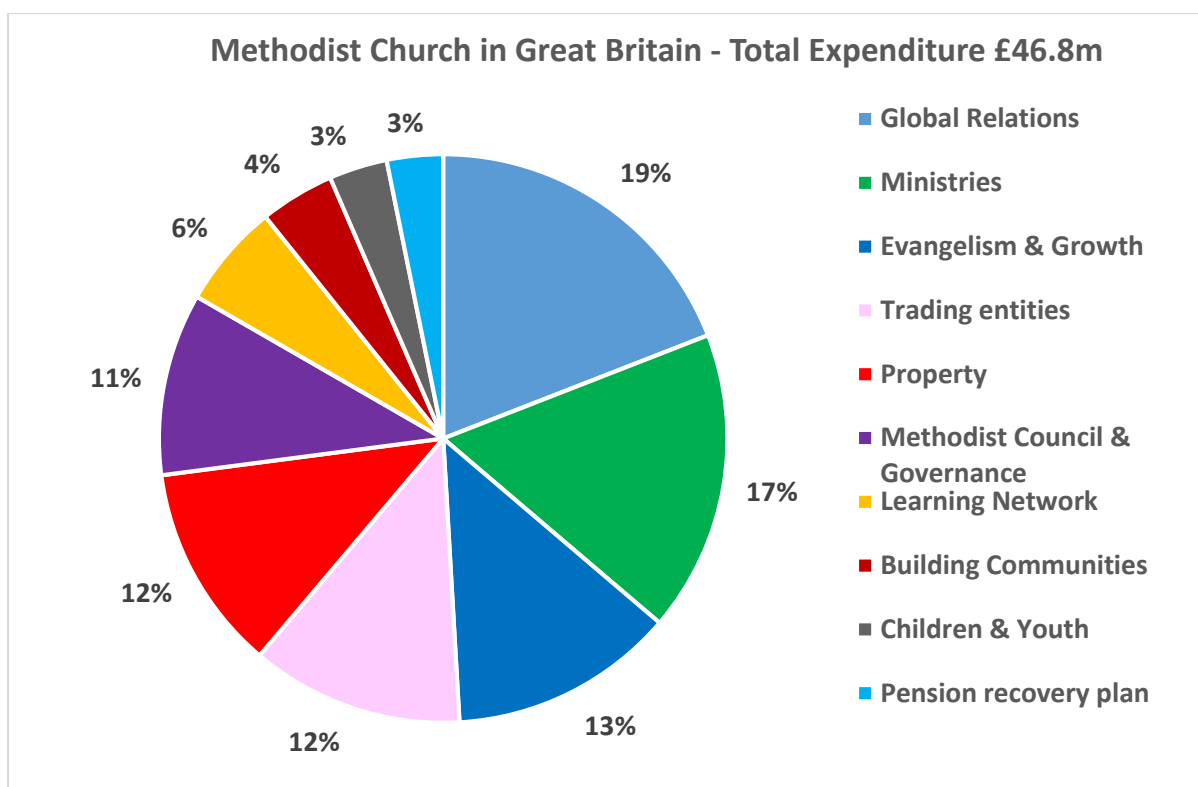
The total income for the year was £56.2m (2021: £40.3m) an increase of 40% compared to the previous year. This was mainly due to the following:

1. A £0.5m increase in legacy income.
2. Donations to the Pension Reserve Fund of £7.2m in response to an appeal made by the Methodist Conference.
3. Increases in investment income despite the difficult market conditions.
4. An increase in trading income as the activities at MICL (increasing hotel occupancy) and Cliff College (courses and events) recover following the pandemic restrictions in the previous year.
5. A £2m gain from the sale of Methodist Church House.
6. Additional income as a result of consolidating Y Care international into the accounts.



Expenditure

Total expenditure increased to £46.8m (2021: £39.4m). Of this, £41.2m was spent on direct charitable activities (2021: £35.4m). The increase in expenditure was largely due to payments to the pension schemes agreed as part of the 2020 Valuation. The other notable expenditure increase was the consolidation of Y Care International into the accounts and additional grants being made by All We Can.



Reserves Policy

The total value of funds held at 31 August 2022 was £279m (2021: £290m). There are restricted reserves of £138m (2021: £149m), unrestricted reserves of £122m (2021: £118m), and endowment reserves of £20m (2021: £23m).

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council.

General funds

There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);
- The Methodist International Centre (included within general funds);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

At 31 August 2022, the balance of the unrestricted general funds was £53m (2021: £53m). Of this £50m (2021: £41m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £27.3m of tangible fixed assets and £22.7m of investment properties. The trustees approved a reserves balance of £7.5 million. This would ensure that there is always sufficient cash or near cash at hand to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur

irregularly or are delayed or accelerated. At 31 August 2022 the free reserves balance was £10.7m (2021: £12.3m).

Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed, or they decide not to continue with the project for which the funds were designated.

At 31 August 2022, the designated funds totalled £69 million (2021: £66 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£11 million
• Epworth Fund	£7 million
• The Pension Reserve Fund	£50 million
• Others	<u>£1 million</u>
Total:	£69 million

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. In 2021 the Methodist Council approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £1.5 million. This amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. In 2021 the Methodist Council amended the reserves policy to £1m to allow the capital balance of the fund to be used for missional purposes. This amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). More information can be found in the Financial Risks section below.

At 31 August 2022 the reserves position on the designated funds is above the policy by £15.2m (2021: £16.5m). Excess balances have been allocated to the delivery of *Our Calling* and the God For All Strategy over the coming three years and investments in Information Technology. The balance held in the smaller designated funds is detailed in Note 19c (page 80) in the notes to the financial statements.

Financial risks

The Council's general reserves enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of several key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Methodist Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left several circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference reduced the Assessment by 1% in 2021/22 and a further 2% in 2022/23. Given the current level of inflation and economic turbulence, the Methodist Conference indicated that an intended cut of 3% in 2023/24 is no longer likely.

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable and have been impacted by the closure of church buildings for much of the year.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over several years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. To mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. At the 2020 Valuation recovery plans were agreed to eliminate the deficits in both schemes as follows:

- MMPS: annual payments (conditional on interim valuations) of between £0m and £2.6m for the six years from 2021 to 2026.
- PASLEMC: annual payments of £2.4m plus annual payments (conditional on interim valuations) of between £0m and £0.5m, for the six years from 2021 to 2026.

Due to the interim positions, no conditional payments were paid to either scheme during 2021/22.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long-term funding objective, a remedy mechanism should funding deviate from the long-term goal, and a contingent asset that provides

the trustees security over Connexional properties should the Council or Conference ever default on payments due.

The accumulating level of reserves expected to be held in the Pension Reserve Fund forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference.

Investments

As at 31 August 2022, the Church held fixed asset investments with a fair value of £182 million (2021: £194 million). The Finance Sub-Committee regularly review the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church's in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £38m vs £182m (2021: £39m vs £194m).

Performance and holdings

Losses on investments in year were £12.0m (2021: £22.7m gain on investments). This performance was linked to the global market conditions that were materially impacted by the war in Ukraine and the ongoing impact of the Covid-19 pandemic. The total returns as at 31 August 2022 for CFB managed funds are summarised as follows:

	1 year to 31.08.22	3 years to 31.08.22 (p.a.)	11.07.16 to 31.08.22 (p.a.)
Managed LT Methodist Council Fund	-4.1%	5.0%	7.2%
Managed MT Methodist Council Fund	-6.4%	1.8%	4.2%
	1 year	3 years (pa)	10 years (pa)

CFB UK Equity Fund	-8.1%	2.4%	6.7%
FTSE All Share	1.0%	3.9%	6.8%
CFB Global Equity Fund	-7.3%	8.4%	12.4%
Benchmark	0.0%	10.6%	13.2%
CFB Short Fixed Interest Fund	-9.0%	-2.9%	0.4%
Benchmark	-8.7%	-2.9%	0.5%
CFB Corporate Bond Fund	-15.6%	-4.6%	1.8%
Benchmark	-18.2%	-4.3%	2.1%
CFB Deposit Fund	0.4%	0.4%	0.6%
Composite index	0.6%	0.3%	0.3%

Property benchmarks

	1 year to 30.06.22	3 years to 30.06.22 (p.a.)	11.07.16 to 31.06.22 (p.a.)
Managed LT Methodist Council Fund	-3.0%	4.5%	7.0%
Benchmark	0.3%	5.2%	7.1%
Ethical Benchmark	-1.8%	4.5%	6.8%
Managed MT Methodist Council Fund	-4.3%	2.2%	4.2%
Benchmark	-2.8%	2.5%	4.1%
Ethical benchmark	-3.9%	2.1%	4.0%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	-5.3%	1.7%	7.0%
FTSE All Share	1.6%	2.4%	6.9%
Ethical benchmark	-4.3%	0.4%	6.6%
CFB Property Fund	22.9%	9.8%	9.8%
IPD All Balanced Funds Index	23.3%	9.2%	8.5%

Risk Management

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church's ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John

Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church and the mitigations are as follows:

Risk	Current mitigations
Failure to make new disciples means the membership of the Church continues to decline. The Methodist Church in Britain ceases to exist.	God For All strategy linked with the Justice, Dignity and Solidarity Strategy is signalling a desire to grow in new places.
Failure to engage with Environmental, Social, and Governance (ESG) issues results in failure to comply with legal obligations, and/or reputational damage due to failing to fulfil responsibilities and commitments.	Action for Hope project looking inwardly to work towards net zero carbon emissions. The Methodist Council is a Living Wage employer and Methodist Church adopted Living Wage policy. Work on Oversight & Trusteeship to ensure accountability, transparency, diversity, and effective governance processes.
Complexity in District and Circuit lay employment could lead to legal challenges or reputational risk	Consultation with District Chairs and District Lay Employment Secretaries to identify issues.
Ineffective governance and organisational structure meaning the Conference fails to function properly as the Church's governing body and the Conference trustees cannot fulfil their legal responsibilities.	In practice the Council and other delegated bodies (SRC; Audit and Risk Assurance) are carrying out some significant trustee oversight activities. Conference has now accepted recommendations on the changes to the Trustee body and work will now ensure the likelihood of governance failure has been reduced.

In relation to the principal risks identified, these are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Methodist Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

Risk appetite

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk, but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Methodist Council to adopt appropriate behaviours, decisions, and controls according to the priorities in the Connexional Team's strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Risk strategy and responsibilities

The Council's role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;

- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit & Risk Assurance Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit & Risk Assurance Committee and the Strategy and Resources Committee) receive several key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any issues of concern. A summary of the terms of reference of the committee can be found on page 6.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external auditor provides a report to the Audit & Risk Assurance Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit and Risk Assurance Committee and makes recommendations to the Strategy and Resources Committee and/or to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses several elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

Data Protection

In respect of enhancing our Data Protection Governance during 2021/2022, we have updated our Data Protection Policies to be fully audit compliant and have implemented a brand-new Privacy Notice to satisfy and improve our UK GDPR and Data Protection obligations. Connexional team internal policies have been reviewed and updated where required and we are in the process of replacing our IT data security policies and introducing a Bring Your Own Device to Work Policy. Data Protection refresher training has been rolled out to all members and updates have increased data protection awareness throughout the Connexional team and to Church members.

We have also drafted a Serious Incident Policy which is awaiting a final sign off, together with finalising a Record of Processing to enable us to track what data we process and the legal basis of the same.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and can manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has considered the on-going impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure linked to pandemic lockdowns. Conversely, income increased due to additional property levy income. Looking forward, the budget for 2022/23 has been set based on no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£13.4m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£100m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

Related Parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

1. The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
2. The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
3. The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
4. The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
5. Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 86) of the financial statements.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

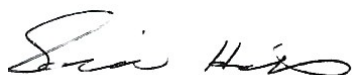
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

A resolution proposing a procurement process for the appointment of the external auditor to the charity will be put to the Methodist Council.



The Revd Sonia Hicks
Chair of the Council

January 2023

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE METHODIST CHURCH IN GREAT BRITAIN

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Connexional Statement of Financial Activities, the Consolidated and Connexional Balance Sheets, the Consolidated and Connexional Cash Flow Statements and notes to the financial statements, including 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 group's and charity's affairs as at 31 August 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent 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 group's or parent 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 Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 36 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 group's and parent 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 group or parent 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection regulations in the UK and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
103 Colmore Row
Birmingham
West Midlands, B3 3AG

Date: 2 February 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities for the year ended 31 August 2022

The Methodist Church in Great Britain
Consolidated statement of financial activities
For the year ended 31 August 2022

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
Income and endowments from:									
Donations and legacies	3a	8,173	7,502	-	15,675	1,079	5,620	-	6,699
Charitable activities	3e	13,532	335	-	13,867	13,680	306	-	13,986
Investments	4a	2,032	4,109	-	6,141	1,312	3,539	-	4,851
Other trading activities	5a	4,566	1,384	-	5,950	851	1,235	-	2,086
Other									
Capital levies	6a	10,061	-	-	10,061	10,272	-	-	10,272
Grants	6b	15	1,282	-	1,297	416	954	-	1,370
Miscellaneous income	3c	826	384	-	1,210	426	590	-	1,016
Net gains/(losses) on the disposal of tangible fixed assets		(57)	2,083	-	2,026	-	-	-	-
Total income	19a, 20a	39,148	17,079	-	56,227	28,036	12,244	-	40,280
Expenditure on:									
Raising funds		4,682	964	19	5,665	2,988	966	17	3,971
Charitable activities									
Building communities	7a	1,229	759	-	1,988	1,023	817	-	1,840
Children & Youth	7a	1,520	33	-	1,553	1,266	7	-	1,273
Evangelism & Growth	7a	5,510	512	-	6,022	5,561	394	10	5,965
Global relations	7a	977	7,961	-	8,938	972	7,188	-	8,160
Learning Network	7a	2,719	59	-	2,778	2,654	13	-	2,667
Methodist Council & Governance	7a	4,777	85	-	4,862	4,221	18	-	4,239
Ministry	7a	3,356	4,674	-	8,030	5,152	4,260	-	9,412
Property	7a	655	4,850	-	5,505	801	140	-	941
Others - Pensions	7a	1,496	-	-	1,496	799	-	-	799
Net loss on the disposal of tangible fixed assets	7a	-	-	-	-	148	(59)	-	89
Total expenditure	19a, 20a, 21a	26,921	19,897	19	46,837	25,585	13,744	27	39,356
Net gains/(losses) on investments	14a	(7,304)	(1,046)	(3,603)	(11,953)	9,924	9,646	3,125	22,695
Net income		4,923	(3,864)	(3,622)	(2,563)	12,375	8,146	3,098	23,619
Transfers between funds	22	934	(1,305)	371	-	946	(1,203)	257	-
Net income after transfers		5,857	(5,169)	(3,251)	(2,563)	13,321	6,943	3,355	23,619
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(2,201)	311	-	(1,890)	12,213	80	-	12,293
Gains(losses) on revaluation of charitable properties		-	(6,564)	-	(6,564)	-	946	-	946
Net movement in funds		3,656	(11,422)	(3,251)	(11,017)	25,534	7,969	3,355	36,858
Total funds at 1 September		117,976	149,331	22,835	290,142	92,442	152,119	19,480	264,041
Elimination of Westminster College from consolidation		-	-	-	-	-	(10,756)	-	(10,756)
Total funds at 31 August		121,632	137,909	19,584	279,125	117,976	149,331	22,835	290,142

The Methodist Church in Great Britain

Statement of financial activities – The Connexional Funds

For the year ended 31 August 2022

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
Income and endowments from:									
Donations and legacies	3b	8,173	2,532	-	10,705	1,079	2,267	-	3,346
Charitable activities	3f	13,532	335	-	13,867	13,680	306	-	13,986
Investments	4b	2,348	3,559	-	5,907	1,312	2,975	-	4,287
Other trading activities	5b	356	933	-	1,289	304	942	-	1,246
Other									
Capital levies	6a	10,061	-	-	10,061	10,272	-	-	10,272
Grants	6c	2	99	-	101	-	266	-	266
Miscellaneous income	3d	874	60	-	934	455	18	-	473
Net gains on the disposal of tangible fixed assets		(57)	2,083	-	2,026				-
Total income	19b, 20b	35,289	9,601	-	44,890	27,102	6,774	-	33,876
Expenditure on:									
Raising funds		1,443	964	19	2,426	1,175	966	17	2,158
Charitable activities									
Building communities	7b	1,229	759	-	1,988	1,023	817	-	1,840
Children & Youth	7b	1,520	33	-	1,553	1,264	9	-	1,273
Evangelism & Growth	7b	5,511	511	-	6,022	5,561	395	10	5,966
Global relations	7b	977	3,405	-	4,382	972	4,476	-	5,448
Learning Network	7b	2,719	59	-	2,778	2,654	13	-	2,667
Methodist Council & Governance	7b	4,777	85	-	4,862	4,220	19	-	4,239
Ministry	7b	3,918	1,616	-	5,534	5,858	1,252	-	7,110
Property	7b	655	4,850	-	5,505	800	141	-	941
Others - Pensions	7b	1,496	-	-	1,496	799	-	-	799
Net loss on the disposal of tangible fixed assets	7b	-	-	-	-	148	(59)	-	89
Total expenditure	19b, 20b, 21a	24,245	12,282	19	36,546	24,474	8,029	27	32,530
Net gains/(losses) on investments	14b	(7,304)	(4,485)	(3,603)	(15,392)	9,924	9,175	3,125	22,224
Net income		3,740	(7,166)	(3,622)	(7,048)	12,552	7,920	3,098	23,570
Transfers between funds	22	934	(1,305)	371	-	946	(1,203)	257	-
Net income after transfers		4,674	(8,471)	(3,251)	(7,048)	13,498	6,717	3,355	23,570
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(2,201)	311	-	(1,890)	12,213	80	-	12,293
Gains on revaluation of charitable properties		-	(8,836)	-	(8,836)	-	-	-	-
Net movement in funds		2,473	(16,996)	(3,251)	(17,774)	25,711	6,797	3,355	35,863
Total funds at 1 September		115,821	130,058	22,835	268,714	90,110	123,261	19,480	232,851
Total funds at 31 August		118,294	113,062	19,584	250,940	115,821	130,058	22,835	268,714

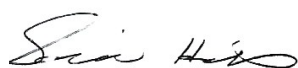
The Methodist Church in Great Britain
Balance Sheets as at 31 August 2022

The Methodist Church in Great Britain			The Connexional Funds	
Notes	2022 £000	2021 £000	2022 £000	2021 £000
Fixed assets				
Intangible assets	13c	62	43	63
Tangible fixed assets	13a&b	80,051	69,228	87,366
Investments	14a&b	182,267	167,766	181,991
		262,380	289,598	269,420
Current assets				
Stocks	17	44	29	36
Debtors	15	5,664	4,393	3,342
Short-term deposits		25,513	23,605	11,539
Cash at bank and in hand		5,022	3,012	4,179
Total current assets		36,243	31,039	19,096
Creditors				
Amounts falling due within one year	16a	(15,774)	(13,975)	(13,425)
Net current assets		20,469	17,064	5,671
Total assets less current liabilities		282,849	254,101	275,091
Creditors				
Amounts falling due after more than one year	16b	(2,356)	(1,792)	(3,301)
Net assets excluding pension liability		280,493	252,309	271,790
Defined benefit pension scheme liability	28	(1,368)	(1,368)	(3,076)
Net assets including pension liability	23	279,125	250,941	268,714
The funds of the charity				
Unrestricted funds				
General funds		52,706	50,531	52,514
Designated funds		68,926	67,763	64,984
Defined benefit pension scheme liability	28	-	-	(1,677)
Total unrestricted funds	19	121,632	118,294	115,821
Restricted funds	20	137,909	113,062	130,058
Endowment funds	21	19,584	19,584	22,835
Total funds		279,125	250,940	268,714

Total unrestricted funds include revaluation reserve of £7.2m (2021: £7.2m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £46.2m (2021: £54.1m) for The Methodist Church in Great Britain and £43.3m (2021: £52.2m) for The Connexional Funds. (Note 24 Page 90)

The notes on pages 46 to 96 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26th January 2023 and signed on their behalf by:



The Revd. Sonia Hicks
Chair of the Council



The Revd. Timothy Swindell
Connexional Treasurer

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2022

		The Methodist Church in Great Britain		The Connexional Funds	
		2022	2021	2022	2021
Statement of cash flows	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net cash generated used in operating activities		488	(3,672)	(324)	(2,813)
Cash flows from investing activities					
Dividends, interest and rents from investments		6,141	4,851	5,907	4,287
Proceeds from the sale of property, plant and equipment		30,289	1,893	30,289	1,893
Purchase of property, plant and equipment	13a, 13b	(23,970)	(3,104)	(23,806)	(3,069)
Purchase of intangible assets	13c	(16)	(6)	-	(6)
Proceeds from the sale of investments	14a	642	382	75	100
Purchase of investments	14a, 14b	(1,287)	(348)	(1,242)	(227)
Net cash provided by investing activities		11,799	3,668	11,223	2,978
Cash flows from financing activities					
Repayment of loans		(48)	472	-	-
Net cash from/(used in) financing activities		(48)	472	-	-
Change in cash and cash equivalents in the reporting period		12,239	468	10,899	165
Cash and cash equivalents at the beginning of the reporting period		18,296	18,597	15,718	15,553
Non-consolidated entity - Westminster College, Oxford		-	(769)	-	-
Cash and cash equivalents at the end of the reporting period		30,535	18,296	26,617	15,718
		2022	2021	2022	2021
Reconciliation of net income to net cash flow from operating activities		£000	£000	£000	£000
Net income for the year		(2,563)	23,619	(7,048)	23,570
Adjustments for:					
Depreciation and amortisation charges	13a	283	382	80	62
Loss on revaluation of fixed asset		4,785	-	4,785	-
Realised loss on the sale of fixed assets		(2,026)	89	(2,026)	89
Property transferred back to District		-	2,250	-	2,250
CFB investment units transferred to District		-	418	-	418
Net (gains)/ losses on investments	14	11,953	(22,695)	15,392	(22,224)
Investment income		(6,141)	(4,851)	(5,907)	(4,287)
Decrease in stocks	17	10	6	7	5
Decrease/(increase) in debtors	15	(2,053)	209	(1,051)	140
(Decrease)/increase in creditors	16	(163)	(2,681)	(959)	(2,420)
Pension costs/difference between pension costs charged and paid		(3,597)	(418)	(3,597)	(416)
Net cash generated used in operating activities		488	(3,672)	(324)	(2,813)
		2022	2021	2022	2021
Analysis of cash and cash equivalents		£000	£000	£000	£000
Cash in hand and at bank		5,022	4,970	3,012	4,179
Short-term deposits (less than 3 months)		25,513	13,326	23,605	11,539
Total cash and cash equivalents		30,535	18,296	26,617	15,718

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2022 (continued)

Analysis of changes in net debt

The Methodist Church in Great Britain	01-Sep 2021	Cash flows	Non-cash changes	31-Aug 2022
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	13,326	12,187	-	25,513
Cash at bank and in hand	4,970	52	-	5,022
	18,296	12,239	-	30,535
Borrowings				
Debt due within one year	(28)	(229)	-	(257)
Debt due after one year	(668)	277	-	(391)
	(696)	48	-	(648)
Total	17,600	12,287	-	29,887
The Connexional Funds				
	01-Sep 2021	Cash flows	Non-cash changes	31-Aug 2022
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	11,539	12,067	-	23,606
Cash at bank and in hand	4,179	(1,168)	-	3,011
	15,718	10,899	-	26,617
Borrowings				
Debt due within one year	-	-	-	-
	-	-	-	-
Total	15,718	10,899	-	26,617

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022

1. Accounting policies

a) Scope and basis of the preparation of the financial statements

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 53.

b) Preparation of the financial statements on a going concern basis

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the on-going impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure linked to pandemic lockdowns. Conversely, income increased due to additional property levy income. Looking forward, the budget for 2022/23 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£13.4m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£100m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below.

The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove

The Methodist Church in Great Britain

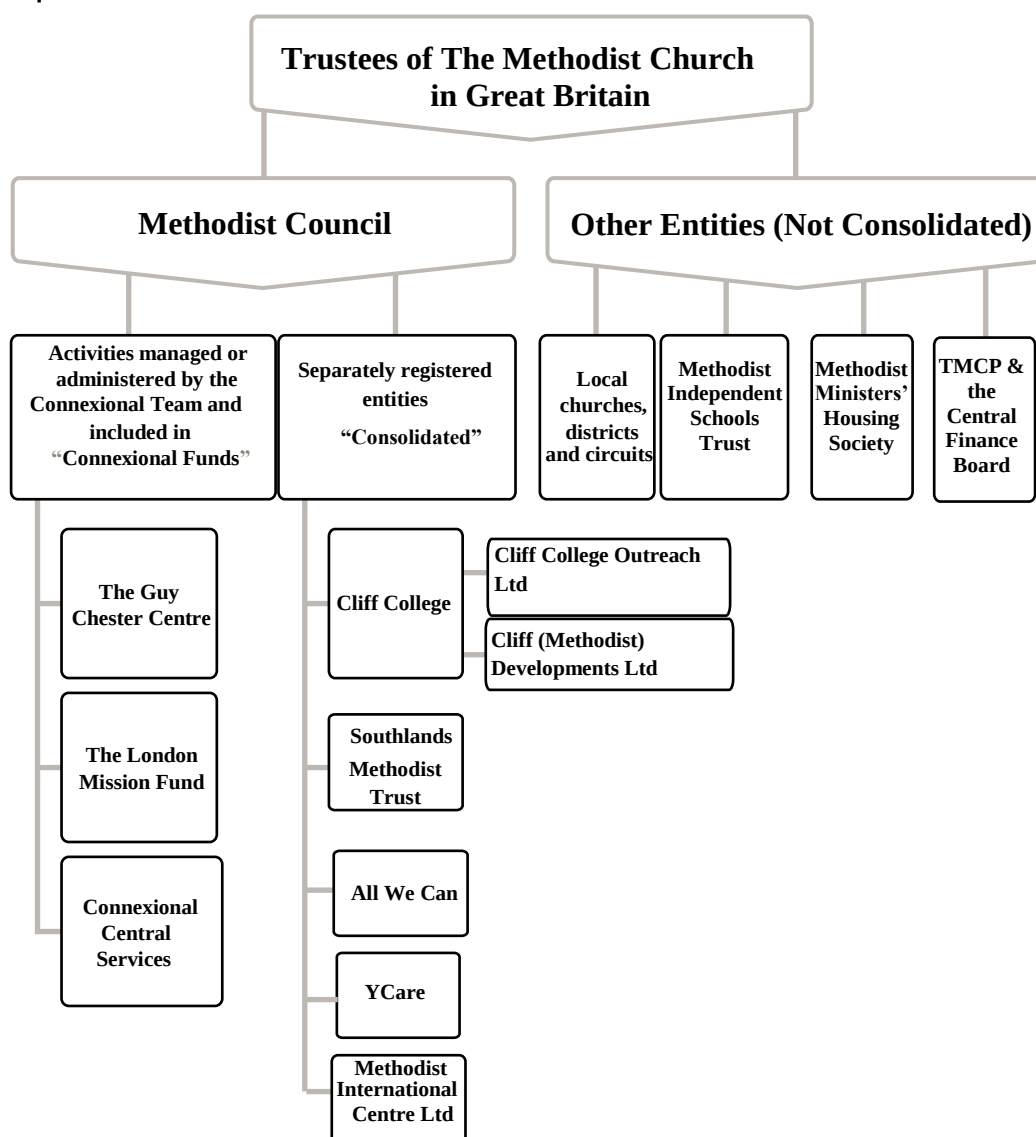
Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities. Westminster College Oxford Trust does not have more than 50% of its trustees appointed by the Council (they are appointed by the Methodist Conference) and therefore the Methodist Council does not have sufficient control to govern the financial and operating policies of the entity. Consequently, the Council has approved that the accounts of Westminster College will no longer form part of the consolidated accounts of the Methodist Church in Great Britain. For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

d) The group structure



The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

e) Excluded entities

There are a number of entities which form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

Methodist churches, circuits and districts
Methodist Independent Schools Trust
Trustees for Methodist Church Purposes (TMCP)
The Central Finance Board (CFB)
The Methodist Ministers' Housing Society
Westminster College Oxford Trust Ltd
Westminster College Oxford Trust

f) Recognition of income and endowments

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

District Assessment

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained "by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]". The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

Donations

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church's stated purposes, or which are illegal are rejected by the Church.

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

Legacies

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital (property) levies

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church's custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those which provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

j) Pension costs

Defined benefit pension schemes

The Methodist Council participates in three main pension schemes: the Methodist Ministers' Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 54-55.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the PASLEMC defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

pages 54-55. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

q) Heritage assets

There are four Methodist Heritage sites in Great Britain which fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire - the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol - the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London - John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe - exhibitions and activities focusing on one strand of 19th Century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2022, updated by the value of any share acquisitions (at cost) up to 31 August 2022. The assets are held at fair value.

s) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

t) Cash and cash equivalents

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £10,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits are those that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy.

Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

2. Accounting estimates and judgments

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

Cost allocation

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgement is exercised in applying cost drivers to cost categories.

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

Defined benefit pension scheme commitments

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of whom are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP) and the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

The Methodist Ministers' Pension Scheme (MMPS)

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. The scheme has not been included in these financial statements for the reasons set out below:

- a) There are approximately 1,124 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 69, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.5 million compared to £7.9m million paid by the circuits.
- b) The diagram on page 51 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council finally agreed a recovery plan and long term funding objective for the Scheme in April 2022. The Recovery Plan consists of conditional payments (determined by the Scheme Actuary each year having regard to scheme experience) of between £0 and £2.64m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. A framework agreement has been signed that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory, and Connexional properties are to be charged to provide funding of last resort should remedy payments not be made. Material increases in long term interest rates have significantly reduced pension liabilities as at 31 August 2022 meaning no recovery plan conditional payments have been required. It has also led to a significant de-risking of the Pension Scheme's investment portfolio.

As stated in the reserves policy section of the Trustees' Report on page 27, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

The annual depreciation charge for tangible fixed assets, particularly buildings is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Donations	8,063	5,107	13,170	1,070	3,580	4,650
Legacies	110	2,395	2,505	9	2,040	2,049
Total	8,173	7,502	15,675	1,079	5,620	6,699

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Donations	8,063	1,990	10,053	1,070	1,807	2,877
Legacies	110	542	652	9	460	469
Total	8,173	2,532	10,705	1,079	2,267	3,346

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	132	132	-	545	545
Seminars and events	131	-	131	17	-	17
Conference income	18	-	18	6	-	6
Administration & IT services	20	-	20	23	-	23
Bureau & Accountancy services	84	-	84	355	-	355
Others	573	252	825	25	45	70
Total	826	384	1,210	426	590	1,016

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	131	-	131	17	-	17
Conference income	18	-	18	6	-	6
Administration & IT services	20	-	20	23	-	23
Bureau & Accountancy services	548	-	548	355	-	355
Others	157	60	217	54	18	72
Total	874	60	934	455	18	473

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,532	125	13,657	13,661	133	13,794
Rental Income	-	210	210	19	173	192
Total	13,532	335	13,867	13,680	306	13,986

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,532	125	13,657	13,661	133	13,794
Rental Income	-	210	210	173	19	192
Total	13,532	335	13,867	13,834	152	13,986

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,863	1,568	3,431	1,176	1,349	2,525
Interest and other investment income	4	12	16	1	7	8
Rental Income	165	870	1,035	135	895	1,030
William Leech Charities Fund	-	1,659	1,659	-	1,288	1,288
Total	2,032	4,109	6,141	1,312	3,539	4,851

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,863	1,492	3,355	1,176	1,270	2,446
Interest and other investment income	4	-	4	1	-	1
Rental Income	481	408	889	135	417	552
William Leech Charities Fund	-	1,659	1,659	-	1,288	1,288
Total	2,348	3,559	5,907	1,312	2,975	4,287

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Publishing	347	-	347	293	-	293
Room and conference hire	4,210	1,384	5,594	547	1,235	1,782
Advertising and fees	9	-	9	11	-	11
Total	4,566	1,384	5,950	851	1,235	2,086

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Publishing	347	-	347	293	-	293
Room and conference hire	-	933	933	-	942	942
Advertising and fees	9	-	9	11	-	11
Total	356	933	1,289	304	942	1,246

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

6a Capital levies

Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	253	253	-	198	198
The Aldershot Military Trust	-	75	75	-	250	250
Other*	15	954	969	416	506	922
Total	15	1,282	1,297	416	954	1,370

* MIC Ltd (£7k) and Cliff College (£24k) have undertaken the government furlough scheme of which £31k has been included in other incoming grants, (2021: £593k). There are no unfulfilled conditions or contingencies attached to the grants. Both entities have also received other forms of government assistance of which they have benefitted in 2021/22. Cliff College received £39k (2021: £51k) from the Office of Students and Derbyshire County Council and MIC Ltd received £6k from Camden Council Business support (2021: £44k).

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	75	75	-	250	250
Other	2	24	26	-	16	16
Total	2	99	101	-	266	266

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000
Raising funds	-	5,375	290	5,665	-	3,729	242	3,971
Charitable activities								
Building communities	522	1,122	344	1,988	418	1,141	281	1,840
Children & Youth	95	1,086	372	1,553	116	853	304	1,273
Evangelism & Growth	4,006	1,434	582	6,022	4,043	1,434	488	5,965
Global relations	2,798	5,372	768	8,938	3,429	4,088	643	8,160
Learning Network	113	2,014	651	2,778	106	2,031	530	2,667
Methodist Council & Governance	97	3,779	986	4,862	31	3,402	806	4,239
Ministry	3,245	4,251	534	8,030	4,928	4,039	445	9,412
Property	-	5,365	140	5,505	120	705	116	941
Others - Pensions	-	1,496	-	1,496	-	799	-	799
Net loss on the disposal of tangible fixed assets	-	-	-	-	-	89	-	89
	10,876	25,919	4,377	41,172	13,191	18,581	3,613	35,385
Total	10,876	31,294	4,667	46,837	13,191	22,310	3,855	39,356

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

7b. Expenditure - The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000
Raising funds	-	2,136	290	2,426	-	1,916	242	2,158
Charitable activities								
Building communities	522	1,122	344	1,988	418	1,141	281	1,840
Children & Youth	95	1,086	372	1,553	116	853	304	1,273
Evangelism & Growth	4,006	1,434	582	6,022	4,043	1,435	488	5,966
Global relations	976	2,638	768	4,382	2,396	2,409	643	5,448
Learning Network	113	2,014	651	2,778	106	2,031	530	2,667
Methodist Council & Governance	97	3,779	986	4,862	31	3,402	806	4,239
Ministry	3,220	1,780	534	5,534	5,295	1,370	445	7,110
Property	-	5,365	140	5,505	120	705	116	941
Others - Pensions	-	1,496	-	1,496	-	799	-	799
Net loss on the disposal of tangible fixed assets	-	-	-	-	-	89	-	89
	9,029	20,714	4,377	34,120	12,525	14,234	3,613	30,372
Total	9,029	22,850	4,667	36,546	12,525	16,150	3,855	32,530

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £5.7m (2021: £4.0m) and for the Connexion - £2.4m (2021: £2.2m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
Cost of raising voluntary income	£0.3m	£0.2m	£0.3m	£0.2m
Cost of investment management	£0.4m	£0.2m	£0.4m	£0.2m
Cost of other trading activities	£5.0m	£3.6m	£1.7m	£1.8m

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

8a. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2022 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	91	72	109	163	81	27	235	45	904
Development & Personnel	Per capita	89	98	79	118	177	89	30	256	49	985
Financial Services	Per capita	95	95	360	436	152	284	57	265	152	1,895
Information Technology	Per capita	79	88	71	105	159	80	26	230	44	883
Total		344	372	582	768	651	534	140	986	290	4,667

8b. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2021 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	44	49	39	59	89	44	15	128	25	492
Development & Personnel	Per capita	83	92	74	111	166	83	28	239	46	922
Financial Services	Per capita	82	83	311	377	130	246	49	230	131	1,639
Information Technology	Per capita	72	80	64	96	145	72	24	209	40	802
Total		281	304	488	643	530	445	116	806	242	3,855

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

	Southlands Methodist Cliff College	Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International
2022	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	147	-	3,396	-	1,031
Investments	103	457	19	-	1
Other trading activities	508	10	-	4,229	-
Other:	-	-	-	-	-
Grants	799	50	934	13	54
Miscellaneous income	709	-	-	-	-
Total income	2,266	517	4,349	4,242	1,086
Expenditure on:					
Raising funds	220	54	539	3,556	158
Charitable activities					
Ministry	2,551	325	-	-	-
Global relations	-	482	3,449	-	588
Total expenditure on charitable activities	2,551	807	3,449	-	588
Total expenditure	2,771	861	3,988	3,556	746
Net gains/(losses) on investments	2,268	3,496	(54)	-	-
Net income/(expenditure)	1,763	3,152	307	686	340
Distribution under Gift aid	-	-	-	-	-
Net movement in funds	1,763	3,152	307	686	340
Net assets					
Fixed assets	10,617	15	7	204	-
Investments	16	13,860	625	-	-
Current assets	452	83	2,818	1,547	1,200
Creditors and loans	(342)	(388)	(259)	(1,915)	(356)
Total	10,743	13,570	3,191	(164)	844

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

9. Subsidiaries (continued)

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd
2021	2021	2021	2021	2021
	£000	£000	£000	£000
Income from:				
Donations and legacies	208	23	3,123	-
Investments	84	450	30	-
Other trading activities	298	-	-	963
Other:				
Grants	968	-	497	-
Miscellaneous income	591	-	-	2
Net gains on the disposal of tangible fixed assets	-	-	-	-
Total income	2,149	473	3,650	965
Expenditure on:				
Raising funds	-	-	535	1,812
Charitable activities				
Ministry	2,495	609	-	-
Global relations	-	-	2,207	-
Total expenditure on charitable activities	2,495	609	2,207	-
Total expenditure	2,495	609	2,742	1,812
Net gains/(losses) on investments	18	358	95	-
Net income/(expenditure)	(328)	222	1,003	(847)
Distribution under Gift aid	-	-	-	-
Net movement in funds	(328)	222	1,003	(847)
Net assets				
Fixed assets	7,458	19	12	159
Investments	495	10,411	679	-
Current assets	548	143	2,374	590
Creditors and loans	(468)	(155)	(181)	(1,599)
Total	8,033	10,418	2,884	(850)

Cliff College

Charity Number 529386

Cliff College Outreach Limited

Company Number 2331438

Cliff (Methodist) Developments Limited

Company Number 4934377

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

All We Can

Charity Number 291691

All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

Southlands Methodist Trust

Charity Number 1100660

Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through Southlands College that reflect its Methodist foundation and ethos.

Methodist International Centre Limited

Company Number 3866984

A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise hotel which also provides student accommodation.

Y Care International

Company Number 3997006

Y Care international is a subsidiary of All We Can and 2021-22 is the first financial year that they are consolidated in the MCiGB accounts.

Y Care International is the international relief and development agency of the Young Men's Christian association (YMCA) in the UK and Ireland. They work in partnership with YMCAs that are already playing key roles in their communities. Their mission is to create opportunities with vulnerable young women and men to change lives for the better, fulfil their potential and play a full role in society. The YMCA work to bring social justice and peace to young people and their communities, regardless of religion, race, gender or culture.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

Y Care International balances added to consolidation

Current assets	£'000
Prepayments and accrued interest	635
Cash at bank and in hand	565
	1,200
Creditors	
Accruals	(17)
Trade creditors	(115)
Grant commitments	(224)
	(356)
Net assets	844
Total funds brought forward at 1 September 2021	504
Net movements in funds	340
Total funds carried forward at 31 August 2022	844

Opening reserves have been accounted for within donations in line with the requirements of the SORP

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2022 Total	2021 Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	568	568	-
Scholarship programmes	-	365	365	714
Ministerial and personnel support grants	-	43	43	102
Annual grants	-	1,823	1,823	2,039
Nationals in mission appointment	-	-	-	574
Total	-	2,799	2,799	3,429
Other grants	£000	£000	£000	£000
Building communities	207	315	522	418
Children & Youth	-	95	95	116
Evangelism & Growth	-	4,006	4,006	4,043
Learning Network	-	113	113	106
Methodist Council & Governance	-	97	97	31
Ministry	2,330	914	3,244	4,928
Property	-	-	-	120
Income Generating Centre	-	-	-	-
Total	2,537	5,540	8,077	9,762
Grand Total	2,537	8,339	10,876	13,191

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2022 Total	2021 Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	568	568	-
Scholarship programmes	-	365	365	714
Ministerial and personnel support grants	-	43	43	102
Annual grants	-	-	-	1,006
Nationals in mission appointment	-	-	-	574
Total	-	976	976	2,396
Other grants	£000	£000	£000	£000
Building communities	208	314	522	418
Children & Youth	-	95	95	116
Evangelism & Growth	-	4,006	4,006	4,043
Learning Network	-	113	113	106
Methodist Council & Governance	-	97	97	31
Ministry	2,330	890	3,220	5,295
Property	-	-	-	120
Total	2,538	5,515	8,053	10,129
Grand Total	2,538	6,491	9,029	12,525

The figures in Note 10 are not intended to be the same as those listed for grants on page 17-19.

A detailed list of institutional grant recipients can be viewed using the following link:

<https://www.methodist.org.uk/media/19808/list-of-grant-recipients-2022.xlsx>

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Audit and consultancy fees				
Payable to RSM UK Audit LLP	79	82	79	60
Payable to RSM UK Tax & Accounting Ltd for taxation advice	10	37	10	32
Payable to other auditors - for internal audit services	30	31	30	30
Payable to other auditors - for audit of consolidated entities	68	36	-	-
Payable to other auditors - for financial advice to consolidated entities	7	-	-	-
Depreciation	253	351	60	36
Amortisation	30	31	20	26
Foreign exchange differences	3	1	3	1
Loan interest payable	87	6	-	-

12. Stipends and salary costs

The Methodist Council appointed or employed on average 378 (2021: 378) people during the year, of which Connexional Funds had 268 (2021: 283) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Stipends and salaries	13,449	12,969	9,784	9,819
Redundancy costs (loss of office)	154	253	116	172
Temporary staff costs	158	162	59	68
Social security costs	1,340	1,197	956	911
Pension costs - (defined contribution schemes)	1,340	1,331	1,120	1,142
Defined benefit pension costs excluding interest	5,607	1,622	5,582	1,605
Total	22,048	17,534	17,617	13,717

The Methodist Church in Great Britain

16 employees were paid £60k or more during the year (2021: 18 employees). The total aggregate pension contributions for these employees for the year were £139k (2021: £168k).

The Connexional Funds

9 employees were paid £60k or more during the year (2021: 13 employees). The total aggregate pension contributions for these employees for the year were £106k (2021: £145k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	Number of employees	Number of employees	Number of employees	Number of employees
Basic salary plus bonus				
£60,001 - £70,000	6	9	4	6
£70,001 - £80,000	6	6	3	5
£80,001 - £90,000	3	2	1	1
£90,001 - £100,000	-	-	-	-
£100,001 - £110,000	1	1	1	1

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
Methodist Council & Governance	56.5	58.9	56.5	58.9
Global Relations	51.3	46.3	26.7	26.8
Evangelism & Growth	18.7	20.2	18.7	20.2
Learning Network	40.9	43.9	40.9	43.9
Children & Youth	13.8	19.5	13.8	19.5
Ministry	65.2	64.0	25.7	25.0
Building Communities	17.8	19.0	17.8	19.0
Administration & Support	48.9	50.0	48.9	50.0
Property	5.8	5.0	5.8	5.0
Fund Raising	59.4	50.8	13.4	14.8
Total	378.3	377.6	268.2	283.1

The average number of volunteers working for the Council during the year was 1,092 (2021: 657).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Mission, the Head of Ministries, Director of Learning & Development, Director of Communications, Director of Finance and Resources and the Director of Human Resources & Development. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and employer's national insurance, but excluding pension contributions was £623k (2021: £555k). In addition, pension contributions of £94k were paid into defined contribution pension schemes on behalf of these personnel (2021: £84k).

Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers' Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

12. Pension costs (continued)

The Methodist Ministers' Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 58-59 with further information as required by FRS102 included on pages 96-98.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,266 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of 69 ministers. The majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2020, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund both this deficit and the shortfall arising from the level of future service contributions being paid. It was agreed that contributions from the Methodist Church's Pension Reserve Fund would be made as follows:

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2022; and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Superannuation Scheme for Lay Mission Partners (SSMP)

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit.

There are 34 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £182.62 per year of qualifying service to a single retired mission partner or widow / widower, £243.56 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £121.36 (single) / £162.21 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2022 by the Scheme's actuary and shown in Note 28.

Other pension schemes

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £138k (2021: £116k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £9.7k (2021: £9.4k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

13a. Tangible fixed assets - The Methodist Church in Great Britain

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2021	96,381	1,939	1,753	33	100,106
Additions during the year	23,784	19	167	-	23,970
Revaluations	(11,796)	-	-	-	(11,796)
Disposals	(28,264)	-	-	-	(28,264)
Total	80,105	1,958	1,920	33	84,016
Depreciation					
At 1 September 2021	717	1,727	1,695	20	4,159
Charge for the year	59	118	71	5	253
Adjustment	(447)	-	-	-	(447)
Total	329	1,845	1,766	25	3,965
Net book value as at 31 August 2022	79,776	113	154	8	80,051
Net book value as at 31 August 2021	95,664	212	58	13	95,947

13b. Tangible fixed assets - The Connexional Funds

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2021	87,299	935	1,210	-	89,444
Additions during the year	23,626	9	172	-	23,807
Revaluations	(13,621)	-	-	-	(13,621)
Disposals	(28,264)	-	-	-	(28,264)
Total	69,040	944	1,382	-	71,366
Depreciation					
At 1 September 2021	-	885	1,193	-	2,078
Charge for the year	-	15	45	-	60
Disposals	-	-	-	-	-
Total	-	900	1,238	-	2,138
Net book value as at 31 August 2022	69,040	44	144	-	69,228
Net book value as at 31 August 2021	87,299	50	17	-	87,366

Depreciation cost is included in the support cost and apportion in other activities (Note 8)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

13c. Intangible fixed assets

	The Methodist Church in Great Britain £000	The Connexional Funds £000
Software		
At cost		
At 1 September 2021	402	353
Additions during the year	16	-
Transfer in/(out)	-	-
Total	418	353
Amortisation		
At 1 September 2021	326	290
Transfer in/(out)	-	-
Charge for the year	30	20
Total	356	310
Net book value as at 31 August 2022	62	43
Net book value as at 31 August 2021	76	63

Amortisation cost is included in the support cost and apportion in other activities (Note 8)

13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2019 except for Asbury Overseas House, Birmingham which was revalued in 31 August 2020.

The manses, which are residential and have a well established market were revalued internally by reference to current market prices on 31 August 2019.

Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850,000.

The commercial properties were valued by professional independent valuers as follows:

Kings Cross Complex London WC1 - valuation carried out in August 2017 by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU; valued at £4,000,000.

1-5 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU, in July 2022 for £10,000.

90 Hayes Lane, Kenley - valuation carried out in July 2022 by Richard Moss MRICS and John Barrett FRICS from Cluttons, Portman Street, London W1H 6DU; valued at £870,000.

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in August 2021 by MJ Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £6,066,000

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by Savills. The valuation was done in September 2022. The property was valued at £14,865,500.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £45.5m (2021: £28.0m) for the Methodist Church in Great Britain and £38.1m (2021: £20.7m) for Connexional Funds.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2022	2021
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	39,446	139,946	13,188	995	193,575	189,112
Additions	-	1,045	242	-	1,287	348
Elimination of Westminster College	-	-	-	-	-	(15,530)
Transfers	-	-	-	-	-	(2,668)
Disposals	-	(642)	-	-	(642)	(382)
Investment (losses)/gains	1,931	(10,263)	(3,621)	-	(11,953)	22,695
Fair value as at 31 August	41,377	130,086	9,809	995	182,267	193,575

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2022	2021
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	31,178	136,725	13,188	900	181,991	162,308
Additions	-	1,000	242	-	1,242	227
Transfers	-	-	-	-	-	(2,668)
Disposals	-	(75)	-	-	(75)	(100)
Investment (losses)/gains	(1,725)	(10,046)	(3,621)	-	(15,392)	22,224
Fair value as at 31 August	29,453	127,604	9,809	900	167,766	181,991

Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

William Leech Charities Fund

The Methodist Church holds investments valued at £9.8m (2021: £13.2m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2022. The holding is based on the company's audited accounts to 31 March 2022, updated with management accounts to 31 August 2022. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
14c. Analysis of movement of investment properties				
Fair value at 1 September	39,446	53,446	31,178	33,428
Additions	-	-	-	-
Elimination of Westminster College	-	(11,750)	-	-
Transfers	-	(2,250)	-	(2,250)
Revaluation gain/(loss)	1,931	-	(1,725)	-
Disposals	-	-	-	-
Fair value at 31 August	41,377	39,446	29,453	31,178

Included within investment properties are the following revalued properties:

i) London Mission Fund

The London Mission property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP.

The valuation was done in July 2022 for 229 King St, Hammersmith and July 2020 for the other three properties.

- a) Hove Residential at 20 Bigwood Avenue: £270k (2021: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £575k (2021: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £425k (2021: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,700k (2021: £1,700k)

ii) Guy Chester Centre

A property known as the Hazlehurst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August, 2020 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,620k (2021: £3,620k).

iii) Camden Town Methodist Church

Managing trusteeship of Camden Town Methodist Church transferred the property to Methodist Council during the year 2019-20. The property is located at 89 Plender Street, Camden Town, London NW1 0JN. The current market value is £454K.

iv) The Wesley Hotel, Euston Street

The property is located at 81-103 Euston Street, London, NW1 2EZ. It was valued in August 2022 by Savills in August 2022 and the current is £20,400K.

v) 4 John Wesley Road

The property is located at 4 John Wesley Road, Werrington, Peterborough, PE4 6ZL. It was valued in August 2022 by Eddisons, Incorporating Barker Storey Matthews. The current market value is £1,900K.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Prepayments and accrued interest	2,965	1,637	1,342	932
Loans to other entities	-	10	786	796
Concessionary loans due within one year	167	149	167	149
Concessionary loans due after more than one year	406	328	406	328
Other debtors	2,126	1,487	1,692	1,137
Total	5,664	3,611	4,393	3,342

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. The Methodist Council have extended the period of the loan which will now be repaid fully in May 2024.

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Accruals	1,283	956	462	465
Loans	257	28	-	-
Tax and social security	565	361	255	224
Grant commitments	6,530	7,618	6,169	7,513
Other creditors	7,139	5,409	7,089	5,223
Total	15,774	14,372	13,975	13,425

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Loans	391	668	-	-
Grant commitments	1,965	3,301	1,792	3,301
Total	2,356	3,969	1,792	3,301

Loans

Cliff College - The Methodist Church in Great Britain

At 31.8.22 the balance on the loan is £163K (2021: £196K) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021. The loan balance as at 31.8.22 is £479K (2021: £500k).

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Finished goods and goods for resale	44	54	29	36
Total	44	54	29	36

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	130,086	139,946	127,604	136,726
William Leech Charities Fund and other investments	10,804	14,184	10,709	14,087
Total	140,890	154,130	138,313	150,813

Financial assets that are debt instruments measured at amortised cost

Debtors	2,126	1,487	1,692	1,137
Total	2,126	1,487	1,692	1,137

Financial liabilities measured at amortised cost

Loans	648	696	-	-
Accruals	1,283	956	462	465
Other creditors	7,139	5,409	7,089	5,223
Total	9,070	7,061	7,551	5,688

Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	167	149	167	149
Loan to Lesnes Abbey Circuit	-	10	786	796
Total	167	159	953	945

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
19a. Unrestricted funds	£000	£000	£000	£000	£000	£000	£000
General	53,214	20,677	(19,710)	-	(2,327)	852	52,706
Designated 19c	66,092	18,471	(10,742)	-	(4,977)	82	68,926
Defined Benefit Pension Scheme	(1,330)	-	3,531	(2,201)	-	-	-
Total	117,976	39,148	(26,921)	(2,201)	(7,304)	934	121,632

The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
19b. Unrestricted funds	£000	£000	£000	£000	£000	£000	£000
General	52,514	16,822	(17,330)	-	(2,327)	852	50,531
Designated 19d	64,984	18,467	(10,793)	-	(4,977)	82	67,763
Defined Benefit Pension Scheme	(1,677)	-	3,878	(2,201)	-	-	-
Total	115,821	35,289	(24,245)	(2,201)	(7,304)	934	118,294

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.9m to the general fund principally comprise the net balance of the management levy received (£2.0m), payment to the Long-term Renewal Fund (£0.1m), donations made to Pension Reserve Fund (£0.5m) for contribution toward pension deficit and other MIC contributions (£0.5m) Note 22 page

The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
19c. Designated funds	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	11,336	9,984	(4,589)	-	(983)	(5,164)	10,584
2) The Epworth Fund	7,738	189	(245)	-	(520)	(27)	7,135
3) The Designated Training Fund	1,096	1	(757)	-	-	789	1,129
4) The Pension Reserve Fund	45,922	8,297	(5,151)	-	(3,474)	4,484	50,078
Total	66,092	18,471	(10,742)	-	(4,977)	82	68,926

The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
19d. Designated funds	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	11,327	9,983	(4,605)	-	(983)	(5,164)	10,558
2) The Epworth Fund	7,730	188	(245)	-	(520)	(27)	7,126
3) The Designated Training Fund	5	-	(793)	-	-	789	1
4) The Pension Reserve Fund	45,922	8,296	(5,150)	-	(3,474)	4,484	50,078
Total	64,984	18,467	(10,793)	-	(4,977)	82	67,763

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.5m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19e. Unrestricted funds							
General	54,139	16,899	(19,764)	-	365	1,575	53,214
Designated 19c	52,193	11,343	(6,020)	-	9,205	(629)	66,092
Defined Benefit Pension Scheme	(13,890)	-	347	12,213	-	-	(1,330)
Total	92,442	28,242	(25,437)	12,213	9,570	946	117,976

The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19f. Unrestricted funds							
General	52,904	15,966	(18,296)	-	365	1,575	52,514
Designated 19d	51,096	11,342	(6,030)	-	9,205	(629)	64,984
Defined Benefit Pension Scheme	(13,890)	-	-	12,213	-	-	(1,677)
Total	90,110	27,308	(24,326)	12,213	9,570	946	115,821

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £1.6m to the general fund principally comprise the net balance of the management levy received (£1.7m) and payment to the Long-term Renewal Fund (£0.1m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19g. Designated funds							
1) The Connexional Priority Fund	9,153	10,458	(4,220)	-	1,204	(5,259)	11,336
2) The Epworth Fund	6,633	137	(235)	-	1,223	(20)	7,738
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	1,086	-	(340)	-	-	350	1,096
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
Total	52,193	11,343	(6,020)	-	9,205	(629)	66,092

The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19h. Designated funds							
1) The Connexional Priority Fund	9,145	10,457	(4,220)	-	1,204	(5,259)	11,327
2) The Epworth Fund	6,625	137	(235)	-	1,223	(20)	7,730
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	5	-	(350)	-	-	350	5
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
Total	51,096	11,342	(6,030)	-	9,205	(629)	64,984

The transfers to the designated training fund is the contribution from the income generating centre (Guy Chester) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.6m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

3) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

4) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
20a. Restricted funds	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	10,824	367	(1,207)	-	(609)	(61)	9,314
2) Mission in Britain Fund	6,521	977	(502)	-	(548)	(65)	6,383
3) Centenary Hall Trust	25,249	353	(328)	-	2,219	-	27,493
4) The Fund for Property	1,543	244	(47)	-	(117)	(66)	1,557
5) The Fund for Training	7,035	289	(68)	-	(4,835)	(9)	2,412
6) The World Mission Fund	23,835	2,974	(3,556)	-	(1,020)	(806)	21,427
7) The London Mission Fund	20,683	539	(434)	-	(1,129)	-	19,659
8) The Guy Chester Centre	29,978	1,240	(807)	-	(195)	(330)	29,886
9) Cliff College	6,348	1,358	(2,770)	-	(3)	-	4,933
10) Southlands Methodist Trust	10,418	517	(862)	-	3,496	-	13,569
12) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
Total funds with balances > £2m	145,014	8,920	(10,662)	-	(2,916)	(1,338)	139,018
Other - 28 funds with balances < £2m	4,317	8,159	(9,235)	311	(4,694)	33	(1,109)
Total	149,331	17,079	(19,897)	311	(7,610)	(1,305)	137,909

The Connexional Funds

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
20b. Restricted funds	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	10,810	367	(1,226)	-	(609)	(61)	9,281
2) Mission in Britain Fund	6,521	977	(502)	-	(348)	(65)	6,583
3) Centenary Hall Trust	25,410	353	(328)	-	(64)	-	25,371
4) The Fund for Property	1,542	244	(47)	-	(117)	(66)	1,557
5) The Fund for Training	6,992	289	(4,853)	-	(50)	(9)	2,370
6) The World Mission Fund	22,844	2,974	(3,556)	-	(1,020)	(806)	20,436
7) The London Mission Fund	20,684	539	(437)	-	(1,129)	-	19,657
8) The Guy Chester Centre	29,698	1,240	(811)	-	(195)	(330)	29,602
Total funds with balances > £2m	124,501	6,984	(11,760)	-	(3,532)	(1,337)	114,857
Other - 27 funds with balances < £2m	5,557	2,617	(522)	311	(9,789)	32	(1,795)
Total	130,058	9,601	(12,282)	311	(13,321)	(1,305)	113,062

Transfers out of the World Mission Fund principally relate to £0.55m management levy paid to the general fund and £0.25m to William Leech for investment purposes. Guy Chester transfers out £0.33m towards the Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
20C. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,727	592	(935)	-	1,485	(45)	10,824
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,311	39	(75)	-	-	(26)	25,249
4) The Fund for Property	1,025	362	(52)	-	276	(68)	1,543
5) The Fund for Training	6,816	299	(186)	-	121	(15)	7,035
6) The World Mission Fund	23,522	2,622	(4,177)	-	2,597	(729)	23,835
7) The London Mission Fund	18,770	464	(465)	-	1,914	-	20,683
8) The Guy Chester Centre	29,230	1,232	(860)	-	376	-	29,978
9) Cliff College	7,392	1,433	(2,495)	-	18	-	6,348
10) Southlands Methodist Trust	10,196	473	(609)	-	358	-	10,418
11) Westminster College Oxford Trust	10,757	-	-	-	-	-	10,757
12) Methodist Medical Benevolent Fund	2,202	46	(92)	-	424	-	2,580
Total funds with balances > £2m	150,098	8,278	(9,841)	-	8,167	(931)	155,771
Other - 28 funds with balances < £2m	2,021	4,188	(3,962)	80.00	2,262	(272)	4,317
Sub-total	152,119	12,466	(13,803)	80	10,429	(1,203)	160,088
De-consolidation of Westminster College	-	-	-	-	-	(10,757)	(10,757)
Total	152,119	12,466	(13,803)	80	10,429	(11,960)	149,331

The Connexional Funds

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
20d. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,713	592	(935)	-	1,485	(45)	10,810
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,471	39	(75)	-	-	(25)	25,410
4) The Fund for Property	1,025	361	(52)	-	276	(68)	1,542
5) The Fund for Training	6,774	298	(186)	-	121	(15)	6,992
6) The World Mission Fund	22,902	2,622	(4,548)	-	2,597	(729)	22,844
7) The London Mission Fund	18,772	463	(465)	-	1,914	-	20,684
8) The Guy Chester Centre	28,950	1,232	(860)	-	376	-	29,698
Total funds with balances > £2m	118,757	6,323	(7,016)	-	7,367	(930)	124,501
Other - 27 funds with balances < £2m	4,504	673	(1,072)	80	1,645	(273)	5,557
Total	123,261	6,996	(8,088)	80	9,012	(1,203)	130,058

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.

2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

3) Centenary Hall Trust

This exists to hold on trust a Church House, formerly 25 Marylebone Road and now 25 Tavistock Place.

4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches' Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn disperse the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in Our Calling. The Centre provides funding for the Learning Network.

9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The college now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

11) Westminster College Oxford Trust

This Trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education. However, WCOT is no longer form part of the consolidated accounts of the MCiGB as a review conducted in 2020/21 revealed that the Council did not have the required control - less than 50% of the trustees were appointed by the Council.

12) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21a. Endowment funds	2021	Income	Expenditure			2022
	£000	£000	£000	£000	£000	£000
Permanent						
Rank Endowment Fund	7,177	-	(12)	86	63	7,314
Barratt Memorial	1,318	-	(4)	(89)	48	1,273
Other - 2 funds with balances <£1m	20	-	-	8	(1)	27
Sub-total	8,515	-	(16)	5	110	8,614
Expendable						
William Leech Charities Fund	13,188	-	-	(3,620)	240	9,808
Other - 4 funds with balances <£1m	1,132	-	(3)	12	21	1,162
Sub-total	14,320	-	(3)	(3,608)	261	10,970
Total	22,835	-	(19)	(3,603)	371	19,584

Transfers of £0.2m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21b. Endowment funds	2020	Income	Expenditure			2021
	£000	£000	£000	£000	£000	£000
Permanent						
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
Barratt Memorial	1,102	-	(12)	223	5	1,318
Other - 2 funds with balances <£1m	29	-	0	6	(15)	20
Sub-total	7,314	-	(24)	1,212	13	8,515
Expendable						
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 4 funds with balances <£1m	932	-	(3)	187	16	1,132
Sub-total	12,166	-	(3)	1,913	244	14,320
Total	19,480	-	(27)	3,125	257	22,835

Transfers of £0.2m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

22. Fund Transfers

		2022			2021		
		Transfers in	Transfers out	Net transfer	Transfers in	Transfers out	Net transfer
		£000	£000	£000	£000	£000	£000
Unrestricted							
Connexional Priority Fund	(Note 19)	-	(5,164)	(5,164)	-	(5,258)	(5,258)
Pension Reserve Fund	(Note 19)	5,027	(543)	4,484	4,622	(80)	4,542
Designated Training Fund	(Note 19)	789	-	789	350	-	350
General Fund	(Note 19)	1,957	(600)	1,357	1,728	(100)	1,628
Methodist International Centre	(Note 19)	-	(505)	(505)	-	(46)	(46)
Others		-	(27)	(27)	-	(270)	(270)
Total		7,773	(6,839)	934	6,700	(5,754)	946
Restricted							
Long-term Renewal Fund		100	-	100	100	-	100
World Mission Fund	(Note 20)	-	(806)	(806)	-	(729)	(729)
Guy Chester Centre	(Note 20)	-	(330)	(330)	-	(350)	(350)
Fund for Training	(Note 20)	-	(9)	(9)	-	(15)	(15)
Mission in Britain	(Note 20)	-	(65)	(65)	-	(48)	(48)
Fund for Support of Presbyters & Deacons		-	(61)	(61)	6	(59)	(53)
Fund for property	(Note 20)	23	(89)	(66)	42	(96)	(54)
Centenary Hall Trust	(Note 20)	-	-	-	-	(27)	(27)
Others		1	(69)	(68)	-	(27)	(27)
Total		124	(1,429)	(1,305)	148	(1,351)	(1,203)
Endowments							
William Leech Charities Fund	(Note 21)	253	(13)	240	239	(11)	228
Rank Endowment	(Note 21)	70	(7)	63	57	(49)	8
Others	(Note 21)	71	(3)	68	29	(8)	21
Total		394	(23)	371	325	(68)	257
Grand Total		8,291	(8,291)	-	7,173	(7,173)	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Methodist Church in Great Britain

23a. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2022 Total £000
Intangible fixed assets	55	7	-	62
Tangible fixed assets	27,364	52,687	-	80,051
Investments	96,534	73,942	11,791	182,267
Current assets	15,676	20,345	222	36,243
Creditors due within one year	(17,459)	(5,886)	7,571	(15,774)
Creditors due after more than one year	(538)	(1,818)	-	(2,356)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
Total	121,632	137,909	19,584	279,125

The Connexional Funds

23b. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2022 Total £000
Intangible fixed assets	43	-	-	43
Tangible fixed assets	27,173	42,055	-	69,228
Investments	96,534	59,441	11,791	167,766
Current assets	14,916	15,900	223	31,039
Creditors due within one year	(20,078)	(1,467)	7,570	(13,975)
Creditors due after more than one year	(293)	(1,499)	-	(1,792)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
Total	118,294	113,062	19,584	250,940

The Methodist Church in Great Britain

23c. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2021 Total £000
Intangible fixed assets	64	12	-	76
Tangible fixed assets	16,219	75,593	4,135.00	95,947
Investments	94,600	79,321	19,654	193,575
Current assets	14,679	7,190	92	21,961
Creditors due within one year	(5,036)	(8,290)	(1,046)	(14,372)
Creditors due after more than one year	(1,220)	(2,749)	-	(3,969)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
Total	117,976	149,331	22,835	290,142

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total
	£000	£000	£000	£000
Intangible fixed assets	63	-	-	63
Tangible fixed assets	16,061	67,170	4,135.00	87,366
Investments	94,600	67,737	19,654	181,991
Current assets	14,878	4,125	93	19,096
Creditors due within one year	(7,730)	(4,648)	(1,047)	(13,425)
Creditors due after more than one year	(721)	(2,580)	-	(3,301)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
Total	115,821	130,058	22,835	268,714

24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

The Methodist Church in Great Britain

24a. Revaluation reserve	1 September 2021	Movement	31 August 2022
	£000	£000	£000
Unrestricted	7,240	-	7,240
Restricted	55,065	(6,564)	48,501
Total	62,305	(6,564)	55,741

The Connexional Funds

24b. Revaluation reserve	1 September 2021	Movement	31 August 2022
	£000	£000	£000
Unrestricted	7,237	-	7,237
Restricted	52,183	(8,836)	43,347
Total	59,420	(8,836)	50,584

The Methodist Church in Great Britain

24c. Revaluation reserve	1 September 2020	Movement	31 August 2021
	£000	£000	£000
Unrestricted	7,594	(354)	7,240
Restricted	54,282	783	55,065
Total	61,876	429	62,305

The Connexional Funds

24d. Revaluation reserve	1 September 2020	Movement	31 August 2021
	£000	£000	£000
Unrestricted	7,591	(354)	7,237
Restricted	52,346	(163)	52,183
Total	59,937	(517)	59,420

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

25. Expenses reimbursed to the trustees	2022		2021	
	Number of trustees	£000	Number of trustees	£000
Travel and other expenses reimbursed	44	23	26	16

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2022	2021	2022	2021
	£000	£000	£000	£000
Mr Doug Swanney	17	17	137	135
Mrs Joanne Anderton	12	12	97	96
The Revd Dr Jonathan R Hustler	7	7	44	43
Deacon Karen McBride	7	7	43	42
The Revd Gillian M Newton	7	7	43	42
The Revd Leslie M Newton	7	7	43	42
The Revd Michaela A Youngson	7	7	43	42
The Revd Dr Jongikaya Zihle	7	7	43	42
The Revd Graham Thompson	7	-	43	-
The Revd Helen R Kirk	7	-	43	-
The Revd Ruth Gee	-	6	-	40
The Revd Dr Barbara Glasson	-	3	-	20
Total	85	80	579	544

Of the trustees listed above, 10 were in the Connexional team or District Chairs (2021: 10). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.6m (2021: £0.5m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2022		Loans from related party	Amount owed by/(to) related
	Income from related party	Payments to/(from) related party		
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	13	241	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	56	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	94	-	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,042	-	-
Methodist International Centre Ltd (e)	316	20	-	786

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A payment of £1.04m (2021: £1.04m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2021-22 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 21 to Aug 22.
- (e) Income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds £316K (2021: None, due to Covid-19 related lockdown and restrictions). The £20k relates to accommodation expenses (2021: £1k). In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to be repaid in May 2024.

	2021 Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	16	190	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	-	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	66	-	-	-
Lesnes Abbey Circuit	-	-	-	10
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,042	-	-
Methodist International Centre Ltd (e)	-	1	-	786

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church's investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.7m (2021: £13.8m)
- The awarding and distribution of grants to other Methodist entities amounts to £4m in 2021/22 (2021: £7m)
- Investment charges (TMCP & CFB) amounts to £403k in 2022 (2021: £232k)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

- Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and

- Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
Fair value of scheme assets	69,991	-	69,991	95,103
Present value of scheme liabilities	(66,915)	(1,368)	(68,283)	(98,179)
Sub Total	3,076	(1,368)	1,708	(3,076)
Unrecognised assets	(3,076)	-	(3,076)	-
Net defined benefit liability	-	(1,368)	(1,368)	(3,076)

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
Service cost (before contributions from other group employers)	135	-	135	144
Interest cost on scheme liabilities	1,624	27	1,651	1,539
Interest income on plan assets	(1,636)	(33)	(1,669)	(1,328)
Net finance costs	(12)	(6)	(18)	211
Total	123	(6)	117	355

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
Actual return on scheme assets	(26,931)	(213)	(27,144)	14,938
Amounts included in net interest on the net defined liability	(1,636)	213	(1,423)	(1,328)
Other actuarial gains/losses	29,442	311	29,753	(1,242)
Movement in unrecognised assets	(3,076)	-	(3,076)	-
Re-measurement gains and losses recognised in SoFA	(2,201)	311	(1,890)	12,368

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
At 1 September	96,433	95,397	1,746	1,895	98,179	97,292
Service cost	135	144	-	-	135	144
Interest on obligation	1,624	1,511	27	28	1,651	1,539
Contributions by members	-	-	-	-	-	-
Benefits paid	(1,835)	(1,941)	(94)	(97)	(1,929)	(2,038)
Actuarial gains/losses	(29,442)	1,322	(311)	(80)	(29,753)	1,242
At 31 August	66,915	96,433	1,368	1,746	68,283	98,179

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
At 1 September	95,103	81,507	-	-	95,103	81,507
Interest on assets	1,636	1,297	-	-	1,636	1,297
Contributions by employers	4,110	1,097	-	-	4,110	1,097
Contributions by members	-	-	-	-	-	-
Administration expenses	(456)	(392)	-	-	(456)	(392)
Benefits paid	(1,836)	(1,941)	-	-	(1,836)	(1,941)
Actuarial return less interest income on plan assets	(28,566)	13,535	-	-	(28,566)	13,535
At 31 August	69,991	95,103	-	-	69,991	95,103
Unrecognised assets	(3,076)	-	-	-	(3,076)	-
Net Defined Benefit Liability	-	1,330	1,368	1,746	1,368	3,076

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2022	2021	2022	2021
	% pa	% pa	% pa	% pa
Discount rate at end of year	3.9	1.7	4.1	1.6
Discount rate at start of year	1.7	1.6	1.6	1.5
RPI Inflation	3.5	3.5	3.9	3.6
CPI Inflation	3.0	2.8	-	-
Rate of increase in Pensionable earnings	3.0	2.8	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	3.0	2.8	3.7	3.5
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.5	3.7	3.5
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.4	3.3	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.3	2.3	-	-

Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2022	2021	2022	2021
Equities	12.3	44.3	19.9	22.6
Gilts	36.1	-	56.1	55.8
Corporate Bonds	9.5	4.9	12.3	12.2
Property	16.4	8.4	7.2	5.4
Cash	1.4	7.6	4.5	4.0
Liability Driven Investment	19.6	30.4	-	-
Annuities	4.7	4.4	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2022 £000	2021 £000
Service cost	9,696	8,507
Interest cost on scheme liabilities	8,496	7,472
Interest Income on plan assets	(9,122)	(7,254)
Interest on unrecognised assets	-	-
Net Finance Costs	(626)	218

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2022 £000	2021 £000
Actual Return on Scheme assets	(103,537)	96,072
Amounts included in net interest on the net defined liability	(9,122)	(7,254)
Other Actuarial gains/losses	138,573	(33,879)
Movement in unrecognised assets	(23,943)	(32,967)
Re-measurement gains and losses recognised in SOFA	1,971	21,972

c. The changes in the present value of the defined benefit obligation were:

	2021 £000	2,021 £000
Opening defined benefit obligation	541,543	508,047
Service cost	9,696	8,507
Interest cost	8,496	7,472
Cost of benefit Changes	-	-
Contributions by members	3,264	3,487
Benefits paid	(21,032)	(19,849)
Actuarial (gains)/losses	(138,573)	33,879
Closing defined benefit obligation	403,394	541,543

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2021.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments (continued)

d. The changes in the fair value of the plan assets during the year were:

	2022 £000	2021 £000
Opening fair value of scheme assets	574,510	487,526
Interest income on plan assets	9,121	7,254
Contributions by employers	8,926	8,448
Contributions by members	3,294	3,487
Benefits paid	(21,032)	(19,849)
Administration expenses	(1,298)	(1,174)
Actual return less interest income on plan assets	(112,659)	88,818
Closing fair value of scheme assets	460,862	574,510

The total assets and liabilities of the MMPS at 31 August were:

	2022 £000	2021 £000
Closing defined benefit obligation	(403,424)	(541,543)
Closing fair value of scheme assets	460,862	574,510
Net defined benefit scheme (liability)/asset	57,438	32,967
Assets that would not have been recognised had the scheme been included	(23,943)	(32,967)
Net defined benefit (liability)/asset	33,495	-

The principal actuarial assumptions at the balance sheet date in respect of the Scheme were:

	2022 % pa	2021 % pa
Discount rate at end of year	4	1.6
Discount rate at start of year	1.6	1.5
Inflation	3.6	3.5
Rate of increase in pensionable earnings	3.8	3.7
Rate of increase in deferred pensions pre 2009	3.3	3.2
Rate of increase in deferred pension post 2009	2.5	2.5
Rate of increase in pension in payment main benefits CPI LPI 5%	3.2	3.1
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.2	2.2
Rate of increase in pension in payment AVCs RPI LPI 5%	3.5	3.4
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.3

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers' Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2022	2021
	%	%
Equities	33.4	44.1
Gilts	0.1	0.1
Corporate Bonds	29.7	15.3
Index linked Bonds	-	-
Property	10.1	8.5
Cash	3.5	10.0
Liability driven Investment	16.8	19.2
Impact investing	6.4	2.8

The Methodist Church in Great Britain

The membership for 2021/2022 and 2022/2023 are listed below.

Methodist Council:

2021 / 2022

New Members from 1 September 2021 are marked with one asterisk (*)

Mrs Joanne Anderton	Mrs Beti W T Holmes	The Revd Michael D Parker
Mr Stephen Arnold*	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
Mrs E Jill Baker (Chair)	The Revd Ermal B Kirby [until	Mr Graham Russell
The Revd Karen Beecham*	26.1.22]	The Revd S Mark Slaney
Mr Anthony Boateng*	The Revd Helen R Kirk*	Ms Sandie Smith
The Revd Paul H Booth	Mr Joe Lambert	The Revd Kate Strange
Mr Mark Braithwaite*	Mrs Carolyn J Lawrence	The Revd O Mark Street
The Revd Dr Adrian Burdon	The Revd Angela Long*	Mr Douglas Swanney
Mr David Burton	Mr Andrew Lowe	The Revd Timothy A Swindell
The Revd Dr Joanne Cox-Darling	Professor David Matthews	The Revd Rebekah Stennett*
Mrs Barbara Easton	Mrs Val Mayers	Mrs Jenny Taylor*
The Revd Simon C Edwards*	The Revd Samuel E McBratney	The Revd Richard J Teal
Mr Carl Fairclough	[from 26.1.22]*	The Revd Graham Thompson*
The Revd Ruth G S Fry	Deacon Karen McBride	The Revd Alison E Walker
Mr Bala Gnanapragasam [until	Mr Alister McClure	Miss Margaret Webber
26.1.22]	Dr Daleep S Mukarji	Ms Verity Wild*
Mr Peter Gregson	The Revd Leslie M Newton	The Revd Michaela A Youngson
The Revd Jeremy H A Hackett	Mr Keith Norman	The Revd Dr Jongikaya Zihle
Ms Charlotte Hambly	Mrs Helen Norton	
The Revd Sonia M Hicks	The Revd Charity Nzegwu [from	
	26.1.22]*	
	The Revd Nick Oborski*	
	Dr Hellen Okello*	

2022 / 2023

New Members from 1 September 2022 are marked with two asterisks (**)

Mrs Joanne Anderton	The Revd Jeremy H A Hackett	Mrs Helen Norton
Mr Stephen Arnold	The Revd Sonia M Hicks (Chair)	The Revd Charity Nzegwu
The Revd Karen Beecham	Mrs Beti W T Holmes	Dr Hellen Okello
Mr Anthony Boateng	The Revd Dr Jonathan R Hustler	Mrs Sheila Pollard**
The Revd Paul H Booth	The Revd Helen R Kirk	Miss Bridget Quint**
Mr Mark Braithwaite	Mr Joe Lambert	The Revd Mark Roberts**
The Revd Dr Adrian Burdon	The Revd Angela Long	The Revd Dr Calvin T Samuel [from
Mr David Burton	Mr Andrew Lowe	18.10.22]**
The Revd Deborah L Caulk**	Professor David Matthews	Deacon Kerry Scarlett**
The Revd Steven R M Cooper**	Mrs Val Mayers	The Revd S Mark Slaney
The Revd Dr Joanne Cox-Darling	The Revd Samuel E McBratney	Ms Sandie Smith
Ms Eleanor Dixon**	Deacon Karen McBride	Mr Douglas Swanney
Mrs Barbara Easton	Mr Alister McClure	The Revd Timothy A Swindell
The Revd Simon C Edwards	Dr Daleep S Mukarji	The Revd Rebekah Stennett
Mr Carl Fairclough	The Revd Gillian M Newton	The Revd Howard J Stringer [from
The Revd Ruth G S Fry	The Revd Leslie M Newton	17.10.22]**
Mr Peter Gregson	Mr Keith Norman	Mrs Jenny Taylor
		The Revd Graham Thompson
		The Revd Marcus Torchon**
		Ms Verity Wild
		The Revd Michaela A Youngson

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.

The Methodist Church in Great Britain

The Strategy and Resources Committee

The membership for the current year are listed below:

Voting Members

Ms Janet Arthur
Mrs Anne Bolton
Mr Nick Garrett
Professor David Matthews
Mrs Shelagh Morgan

Dr Daleep S Mukarji (Chair)
The Revd Gillian M Newton
The Revd Nicholas A Oborski
The Revd Timothy A Swindell
The Revd Kerry W Tankard
The Revd Marcus Torchon

Non-voting members

Mrs Joanne Anderton
The Revd Dr Jonathan R Hustler
Mr Douglas Swanney
The Revd Michaela A Youngson

Other members of the senior management group may attend by invitation as the business shall require.

Induction of new SRC members normally includes: conversations with the chair of SRC and the senior staff of the Connexional Team; a mentoring relationship with an experienced member of SRC; and invitations to share in the induction sessions for Council members.

The Finance Sub-Committee (FSC) of the Strategy and Resources Committee (SRC)

The membership of the committee is:

Voting Members

Mrs Helen Blair
Mrs Sue Haworth

Mr Malcolm Pearson
The Revd Stephen J Radford
The Revd Timothy A Swindell (Chair)

Members of the senior management group may attend by invitation as the business shall require.

The Audit and Risk Assurance Committee

The membership of the committee is:

Voting Members

Mrs Sarah Atwell-King
Mr Adrian Burton
Mr Alan Kershaw (Chair)

Mrs Susan M Mortimer
Mr Michael Rickard

Non-voting members

The Revd Timothy A Swindell

Members of the senior management group may attend by invitation as the business shall require.

The Methodist Church in Great Britain

Reference and Administrative Details

Names and addresses

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church
25 Tavistock Place
London WC1H 9SF
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Michaela A Youngson
Mr Douglas Swanney
Mrs Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association
25 Tavistock Place
London WC1H 9SF

Investment Managers:

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

Bankers:

HSBC plc
Westminster Branch
4-8 Victoria Street
London SW1H 0NJ

Independent Auditor:

RSM UK
103 Colmore Row
Birmingham
West Midlands
B3 3AG

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Accounts

The Methodist Church in Great Britain
Consolidated Report and Financial Statements
for the year ended 31 August 2021

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	2
The Methodist Church in Great Britain Trustees' Report	3-43
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	3
Public benefit requirement	3
Structure	3
Governance and oversight	4
Overview of the work of The Methodist Church In Great Britain	8
Key activities	9
1 Building communities	10
2 Children, youth and families	12
3 Evangelism and growth	14
4 Global relations	15
5 Learning network	19
6 Methodist Council and governance	20
7 Ministries	21
8 Property	23
Grant programmes	26
Plans for the future	26
Remuneration of key management personnel	27
Fundraising activities	27
Financial review	28
Managed reserves	30
Investments	33
Principal risks and uncertainties	34
Going concern	38
The environment	38
Related parties	39
Statement of Trustees' responsibilities	40
Independent Auditor's report to the Trustees of The Methodist Church in Great Britain	41
Consolidated Financial Statements	44-98
Statement of financial activities	45
Statement of financial activities – The Connexional Funds	46
Balance sheets	47
Cash flow statements	48
Notes to the Consolidated Financial Statements	49
Trustees and committee memberships	99
Reference and administrative details	101

Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

This year, as we emerge from unfamiliar ways of living and working, we recognise what has been achieved through a difficult time. This annual report shows us the many and varied ways in which the Methodist Church has faced the challenges of the times to seek a way forward as a response to 'Our Calling' to respond to the Gospel and to enable worship, learning and caring, service and evangelism in the Connexion and across the world.

The 2021 Conference in Birmingham affirmed that 'Our Calling' is the primary strategic driver for our work so all that we do is seen within that. Our "Strategy for Justice, Dignity and Solidarity", adopted by the Conference, reminds us that part of our proclamation of "God for All" is to engage with and challenge unjust discrimination, to celebrate diversity, and to practice hospitality. Similarly, our "Walking with Micah" project seeks to equip the Church effectively to challenge injustice in the nations and communities we are called to serve. This Report highlights the work being done by a number of connexional bodies and committees to ensure that our resources are used within that unity of purpose, as we fulfil our calling to be an inclusive, evangelistic, growing, justice-seeking church.

The report also highlights both the challenges and the opportunities facing the Methodist Church in Great Britain today. Much seems uncertain at the moment but the report draws our attention to the resources at our disposal. "Our Calling" speaks not only of the responsibility that we have but also of God who in love has entrusted us with both the responsibility and the resources to discharge it. This report celebrates the faithful ways in which those resources have been used and the potential that we have to continue to serve God's mission in God's world.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2022

The Methodist Church in Great Britain Trustees' Report

Strategic Objectives, Aims and Purposes of The Methodist Church in Great Britain

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain ('The Methodist Church' or 'The Church'). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

Public Benefit Requirement

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

Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church in Great Britain (MCiGB), as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 50 and include:

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. During 2020/21 the Council undertook a review of the entities under its control. This review confirmed that the above named organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The review also highlighted that the Westminster College Oxford Trust (WCOT) did not have 50% or more of their trustees appointed by the Council. Consequently, the Council took the decision that WCOT and its subsidiary should no longer form part of the consolidated accounts of the MCiGB.

The Methodist Church registered as a charity on 20 October 2009 (1132208 – ‘The Methodist Church in Great Britain’) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

The members of the Methodist Conference are the trustees and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2021 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and more easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the senior leadership group of the Connexional Team for matters relating to the objectives of the Connexional Team, and to local trustees in the case of the self-accounting entities. These local trustees are accountable to the Methodist Council.

The basic governance structure as far as these consolidated financial statements are concerned is presented in the diagram below.



During the year, the Connexional Grants Committee ceased to meet with the SRC overseeing the distribution of the residual functions.

The Methodist Conference

This is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church's affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 30 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

The Methodist Council meets three times a year and consists of 54 members most of whom hold office for four years. Its terms of reference are to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- implement Conference decisions;
- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- protect the assets of The Methodist Church.

It has agreed the following objectives for the coming year in order to support the delivery of the Church's strategic objective 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission':

1. Proclaiming the Gospel through worship / The ministry of the people of God in the life of the world
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for justice and peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership

In addition to the above, it is responsible for (*inter alia*):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering the following funds:
 - The Methodist Church Fund
 - The Connexional Priority Fund
 - The World Mission Fund
 - The Mission in Britain Fund
 - The Fund for Training
 - The Fund for Property
 - The Epworth Fund
 - The Fund for the Support of Presbyters and Deacons
 - The Sabbatical Fund
 - The Pension Reserve Fund;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs for all home districts and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council are historically significant are scrutinised before going ahead.

The following committees have an oversight/governance role and report to the Methodist Council:

The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2020/2021, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- ensuring that a collaborative style of working is adopted throughout the Connexional Team; and
- identifying and managing risks.

The Audit and Risk Assurance Committee

This is a committee of the Conference appointed on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers and any appropriate staff members of the Connexional Team to attend its meetings.

Meeting three times in the year and reporting annually to the Methodist Council, the Audit and Risk Assurance Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing the effectiveness of procedures relating to risks;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Council.

Oversight Committees

To assist the Methodist Council in discharging its duties there are a number of other committees, the key ones being:

The Finance Sub-Committee of the Strategy and Resources Committee whose remit is to:

- provide expert advice on financial matters to the SRC;
- provide the core membership of the Conference Financial Committee;
- review the Council's cash and investment holding; and
- represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.

The Connexional Allowances Committee, which is responsible for recommending allowances for ministers and awarding grants from the following funds:

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Methodist Ministers' Children's Relief Association;
- The Aspinall Robinson Trust;
- The Benevolent Fund for Deaconesses; and
- The Connexional Travel Fund.

During 2020/2021 the Methodist Council agreed to close the Connexional Travel Fund (a designated fund of the charity), transferring the residual balance in to the Methodist Church Fund (MCF), and establishing a recurrent MCF budget to fund 'Island Travel'.

The Property Development Committee, which works to develop and maintain a connexional property strategy. Its responsibilities include:

- developing and proposing to the Council policies in respect of the use of Methodist property;
- exercising such managing trustee responsibilities and duties as may be delegated to it by the Council;
- being responsible for identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
- reviewing and monitoring the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
- offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.

The Ministries Committee which reports to the Methodist Council to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing

and supporting programmes and processes for candidacy, training, oversight and related matters.

The Safeguarding Committee, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advises the Methodist Council on all related issues.

Other Oversight Bodies

These include:

- The trustees of All We Can (the operating name of the Methodist Relief and Development Fund), whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist, ecumenical or other appropriate oversight, primarily overseas.
- Local managing trustees for those bodies that report to the Council but are not administered by the Connexional Team (they are self-accounting entities).

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 66. For each of them, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. As highlighted on page 5, the Westminster College Oxford Trust is not under this delegation from the Council and is therefore being 'deconsolidated' from the 2020/21 accounts. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

The Methodist Council appoints members to the various trustee bodies, on the recommendations of existing members and based on a reasoned statement provided for each nominee. It follows a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment. The Council reviews and re-confirms the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

All new members of the Council undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees receive regular updates and are made aware of relevant events and training opportunities.

Overview of the Work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 4,004 places of worship, with around 164,000 members;
- the work of around 1,290 active Methodist ministers;
- pupils enrolled in 85 Methodist schools;

- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 657 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.

Key Activities

Introduction

The activities of the Church during 2020/21 were very significantly impacted by the Covid-19 pandemic. At a practical level, the Connexional Team were unable to work from Methodist Church House for much of the year, with only a partial reopening of the building ahead of September 2021. Wherever possible, the main activities of the team were moved online allowing the various committees of the Church to continue to exercise their trustee responsibilities and further the purposes of the Methodist Church. The pandemic also created new work for the team to engage with, including offering practical advice to managing trustees throughout the Connexion on topics ranging from property to worship, and everything in between. As online meetings do not involve travel expenses there were significant financial savings during the year. These savings helped offset the trading losses incurred by the Methodist International Centre Ltd as The Wesley hotel was unable to trade effectively for much of the year.

The experience of the Connexional Team was mirrored by the experience of the church throughout the Connexion, with church buildings closed for significant parts of the year. New and creative ways of being church emerged over this period and leaders of worship developed their skills at online worship. The church also had to contend with a hybrid Conference in June 2021 as it was not possible for all 306 members of the Conference to meet physically.

The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its hybrid meeting hosted from Birmingham but also online, in June 2021:

- 22 presbyters and three deacons were received into Full Connexion on Sunday 27 June, along with four presbyters by transfer and one presbyter by reinstatement. Later that day, ordination services took place in five churches in the vicinity of Birmingham.
- The Conference reaffirmed the Our Calling vision statement, which was launched 21 years ago, and adopted it as the primary strategic driver for the Church's work.
- The Conference was informed of the report on the education strategy, 'Transforming Lives: A Schools' Educational Strategy for the Methodist Church', which outlines the strategy for Methodist schools for the next ten years.
- The Conference agreed to adopt a three year period of active discernment on the issue of Holy Communion and online worship, during which churches will be encouraged "with reverence and joy, to a time of discernment, both experiencing and reflecting upon what it might mean to celebrate the Lord's Supper online and to use this as an opportunity to

discuss the issues raised in our churches thereby deepening our understanding of our life together.”

- The Conference confirmed provisional resolutions on the principles or qualities of good relating, understanding of cohabitation and same sex marriages conducted on Methodist premises or by Methodist office-holders.
- The Conference adopted a far-reaching Strategy for Justice, Dignity and Solidarity, which will see “a profound change in the culture, practices and attitudes of the Methodist Church”

Organisation of the work

Since 2019/2020 The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, now organises its work in the following eight key areas:

1. Building Communities
2. Children, Youth and Families
3. Evangelism and Growth
4. Global Relations
5. Learning Network
6. The Methodist Council and Governance
7. Ministries
8. Property

Each of these is reviewed below.

1. Building Communities

To build communities, the Methodist Church is committed to working with ecumenical partners from a wide variety of Christian traditions. Unity and mission are inseparable and we continue to encourage flexible ways of working together wherever possible. The Conference has reason to be grateful to all those who represent the Methodist Church on a wide variety of committees, commissions and working groups thus enabling connexional, district, circuit and local initiatives.

One of the features that will remain with us, even though we are coming out of lock down at the beginning of this Connexional year, is the ability to meet remotely. National ecumenical officers will continue to participate in regular virtual meetings hosted by Churches Together in England (CTE), but with participation of Wales and Scotland and CTBI, where information is shared and we are able to pray together. On these occasions the CTE and CTBI programmes and resources are shared.

In the context of challenging and changing international relationships, our ecumenical relationships in Europe and through the World Council of Churches are opportunities for wider engagement and enrichment. The Methodist Church in Britain continues to work with our concordat partners, the United Methodist Church (UMC), identifying areas of work where we are stronger together, such as our response to climate change. Together with the World Methodist Council and Global partners the Methodist Church in Britain has created an international team to

influence COP26. There are opportunities in this initiative for young people and others to engage and contribute.

With a renewed sense of purpose and determination the ecumenical officers continue to work with MAPUM – Methodist-Anglican Panel for Unity in Mission and with the nascent Life in Covenant Group, this latter replaces the previous Joint Covenant Advocacy and Monitoring Group, to seek to implement the commitments made at the signing of the Anglican-Methodist Covenant, in 2003. This involves collective learning to live with differences and contradictory convictions in our church and also at an inter-denominational level. One of the current issues is the registration for a building to be used for equal-marriage ceremonies. The legal advice currently being offered to LEPs by the Conference Officer for legal and Constitutional Practice is that: “Any denomination who is party to a sharing agreement under the Shared Building Act 1969 has the power to veto a registration of the building for same-sex marriage.” We are seeking ways, if at all possible, to minimize the impact of this statutory regulation.

Fellowship Groups are an expression of the global community present in and under the Methodist Church in Britain. The Assistant Ecumenical Officer continues to work with the Fellowship Groups and diverse languages congregations. They are present throughout the Connexion and are an integral part of the life of the Methodist Church in Britain. With the end of the quinquennium grants for some of the Chaplaincies to the Fellowships, a strategic review is necessary to see how the Fellowship Groups that have received support for their ministry for many years move forward to a different model of operating without losing their connectivity. This work shall be channelled now via the Mission Committee. Another aspect of this ministry is the arrival of people coming from Hong Kong in significant numbers. That has opened an opportunity for new mission initiatives. Work that started in the Northeast Region has grown connexionally and involves many from our churches offering to welcome and support the new arrivals. New groups have been formed, for example in Southwest London a class/congregation of HK people has gathered and numbers are at around 150/200 people. We seek to put in place coordinating structures for this work of welcoming HK people and offering them a sense of belonging in our churches and communities.

The Assistant Ecumenical Officer oversees our Inter-Faith work. A twinning programme for churches and mosques to meet virtually during the Inter-faith week in November last year will be happening this year again. The desk continues to represent Methodism at Inter-religious events and committees, not least the Inter-Faith Network UK that relates in particular to the Government, trying to influence public policies. Inter-religious work also happens through CTBI, its inter-religious activities and theological reflection group.

The Joint Public Issues Team (JPIT) has continued to play a role in building communities. It helps church members campaign on a range of peace and justice issues, shaped by the *Six Hopes for Society*, supported by the Methodist Church and others.

Arising from consultation with local churches, JPIT developed the ‘Reset The Debt’ campaign, raising awareness of the impact of Covid-19 on increasing household debt for the poorest families in communities. They worked with partners from across society to raise this issue in Parliament, the media and with church members, calling for debt write-off for those weighed down by borrowing and arrears due to Covid-19.

JPIT have also resourced members to campaign on justice issues for our global community. This has included campaigning against the cut to the international aid budget, calling for ambitious action at the United Nations COP26 climate meeting in November 2021 and raising concern about the forced labour of Uyghur Muslims in Xinxiang, China.

Continuing work around peacebuilding, JPIT coordinated ecumenical recognition of the Treaty on the Prohibition of Nuclear Weapons, including a statement from senior church leaders. They have continued to campaign on the rights of asylum seekers, migrants and refugees, particularly in

response to the government's Nationality and Borders Bill, joining with others as part of the 'Together With Refugees' campaign. They also encouraged churches to support EU nationals who needed to apply for the EU settlement scheme after Brexit.

They have continued to resource preachers and worship leaders to explore issues of justice and peace, including through the launch of the weekly 'Politics in the Pulpit' podcast and daily 'Stay & Pray' prayers of thanks and intercession.

Branding might seem an overly commercial concern for the Methodist Church, but it is fundamentally about all our communications and publications being presented in a consistent way. It conveys our goals and values and builds up our identity as a community. During 2020/2021, we developed a 'brand book' to make all our online and print publishing more coherent and recognisable as coming from the Methodist Church, with clear visual direction and a defined, inclusive tone of voice.

For all publications, we have moved to thinking 'digital first'; a shift undoubtedly accelerated by our churches, circuits and districts responding to Our Calling during the pandemic. This means that we consider sharing information, and resourcing the work of the Methodist Church, by providing digital content first: that may be as social media posts, podcasts and webpages. But also includes PDF publications for downloading, and we are exploring producing e-books, using the *Methodist Prayer Handbook 2021/2022: A Place for All* as a pilot project.

Nonetheless, some publications are still required or preferred in print, including the Conference-mandated resources, such as the annual Conference Agendas and Membership Tickets. The Christmas evangelistic campaign *God is with Us*, based on engaging videos and complementary social media posts, also had posters to bring it to the attention of congregations and postcards for them to share its message in their communities. This was supplemented with a phenomenally successful free seasonal CD. We distributed nearly 19,000 copies to bring Christmas worship during lockdown into individual homes, care settings and even to outdoor markets.

As churches adapted to life online, our sales of worship and hymn books for 'in-person' services fell very significantly. But sales of other printed resources remained remarkably buoyant, and production of publications required regularly to run churches has continued; for example, to support safeguarding training, to help ordained and lay people taking on new roles in their circuits, or to encourage and support generous financial giving. Additional publications in 2020/2021 included: *Reflect and Respond*, a study guide created by the Methodist Survivors' Advisory Group; resources for all ages to engage with 'A Methodist Way of Life', and materials to support church leaders to take action on the 'God for All' evangelism strategy.

2. Children, Youth and Families

3Generate 2020 was postponed until 2021 due to Covid restrictions on gathering. However, a full residential event at the NEC took place at the end of October 2021 as planned with the opportunity for people to attend as day visitors or as residents.

We have a full programme that has been designed and planned by volunteer groups that have included Young people in the process. This year's theme is 'Tune In' To God challenging children and Young people to Pray, listen and discern with peers and adults what God is calling them to do. Making a Covenant with God to take action on that calling. And sharing this with their local Methodist Community.

3Generate aims to create an inclusive and diverse space and has extensive support in place for children and young people to engage with the event and for the prophetic voice of children and young people to emerge and be heard. The event enables children and Young people to be courageous, share about their understanding of God and Faith and listen to God and each other.

Through the 3Generate process, children and young people are equipped and encouraged to become participants in decision making and action in their local Methodist Communities. They are encouraged and challenged to Listen and look for God to be involved in decision making and advocacy, for action, change and growth and have an impact in their local Methodist communities.

This is supported by resolution 29/4 from Methodist Conference 2021; *reaffirms the importance of hearing the voices of children and young people in discerning future direction and directs the Council and connexional committees, when revising strategic policies, to ensure that there is consultation with under-12s, under-18s and under-23s as well as with other groups.*"

And Resolution 29/3 The Conference laments the stresses and traumas experienced by many under-23s living through the COVID-19 pandemic and therefore directs circuit staff teams to review how pastoral care might be more intentionally and actively offered to children and young people."

3Generate calls the Whole Church to listen to, and be in relationship and dialogue with and amongst, children and young people, so that change and growth can happen together as a community. In October 2021 we had a dynamic and immersive program with Worship, Bible Study, Prayer weaved through and expressed in a variety of ways. Each Child and Young person speaking out and being in discussion. We are piloting this year a new 4-7 year old's 3Generate day event that has an intergenerational model of participation.

Agents of Change

In 2021/22 we will facilitate five pilot Agent of Change roadshows events, working with regional partners across the country. These events will be aimed at children and young people, aged 8 to 16, and their workers. Each roadshow will explore a different aspect of being an Agent of Change and will support the aims and core principles of the Agents of Change programme, which are to:

- help children and young people to understand how the Christian faith, their own discipleship and their work as Agents of Change are interwoven

Young Adults Leadership Year Program Gathering, Equipping and Developing Methodist Young Adult Leaders. The focus of the year is on the Characteristics of Christian Leadership.

Last year the Leadership Year ran online sessions for the participants, this year we will be running the Leadership Year with 3 residential weekends. There will be approximately 16 young adults aged 18-30s from across the connexion who will participate, growing to 30 young adults in 2022/23.

The focus is on understanding and forming characteristics of Leadership rather than on a skills based approach. The residential weekends contain a creative and engaging mixture of training, activities, reflection, worship, peer group support and mentoring. It is a chance to meet other young adults across Methodism and forge supportive relationships as they grow and learn together. The focus for the residential weekends are:

Weekend 1: Understanding leadership –connecting your discipleship and leadership.

Weekend 2: Exploring where and how you are leading other people.

Weekend 3: Developing your leadership.

We received positive feedback from last year's cohort, in which they described the programme as "empowering", "insightful", "transformative". One commented that the Leadership Year had "given me new ideas on how I can be a faithful leader and equipped me to work better with others, especially those who are different to me".

Methodist Way of Life – Intergenerational Engagement

Working with Learning Network and Methodist Way of Life working group We designed and produced a set of picture and conversation cards for use with all ages together to explore the Methodist Way of Life. And material for three acts of Intergenerational worship unpacking Methodist Way of Life.

Growing Ministry with Children and Young People

365 creating Space for children and young people to participate in decision making, dialogue, prayer, evangelism and Mission and action with the whole Church. When 3Generate 2020 was unable to go ahead we launched 3Generate 365, It started with a year of gathering virtually children and young people to pray every Friday at 5.17pm with our Youth Representatives. We held a virtual event with interactive sessions for Children and Young people facilitated by the Youth President and the 3Generate Reps to Tune In to God and each other sharing their experiences, Young people from across Methodism World Church Partners joining us virtually in Prayer, voting for Youth President and 3Generate Reps via the 3Generate App.

Resourcing Churches 365 events; We developed a toolbox of resources for churches to engage with Children and Youth Ministry. These included downloadable resources and a series of Zoom Gatherings and Webinars. As a part of this we gathered Children and Youth workers virtually on a regular basis over the Covid Lockdown to explore how to Create Spaces with children and Young people. These were learning communities with input and coaching. Ideas exchanges for Youth Workers, Running Intergenerational Ministry virtually. We ran webinars on Involving Children and Young people in Mission planning in the Church, Thriving after lockdown in partnership with the Girls Brigade, Improving Self Esteem, Soul Care and Leadership. With Ministries Love This Calling Campaign we facilitated a webinar on exploring calling and discernment in vocation Children and Youth Ministry. Enabling the Prophetic voice of children and young people, Praying and responding to God for All ages and abilities.

We will be gathering virtually and physically in Regions over the next year for churches who want to Create New Spaces for Children and Young People (New People New Places) to grow Ministry. These spaces will be learning, listening and coaching communities. We will also be facilitating coaching communities and gatherings for those already involved in Children, Youth and Family Ministry to listen, support and coach.

The CYF Team have two licensed Youth Mental Health First Aid Instructors (MHFA), who have delivered seven courses (either in person or online) since they qualified in early 2019. Across these courses they have trained just over 100 people in Youth MHFA – including local church workers and volunteers, key 3Generate volunteers, 3Gen Youth Reps and Ministers. We have established a pattern of delivering at least three of these courses a year. In addition to this we have also hosted webinars on Trauma awareness for leaders and Mental Health and wellbeing and activism with children and young people. We created a short video resource for children on managing anxiety during times of change (such as returning to school after lockdown), delivered training on mental health and emotional wellbeing in partnership with two different Learning Network regions and delivered training to the Methodist Fijian Fellowship on emotional wellbeing.

We spoke at the North East regional safeguarding conference on supporting confidence and resilience in children and young people.

3. Evangelism and Growth

The first full year of *God for All*: The Connexional Evangelism and Growth (E&G) Strategy has seen every district, circuits and churches in every district, and thousands of individual leaders participating in some way. The key programmes, pathways, and resources called for in *God for All*

are now all launched in earnest with feedback loops built into each area for the purposes of ongoing reflection, measurement, and strategic refinement.

The invitation to the whole Church to engage the strategy in a way that resonates with their contexts has been communicated broadly through the publication of *Take Your Next Steps in Evangelism and Growth*, a free digital and/or paper guidebook to God for All's opportunities; a 2021 Conference video update and follow-up article in the Connexion magazine; updated webpages; numerous Synod presentations and workshop; the expansion of active, creative social media streams; and the offer of local Zoom conversations in every circuit.

Additional highlights of the year include:

- *A Methodist Way of Life* (MWOL) is being engaged widely across the Connexion by districts, circuits and churches. MWOL Commitment Cards in more than a dozen languages and full suite of other resources are available online.
- As part of equipping districts, circuits and local churches to begin New Places for New People (NPNP) projects (including Church at the Margins projects), the E+G team has consulted widely and written *Starting new Christian communities: A practical guide*. It can be engaged as one document or with attention to different questions and areas. This guide contains a range of materials including short starter chapters, brief introductions, signposted resources, a Methodist theological foundation of NPNPs and the core NPNP practices which we believe are crucial to developing an NPNP.
- In partnership with the Ministries Team and the Queen's Foundation, the development of a new tutorial position in Evangelism and Leadership based at The Queen's Foundation but exercising mission and ministry as an Officer of the Connexional Team. This reflects a deep denominational commitment to the training, equipping and resourcing of all ministers, lay and ordained, in evangelism and leadership, but with a particular focus on those in pre-ordination training.
- Hope & Anchor is a weekly online chat show that explores spirituality and faith in an inclusive, fun, non-judgmental way. Hope & Anchor features guests across the theological spectrum, from Britain and across the world, who are taking faith outside of the box, addressing challenging questions and preconceptions with intelligence and loads of laughter, and inviting listeners to explore new spiritual landscapes. Link: <https://methodistchurch.org.uk/hope-anchor>
- The E+G Team continues to host a number of monthly webinars that dive into missional reflection and practice, building on a teeming archive of offerings over the past year. For example: webinars on chaplaincy and evangelism, interfaith evangelism, as well as contextual resourcing for specific seasons and ministry roles

4. Global relations

The Methodist Church in Great Britain (MCB) has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC). Its strategy is a part of the response to *Our Calling* and sits within the Mission Team of the Connexional Team, operating within the recommendations of the *Hope in God's Future* and *Inclusive Church* reports. It can be summarised as enabling churches, circuits and districts to be distinctive and highly effective participants in mission, by means of:

- true partnership with sister churches around the world;
- focus on the places and programmes where our participation can make a real difference locally and globally; and

- evolution that encourages new initiatives while maintaining the best of what has gone on before.

This is expressed by maintaining and strengthening traditional and more recent partnerships through:

- fostering people-to-people encounters;
- enabling reciprocal learning and engagement in mission;
- sharing resources within the agreed strategies and priorities of the World Mission Fund;
- engaging in capacity building with global partners to enable long-term sustainability and mission;
- being flexible and alert to new opportunities for mission and co-operation; and
- equipping members of the Methodist Church in Great Britain to celebrate and take confidence in God's presence and action in the world and respond to God's call.

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the World Church. These include opportunities for persons from Britain and Ireland to experience the World Church through volunteering to serve a Partner for 3–12 months under the 'Encounter Worldwide' programme; volunteering for a shorter period during sabbaticals and through the Specialist Skills Programme; or participating in a group visit through 'Encounter Together'. The GR team also enables MCB to receive young adults from other countries to serve in faith-based community and advocacy placements for two years through the Global Mission Fellows (GMF) programme of the United Methodist Church, of which MCB is an affiliate. GR is also working with the Council of Evangelical Methodist Churches of Latin America (CIEMAL) on a pilot programme bringing evangelists to support the work of circuits and districts in Britain and in the Methodist Church Ireland.

Due to the effects of the Covid-19 pandemic, all short-term programmes are suspended; however, planning, advertising and the receipt of provisional applications are now in progress for 2022.

The World Mission Fund is supporting five out of the six COP26 Workers, who are young adults employed to engage Methodists globally in climate awareness and action in preparation for the COP26 summit in Glasgow. The WMF finances the four workers representing our global Partners and one of the two MCB Workers.

Through the Church CAN programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context.

Following the decision of the Global Relationships committee that the World Mission Fund (WMF) should reach its reserve level by August 2024, there has been a restructuring of the grant-making system from the WMF. Only Essential Assistance (to help avert organisational crisis) and Solidarity (small grants given to support Partners in unforeseen events, such as disease, conflict or natural disaster, which were formerly called General Grants) Grants will be given this year as we work with Partners to see how we can make best use of the funds over reserve level to enable some capacity-building which will support Partners for a future when our financial position will be very different.

We have also invited all our Partner Churches and Organisations to conversations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts.

The Strategy for Global Relationships defines the following priorities for grants from the World Mission Fund:

- building the capacity, leadership and long-term stability of Partner Churches;
- encouraging evangelism, outreach and engagement with the wider society (including interfaith and peace initiatives);
- supporting partners who have a special emphasis on issues of justice, inclusion, education, health and empowerment, and supporting those who have been marginalised because of their identity, faith, ethnicity, gender or economic status;
- assisting Partner Churches in responding to emergencies, natural disasters and those affected by human violence or ethnic conflict; and
- supporting partner organisations that have close relationships with Partner Churches overseas and are used by them for the ministry and mission of that Church.

Work has been funded by General (expressions of solidarity) grants, as well as Annual grants, Scholarship and Leadership Training, and Nationals in Mission grants. In 2020/21, the original budget of £250,000 to be given in General grants, was raised to enable £400,000. This was due to the ongoing impact upon some Partners of the pandemic.

Here are a few examples of grants made in 2020/21:

Nicaragua (£10,550)

An annual grant from the WMF has been crucial in supporting the National Evangelical Methodist Church in Nicaragua during the COVID-19 pandemic. The church has been able to distribute essential food packages to 23 communities linked to their local churches.

Peru (£11,620)

Indigenous communities in the Peruvian Amazon have been severely affected by COVID-19, spread by visitors to the surrounding area and internal migrants who have returned from the cities after becoming unemployed during the lockdowns. A General Grant from the World Mission Fund has enabled the Methodist Church in Peru to work with 43 indigenous communities to open nine community pharmacies, offering low cost medicine and basic health consultation services.

Italy (£10,000)

World Mission Fund support has been used to support the Methodist Church in Italy (OPCEMI) / Federation of Protestant Churches in Italy project, Mediterranean Hope, in their work with refugees in Lampedusa. This grant is to support the work of the team in helping refugees with sustenance, team transportation and proactively responding to tell the story of migration that combats the often negative news stories.

Kenya (£6,240)

Jennifer Muthoki Mutua is a National in Mission serving The Methodist Church in Kenya and World Student Christian Fellowship (WSCF) – Africa. During the pandemic the Student Christian Movement of Kenya, which has been dormant for the last five years, has been revived, and there has also been growth in the Student Christian Movement of Tanzania and Uganda.

Zambia (£7,035)

United Church of Zambia Health Institutions have been supporting communities throughout the pandemic. The World Mission Fund was used for the purchase of medical and oxygen supplies to be used at UCZ health centres.

India (£17,500)

HMI facilitates interfaith dialogue and peace building, transforming conflict situations, promoting inter-faith and inter-ethnic harmony, and offering educational programmes for children and adults. As well as receiving an Annual Grant to support this work, HMI has received an additional General Grant and monies from the joint MCB/All We Can Covid-19 response appeal to support their work distributing PPE and emergency food supplies, as well as awareness-raising around health, wellbeing and vaccination access during the pandemic.

Transforming lives through the work of All We Can.

All We Can, the relief and development charity of the Methodist Church in Britain, helped transform the lives of more than half a million* people between 1 September 2020 and 31 August 2021. By working in partnership with our global neighbours most impacted by disasters, poverty and injustice, All We Can seeks to enable flourishing and resilient communities, and unleash potential.

In the 2020/21 financial year, All We Can partnered with 21 local partners in 6 countries. All We Can works together with talented local organisations who are rooted in their local communities – helping them not only respond to the needs they are facing, but also supporting them with capacity development, training and resourcing. All We Can works in partnership with these local organisations for many years, often over a decade, leaving a legacy of thriving and robust organisations. In the past financial year, local partners in both Ethiopia and Cameroon have graduated from All We Can's support – equipped with the skills they need to thrive and continue to work sustainably with their communities.

Additionally, through collaboration with Global Relationships, All We Can has worked with 4 Methodist church partners to deliver its Church CAN initiative. This work recognises that Churches have unique strengths that enable them to make an important contribution to seeing 'everyone's potential fulfilled'. Church CAN focuses on supporting Churches to implement their institutional strengthening priorities following a facilitated process of capacity self-assessment and strategic planning.

The ongoing impact of Covid-19 has played a huge part in shaping the work of All We Can and its local partners. Throughout the year, All We Can has worked to help partners adapt their programmes to respond to the critical needs of those they serve. It has also engaged with global calls for vaccine equity through WHO's #VaccinEquity campaign, and as a member of the Crack the Crises Coalition – a union of charities representing more than 12 million people, calling for world leaders to take action on Covid-19, injustice, and climate change. All We Can is also a member of both BOND – the international development network – and the European Commission on Mission, a coalition of Methodist Mission boards and agencies.

Through the joint Emergency Coronavirus Appeal, All We Can and the Methodist Church in Britain have continued to support vulnerable communities across the world tackle Covid-19. In April, when India was at the height of its devastating second wave of the virus, the appeal pivoted to respond directly to this need, working with church and local partners across India to deliver vital support.

All We Can has also responded in other times of urgent humanitarian need. In March 2021, following a devastating fire in Kutupalong camp in Cox's Bazar, All We Can worked with its humanitarian partner in the region to help rebuild shelters and provide fire safety training for the community. Similarly, in August 2021, All We Can and the Methodist Church in Britain launched the Haiti Earthquake Emergency Appeal in response to the earthquake and following tropical depression which struck the country. By co-ordinating contributions from the global Methodist family, as well as with the generous donations of supporters in the UK, the appeal is helping to provide emergency food, hygiene equipment and temporary shelter materials to the most

vulnerable families, with plans in place to help farming families regain livelihoods once immediate needs have been met.

The origins of All We Can lie in the Methodist people's generosity towards refugees in World War Two – and so the charity also remains steadfastly committed to supporting refugee communities. Notably it continues to support the aforementioned work of humanitarian aid partners working in the camps of Cox's Bazar, Bangladesh alongside Rohingya refugees, as well as with Syrian refugees in Za'atari refugee camp in Jordan.

*Final impact figures are contained in the All We Can's 20/21 Trustees Report and Accounts and the Annual Review.

5. Learning network

The last year has continued to see the successful development of online engagement for all aspects of learning and development as the learning network team have continued to respond to the ongoing COVID-19 pandemic. The team have been able to offer continued ongoing support to local church leaders, lay and ordained, as we have navigated the pandemic during the year. This year we have developed a closer working across the regions so as to enable more effective use of our resources, skills and experience.

Levels of engagement with the online opportunities has continued to be positive and whilst it is recognised that there have been some limitations to what is possible through online engagement there have also been many advantages. The ability to 'zoom' in from anywhere across the connexion, without the need for travel time and costs of travel, or indeed leaving your home, has perhaps been one of the biggest advantages both for those facilitating events as well as those attending, with some people being able to attend events perhaps for the first time. This has enabled those engaging from some of the more remote parts of the connexion to feel more closely linked in and supported through what is being offered. All of this also brings with it additional environmental benefits. Alongside these benefits it is recognised that online engagement has not been possible for all and has therefore meant that some people have been unable to engage with all that has been offered over this period. It is anticipated that online delivery and engagement will continue for a significant proportion of the work of the team and therefore consideration will be given to ensure that the opportunities are as accessible as possible, perhaps with some face-face events where this is essential. Work is underway for delivering a number of areas of work across the Learning Network drawing together individuals from various regions to develop, prepare and deliver connexion-wide learning and development events. These include a number of our shared areas of work with the Evangelism and Growth team, Children, Youth and Families team and Ministries team. This approach will enable further effective use of skills and experience over the coming year.

Learning Network staff have worked closely with our colleagues in the Safeguarding team and wider connexion to develop online delivery options for Creating Safer Space Foundation Module and Advanced Module. This has been achieved successfully with significant work put in from both connexional staff and district safeguarding officers. The delivery of these modules in online format will continue alongside some local face-face delivery as required over the coming year. Work continues on developing our online learning platform 'Theology X', including safeguarding training, and it is anticipated that additional modules will become available over the coming year.

Staff within the Learning Network continue to work closely with the Ministries team as they support the ongoing delivery and facilitation of Supervision training. This has been successfully delivered in online format during the year. Work on developing continued professional development for Supervisors will continue during the coming year.

The Reconciliation and Mediation Team pilot project, in the Eastern region, London region and North West and Mann region, is now established and we have worked closely with Place for Hope

in establishing the project this year. A cohort of 20 individuals have successfully completed their initial training and accreditation as practitioners in supporting the project within the three learning network regions. The Place for Hope team worked well together with the Director of Learning and Development to deliver the initial objectives for the project. The Positive Working Together manager adapted the Faith in Change and Conflict course to the online environment and delivered it to a high standard. The Client Care and Communications Manager worked collaboratively to develop and review fit for purpose infrastructure required for the project. They also developed their skillset to create new media outputs for the successful e-launch of the project during The Methodist Conference on Thursday 1 July 2021. All three Learning & Development Coordinators in the pilot regions are exploring, with the Project Manager, the opportunity for regional events and how best to proactively promote the service during 2021/22.

A cohort of 11 people made up from Learning Network staff and volunteers are currently being trained as trainers in the delivery of Mental Health First Aid. Upon successful completion of the training it is anticipated that this training will begin to be offered across the connexion during 2021/22, working closely with our Wellbeing Adviser.

6. The Methodist Council and Governance

The Methodist Council is charged with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The following are just a few of the actions that the Council carried out during 2020/2021 in accordance with its governance responsibilities.

- It adopted a risk management policy and adopted the corporate risk register.
- It adopted a modern slavery transparency statement and underlined its strong commitment to pursuing the objectives of the Modern Slavery Act (2015).
- The Council proposed a strategy for Justice, Dignity and Solidarity: working towards a fully inclusive Methodist Church, which the Conference adopted.
- The Council has received reports from many committees and revised their terms of reference, and has made appointments and nominations to various bodies and committees.
- The Council agreed that there should be a redesign of the connexional grant-giving processes, and proposed changes to the Standing Orders to effect this.

Work relating to Covid-19 is ongoing. Guidance continued to be produced to aid district chairs, circuit superintendents and others during the pandemic, as well as the work of DBS blemish checks and safeguarding risk assessments.

The President and Vice President of the Methodist Conference 2020/2021 managed to reimagine their role at a time when the ministry of visitation has not been possible. There have been many highlights of digital engagements including Facebook Lives as well as numerous visits that were held online.

During the year, the Independent Inquiry into Child Sexual Abuse released a report of the investigation into Child Protection in Religious Organisations and Settings.

The report made two recommendations: the first on policy, procedures and training and the second around legislation for unregistered institutions providing full-time education. The first recommendation largely reflected the Church's existing policy and procedures and stressed the

need for regular updates. As part of the ongoing cycle of learning and review the child protection policy will be reviewed along with the procedures and training to see what changes might be needed in light of the report. Government advice is awaited on the second recommendation.

The report mentioned a general lack of support for victims of abuse among religious organisations. The support to victims and survivors will continue to be reviewed and improved and the Church apologised where this has not happened as it should have done. The Church has learnt much of how the response can be improved from the Survivors' Advisory Group and is grateful to them for sharing their experiences and working with us to make our systems and support better for all. The Church welcomed the report's conclusion that child protection work should be 'victim focussed' and we will continue to work with and be led by the SAG to achieve this.

The Panel recognised positive child protection practice in the Church including the safer recruitment and internal auditing processes.

7. Ministries

The vocations project has ended, however with the retention of the officer on team we will continue to promote vocational exploration as part of ministry development. The under-representation of BAME people in church offices and particularly British born black ministerial candidates is a key focus for a number of officers in the team.

Faith and Worship the old local preachers' course has now been replaced by *Worship: Leading and Preaching*. Despite lockdown we have seen a continued increase in the number of preachers on trial being registered onto the course. A service of celebration and recognition for all that *Faith and Worship* offered to the church will take place at Methodist Central Hall, Westminster in October 2021.

For a second year, the Ministerial Candidates Selection Committee had to take place on line. At the start of the process for the 2020-2021 connexional year we had 31 applicants. CSC met 29.

22 presbyteral and 2 diaconal candidates were accepted. Taking into account deferrals from other years and one from this, 25 students started training in Sept 2021. 14 Ministers of Other churches and Conferences started appointments in Sept 2021.

Support for ministers acting as chaplains and those engaged with lay ministries has been offered by a new officer leading to the redevelopment of many of our webpages. The officer will lead on drafting competencies for Local Lay Pastors.

The Superintendents' induction programme was reimagined to allow online delivery. This has had the advantage of building a community of practice and will be the foundation of the induction in years to follow. Half of the annual superintendents' conference happened in person (as lockdown restrictions had been eased by June) 97 supers attended in a COVID safe environment. Feedback made it clear that those who were able to attend had appreciated the content and the ability to confer with colleagues.

A new supervision policy was adopted by the 2021 Conference. 572 people have received initial training as Supervisors of whom 476 were approved to supervise under the policy. About 43 people are in the process of training and 47 have withdrawn or were recommended not to proceed. As all supervision moved online in 2020, so too has our training, with the training course and assessment being adjusted appropriately. Training this year will focus on continuing development in supervision particularly for those early adopters in supervision.

23 people attended the 'First Moves in Ministry' retreat and 16 attended an online version of ReCharge (the mid-ministry retreat) for those in years eight to twelve of ministry originally 35 people were due to attend the physical event. 40 ministers attended the pre-retirement courses.

The team continue to be responsible for creation and signposting of provisions for worshipping at home during the pandemic.

38 awards for higher education studies have been made. (20 new or renewed awards for two years beginning 2021, 18 going into the second year of an award). Work continues at building link with our network centres: The Queen's Foundation and Cliff College. A tutor in evangelism and leadership has been appointed to the Ministries team who will split her time at the Queen's foundation and within the ministries team. A new Memorandum of Understanding has been agreed with Wesley House, Cambridge.

The Queen's Foundation

Queen's leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2020/21, the Foundation worked with 59 student presbyters and deacons and 44 probationer ministers, along with 19 ministers continuing to work towards degrees after ordination. They represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT.

Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world's best. Queen's continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain.

Professor Clive Marsh began his work as Principal in September 2020. Although he started his appointment at a very challenging time, in terms of the pandemic and its effects, as well as facing a large turnover of staff, the Foundation under his leadership has continued to offer its teaching online, and to support students through its excellent tutorial system. The staff team has re-grouped and all are looking forward to moving into a new academic year. The Foundation's finances are healthier than many other TEIs, and the foundations are in place for continued growth and development in the months ahead.

Cliff College

Cliff College is Methodism's 'own' college, and works under the authority of the Council, delegated via the Cliff Committee. It cherishes its historic commitments to evangelism, and its more recent and growing work in digital and global theological education. Cliff College works in partnership with several teams and clusters across the Connexion to deliver a range of projects and programmes which contribute to current priorities. These include innovative short courses, shared work with the Evangelism and Growth team, the Cliff Festival and postgraduate degrees which are especially valuable in continuing ministerial development. They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

The Cliff Committee has welcomed a business plan which seeks to build on the work of Vision 21 and move the work of the college forward to meet future needs. The particular difficulties of the Covid-19 pandemic have found Cliff well placed to respond with creativity and flexibility, especially when there was a need quickly to move courses online. The annual Cliff Festival had to

be held online for the second year running, and was a great success nevertheless, offering the customary weekend of worship, study and fellowship. During the year, a new Learning Strategy was introduced which shapes the College's work and guides the development of new courses and pedagogies. In addition, the Connexion is working closely with Cliff in the development of a new Virtual Learning Environment, as part of TheologyX, Cliff's online learning tool. This will enable the increased use of digital training resources for the needs of the Church. As the Church implements the Conference's decisions around new patterns of ministry, the College will be key to rolling out a new programme of training for Local Lay-Pastors, and in resourcing Connexional priorities. A new shared mission plan was agreed in 2021, which now undergirds the ways in which Cliff and the Connexion work together.

Southlands Methodist Trust

The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society. During the year, there has been increasing collaboration between the SWF and the Connexion in some key areas of current interest and priority, including: processes of change in the Church; clergy well-being; equality, diversity and inclusion; Methodist-Catholic social action; fostering learning communities; and deepening theological reflection on chaplaincy.

The SMT co-sponsors an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at www.southlandsmethodisttrust.org.uk.

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. This will be especially prominent as Southlands prepares to celebrate its 150th anniversary in 2022, and to mark its significant contribution to the teaching profession and to educational progress.

The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. As part of this contribution, it provides funding for the staffing of MAST. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

8. Property

The Property Support team has strengthened connections during this year with managing trustees and connexional colleagues alike, increasing awareness of the wide-ranging support offered by the team. Support during the pandemic to all those with property responsibilities in the Connexion was a daily priority for the team - ensuring guidance was always up to date and relevant. A dedicated coronavirus property page was established and became a key source of information for any who needed it, alongside direct guidance for specific queries. Despite the

pandemic, the team has also continued to offer support on property development projects, other forms of pro-active guidance and work on future strategic developments, partnerships and funding.

Support to Managing Trustees and Ministers in regard to church development projects has been a focus for the Director of Property Support. Over the year, it was evident that a broader need for property support was developing across churches, circuits, districts and Connexion alike. By end of the year, property development support could be broken down proportionately in to the following broad themes:

- 2% direct support to districts
- 20% direct support to circuits
- 8% direct support on connexional properties
- 29% direct support to churches looking at general mission and development or reordering
- 31% direct support to churches looking at larger mission and redevelopment projects including housing, new church buildings and community hubs
- 6% direct support to churches looking at property sales
- 4% direct support to churches looking at specific partnerships for developing new mission projects including property redevelopment or reordering

Alongside this, proactive general guidance to managing trustees has continued through undertaking a mixture of reviews, updating and compiling new information. The focus for this was to make property guidance accessible and aligned with other connexional information. This began through simplification of the property website pages which led to a decision to create Property Development Pathways - a centralised and comprehensive resource on the property webpage for those undertaking a property project. When completed in the latter part of 2021, they will present a core project pathway guide with decision 'gateways' and detailed guidance reference points, alongside other considerations for partnership and site redevelopment, heritage buildings & conservation, zero-carbon initiatives and equality, diversity and inclusion. It also signposts to guidance from the Mission team and TMCP to ensure consistency and compatibility. Similarly, having taken over the responsibility for Replacement Projects this year, amendments were made to SO 973, including the drafting of new criteria, to bring decision-making in line with the new Strategic Guidance for the Use of Property in Mission. These were approved by Methodist Council, and the Conference in June. Other reviews, led to updates to the Superintendents' Handbook with greater guidance on property; and also support to connexional colleagues in developing further net zero carbon strategies and approaches.

Two significant pieces of proposed Government legislation emerged this year – the Protect Duty Consultation¹ and Contested Heritage². Working with colleagues, the team have been able to provide input into detailed responses to these proposals, forming an ongoing project into 2022. The online newsletter, *Property Matters*, continued to be a key channel of communication. This was particularly important during the pandemic in promoting guidance updates. The electronic format and monthly emails ensured that information was conveyed efficiently and effectively, and readership improved slightly from the previous quarterly publication: November 2019 (last paper copy) 4,179 readers to August 2021 4,454 readers, with a 60 – 65% average opening rate.

Alongside ongoing support needs, the team have produced forward looking strategic pieces of work. This included a District Property Secretary (DPS) mapping report to analyse current DPS

¹ [Protect Duty - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/protect-duty) - the **Protect Duty** in essence consults on future legislation which will place a duty of care on Managing Trustees for those using their build from the effects of a terrorist action. It is a legislative response to the findings of the public enquiry into the Manchester Arena bombing.

² [Letter from Culture Secretary on HM Government position on contested heritage - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/contested-heritage) - contested heritage, as outlined in the Secretary of State's letter, focusses on the ability to control the removal through the Planning Laws of statues, plaques, memorials, monuments etc. deemed as contested due to their historic origins or heritage.

roles across Districts, and inform new approaches and support in the future. The report gathered 'ground level' data for each District to develop SWOT analysis, role specification and recommendations. The findings have helped the team in the support of more formal, paid district property officer roles achieved in at least three Districts this year. An extension to this has been the team providing direct support to two districts through property training events, and also to ministers in training at the Queen's Foundation in Birmingham.

Working with others has been a key objective of the property team this year. A number of connexional teams, TMCP, PDC members and DPS's came together during the year to present five regional online Property Roadshows between May and July. These proved very successful and the feedback given will be used to inform future training and support on property and related issues. The events attracted 364 attendees with 128 providing feedback. This was a significant improvement on the face-to-face Property Roadshows held in 2019/20 which attracted around 100 attendees. As well as working in more co-ordinated ways with colleagues in TMCP and LCP, the team have developed other relationships, providing Managing Trustees with partnership options when considering mission and property opportunities. A number of these consolidated existing Methodist partnerships including Action for Children and the Boys & Girls Brigade, along with ecumenical partners such as Housing Justice/Faith in Affordable Housing and the Archbishop of Canterbury's Commission for Housing. The team have been able to offer their input and expertise into other working groups within and outside Methodism, principally focussing on affordable housing, including contributions to the Housing and Homelessness Working Group and Housing & Homelessness Forum (through Citizens UK).

The team continues to support churches through the Feasibility Fund grants administered by the Property Development Committee. This has now expanded to include overseeing the project funding run-off from the Connexional Grants Committee Property Grants, and overseeing support to managing trustees applying for Landfill Trust grants. In addition, this year, through the government's £2 billion Culture Recovery Fund the property team, led by the Connexional Conservation officer, and supported by TMCP, assisted four managing trustee bodies of Grade I or II* church buildings in submitting funding applications. Unfortunately, due to oversubscription, Historic England agreed to fund only one of the projects, awarding them £420,000 in funding for repairs, to be completed by June 2022. Within connexional resources, the Feasibility Fund, by the end of this year had distributed £34,536 to those who applied; this provided funding to churches at the early stages of exploring future uses of their property for mission (60% of the total costs up to max. £10,000). This enabled:

- Feasibility work for 5 churches in North Kent, Gloucestershire, Lincolnshire, Cornwall and London.
- They include a new church building; reordering to develop community engagement in a town centre; supported accommodation for former rough sleepers; a new church building and community hub; and reordering to extend the work of their existing community hub and arts centre.

Due largely to the consequences of the pandemic, the business case for the redevelopment of Oxford Place, Leeds into a hotel became no longer viable. Having taken the difficult decision to end the project, the discussions with the Yorkshire West District resulted in the property being returned to local managing trusteeship.

The 2021 Methodist Conference confirmed the decision to sell Methodist Church House. A project was established under the Methodist Council to take forward this decision and also to progress the options for a replacement to Methodist Church House.

Grants

The Council agreed that there should be a redesign of the connexional grant-giving processes, in particular those grants which are made from the Mission in Britain Fund, the Fund for Property, and the World Mission Fund.

The Mission in Britain Fund is now to be used for funding New Places for New People projects and Methodist Action on Poverty and Justice. The Epworth Fund is being invested in the Evangelism and Growth strategy. The Fund for Property is being transferred to the oversight of the Property Development Committee. The World Mission Fund is to be overseen by a task group of the Global Relationships Committee.

The changes outlined above will enable streamlined and efficient processes in respect of the three funds which have previously been under the oversight of the Connexional Grants Committee. In the light of these changes, the Council recommended to the Conference that the Connexional Grants Committee be disbanded. Grants already underway in the old system will be honoured and the monitoring of their impact and gathering of learning from them undertaken by the relevant part of the Connexional team and reported to the Strategy and Resources Committee.

World Mission Fund grants £1.9m (2020-21)

These are grants given to Partner Churches and organisations overseas to support mission and ministry in their communities. The grants cover four main streams:

- annual grants to support the core work of our partners;
- Scholarship and Leadership Training (SALT), enabling key partner personnel to study for qualifications;
- Nationals in Mission Appointments (NMA), funding posts for which our partners have the people but not the financial resources; and
- general grants – mainly in response to natural disasters or other unforeseen events.

There was an upward trend in the number and value of applications requested in 2020-21. 160 applications were received for a total value of £4.6m, 105 applications qualified for £1.88m worth of annual grants, NMA and SALT grants.

In addition to the above, thirty-one General grants totalling £371k were awarded in 2020-21 to partner churches, with seventeen (£191k) of the grants awarded specifically for Covid-19 related work.

Plans for the future

Throughout the coming year The Methodist Council plans to continue pursuing the objectives of the Methodist Church, in particular those objectives collectively referred to as: 'Reaffirming Our Calling'. The main strands of this work with some examples include:

1. Proclaiming the gospel through worship/ The ministry of the whole people of God in the life of the world.
Reflecting on the impact and effectiveness of online worship and learning over the last year to develop future strategies for supporting these areas.
2. A Church for all people / The Inclusive Church.
Implementing the action plans of the Justice, Diversity and Solidarity Strategy to ensure the Church as a whole becomes a more welcoming, diverse, and tolerant organisation.
3. God's Church in God's world / Striving for justice and peace.
Consideration of the Church's net zero carbon emission targets, ongoing engagement in reflection on our ethics in relation to investments.
4. Evangelism / God for all.

- Working with Districts in the year ahead to increase our engagement in sharing the gospel in new ways, striving to work with those in the most marginalised communities in our world.
5. Resources for the Church: the use of God's gifts (including oversight and leadership). Working with others throughout the Church to respond to the financial impact of the pandemic.
Detailed work to enable the Church to make decisions about its future decision making structure which offers the best patterns of oversight and management for the organisation.
 6. Responding to the gospel in partnership.
Continued reform of the processes of grant giving both at home and abroad to ensure participation and positive engagement from our partners.

Remuneration of Key Management Personnel

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC). The senior management group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church's policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are in Notes 25–27 to the financial statements.

Fundraising Activities

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church;
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources; and
- legacies are received either for general funds or the mission funds.

During the year legacy income fell significantly largely due a significant one off legacy received in 2019/20. Giving to the mission funds fell due to less opportunity for local fund raising as a consequence of the pandemic.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

Financial Review

The activities covered in these consolidated financial statements are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

The net income for the year was a surplus of £23.6m (2020: £5.8m deficit), including net investment gains of £22.7m (2020: £5.8m losses). This investment gain largely reflected the improvement in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These increases reflected the significant improvement in market conditions that more than offset the losses incurred in the previous year.

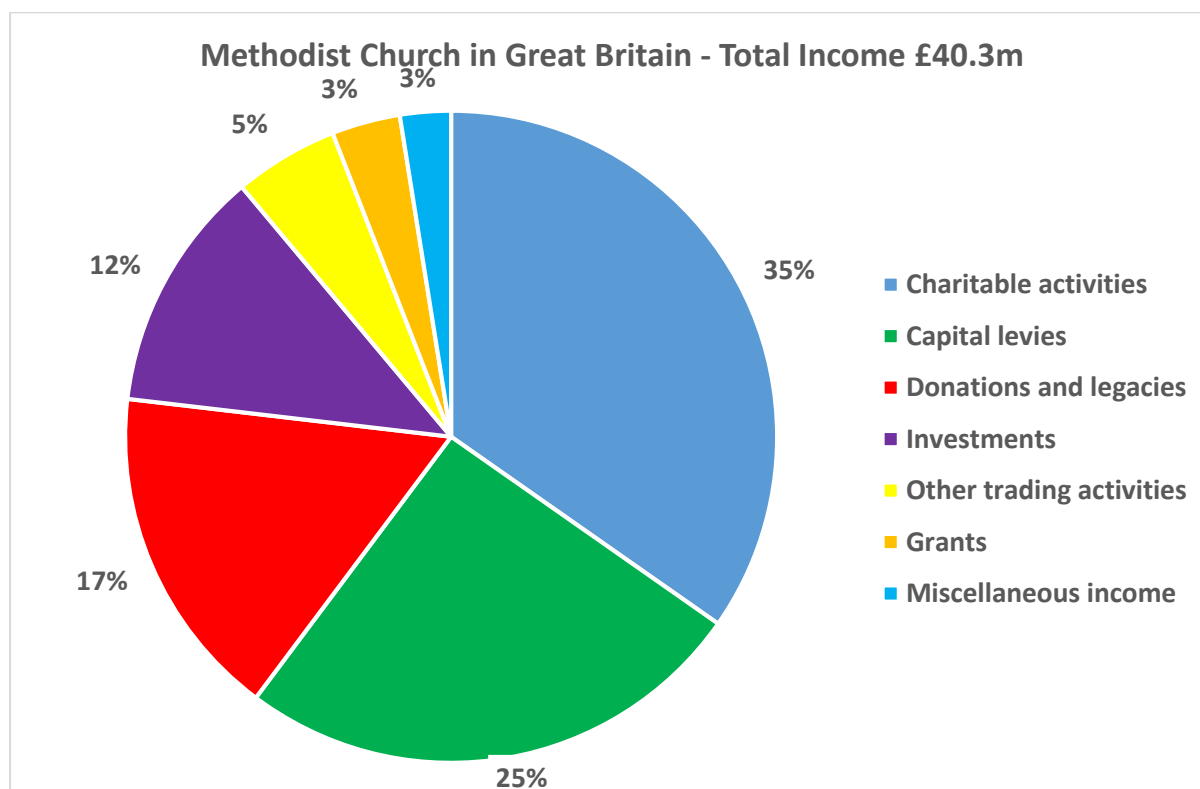
Other recognised gains for the year were £13.2m (2020: £14.1m loss). A £12.3m gain (2020: £9.1m loss) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 93). A £0.9m gain resulted from the revaluation of the Church's charitable property.

Income

The total income for the year was £40.3m (2020: £44.4m) a decrease of 9% compared to the previous year. This was mainly due to the following:

1. Reduced legacy income following the significant (£1.9m) legacy received in 2019/2020.
2. Lower levels of donations due to the impact of the Covid-19 pandemic.
3. Major reductions in trading income across both MICL (reduced hotel occupancy) and Cliff College (course and event cancellations)
4. A reduction in investment income was experienced due to the significant impact that the pandemic had on the financial markets with consequent reductions in dividends being paid in year.
5. The deconsolidation of the Westminster College Oxford Trust (£0.5m) - see page 4.

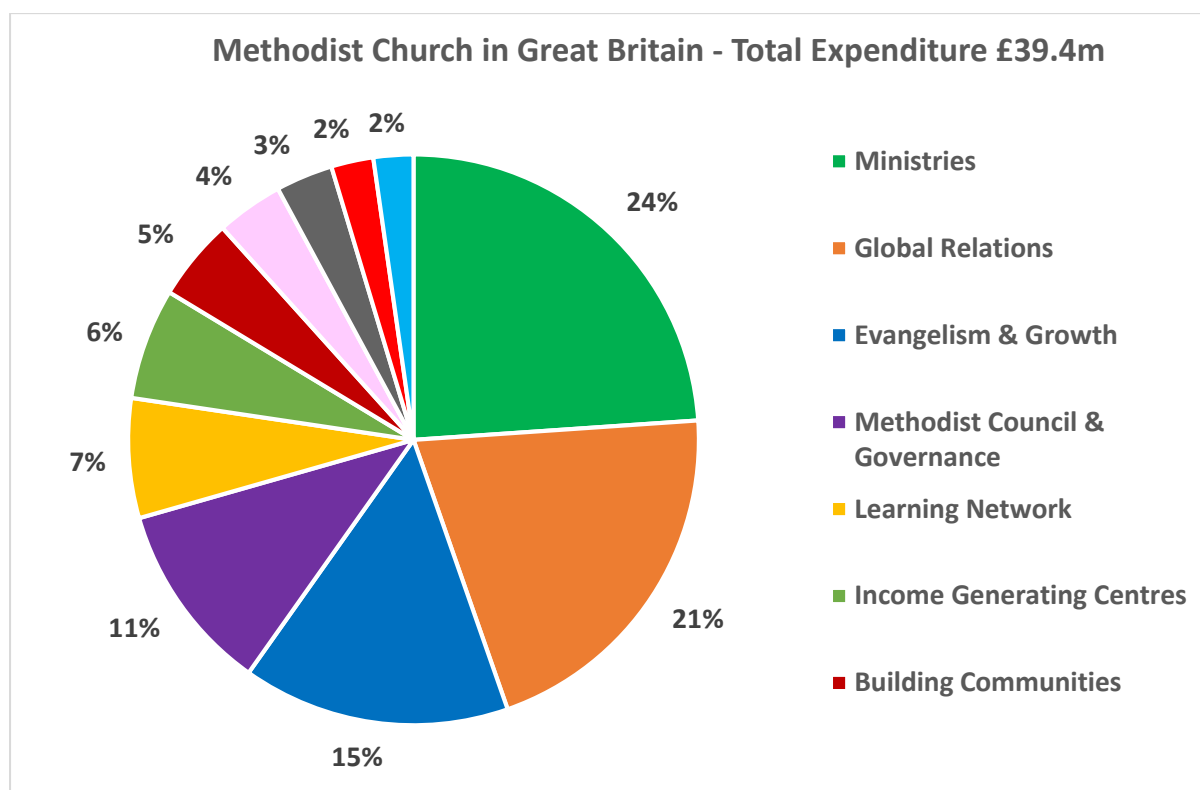
These reductions were partially offset by a material increase in capital levies to £10.3m (2019/2020 £6.9m) as a result of additional sales of Methodist property.



Expenditure

Total expenditure decreased to £39.4m (2020: £44.4m). Of this, £35.4m was spent on direct charitable activities (2020: £37.2m). The reduction in expenditure was partly due to a reduction in charitable spending by All We Can and the deconsolidation of Westminster College Oxford Trust (£0.7m). Expenditure also reduced because of the ongoing impact of the Covid pandemic reducing trading, events and physical meetings. Spending from restricted funds plus transfers was £2.6m greater than income. This largely reflects the policy to use excess reserves in a

planned manner over three years. A detailed analysis of expenditure by activity is included in Notes 7-8 (pages 64-65).



The total impact of deconsolidating the accounts of the Westminster College Oxford Trust is a reduction in assets of £10.8m.

Managed Reserves

The total value of funds held at 31 August 2021 was £290m (2020: £264m). There are restricted reserves of £149m (2020: £152m), unrestricted reserves of £118m (2020: £92m), and endowment reserves of £23m (2020: £19m).

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council. As a consequence of the Covid-19 pandemic the reserves policies were reviewed and reserve levels amended. There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);
- The Methodist International Centre (included within general funds);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

General funds

At 31 August 2021, the balance of the unrestricted general funds was £53m (2020: £54m). Of this £40.7m (2020: £46m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £16.3m of tangible fixed assets and £24.4m of investment properties. The trustees approved a reserves balance of £7.5 million. This would ensure that there is sufficient cash or near cash at hand at all times to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2021 the free reserves balance was £12.3m (2020: £8m).

Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed or they decide not to continue with the project for which the funds were designated.

At 31 August 2021, the designated funds totalled £66 million (2020: £52 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£11 million
• Epworth Fund	£8 million
• The Pension Reserve Fund	£46 million
• Others	<u>£1 million</u>
Total:	£66 million

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. In 2021 the Methodist Council approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £1.5 million.

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. In 2021 the Methodist Council amended the reserves policy to £1m to allow the capital balance of the fund to be used for missional purposes.

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). More information can be found in the Financial Risks section below.

At 31 August 2021 the reserves position on the designated funds is above the policy by £16.5 million. The CPF's reserves are above the policy by £9.8 million and the Epworth Fund is above policy by £6.7 million. Excess balances have been allocated by the Methodist Conference to the delivery of *Our Calling* and the God For All Strategy over the coming four years. The balance held in the smaller designated funds is detailed in Note 19c (page 80) in the notes to the financial statements.

Financial risks

The Council's general reserves enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams

and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the general public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of a number of key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Methodist Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left a number of circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference reversed its decision for a 1% increase in the 2021/22 Assessment and implemented a 1% cut. It also indicated an intention to cut the Assessment by a further 2% (2022/23) and 3% (2023/24). Planning these reductions over three years affords the Council sufficient time to adjust its expenditure budgets accordingly.

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable and have been impacted by the closure of church buildings for much of the year.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over a number of years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. In order to mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. This fund has the benefit of providing comfort to the Pension Fund trustees of the financial support of the Church for the schemes and enables them to follow an investment policy more likely to generate higher returns than a more conservative policy would realise. The Fund has made annual contributions of £1 million up to 2018 (with no payment required in 2019 or 2020) to the Methodist Ministers' Pension Scheme (MMPS) in order to help eliminate the deficit. An additional contribution of £1.1m was made to the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC) scheme in both 2019/2020 and 2020/2021 to reduce the deficit balance on that scheme.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further

benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long term funding objective, a remedy mechanism should funding deviate from the long term goal, and a contingent asset that provides the trustees security over Connexional properties should the Council or Conference ever default on payments due.

The accumulating level of reserves expected to be held in the Pension Reserve Fund forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference.

Investments

As at 31 August 2021, the Church held fixed asset investments with a fair value of £194 million (2020: £189 million). The Finance Sub-Committee regularly review the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church's in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £39m vs £194m (2020: £53m vs £189m). The reduction in investment properties is largely due to the deconsolidation of the Westminster College Oxford Trust and the transfer of trusteeship for Oxford Place, Leeds to the Yorkshire West District.

Performance and holdings

Gains on investments in year were £22.7m (2020: £5.8m loss on investments). This performance was directly linked to the global market recovery following the Covid-19 pandemic. The total returns as at 31 August 2021 for CFB managed funds are summarised as follows:

	1 year to 31.08.21	3 years to 31.08.21 (p.a.)	11.07.16 to 31.08.21 (p.a.)
Managed LT Methodist Council Fund	22.4%	8.0%	9.6%
Managed MT Methodist Council Fund	12.5%	5.7%	6.3%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	29.7%	5.7%	8.7%
FTSE All Share	26.9%	3.7%	7.7%
Ethical benchmark	21.1%	3.1%	7.7%
CFB Overseas Fund	28.9%	13.4%	14.2%
FTSE All World ex UK	25.6%	13.1%	14.2%
CFB Short Fixed Interest Fund	-1.1%	1.6%	2.1%
Benchmark	-1.2%	1.6%	2.1%
CFB Corporate Bond Fund	0.4%	3.8%	5.0%
Benchmark	3.1%	5.6%	6.4%
CFB Deposit Fund	0.1%	0.5%	0.7%
1 week Libid	-0.1%	0.3%	0.3%

Property benchmarks

	1 year to 30.06.21	3 years to 30.06.21 (p.a.)	11.07.16 to 31.06.21 (p.a.)
Managed LT Methodist Council Fund	18.9%	7.6%	9.1%
Benchmark	16.5%	7.1%	8.6%
Ethical Benchmark	16.0%	7.3%	8.7%
Managed MT Methodist Council Fund	10.3%	5.4%	6.1%
Benchmark	7.9%	5.1%	5.6%
Ethical benchmark	7.6%	5.2%	5.6%
	1 year	3 years (pa)	10 years (pa)
CFB Property Fund	8.9%	3.9%	8.1%
FTSE All Share	21.5%	2.0%	6.4%

Principal Risks and Uncertainties

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church's ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church and the mitigations are as follows:

Risk	Current mitigations
Lack of coherent strategy and an inability to identify priorities contributing to decline, ultimately resulting in The Methodist Church ceasing to exist.	Methodist Council, Connexional Leaders' Forum, and Strategy and Resources Committee engaging regularly with strategic overview of the future direction of the Church.
Ineffective recruitment and training of those who fulfill ministerial/lay roles resulting in shortage/surplus of ministers or decline in membership due to poor standard/allocation of ministers/lay workers.	Ongoing review and improvement of candidating and training processes, ongoing learning and development for ministers. Stationing processes. Continuing to encourage, equip, and support lay ministry in the Methodist Church in Britain.
Safeguarding failures leading to harm to individuals or the organisation.	Ongoing review programme of Safeguarding Policy, Procedures & Guidance to reflect current legislation and good practice.
Ineffective stewardship of resources resulting in reduced liquidity/cash flow or deficit; or failure to use funds towards changing priorities.	Transparent and meaningful accounts presented to all the relevant bodies. Various committees undertaking important functions with regard to investment, audit, and setting of reserves; Connexional Finance Strategy adopted by the Council in October 2018 and revised strategic property guidance in 2021. New budget allocation process adopted in 2020.
Local churches and circuits deciding to leave the connexional framework resulting in reduction or break-up of the Methodist Connexion.	Deed of Union and Standing Orders state importance of connexionalism and supporting one another; provisions for consulting Districts and Circuits before any anticipated changes. Decisions arising from the God in Love Unites Us report to the 2021 Conference, including allowing same-sex marriages to take place on Methodist premises have increased the risk of this occurring.
Ineffective governance and organisational structure meaning the Conference fails to function properly as the Church's governing body and the Conference trustees cannot fulfil their legal responsibilities.	In practice the Council and other delegated bodies (SRC; Audit and Risk Assurance) are carrying out some significant trustee oversight activities. Improvements have been made to existing policies (risk management) and new policies have been implemented (anti-fraud).
Connexional property projects are not completed, or are completed to a poor standard, and are significantly over budget.	In depth project management and cost monitoring being carried out with weekly reporting. Property Development Committee and SRC being updates at every meeting.

New connexional investment properties fail to deliver expected levels of income due to the effects of the pandemic.	New project is currently scheduled to open for business from September 2022, which should allow time for gradual recovery of the economy.
Existing connexional investment properties fail to recover as viable businesses post the pandemic.	The business models remain under close review by the relevant Boards/committees. They continue to monitor trends as the country emerges from the pandemic and will adapt as required to generate/increase trade.

Risk management

In relation to the principal risks identified, these are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Methodist Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

Risk appetite

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Methodist Council to adopt appropriate behaviours, decisions and controls according to the priorities in the Connexional Team's strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Risk strategy and responsibilities

The Council's role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;
- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether or not the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit Committee and the Strategy and Resources Committee) receive a number of key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually, and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any emerging issues. A summary of the terms of reference of the committee can be found on page 8.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external audit provides a report to the Audit Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit Committee and makes recommendations to the Strategy and Resources Committee and/or to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure as the lockdown lasted longer than expected. Conversely, income increased particularly due to additional property levy income. Overall balances increased through the significant increases in investment valuations. Looking forward, the budget for 2021/22 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The risk of reductions in District Assessment income over the next 2-3 years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Accounts and commercial bank accounts.

The Environment

The Methodist Church takes its responsibility towards the environment seriously (as detailed in *Hope in God's Future*). Having originally set an ambitious target of 80% reduction of carbon emissions by 2050, in recognition of the urgency of the climate emergency, the Conference agreed an aspirational target to become a net zero Church by 2030.

Our environmental goals

The Church's goals are:

- improved knowledge of the footprint of The Methodist Church and of the measures that would be most effective in reducing carbon emissions;
- improved knowledge of further technical support that can be made available to support circuits' adaptation of buildings;
- further financial resources identified to support reduction in carbon emissions; and
- better equipped staff and ministers to make informed choices to reduce their carbon footprint.

In light of the significant impact our properties have on carbon emissions, the Conference proposed that steps are taken to 'green' our processes with regard to property including:

- making representations to the Listed Buildings Advisory Committee to see eco-friendly adaptations as a priority;
- ensuring that all building schemes take seriously the need to reduce carbon emissions;
- updating the requirements of quinquennials to embrace factors that could reduce carbon emissions;
- updating SO 803 (with regard to Manses) to ensure that manses become as energy efficient as possible;
- supporting Circuits in finding ways to measure and improve their buildings' energy efficiency.

Related Parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

1. The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
2. The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
3. The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
4. The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
5. Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 91) of the financial statements.

Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

A resolution proposing the reappointment of RSM UK Audit LLP as auditor to the charity will be put to the Methodist Council.

RSM UK Audit LLP has indicated its willingness to continue in office.



Mrs E Jill Baker
Chair of the Council

January 2022

Independent Auditor's Report to the trustees of The Methodist Church in Great Britain

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Connexional Statement of Financial Activities, the Consolidated and Connexional Balance Sheets, the Consolidated and Connexional Cash Flow Statements and notes to the financial statements, including 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 group's and charity's affairs as at 31 August 2021 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent 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 group's or parent 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 Annual Report 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, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 40, 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 group's and parent 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 group or parent 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 these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud. In identifying

and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection regulations in the UK and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor, Chartered Accountants
St Philips Point
Temple Row, Birmingham
West Midlands, B2 5AF

Date: 7 February 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Consolidated statement of financial activities for
the year ended 31 August 2021**

The Methodist Church in Great Britain
Consolidated statement of financial activities

For the year ended 31 August 2021

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
Income and endowments from:									
Donations and legacies	3a	1,079	5,620	-	6,699	3,564	5,994	-	9,558
Charitable activities	3e	13,680	306	-	13,986	13,555	342	-	13,897
Investments	4a	1,312	3,539	-	4,851	1,350	4,060	-	5,410
Other trading activities	5a	851	1,235	-	2,086	4,835	1,217	-	6,052
Other									
Capital levies	6a	10,272	-	-	10,272	6,917	-	-	6,917
Grants	6b	416	954	-	1,370	469	729	-	1,198
Miscellaneous income	3c	426	590	-	1,016	647	685	-	1,332
Total income		28,036	12,244	-	40,280	31,337	13,027	-	44,364
Expenditure on:									
Raising funds		2,988	966	17	3,971	6,159	1,001	17	7,177
Charitable activities									
Building communities	7a	1,023	817	-	1,840	1,251	818	-	2,069
Children & Youth	7a	1,266	7	-	1,273	1,690	7	-	1,697
Evangelism & Growth	7a	5,561	394	10	5,965	4,662	1,444	-	6,106
Global relations	7a	972	7,188	-	8,160	1,341	8,719	-	10,060
Learning Network	7a	2,654	13	-	2,667	2,803	19	-	2,822
Methodist Council & Governance	7a	4,221	18	-	4,239	3,378	4,335	-	7,713
Ministry	7a	5,152	4,260	-	9,412	875	149	-	1,024
Property	7a	801	140	-	941	4,698	29	-	4,727
Others - Pensions	7a	799	-	-	799	691	-	-	691
Net loss on the disposal of tangible fixed assets	7a	148	(59)	-	89	106	161	-	267
Total expenditure	20a, 21a	25,585	13,744	27	39,356	27,654	16,682	17	44,353
Net gains/(losses) on investments	14a	9,924	9,646	3,125	22,695	(3,070)	(1,850)	(849)	(5,769)
Net income		12,375	8,146	3,098	23,619	613	(5,505)	(866)	(5,758)
Transfers between funds	22	946	(1,203)	257	-	954	(1,187)	233	-
Net income after transfers		13,321	6,943	3,355	23,619	1,567	(6,692)	(633)	(5,758)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liabil	28	12,213	80	-	12,293	(9,092)	(29)	-	(9,121)
Gains(losses) on revaluation of charitable properties		-	946	-	946	-	(5,000)	-	(5,000)
Net movement in funds		25,534	7,969	3,355	36,858	(7,525)	(11,721)	(633)	(19,879)
Total funds at 1 September		92,442	152,119	19,480	264,041	99,967	163,840	20,113	283,920
Elimination of Westminster College from consolidation	9	-	(10,757)	-	(10,757)	-	-	-	-
Total funds at 31 August		117,976	149,331	22,835	290,142	92,442	152,119	19,480	264,041

The Methodist Church in Great Britain

Statement of financial activities - The Connexional Funds

For the year ended 31 August 2021

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2021 Total -	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
Income and endowments from:									
Donations and legacies	3b	1,079	2,267	-	3,346	3,564	2,893	-	6,457
Charitable activities	3f	13,680	306	-	13,986	13,555	402	-	13,957
Investments	4b	1,312	2,975	-	4,287	1,499	2,950	-	4,449
Other trading activities	5b	304	942	-	1,246	319	913	-	1,232
Other									
Capital levies	6a	10,272	-	-	10,272	6,917	-	-	6,917
Grants	6c	-	266	-	266	-	183	-	183
Miscellaneous income	3d	455	18	-	473	713	42	-	755
Total income		27,102	6,774	-	33,876	26,567	7,383	-	33,950
Expenditure on:									
Raising funds		1,175	966	17	2,158	1,360	1,001	17	2,378
Charitable activities									
Building communities	7b	1,023	817	-	1,840	1,251	818	-	2,069
Children & Youth	7b	1,264	9	-	1,273	1,690	7	-	1,697
Evangelism & Growth	7b	5,561	395	10	5,966	4,661	1,443	-	6,104
Global relations	7b	972	4,476	-	5,448	1,341	5,784	-	7,125
Learning Network	7b	2,654	13	-	2,667	2,803	20	-	2,823
Methodist Council & Governance	7b	4,220	19	-	4,239	3,941	738	-	4,679
Ministry	7b	5,858	1,252	-	7,110	875	149	-	1,024
Property	7b	800	141	-	941	4,697	28	-	4,725
Others - Pensions	7b	799	-	-	799	691	-	-	691
Net loss on the disposal of tangible fixed assets	7b	148	(59)	-	89	106	161	-	267
Total expenditure	20b, 21b	24,474	8,029	27	32,530	23,416	10,149	17	33,582
Net gains/(losses) on investments	14b	9,924	9,175	3,125	22,224	(3,010)	(2,258)	(849)	(6,117)
Net income		12,552	7,920	3,098	23,570	141	(5,024)	(866)	(5,749)
Transfers between funds	22	946	(1,203)	257	-	954	(1,187)	233	-
Net income after transfers		13,498	6,717	3,355	23,570	1,095	(6,211)	(633)	(5,749)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liabil	28	12,213	80	-	12,293	(9,092)	(29)	-	(9,121)
Gains on revaluation of charitable properties		-	-	-	-	-	(5,000)	-	(5,000)
Net movement in funds		25,711	6,797	3,355	35,863	(7,997)	(11,240)	(633)	(19,870)
Total funds at 1 September		90,110	123,261	19,480	232,851	98,107	134,501	20,113	252,721
Total funds at 31 August		115,821	130,058	22,835	268,714	90,110	123,261	19,480	232,851

The Methodist Church in Great Britain
Balance Sheets as at 31 August 2021

	Notes	The Methodist Church in Great Britain		The Connexional Funds	
		2021 £000	2020 £000	2021 £000	2020 £000
Fixed assets					
Intangible assets	13c	76	99	63	83
Tangible fixed assets	13a&b	95,947	94,231	87,366	86,315
Investments	14a&b	193,575	189,112	181,991	162,308
		289,598	283,442	269,420	248,706
Current assets					
Stocks	17	54	60	36	41
Debtors	15	3,611	3,845	3,342	3,482
Short-term deposits		13,326	14,038	11,539	12,745
Cash at bank and in hand		4,970	4,559	4,179	2,808
Total current assets		21,961	22,502	19,096	19,076
Creditors					
Amounts falling due within one year	16a	(14,372)	(17,158)	(13,425)	(14,908)
Net current assets		7,589	5,344	5,671	4,168
Total assets less current liabilities		297,187	288,786	275,091	252,874
Creditors					
Amounts falling due after more than one year	16b	(3,969)	(8,960)	(3,301)	(4,238)
Net assets excluding pension liability		293,218	279,826	271,790	248,636
Defined benefit pension scheme liability	28	(3,076)	(15,785)	(3,076)	(15,785)
Net assets including pension liability	23	290,142	264,041	268,714	232,851
The funds of the charity					
Unrestricted funds					
General funds		53,214	54,139	52,514	52,904
Designated funds		66,092	52,193	64,984	51,096
Defined benefit pension scheme liability	28	(1,330)	(13,890)	(1,677)	(13,890)
Total unrestricted funds	19	117,976	92,442	115,821	90,110
Restricted funds	20	149,331	152,119	130,058	123,261
Endowment funds	21	22,835	19,480	22,835	19,480
Total funds		290,142	264,041	268,714	232,851

Total unrestricted funds include revaluation reserve of £7.2m (2020: £7.6m) for both The Methodist Church in Great Britain and the Connexional Funds.
Total restricted funds include revaluation reserve of £54.1m (2020: £54.3m) for The Methodist Church in Great Britain and £52.2m (2020: £52.3m) for The Connexional Funds. (Note 24 Page 90)

The notes on pages 49 to 99 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26th January 2022 and signed on their behalf by:



Mrs E Jill Baker
Chair of the Council



The Reverend Timothy Swindell
Connexional Treasurer

The Methodist Church in Great Britain

Cash flow statements For the year ended 31 August 2021

		The Methodist Church in Great Britain		The Connexional Funds	
		2021	2020	2021	2020
Statement of cash flows	Note	£000	£000	£000	£000
Cash flows from operating activities					
Net cash generated used in operating activities		(3,672)	(4,477)	(2,813)	(2,893)
Cash flows from investing activities					
Dividends, interest and rents from investments		4,851	5,410	4,287	4,449
Proceeds from the sale of property, plant and equipment		1,893	710	1,893	710
Purchase of property, plant and equipment	13a, 13b	(3,104)	(2,915)	(3,069)	(2,769)
Purchase of intangible assets	13c	(6)	(17)	(6)	(17)
Proceeds from the sale of investments	14a	382	1,100	100	100
Purchase of investments	14a, 14b	(348)	(1,593)	(227)	(620)
Net cash provided by investing activities		3,668	2,695	2,978	1,853
Cash flows from financing activities					
Repayment of loans		472	(522)	-	(502)
Net cash from/(used in) financing activities		472	(522)	-	(502)
Change in cash and cash equivalents in the reporting period		468	(2,304)	165	(1,542)
Cash and cash equivalents at the beginning of the reporting period		18,597	20,901	15,553	17,095
Non-consolidated entity - Westminster College, Oxford		(769)	-	-	-
Cash and cash equivalents at the end of the reporting period		18,296	18,597	15,718	15,553
Reconciliation of net income to net cash flow from operating activities					
		2021	2020	2021	2020
		£000	£000	£000	£000
		23,619	(5,762)	23,570	(5,749)
Adjustments for:					
Depreciation and amortisation charges		382	514	62	86
Loss on the sale of fixed assets		89	267	89	267
Property transferred back to District		2,250	(454)	2,250	(454)
CFB investment units transferred to District		418	-	418	-
Net (gains)/ losses on investments		(22,695)	5,769	(22,224)	6,117
Investment income		(4,851)	(5,410)	(4,287)	(4,449)
Decrease in stocks		6	10	5	9
Decrease/(increase) in debtors		209	1,439	140	1,940
(Decrease)/increase in creditors		(2,681)	(1,160)	(2,420)	(966)
Pension costs/difference between pension costs charged and paid		(418)	310	(416)	306
Net cash generated used in operating activities		(3,672)	(4,477)	(2,813)	(2,893)
Analysis of cash and cash equivalents					
		2021	2020	2,021	2020
		£000	£000	£000	£000
Cash in hand and at bank		4,970	4,559	4,179	2,808
Short-term deposits (less than 3 months)		13,326	14,038	11,539	12,745
Total cash and cash equivalents		18,296	18,597	15,718	15,553
Analysis of changes in net debt					
The Methodist Church in Great Britain					
		01-Sep	Cash flows	Non-cash	31-Aug
		2020		changes	2021
		£000	£000	£000	£000
Cash and cash equivalents					
Short-term deposits		14,038	57	(769)	13,326
Cash at bank and in hand		4,559	411	-	4,970
		18,597	468	(769)	18,296
Borrowings					
Debt due within one year		(28)	28	(28)	(28)
Debt due after one year		(196)	(500)	28	(668)
		(224)	(472)	-	(696)
Total		18,373	(4)	(769)	17,600
The Connexional Funds					
		01-Sep	Cash flows	Non-cash	31-Aug
		2020		changes	2021
		£000	£000	£000	£000
Cash and cash equivalents					
Short-term deposits		12,745	(1,206)	-	11,539
Cash at bank and in hand		2,808	1,371	-	4,179
		15,553	165	-	15,718
Borrowings					
Debt due within one year		-	-	-	-
		-	-	-	-
Total		15,553	165	-	15,718

1. Accounting policies

a) Scope and basis of the preparation of the financial statements

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 57.

b) Preparation of the financial statements on a going concern basis

These financial statements have been prepared on the basis that The Methodist Church in Great Britain is a going concern. A comprehensive review of the Church's financial performance and general reserves position is covered in the financial statements and Trustees' Report. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure as the lockdown lasted longer than expected. Conversely, income increased particularly due to additional property levy income. Overall balances increased through the significant increases in investment valuations. Looking forward, the budget for 2021/22 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The risk of reductions in District Assessment income over the next 2-3 years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Accounts and commercial bank accounts.

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below.

The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities. Westminster College Oxford Trust does not have more than 50% of its trustees appointed by the Council (they are appointed by the Methodist Conference) and therefore the Methodist Council does not have sufficient control to govern the financial and operating policies of the entity. Consequently, the Council has approved that the accounts of Westminster College will no longer form part of the consolidated accounts of the Methodist Church in Great Britain. For consolidated companies limited by

Accounting policies (continued)

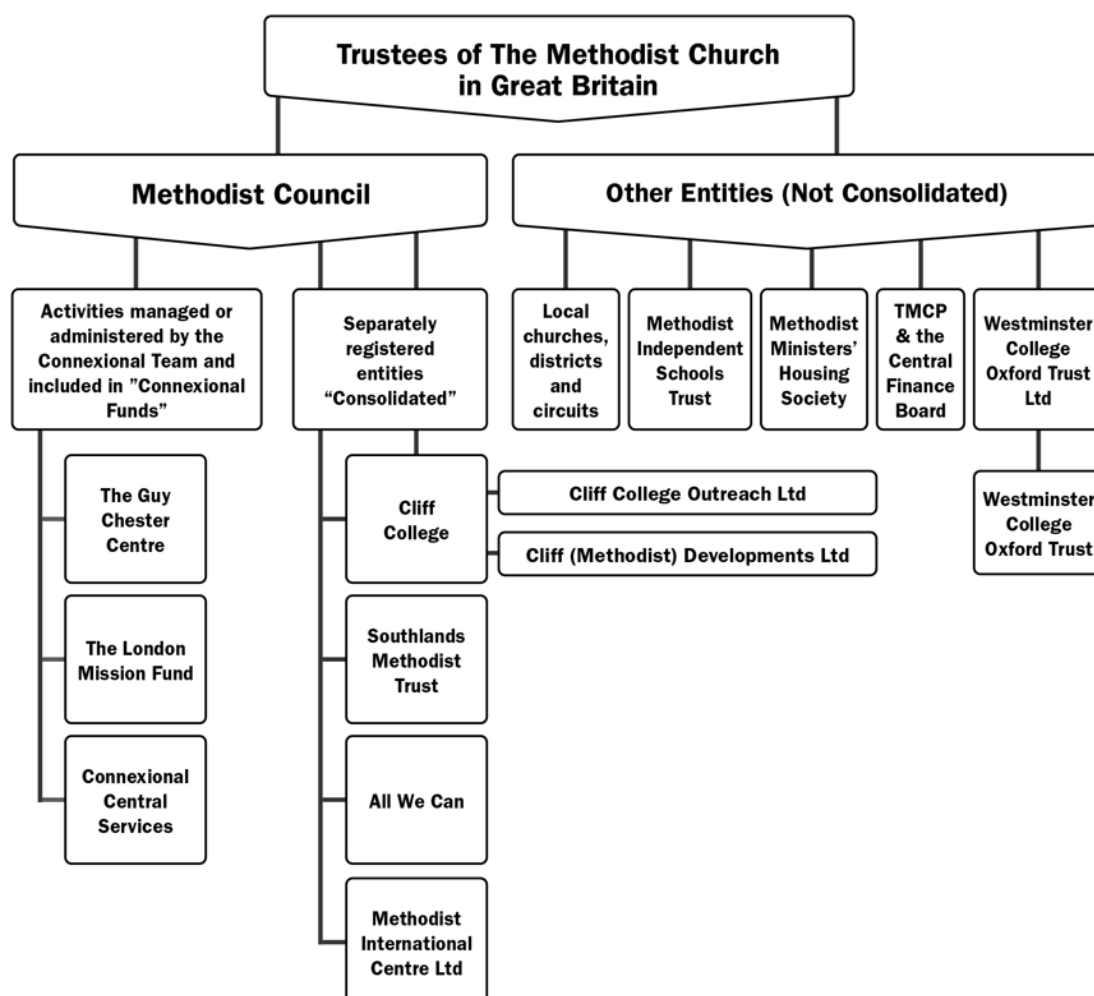
shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

Accounting policies (continued)

d) The group structure



e) Excluded entities

There are a number of entities which form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

Methodist churches, circuits and districts
 Methodist Independent Schools Trust
 Trustees for Methodist Church Purposes (TMCP)
 The Central Finance Board (CFB)

Accounting policies (continued)

The Methodist Ministers' Housing Society
Westminster College Oxford Trust Ltd
Westminster College Oxford Trust

f) Recognition of income and endowments

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

District Assessment

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained "by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]". The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

Donations

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church's stated purposes, or which are illegal are rejected by the Church.

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

Legacies

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital (property) levies

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church's custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

Accounting policies (continued)

Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those which provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.

Accounting policies (continued)

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

j) Pension costs

Defined benefit pension schemes

The Methodist Council participates in three main pension schemes: the Methodist Ministers' Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction. The Council's policy is to recognise the contributions paid to the Scheme by other group employers as a credit in the Statement of Financial Activities.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 58-59.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the PASLEMC defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 58-59. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

Accounting policies (continued)

k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

Accounting policies (continued)

q) Heritage assets

There are four Methodist Heritage sites in Great Britain which fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire - the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol - the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London - John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe - exhibitions and activities focusing on one strand of 19th Century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2021, updated by the value of any share acquisitions (at cost) up to 31 August 2021. The assets are held at fair value.

s) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

t) Cash and cash equivalents

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

Accounting policies (continued)

v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £10,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits are those that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

2. Accounting estimates and judgments

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

Cost allocation

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgment is exercised in applying cost drivers to cost categories.

Accounting estimates and judgments (continued)

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

Defined benefit pension scheme commitments

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of whom are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP) and the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

The Methodist Ministers' Pension Scheme (MMPS)

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. The scheme has not been included in these financial statements for the reasons set out below:

- a) There are approximately 1,266 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 54, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.5 million compared to £8.1 million paid by the circuits.
- b) The diagram on page 51 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

Accounting estimates and judgments (continued)

There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council has been negotiating with the Trustee of the Scheme to agree a recovery plan and long term funding objective for the Scheme. The Recovery Plan consists of core payments of £1.1m per annum for 6 years; conditional payments (dependant on scheme funding position) of up to £3.4m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. A framework agreement has been negotiated that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory, and Connexional properties are to be charged to provide funding of last resort should remedy payments not be made. As stated in the reserves policy section of the Trustees' Report on page 31, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

The annual depreciation charge for tangible fixed assets, particularly buildings is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

Methodist Church House

The Methodist Council had agreed to discontinue the proposed redevelopment of Methodist Church House in light of significant change of circumstances since the decision had been made to rebuild. Consequently, the Methodist Council has recommended that Methodist Church House be sold, with the proceeds of the sale used for alternative office accommodation for the Connexional Team in London. Under the terms of the required Charity Commission Scheme for the Centenary Hall Trust, the Conference confirmed the decision to sell Methodist Church House.

Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

Accounting estimates and judgments (continued)

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor. This is relevant to the lease between Westminster College Oxford Trust and Oxford Brookes University as shown in Note 16c on page 78. However, this is zero this year due to the deconsolidation of Westminster College Oxford Trust.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Donations	1,070	3,580	4,650	1,566	3,880	5,446
Legacies	9	2,040	2,049	1,998	2,114	4,112
Total	1,079	5,620	6,699	3,564	5,994	9,558

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Donations	1,070	1,807	2,877	1,566	1,955	3,521
Legacies	9	460	469	1,998	938	2,936
Total	1,079	2,267	3,346	3,564	2,893	6,457

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	545	545	-	620	620
Seminars and events	17	-	17	168	1	169
Conference income	6	-	6	-	-	-
Administration & IT services	23	-	23	41	-	41
Bureau & Accountancy services	355	-	355	300	-	300
Others	25	45	70	138	64	202
Total	426	590	1,016	647	685	1,332

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	17	-	17	168	1	168
Conference income	6	-	6	-	-	-
Administration & IT services	23	-	23	41	-	41
Bureau & Accountancy services	355	-	355	300	-	300
Others	54	18	72	204	41	245
Total	455	18	473	713	42	755

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,661	133	13,794	13,534	125	13,659
Rental Income	19	173	192	21	217	238
Total	13,680	306	13,986	13,555	342	13,897

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,661	133	13,794	13,534	125	13,659
Rental Income	173	19	192	21	277	298
Total	13,834	152	13,986	13,555	402	13,957

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,176	1,349	2,525	1,219	1,534	2,753
Interest and other investment income	1	7	8	5	102	107
Rental Income	135	895	1,030	126	1,268	1,394
William Leech Charities Fund	-	1,288	1,288	-	1,156	1,156
Total	1,312	3,539	4,851	1,350	4,060	5,410

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,176	1,270	2,446	1,219	1,453	2,672
Interest and other investment income	1	-	1	5	1	6
Rental Income	135	417	552	275	340	615
William Leech Charities Fund	-	1,288	1,288	-	1,156	1,156
Total	1,312	2,975	4,287	1,499	2,950	4,449

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Publishing	293	-	293	319	-	319
Room and conference hire	547	1,235	1,782	4,516	1,217	5,733
Advertising and fees	11	-	11	-	-	-
Total	851	1,235	2,086	4,835	1,217	6,052

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Publishing	293	-	293	319	-	319
Room and conference hire	-	942	942	-	913	913
Advertising and fees	11	-	11	-	-	-
Total	304	942	1,246	319	913	1,232

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

6a Capital levies

Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	198	198	-	438	438
The Aldershot Military Trust	-	250	250	-	160	160
Other*	416	506	922	469	131	600
Total	416	954	1,370	469	729	1,198

* MIC Ltd (£368k) and Cliff College (£225k) have undertaken the government furlough scheme of which £593k has been included in other incoming grants, (2020: £527k). There are no unfulfilled conditions or contingencies attached to the grants. Both entities have also received other forms of government assistance of which they have benefitted in 2020/21. Cliff College received £51k (2020: £25k) from the Office of Students and Derbyshire County Council and MIC Ltd received the business rate tax waiver assistance of amount £291k (2020: £129k) and £44k from Camden Council Business support (2020: £0k).

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	250	250	-	160	160
Other	-	16	16	-	23	23
Total	-	266	266	-	183	183

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2020 Total £000
Raising funds	-	3,729	242	3,971	109	6,729	339	7,177
Charitable activities								
Building communities	418	1,141	281	1,840	531	1,178	360	2,069
Children & Youth	116	853	304	1,273	94	1,218	385	1,697
Evangelism & Growth	4,043	1,434	488	5,965	3,083	2,316	707	6,106
Global relations	3,429	4,088	643	8,160	5,326	3,820	914	10,060
Learning Network	106	2,031	530	2,667	5	2,150	667	2,822
Methodist Council & Governance	31	3,402	806	4,239	3,160	3,927	626	7,713
Ministry	4,928	4,039	445	9,412	120	749	155	1,024
Property	120	705	116	941	31	3,667	1,028	4,726
Others - Pensions	-	799	-	799	-	691	-	691
Net loss on the disposal of tangible fixed assets	-	89	-	89	-	268	-	268
Total	13,191	18,581	3,613	35,385	12,350	19,984	4,842	37,176
Total	13,191	22,310	3,855	39,356	12,459	26,713	5,181	44,353

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated during the year. Below are the 2020 figures for the updated activities if current format is used.

Charitable activities								
Methodist Council & Governance	31	3,402	806	4,239	31	3,667	1,028	4,726
Ministry	4,928	4,039	445	9,412	3,160	3,927	626	7,713
Property	120	705	116	941	120	749	155	1,024

7b. Expenditure - The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2020 Total £000
Raising funds	-	1,916	242	2,158	-	2,039	339	2,378
Charitable activities								
Building communities	418	1,141	281	1,840	531	1,178	360	2,069
Children & Youth	116	853	304	1,273	94	1,218	385	1,697
Evangelism & Growth	4,043	1,435	488	5,966	3,083	2,314	707	6,104
Global relations	2,396	2,409	643	5,448	3,917	2,294	914	7,125
Learning Network	106	2,031	530	2,667	5	2,151	667	2,823
Methodist Council & Governance	31	3,402	806	4,239	2,666	1,387	626	4,679
Ministry	5,295	1,370	445	7,110	120	749	155	1,024
Property	120	705	116	941	31	3,666	1,028	4,725
Others - Pensions	-	799	-	799	-	691	-	691
Net loss on the disposal of tangible fixed assets	-	89	-	89	-	267	-	267
Total	12,525	14,234	3,613	30,372	10,447	15,915	4,842	31,204
Total	12,525	16,150	3,855	32,530	10,447	17,954	5,181	33,582

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated during the year. Below are the 2020 figures for the updated activities if current format is used.

Charitable activities								
Methodist Council & Governance	31	3,402	806	4,239	31	3,666	1,028	4,725
Ministry	5,295	1,370	445	7,110	2,666	1,387	626	4,679
Property	120	705	116	941	120	749	155	1,024

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £4.0m (2020: £7.1m) and for the Connexion - £2.2m (2020: £2.4m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
Cost of raising voluntary income	£0.2m	£0.3m	£0.2m	£0.3m
Cost of investment management	£0.2m	£0.4m	£0.2m	£0.3m
Cost of other trading activities	£3.6m	£6.5m	£1.8m	£1.8m

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

8a. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2021 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	44	49	39	59	89	44	15	128	25	492
Development & Personnel	Per capita	83	92	74	111	166	83	28	239	46	922
Financial Services	Per capita	82	83	311	377	130	246	49	230	131	1,639
Information Technology	Per capita	72	80	64	96	145	72	24	209	40	802
Total		281	304	488	643	530	445	116	806	242	3,855

8b. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2020 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	67	74	59	89	133	67	22	193	37	741
Development & Personnel	Per capita	94	104	83	125	188	94	31	271	52	1,042
Financial Services	Per capita	133	133	505	612	213	399	80	372	213	2,660
Information Technology	Per capita	66	74	60	88	133	66	22	192	37	738
Total		360	385	707	914	667	626	155	1,028	339	5,181

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

	Cliff College	Southlands Methodist Trust	All We Can Do	Methodist International Centre Ltd	Westminster College Oxford Trust Ltd
2021	2021	2021	2021	2021	2021
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	208	23	3,123	-	-
Investments	84	450	30	-	-
Other trading activities	298	-	-	963	-
Other:	-	-	-	-	-
Grants	968	-	497	-	-
Miscellaneous income	591	-	-	2	-
	-	-	-	-	-
Total income	2,149	473	3,650	965	-
Expenditure on:					
Raising funds	-	-	535	1,812	-

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

	Cliff College	Methodist	Can International	College
2022	2022	2022	2022	2022
	£000	£000	£000	£000
Income from:				
Donations and legacies	458 -	71 -	755	1 -
Investments	496 -	105 -	1,074 -	33 -
Other trading activities	534 -	140 -	1,393 -	68 -
Other:	572 -	175 -	1,712 -	102 -
Grants	610 -	209 -	2,031 -	136 -
Miscellaneous income	648 -	244 -	2,350 -	170 -
	686 -	279 -	2,669 -	205 -
Total income	4,004 -	1,223 -	11,981 -	713 -
Expenditure on:				
Raising funds	-	-	535	1,812 -

9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

9. Subsidiaries (continued)

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Westminster College Oxford Trust Ltd
2020	2020	2020	2020	2020	2020
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	477	-	2,625	-	-
Investments	78	458	17	-	560
Other trading activities	303	-	-	4,992	-
Other:					
Grants	925	-	586	-	8
Miscellaneous income	650	-	-	13	-
Total income	2,433	458	3,228	5,005	568
Expenditure on:					
Raising funds	-	-	-	4,948	-
Charitable activities					
Ministry	2,718	580	-	-	728
Global relations	-	-	3,020	-	-
Total expenditure on charitable activities	2,718	580	3,020	-	728
Total expenditure	2,718	580	3,020	4,948	728
Net gains/(losses) on investments	-	(158)	(43)	(60)	606
Net income/(expenditure)	(285)	(280)	165	(3)	446
Distribution under Gift aid	-	-	-	-	-
Net movement in funds	(285)	(280)	165	(3)	446
Net assets					
Fixed assets	7,568	23	16	323	-
Investments	547	10,168	558	-	15,530
Current assets	653	93	1,599	1,106	795
Creditors and loans	(407)	(89)	(293)	(1,432)	(5,568)
Total	8,361	10,196	1,880	(3)	10,757

Cliff College

Charity Number 529386

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

All We Can

Charity Number 291691

All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

Southlands Methodist Trust

Charity Number 1100660

Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through Southlands College that reflect its Methodist foundation and ethos.

Methodist International Centre Limited

Company Number 3866984

A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise hotel which also provides student accommodation.

Westminster College Oxford Trust Limited

Company Number 3714361

Westminster College Oxford Trust Ltd is the charitable company that acts as the managing trustee of the Westminster campus at Harcourt Hill,

Westminster College Oxford Trust

Charity Number 309672

However, during 2020/21 the Council undertook a review of the entities under its control and it was realised that Westminster College Oxford Trust (WCOT) and Westminster College Oxford Trust Ltd (WCOT Ltd) were previously consolidated in error. This review confirmed that consolidated organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The review also highlighted that although the WCOT directors are appointed by Conference, WCOT did not have 50% or more of their trustees appointed by the Council. Consequently, the Council took the decision that WCOT should no longer form part of the consolidated accounts of the MCiGB. Therefore, WCOT is eliminated from the consolidation and the balances eliminated (the balances as at the beginning of the current year) are as follows:

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

Westminster College balances eliminated from consolidation	
Investments	£'000
Investment properties	11,750
Central Finance Board Units	3,729
Other investmensts	51
	15,530
Current assets	
Prepayments and accrued interest	26
Cash at bank and in hand	769
	795
Creditors	
Accruals	(879)
Trade creditors	(23)
Grant commitments	(1,001)
Deferred income	(3,665)
	(5,568)
Net assets	10,757

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2021 Total	2020 Total
	£000	£000	£000	£000
Global relations				
Annual grants	-	2,039	2,039	3,046
Nationals in mission appointment	-	574	574	843
Scholarship programmes	-	714	714	1,340
Ministerial and personnel support grants	-	102	102	96
Total	-	3,429	3,429	5,325
Other grants	£000	£000	£000	£000
Building communities	158	260	418	531
Children & Youth	-	116	116	94
Evangelism & Growth	-	4,043	4,043	2,698
Learning Network	-	106	106	5
Methodist Council & Governance	-	31	31	31
Ministry	2,140	2,788	4,928	3,546
Property	-	120	120	120
Income Generating Centre	-	-	-	109
Total	2,298	7,464	9,762	7,134
Grand Total	2,298	10,893	13,191	12,459

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2021 Total	2020 Total
	£000	£000	£000	£000
Global relations				
Annual grants	-	1,006	1,006	1,638
Nationals in mission appointment	-	574	574	843
Scholarship programmes	-	714	714	1,340
Ministerial and personnel support grants	-	102	102	96
Total	-	2,396	2,396	3,917
Other grants	£000	£000	£000	£000
Building communities	158	319	477	531
Children & Youth	-	116	116	94
Evangelism & Growth	-	4,043	4,043	3,083
Learning Network	-	106	106	5
Methodist Council & Governance	-	31	31	31
Ministry	1,003	4,292	5,295	2,666
Property	-	120	120	120
Total	1,161	9,027	10,188	6,530
Grand Total	1,161	11,423	12,584	10,447

The figures in Note 10 are not intended to be the same as those listed for grants on page 17-19.

A detailed list of institutional grant recipients can be viewed using the following link:

<https://www.methodist.org.uk/media/19808/list-of-grant-recipients-2021.xlsx>

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Audit and consultancy fees				
Payable to RSM UK Audit LLP	82	80	60	68
Payable to RSM UK Tax & Accounting Ltd for taxation advice	37	20	32	18
Payable to other auditors - for internal audit services	31	16	30	16
Payable to other auditors - for audit of self accounting entities	36	48	-	-
Depreciation	351	458	36	40
Amortisation	31	56	26	46
Foreign exchange differences	1	1	1	1
Loan interest payable	6	11	-	4

12. Stipends and salary costs

The Methodist Council appointed or employed on average 378 (2020: 420) people during the year, of which Connexional Funds had 283 (2020: 277) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Stipends and salaries	12,969	13,819	9,819	9,546
Redundancy costs (loss of office)	253	20	172	20
Temporary staff costs	162	293	68	203
Social security costs	1,197	1,285	911	921
Pension costs - (defined contribution schemes)	1,331	1,581	1,142	1,335
Defined benefit pension costs excluding interest	1,622	1,514	1,605	1,501
Total	17,534	18,512	13,717	13,526

The Methodist Church in Great Britain

18 employees were paid £60k or more during the year (2020: 17 employees). The total aggregate pension contributions for these employees for the year were £168k (2020: £177k).

The Connexional Funds

13 employees were paid £60k or more during the year (2020: 10 employees). The total aggregate pension contributions for these employees for the year were £145k (2020: £105k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2021 Number of employee s	2020 Number of employee s	2021 Number of employees	2020 Number of employees
Basic salary plus bonus				
£60,001 - £70,000	9	10	6	7
£70,001 - £80,000	6	4	5	2
£80,001 - £90,000	2	-	1	-
£90,001 - £100,000	-	1	-	-
£100,001 - £110,000	1	1	1	1
£170,001 - £180,000	-	1	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
Methodist Council & Governance	58.9	58.4	58.9	58.4
Global Relations	46.3	45.7	26.8	26.2
Evangelism & Growth	20.2	18.2	20.2	18.2
Learning Network	43.9	41.4	43.9	41.4
Children & Youth	19.5	23.5	19.5	23.5
Ministry	64.0	59.5	25.0	19.0
Building Communities	19.0	21.3	19.0	21.3
Administration & Support	50.0	47.0	50.0	47.0
Property	5.0	6.1	5.0	6.1
Fund Raising	50.8	98.4	14.8	15.4
Total	377.6	419.5	283.1	276.5

The average number of volunteers working for the Council during the year was 657 (2020: 1,367).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Conference Officer for Legal & Constitutional Practice, the Head of Mission, the Head of Ministries, Director of Finance and Resources and the Director of Human Resources & Development. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and 13.8% employer's national insurance, but excluding pension contributions was £555k (2020: £507k). In addition, pension contributions of £84k were paid into defined contribution pension schemes on behalf of these personnel (2020: £78k).

Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers' Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

12. Pension costs (continued)

The Methodist Ministers' Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 43-44 with further information as required by FRS102 included on pages 79-81.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,266 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of around 54, the majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2020, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund this deficit. It was agreed that contributions from the Methodist Church's Pension Reserve Fund would be made as follows:

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2026 (the August 2021 amount to be paid in December 2021); and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Superannuation Scheme for Lay Mission Partners (SSMP)

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit.

There are 34 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £175.19 per year of qualifying service to a single retired mission partner or widow / widower, £233.65 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £116.42 (single) / £155.61 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2021 by the Scheme's actuary and shown in Note 28.

Other pension schemes

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £116k (2020: £141k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £9.4k (2020: £8.7k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

13a. Tangible fixed assets - The Methodist Church in Great Britain

At cost or valuation	Freehold land and buildings £000	Furniture and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 September 2020	94,374	1,924	1,734	33	98,065
Additions during the year	3,043	15	46	-	3,104
Revaluations	946	-	-	-	946
Transfers (to Software)	-	-	(27)	-	(27)
Disposals	(1,982)	-	-	-	(1,982)
Total	96,381	1,939	1,753	33	100,106
Depreciation					
At 1 September 2020	606	1,579	1,634	15	3,834
Charge for the year	111	148	87	5	351
Transfers	-	-	(26)	-	(26)
Disposals	-	-	-	-	-
Total	717	1,727	1,695	20	4,159
Net book value as at 31 August 2021	95,664	212	58	13	95,947
Net book value as at 31 August 2020	93,768	345	100	18	94,231

13b. Tangible fixed assets - The Connexional Funds

At cost or valuation	Freehold land and buildings £000	Furniture and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 September 2020	86,238	955	1,196	-	88,389
Additions during the year	3,043	12	14	-	3,069
Transfers	-	(32)	-	-	(32)
Disposals	(1,982)	-	-	-	(1,982)
Total	87,299	935	1,210	-	89,444
Depreciation					
At 1 September 2020	-	896	1,178	-	2,074
Charge for the year	-	21	15	-	36
Transfers	-	(32)	-	-	(32)
Disposals	-	-	-	-	-
Total	-	885	1,193	-	2,078
Net book value as at 31 August 2021	87,299	50	17	-	87,366
Net book value as at 31 August 2020	86,238	59	18	-	86,315

13c. Intangible fixed assets

	The Methodist Church in Great Britain £000	The Connexional Funds £000
Software		
At cost		
At 1 September 2020	383	347
Additions during the year	6	6
Transfer in/(out)	13	-
Total	402	353
Amortisation		
At 1 September 2020	284	264
Transfer in/(out)	11	-
Charge for the year	31	26
Total	326	290
Net book value as at 31 August 2021	76	63
Net book value as at 31 August 2020	99	83

Amortisation cost is included in the support cost and apportion in other activities (Note 8)

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2019 except for Asbury Overseas House, Birmingham which was revalued in 31 August 2020.

The manses, which are residential and have a well established market were revalued internally by reference to current market prices on 31 August 2019.

Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850,000.

The commercial properties were valued by professional independent valuers as follows:

25 Marylebone Road, London - valuation was carried out in August 2016 by Andrew Low, Partner, Knight Frank (Commercial Business), BA, MSc, RICS, valued at £25,802,142.

Kings Cross Complex London WC1 - valuation carried out in August 2017 by Tony Harris LLM FRICS FCI Arb of Cluttons, Portman Street, London W1H 6DU; valued at £4,000,000.

105 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCI Arb of Cluttons, Portman Street, London W1H 6DU, in August 2017 for £2,000.

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in August 2021 by MJ Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £6,066,000

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by James Gilmartin Mrics (RICS registered valuer) of Gilmartin Ley. The valuation was done in April 2016. The property was valued for £23,720,000.

The Property Development Committee has commissioned a review of the development options for the North Bank Estate and we will get an updated valuation as part of that process. As a consequence, a full professional valuation (in line with our policy of five yearly valuations) has not been undertaken at this time. It is believed that the current valuation in the accounts is satisfactory given that minimal investment in the property over the last five years will have created sufficient depreciation to offset any appreciation in underlying asset values.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £28.0m (2020: £27.6m) for the Methodist Church in Great Britain and £20.7m (2020: £20.3m) for Connexional Funds.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2021	2020
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	53,445	123,385	11,234	1,048	189,112	193,934
Additions	-	121	227	-	348	1,593
Elimination of Westminster College (Note 9)	(11,750)	(3,729)	-	(51)	(15,530)	-
Transfers	(2,250)	(418)	-	-	(2,668)	454
Disposals	-	(382)	-	-	(382)	(1,100)
Investment gains	-	20,969	1,726	-	22,695	(5,769)
Fair value as at 31 August	39,445	139,946	13,187	997	193,575	189,112

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2021	2020
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	33,428	116,746	11,234	900	162,308	167,451
Additions	-	-	227	-	227	620
Transfers	(2,250)	(418)	-	-	(2,668)	454
Disposals	-	(100)	-	-	(100)	(100)
Investment gains	-	20,498	1,726	-	22,224	(6,117)
Fair value as at 31 August	31,178	136,726	13,187	900	181,991	162,308

Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

William Leech Charities Fund

The Methodist Church holds investments valued at £13.2m (2020: £11.2m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2021. The holding is based on the company's audited accounts to 31 March 2021, updated with management accounts to 31 August 2021. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
14c. Analysis of movement of investment properties	2021	2020	2021	2020
	£000	£000	£000	£000
Fair value at 1 September	53,446	53,442	33,428	34,114
Additions	-	-	-	-
Elimination of Westminster College	(11,750)	-	-	-
Transfers	(2,250)	-	(2,250)	-
Donated assets	-	454	-	454
Disposals	-	(450)	-	(1,140)
Fair value at 31 August	39,446	53,446	31,178	33,428

Included within investment properties are the following revalued properties:

i) Westminster College Oxford Trust

Westminster College no longer forms part of the consolidated accounts of the Methodist Church in Great Britain. A property at Harcourt Hill Campus, Harcourt Hill, Oxford OX2 9AT valued at £11.8m last year is included in the accounts at £0m (2020: £11.8m). The property was revalued on 31 July 2020 by Andrew Lockhart BSc FRICS MCI Arb from Venables Sherrott Lockhart and Partners Ltd.

ii) London Mission Fund

The London Mission property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP on 31 July, 2020.

- a) Hove Residential at 20 Bigwood Avenue with a fair value of £270k (2020: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £550k (2020: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £425k (2020: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,700k (2020: £1,700k)

iii) Guy Chester Center

A property known as the Hazlehurst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August, 2020 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,620k (2020: £3,620k).

iv) Camden Town Methodist Church

Managing trusteeship of Camden Town Methodist Church transferred the property to Methodist Council during the financial year 31 August 2020. The property is located at 89 Plender Street, Camden Town, London NW1 0JN. The current market value as at 31 August 2020 was £454K.

iv) Oxford Place, Leeds

Managing trusteeship transferred from the Yorkshire West District to the Methodist Council during 2018/19. This property is located in Oxford Place, Leeds LS1 3AU. Following the decision to cancel the project to redevelop Oxford Place last year, the Methodist Council agreed to transfer the managing trusteeship back to the Yorkshire West District.

Whilst this transfer took place on 1 September 2021, it is evident that the value to the Council of the property as at 31 August 2021 was £0 (2020: £2.25m). Consequently, the value of Oxford Place is written down in the 2020/21 accounts.

Also included in the investment properties under 'Transfers' is the transfer of £418k from Barratt Trust to Chester & Stoke on Trent District as the purposes of this Trust are principally for the benefit of projects in that district.

Investments in Westminster College are deconsolidated - property valued at £11,750k; CFB and other investments valued at £3,780k.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Prepayments and accrued interest	1,637	2,038	932	1,036
Loans to other entities	10	20	796	806
Concessionary loans	477	466	477	466
Other debtors	1,487	1,321	1,137	1,174
Total	3,611	3,845	3,342	3,482

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. The Methodist Council have extended the period of the loan which will now be repaid fully in May 2024.

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Accruals	956	2,172	465	1,622
Loans	28	28	-	-
Tax and social security	361	465	224	214
Grant commitments	7,618	8,525	7,513	8,212
Other creditors	5,409	5,968	5,223	4,860
Total	14,372	17,158	13,425	14,908

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Loans	668	196	-	-
Deferred income	-	3,595	-	-
Grant commitments	3,301	5,169	3,301	4,238
Total	3,969	8,960	3,301	4,238

Loans

Cliff College - The Methodist Church in Great Britain

At 31.8.21 the balance on the loan is £196K (2020: £224K) which was secured by a legal charge over the property known as 26 Ashenurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

16c. Deferred Income

Deferred Income relates to a lease premium received by Westminster College Trust from Oxford Brookes University. The 100 year lease commenced on 1 August, 2017. A premium of £3.75m was paid and this is being spread over the life of the lease as per FRS 102 requirements.

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Operating lease income receivable no later than 1 year	-	420	-	-
Operating lease income receivable later than 1 year but no later than 5 years	-	1,680	-	-
Operating lease income receivable later than 5 years	-	38,185	-	-
	-	40,285	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Finished goods and goods for resale	54	60	36	41
Total	54	60	36	41

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	139,946	123,385	136,726	116,746
William Leech Charities Fund and other investments	14,184	12,282	14,087	12,133
Total	154,130	135,667	150,813	128,879

Financial assets that are debt instruments measured at amortised cost

Debtors	1,487	1,321	1,137	1,174
Total	1,487	1,321	1,137	1,174

Financial liabilities measured at amortised cost

Loans	696	224	-	-
Accruals	956	2,172	465	1,622
Other creditors	5,409	5,968	5,223	4,860
Total	7,061	8,364	5,688	6,482

Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	477	446	477	446
Loan to Lesnes Abbey Circuit	10	20	10	20
Total	487	466	487	466

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19a. Unrestricted funds							
General	54,139	16,899	(19,764)	-	365	1,575	53,214
Designated 19c	52,193	11,343	(6,020)	-	9,205	(629)	66,092
Defined Benefit Pension Scheme	(13,890)	-	347	12,213	-	-	(1,330)
Total	92,442	28,242	(25,437)	12,213	9,570	946	117,976

The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19b. Unrestricted funds							
General	52,904	15,966	(18,296)	-	365	1,575	52,514
Designated 19d	51,096	11,342	(6,030)	-	9,205	(629)	64,984
Defined Benefit Pension Scheme	(13,890)	-	-	12,213	-	-	(1,677)
Total	90,110	27,308	(24,326)	12,213	9,570	946	115,821

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £1.6m to the general fund principally comprise the net balance of the management levy received (£1.7m) and payment to the Long-term Renewal Fund (£0.1m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19c. Designated funds							
1) The Connexional Priority Fund	9,153	10,458	(4,220)	-	1,204	(5,259)	11,336
2) The Epworth Fund	6,633	137	(235)	-	1,223	(20)	7,738
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	1,086	-	(340)	-	-	350	1,096
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
Total	52,193	11,343	(6,020)	-	9,205	(629)	66,092

The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
19d. Designated funds							
1) The Connexional Priority Fund	9,145	10,457	(4,220)	-	1,204	(5,259)	11,327
2) The Epworth Fund	6,625	137	(235)	-	1,223	(20)	7,730
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	5	-	(350)	-	-	350	5
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
Total	51,096	11,342	(6,030)	-	9,205	(629)	64,984

The transfers to the designated training fund is the contribution from the income generating centre (Guy Chester) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.6m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
19e. Unrestricted funds							
General	54,813	22,885	(22,167)	-	(1,447)	55	54,139
Designated 19c	50,388	8,452	(5,923)	-	(1,623)	899	52,193
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
Total	99,967	31,337	(27,654)	(9,092)	(3,070)	954	92,442

The Connexional Funds

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
19f. Unrestricted funds							
General	53,626	18,115	(17,506)	-	(1,386)	55	52,904
Designated 19d	49,715	8,452	(6,346)	-	(1,624)	899	51,096
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
Total	98,107	26,567	(23,416)	(9,092)	(3,010)	954	90,110

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.1m to the general fund principally comprise the net balance of the management levy received (£1.3m), payment to the Long-term Renewal Fund (£0.1m) and an MIC payment of £1.2m towards Learning Network. Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
19g. Designated funds							
1) The Connexional Priority Fund	8,712	7,576	(3,311)	-	(277)	(3,547)	9,153
2) The Epworth Fund	7,137	145	(413)	-	(217)	(19)	6,633
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	660	-	(994)	-	-	1,420	1,086
5) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
Total	50,388	8,452	(5,923)	-	(1,623)	899	52,193

The Connexional Funds

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
19h. Designated funds							
1) The Connexional Priority Fund	8,705	7,576	(3,311)	-	(278)	(3,547)	9,145
2) The Epworth Fund	7,129	145	(413)	-	(217)	(19)	6,625
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	2	-	(1,417)	-	-	1,420	5
6) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
Total	49,715	8,452	(6,346)	-	(1,624)	899	51,096

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester and MIC Ltd) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.4m management levy paid to the general fund and £3.1m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

3) The Connexional Travel Fund

This fund has two purposes: (a) to award grants to ministers on long-term sick leave to compensate them for the absence of business reimbursements and (b) to make grants for island and long mainland journeys. However, the Council agreed to transfer this fund to the MCF as its value significantly exceeded the likely call upon it.

4) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

5) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
20a. Restricted funds	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	9,727	592	(935)	-	1,485	(45)	10,824
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,311	39	(75)	-	-	(26)	25,249
4) The Fund for Property	1,025	362	(52)	-	276	(68)	1,543
5) The Fund for Training	6,817	299	(186)	-	121	(15)	7,036
6) The World Mission Fund	23,522	2,622	(4,177)	-	2,597	(729)	23,835
7) The London Mission Fund	18,770	464	(465)	-	1,914	-	20,683
8) The Guy Chester Centre	29,230	1,232	(860)	-	376	-	29,978
9) Cliff College	7,392	1,433	(2,495)	-	18	-	6,348
10) Southlands Methodist Trust	10,196	473	(609)	-	358	-	10,418
11) Westminster College Oxford Trust	10,757	-	-	-	-	-	10,757
12) The Methodist Medical Benevolent Fu	2,202	46	(92)	-	424	-	2,580
Total funds with balances > £2m	150,098	8,278	(9,841)	-	8,167	(931)	155,772
Other - 28 funds with balances < £2m	2,021	3,966	(3,903)	80	2,425	(272)	4,317
Sub-total	152,119	12,244	(13,744)	80	10,592	(1,203)	160,088
De-consolidation of Westminster College						(10,757)	(10,757)
Total	152,119	12,244	(13,744)	80	10,592	(11,960)	149,331

The Connexional Funds

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
20b. Restricted funds	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	9,713	592	(935)	-	1,485	(45)	10,810
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,471	39	(75)	-	-	(25)	25,410
4) The Fund for Property	1,025	361	(52)	-	276	(68)	1,542
5) The Fund for Training	6,774	298	(186)	-	121	(15)	6,992
6) The World Mission Fund	22,902	2,622	(4,548)	-	2,597	(729)	22,844
7) The London Mission Fund	18,772	463	(465)	-	1,914	-	20,684
8) The Guy Chester Centre	28,950	1,232	(860)	-	376	-	29,698
Total funds with balances > £2m	118,757	6,323	(7,016)	-	7,367	(930)	124,501
Other - 27 funds with balances < £2m	4,505	451	(1,013)	80	1,808	(273)	5,557
Total	123,261	6,774	(8,029)	80	9,175	(1,203)	130,058

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
20c. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,950	581	(442)	-	(296)	(66)	9,727
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,369	75	(108)	-	-	(25)	25,311
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,798	325	(245)	-	(22)	(39)	6,817
6) The World Mission Fund	27,406	2,778	(5,377)	-	(541)	(744)	23,522
7) The London Mission Fund	19,473	437	(374)	-	(766)	-	18,770
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	-	29,230
9) Cliff College	8,503	1,602	(2,713)	-	-	-	7,392
10) Southlands Methodist Trust	10,478	458	(589)	-	(151)	-	10,196
11) Westminster College Oxford Trust	10,311	567	(728)	-	606	-	10,756
12) The Methodist Medical Benevolent Fu	2,271	47	(43)	-	(71)	(2)	2,202
Total funds with balances > £2m	156,033	9,437	(12,661)	-	(1,721)	(990)	150,098
Other - 28 funds with balances < £2m	7,807	3,590	(4,021)	(29)	(5,129)	(197)	2,021
Total	163,840	13,027	(16,682)	(29)	(6,850)	(1,187)	152,119

The Connexional Funds

	Balance at 31 August 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
20d. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,936	581	(442)	-	(296)	(66)	9,713
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,469	135	(108)	-	-	(25)	25,471
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,758	325	(248)	-	(22)	(39)	6,774
6) The World Mission Fund	27,201	2,778	(5,792)	-	(541)	(744)	22,902
7) The London Mission Fund	19,475	437	(374)	-	(766)	-	18,772
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	(280)	28,950
Total funds with balances > £2m	124,313	6,823	(9,006)	-	(2,105)	(1,268)	118,757
Other - 27 funds with balances < £2m	10,188	560	(1,143)	(29)	(5,153)	81	4,504
Total	134,501	7,383	(10,149)	(29)	(7,258)	(1,187)	123,261

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.

2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian

Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

3) Centenary Hall Trust

This trust exists to manage Church House at 25 Marylebone Road.

4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches' Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn dispense the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in Our Calling. The Centre provides funding for the Learning Network.

9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The college now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

11) Westminster College Oxford Trust

This Trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education.

12) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21a. Endowment funds	2020	Income	Expenditure			2021
	£000	£000	£000	£000	£000	£000
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 7 funds with balances <£2m	2,063	-	(15)	416	6	2,470
Total	19,480	-	(27)	3,125	257	22,835

The Connexional Funds

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21b. Endowment funds	2020	Income	Expenditure			2021
	£000	£000	£000	£000	£000	£000
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 7 funds with balances <£2m	2,063	-	(15)	416	6	2,470
Total	19,480	-	(27)	3,125	257	22,835

Transfers of £0.2m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21c. Endowment funds	2019	Income	Expenditure			2020
	£000	£000	£000	£000	£000	£000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
Total	20,113	-	(17)	(849)	233	(19,480)

The Connexional Funds

	Balance at 1 September			Investment gains & losses	Transfers	Balance at 31 August
21d. Endowment funds	2019	Income	Expenditure			2020
	£000	£000	£000	£000	£000	£000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
Total	20,113	-	(17)	(849)	233	(19,480)

Transfers of £0.2m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain and The Connexional Funds

22. Fund Transfers		2021			2020		
		Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
Unrestricted							
Connexional Priority Fund	(Note 19)	-	(5,258)	(5,258)	-	(3,547)	(3,547)
Pension Reserve Fund	(Note 19)	4,622	(80)	4,542	3,112	(67)	3,045
General Fund	(Note 19)	1,728	(100)	1,628	1,322	(100)	1,222
Designated Training Fund		350	-	350	1,420	-	1,420
Methodist International Centre		-	(46)	(46)	-	(1,166)	(1,166)
Others		-	(270)	(270)	-	(20)	(20)
Total		6,700	(5,754)	946	5,854	(4,900)	954
Restricted							
Long-term Renewal Fund		100	-	100	100	-	100
World Mission Fund	(Note 20b)	-	(729)	(729)	-	(744)	(744)
Guy Chester Centre		-	(350)	(350)	-	(280)	(280)
Fund for Training		-	(15)	(15)	-	(39)	(39)
Mission in Britain		-	(48)	(48)	-	(60)	(60)
Fund for Support of Presbyters & Deacons		6	(59)	(53)	-	(66)	(66)
Fund for property		42	(96)	(54)	-	(54)	(54)
Centenary Hall Trust		-	(27)	(27)	-	(25)	(25)
Others		-	(27)	(27)	-	(19)	(19)
Total		148	(1,351)	(1,203)	100	(1,287)	(1,187)
Endowments							
William Leech Charities Fund		239	(11)	228	232	(12)	220
Rank Endowment		57	(49)	8	13	(6)	7
Others		29	(8)	21	8	(2)	6
Total		325	(68)	257	253	(20)	233
Grand Total		7,173	(7,173)	-	6,207	(6,207)	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Methodist Church in Great Britain

23a. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2021 Total £000
Intangible fixed assets	64	12	-	76
Tangible fixed assets	16,219	75,593	4,135	95,947
Investments	94,600	79,321	19,654	193,575
Current assets	14,679	7,190	92	21,961
Creditors due within one year	(5,036)	(8,290)	(1,046)	(14,372)
Creditors due after more than one year	(1,220)	(2,749)	-	(3,969)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
Total	117,976	149,331	22,835	290,142

The Connexional Funds

23b. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2021 Total £000
Intangible fixed assets	63	-	-	63
Tangible fixed assets	16,061	67,170	4,135	87,366
Investments	94,600	67,737	19,654	181,991
Current assets	14,878	4,125	93	19,096
Creditors due within one year	(7,730)	(4,648)	(1,047)	(13,425)
Creditors due after more than one year	(721)	(2,580)	-	(3,301)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
Total	115,821	130,058	22,835	268,714

The Methodist Church in Great Britain

23c. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2020 Total £000
Intangible fixed assets	83	16	-	99
Tangible fixed assets	18,857	75,374	-	94,231
Investments	81,196	88,603	19,313	189,112
Current assets	12,610	9,745	147	22,502
Creditors due within one year	(5,307)	(11,871)	20	(17,158)
Creditors due after more than one year	(1,107)	(7,853)	-	(8,960)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
Total	92,442	152,119	19,480	264,041

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total
	£000	£000	£000	£000
Intangible fixed assets	83	-	-	83
Tangible fixed assets	18,535	67,780	-	86,315
Investments	81,196	61,799	19,313	162,308
Current assets	12,290	6,639	147	19,076
Creditors due within one year	(6,992)	(7,936)	20	(14,908)
Creditors due after more than one year	(1,112)	(3,126)	-	(4,238)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
Total	90,110	123,261	19,480	232,851

24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

The Methodist Church in Great Britain

24a. Revaluation reserve	1 September 2020	Movement	31 August 2021
	£000	£000	£000
Unrestricted	7,594	0	7,594
Restricted	54,282	946	55,228
Total	61,876	946	62,822

The Connexional Funds

24b. Revaluation reserve	1 September 2020	Movement	31 August 2021
	£000	£000	£000
Unrestricted	7,591	0	7,591
Restricted	52,346	0	52,346
Total	59,937	0	59,937

The Methodist Church in Great Britain

24c. Revaluation reserve	1 September 2019	Movement	31 August 2020
	£000	£000	£000
Unrestricted	7,594	-	7,594
Restricted	59,282	(5,000)	54,282
Total	66,876	(5,000)	61,876

The Connexional Funds

24d. Revaluation reserve	1 September 2019	Movement	31 August 2020
	£000	£000	£000
Unrestricted	7,591	-	7,591
Restricted	57,346	(5,000)	52,346
Total	64,937	(5,000)	59,937

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

25. Expenses reimbursed to the trustees	2021		2020	
	Number of trustees	£000	Number of trustees	£000
Travel and other expenses reimbursed	26	16	55	36

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2021	2020	2021	2020
	£000	£000	£000	£000
Mr Doug Swanney	17	17	135	135
The Revd Dr Jonathan R Hustler	7	7	43	42
Deacon Karen McBride	7	7	42	41
The Revd Gillian M Newton	7	7	42	41
The Revd Leslie M Newton	7	7	42	41
The Revd Michaela A Youngson	7	7	42	41
The Revd Dr Jongikaya Zihle	7	7	42	41
The Revd Ruth Gee	6	7	40	42
The Revd Dr Barbara Glasson	3	7	20	42
The Revd Rachel Parkinson	-	7	-	41
The Revd Dr Jennifer Hurd	-	7	-	40
The Revd Richard J Teal	-	7	-	37
Mrs Louise C Wilkins	-	5	-	37
Total	68	99	448	621

Of the trustees listed above, 9 were in the Connexional team or District Chairs (2020: 13). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.4m (2019: £0.6m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2021			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	16	190	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	-	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	66	-	-	-
Lesnes Abbey Circuit (d)	-	-	-	10
The Queen's Foundation for Ecumenical & Theological Education (e)	120	1,042	-	-
Methodist International Centre Ltd (f)	-	1	-	786

The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A loan advanced to the Lesnes Abbey Circuit in order to purchase the London Mission Fund's interest in a manse at 11 Eaglesfield Road, London. The loan is repayable in equal instalments over 9 years. Refer to note 16.
- (e) A payment of £1.04m (2020: £1.05m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2020-21 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 20 to Aug 21.
- (f) No income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds due to Covid-19 related lockdown and restrictions (2020: £149k). The £1k relates to accommodation expenses (2020: £8k).
In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to be repaid in full in May 2024.

	2020 Income from related party £000	Payments to/(from) related party £000	Loans from related party £000	Amount owed by/(to) related party £000
Trustees for Methodist Church Purposes (a)	9	185	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	38	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	85	-	-	-
Lesnes Abbey Circuit (d)	-	-	-	20
The Queen's Foundation for Ecumenical & Theological Education (e)	120	1,046	-	-
Methodist International Centre Ltd (f)	149	8	-	786

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church's investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.8m in 2020/21. (2020: £13.7m)
- The awarding and distribution of grants to other Methodist entities amounts to £7m in 2020/21 (2020: £7m)
- Investment charges (TMCP & CFB) amounts to £232k in 2020/21 (2020: £262k)

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members who were active when the Scheme closed ("closure members") are entitled to a retirement pension based on the better of:

- Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and
- Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
Fair value of scheme assets	95,103	-	95,103	81,507
Present value of scheme liabilities	(96,433)	(1,746)	(98,179)	(97,292)
Sub Total	(1,330)	(1,746)	(3,076)	(15,785)
Unrecognised assets	-	-	-	-
Net defined benefit liability	(1,330)	(1,746)	(3,076)	(15,785)

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The Connexional Funds in respect of the two schemes are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
Service cost (before contributions from other group employers)	144	-	144	179
Interest cost on scheme liabilities	1,511	28	1,539	1,641
Interest income on plan assets	(1,297)	(31)	(1,328)	(1,562)
Net finance costs	214	(3)	211	79
Total	358	(3)	355	258

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
Actual return on scheme assets	14,832	106	14,938	(2,475)
Amounts included in net interest on the net defined liability	(1,297)	(31)	(1,328)	(1,562)
Other actuarial gains/losses	(1,322)	80	(1,242)	(5,119)
Movement in unrecognised assets	-	-	-	-
Re-measurement gains and losses recognised in SoFA	12,213	155	12,368	(9,156)

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September	95,397	90,303	1,895	1,934	97,292	92,237
Service cost	144	179	-	-	144	179
Interest on obligation	1,511	1,609	28	32	1,539	1,641
Contributions by members	-	-	-	-	-	-
Benefits paid	(1,941)	(1,783)	(97)	(101)	(2,038)	(1,884)
Actuarial gains/losses	1,322	5,089	(80)	30	1,242	5,119
At 31 August	96,433	95,397	1,746	1,895	98,179	97,292

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September	81,507	85,069	-	-	81,507	85,069
Interest on assets	1,297	1,525	-	-	1,297	1,525
Contributions by employers	1,097	1,097	-	-	1,097	1,097
Contributions by members	-	-	-	-	-	-
Administration expenses	(392)	(398)	-	-	(392)	(398)
Benefits paid	(1,941)	(1,783)	-	-	(1,941)	(1,783)
Actuarial return less interest income on plan assets	13,535	(4,003)	-	-	13,535	(4,003)
At 31 August	95,103	81,507	-	-	95,103	81,507
Unrecognised assets	-	-	-	-	-	-
Net Defined Benefit Liability	1,330	13,890	1,746	1,895	3,076	15,785

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2021	2020	2021	2020
	% pa	% pa	% pa	% pa
Discount rate at end of year	1.7	1.6	1.6	1.5
Discount rate at start of year	1.6	1.8	1.5	1.7
RPI Inflation	3.5	3.1	3.6	3.3
CPI Inflation	2.8	2.2	-	-
Rate of increase in Pensionable earnings	2.8	2.2	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.8	2.2	3.5	3.2
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.2	3.5	3.2
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.3	3.0	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.3	2.1	-	-

Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2021	2020	2021	2020
Equities	44.3	52.2	22.6	19.6
Gilts	-	-	55.8	58.6
Corporate Bonds	4.9	4.8	12.2	12.8
Property	8.4	9.1	5.4	5.1
Cash	7.6	8.6	4	3.9
Liability Driven Investment	30.4	20.0	-	-
Annuities	4.4	5.3	-	-

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Service cost	8,507	8,327
Interest cost on scheme liabilities	7,472	8,260
Interest Income on plan assets	(7,254)	(8,704)
Interest on unrecognised assets	-	343
Net Finance Costs	218	(101)

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2021 £000	2020 £000
Actual Return on Scheme assets	96,072	(19,395)
Amounts included in net interest on the net defined liability	(7,254)	(8,704)
Other Actuarial gains/losses	(33,879)	(11,991)
Movement in unrecognised assets	(32,967)	20,524
Re-measurement gains and losses recognised in SOFA	21,972	(19,566)

c. The changes in the present value of the defined benefit obligation were:

	2021 £000	2020 £000
Opening defined benefit obligation	508,047	495,683
Service cost	8,507	8,327
Interest cost	7,472	8,260
Cost of benefit Changes	-	-
Contributions by members	3,487	3,402
Benefits paid	(19,849)	(19,617)
Actuarial (gains)/losses	33,879	11,992
Closing defined benefit obligation	541,543	508,047

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2021.

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
Service cost	8,507	8,327
Interest cost on scheme liabilities	7,472	8,260
Interest Income on plan assets	(7,254)	(8,704)
Interest on unrecognised assets	-	343
Net Finance Costs	218	(101)

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2021 £000	2020 £000
Actual Return on Scheme assets	96,072	(19,395)
Amounts included in net interest on the net defined liability	(7,254)	(8,704)
Other Actuarial gains/losses	(33,879)	(11,991)
Movement in unrecognised assets	(32,967)	20,524
Re-measurement gains and losses recognised in SOFA	21,972	(19,566)

c. The changes in the present value of the defined benefit obligation were:

	2021 £000	2020 £000
Opening defined benefit obligation	508,047	495,683
Service cost	8,507	8,327
Interest cost	7,472	8,260
Cost of benefit Changes	-	-
Contributions by members	3,487	3,402
Benefits paid	(19,849)	(19,617)
Actuarial (gains)/losses	33,879	11,992
Closing defined benefit obligation	541,543	508,047

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2021.

The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers' Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2021	2020
	%	%
Equities	44.1	56.6
Gilts	0.1	0.1
Corporate Bonds	15.3	15.6
Index linked Bonds	-	-
Property	8.5	9.3
Cash	10.0	4.9
Liability driven Investment	19.2	12.1
Impact investing	2.8	1.4

29. Non-adjusting events after the end of the reporting period

In January 2022 the group entered into an agreement to sell Methodist Church House (the registered office and headquarters of the Methodist Church in Great Britain), which is expected to complete in June 2022. Additionally in January 2022, the group has entered into an agreement to purchase replacement premises. An estimate of the financial impact cannot be made at the point of signing the financial statements for the year ended 31 August 2021.

Trustee and Committee Memberships

The membership for 2020/2021 and 2021/2022 are listed below.

Methodist Council:

2020 / 2021

New Members from 1 September 2020 are marked with one asterisk (*)

Mrs Joanne Anderton*	The Revd Sonia M Hicks*	Mr Keith Norman*
Mrs E Jill Baker (Chair)	The Revd Beverly Hollings	Mrs Helen Norton
Mr Timothy J Baker	Mrs Beti W T Holmes*	The Revd Michael D Parker
The Revd Paul H Booth	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
The Revd Dr Adrian Burdon	The Revd Carmel Ieraci*	Mr Michael Pryke
Mr David Burton	The Revd Ermal B Kirby	Mr Graham Russell
The Revd Dr Joanne Cox-Darling*	Mr Joe Lambert*	The Revd S Mark Slaney*
The Revd Mark Dunn-Wilson	Mrs Carolyn J Lawrence	The Revd Billy Slatter
Mrs Barbara Easton*	Mrs Heather Lovelady	Ms Sandie Smith*
Mr Carl Fairclough*	Mr Andrew Lowe	The Revd Kate Strange*
The Revd Dr Andrew M Fox	Professor David Matthews	The Revd O Mark Street*
The Revd Ruth G S Fry*	Mrs Val Mayers*	Mr Douglas Swanney
The Revd Ruth M Gee	Deacon Karen McBride	The Revd Timothy A Swindell
The Revd Dr Barbara C Glasson	Mr Alister McClure	The Revd Richard J Teal
Mr Bala Gnanapragasam	Professor Clive Marsh	The Revd Alison E Walker*
Mr Peter Gregson*	Professor Ken Mortimer	Mrs Margaret Webber
The Revd Jeremy H A Hackett	Dr Daleep S Mukarji	Mr Richard Wills
Ms Charlotte Hambly*	The Revd Gillian M Newton	The Revd Michaela A Youngson
The Revd Novette Headley	The Revd Leslie M Newton	The Revd Dr Jongikaya Zihle

2021 / 2022

New Members from 1 September 2021 are marked with two asterisks (**)

Mrs Joanne Anderton	Mrs Beti W T Holmes	The Revd Michael D Parker
Mr Stephen Arnold**	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
Mrs E Jill Baker (Chair)	The Revd Ermal B Kirby	Mr Graham Russell
The Revd Karen Beecham**	The Revd Helen R Kirk**	The Revd S Mark Slaney
Mr Anthony Boateng **	Mr Joe Lambert	The Revd Billy Slatter
The Revd Paul H Booth	Mrs Carolyn J Lawrence	Ms Sandie Smith
Mr Mark Braithwaite**	The Revd Angela Long**	The Revd Kate Strange
The Revd Dr Adrian Burdon	Mr Andrew Lowe	The Revd O Mark Street
Mr David Burton	Professor David Matthews	Mr Douglas Swanney
The Revd Dr Joanne Cox-Darling	Mrs Val Mayers	The Revd Timothy A Swindell
Mrs Barbara Easton	Deacon Karen McBride	The Revd Rebekah Stennett**
The Revd Simon C Edwards**	Mr Alister McClure	Mrs Jenny Taylor **
Mr Carl Fairclough	Dr Daleep S Mukarji	The Revd Richard J Teal
The Revd Ruth G S Fry	The Revd Gillian M Newton	The Revd Graham Thompson**
Mr Bala Gnanapragasam	The Revd Leslie M Newton	The Revd Alison E Walker
Mr Peter Gregson	Mr Keith Norman	Mrs Margaret Webber
The Revd Jeremy H A Hackett	Mrs Helen Norton	Ms Verity Wild**
Ms Charlotte Hambly	The Revd Nick Oborski**	The Revd Michaela A Youngson
The Revd Sonia M Hicks	Dr Hellen Okello**	The Revd Dr Jongikaya Zihle

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.

The Strategy and Resources Committee

The membership for 2020/2021 and current year are listed below:

Voting Members

Ms Janet Arthur [to 31 August 2021]
Mr Edward Awty [to 31 August 2021]
Mrs Anne Bolton
Professor David Matthews
The Revd Loraine N Mellor
The Revd Ruth Midcalf
Mrs Shelagh Morgan

Dr Daleep S Mukarji (Chair)
The Revd Gillian M Newton
The Revd Michael D Parker
The Revd Timothy A Swindell
The Revd Marcus Torchon
Ms Helen Woodall [to 31 August 2021]

Non-voting members

Mrs Joanne Anderton
The Revd Ruth M Gee [to 31 August 2021]
The Revd Dr Jonathan R Hustler
Mr Douglas Swanney
The Revd Michaela A Youngson [from 1 September 2021]

Other members of the senior management group may attend by invitation as the business shall require.

Induction of new SRC members normally includes: conversations with the chair of SRC and the senior staff of the Connexional Team; a mentoring relationship with an experienced member of SRC; and invitations to share in the induction sessions for Council members.

The Finance Sub-Committee (FSC) of the Strategy and Resources Committee (SRC)

The membership of the committee is:

Voting Members

Mr Edward Awty [to 31 August 2021]
Mrs Helen Blair [from 1 September 2020]
Mrs Sue Haworth

Mr Malcolm Pearson
The Revd Stephen J Radford
The Revd Timothy A Swindell (Chair)

Members of the senior management group may attend by invitation as the business shall require.

The Audit and Risk Assurance Committee

The membership of the committee is:

Voting Members

Mrs Sarah Atwell-King
Mr Adrian Burton
Mr Alan Kershaw (Chair)

Mrs Susan M Mortimer
Mr Michael Rickard

Non-voting members

Mr Edward Awty [to 31 August 2021]
The Revd Timothy A Swindell

Members of the senior management group may attend by invitation as the business shall require.

Reference and Administrative Details

Names and addresses

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church
Methodist Church House
25 Marylebone Road
London NW1 5JR
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Michaela A Youngson
Mr Douglas Swanney
Mrs Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association
Methodist Church House
25 Marylebone Road
London NW1 5JR

Investment Managers:

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

Bankers:

HSBC plc
Westminster Branch
4-8 Victoria Street
London SW1H 0NJ

Independent Auditor:

RSM UK Audit LLP
Statutory Auditor, Chartered Accountants
St Philips Point
Temple Row, Birmingham
West Midlands, B2 5AF

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Accounts



Consolidated Report and Financial Statements

for the year ended
31 August **2020**

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	3
The Methodist Church in Great Britain Trustees’ Report	4-30
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	4
Public benefit requirement	4
Structure	4
Governance and oversight	5
Overview of the work of The Methodist Church In Great Britain	8
Key activities	9
1 Building communities	9
2 Children, youth and families	10
3 Evangelism and growth	11
4 Global relations	11
5 Learning network	13
6 Methodist Council and governance	14
7 Ministries	15
8 Property	17
Grant programmes	18
Plans for the future	19
Remuneration of key management personnel	19
Fundraising activities	20
Financial review	20
Managed reserves	21
Investments	23
Principal risks and uncertainties	24
Going concern	26
The environment	27
Related parties	27
Statement of Trustees’ responsibilities	28
Independent Auditor’s Report to the Trustees of The Methodist Church in Great Britain	29
Consolidated Financial Statements	32-82
Statement of financial activities	32
Statement of financial activities – The Connexional Funds	34
Balance sheets	36
Cash flow statements	37
Notes to the Consolidated Financial Statements	38
Trustees and committee memberships	83
Reference and administrative details	85

Welcome from the Revd Dr Jonathan R Hustler



Brothers and Sisters

This past year will not be forgotten in a hurry. Undoubtedly it will be known as a year of doing things differently and more creatively. Even with the events of the past months of a rapidly changing world, the varied work we have carried out as a Church, represented in this report, reflects the heart of *Our Calling* to respond to the gospel of God’s love in Christ and to live out our discipleship. This report gives us an overview of the past year and shows how we have faced challenges and taken opportunities in order to use the resources of the Church in response to *Our Calling*.

This annual report gives us an insight into our financial resources and the figures included represent an important area of our work in more detail. It highlights the importance of the processes that we follow, paying attention to detail and believing that all of this is best undertaken as a community with one another. We draw together with enquiring minds and the wisdom of others to determine what at present we believe to be God’s will.

Therefore, even though today’s context is one that looks rather different from anything that could have been predicted, we turn to our resources and gifts to use them as tools better to understand and express the privilege of being called to be part of God’s mission to God’s world. This draws us together as a community and shapes our Church for the future.

The Revd Dr Jonathan R Hustler
Secretary of the Methodist Conference

January 2021

The Methodist Church in Great Britain Trustees’ Report

Strategic objectives, aims and purposes of The Methodist Church

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain (‘The Methodist Church’ or ‘The Church’). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God’s love in Christ and to live out its discipleship in worship and mission.

Public benefit requirement

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

Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church in Great Britain, as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in ‘Note 1’ of the financial statements on page 39 and include:

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)
Westminster College Oxford Trust Limited	(a separately registered company)
Westminster College Oxford Trust	(a separately registered charity)

These financial statements are the consolidated financial statements for the Methodist Council and entities under its control.

The Methodist Church registered as a charity on 20 October 2009 (1132208 – ‘The Methodist Church in Great Britain’) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

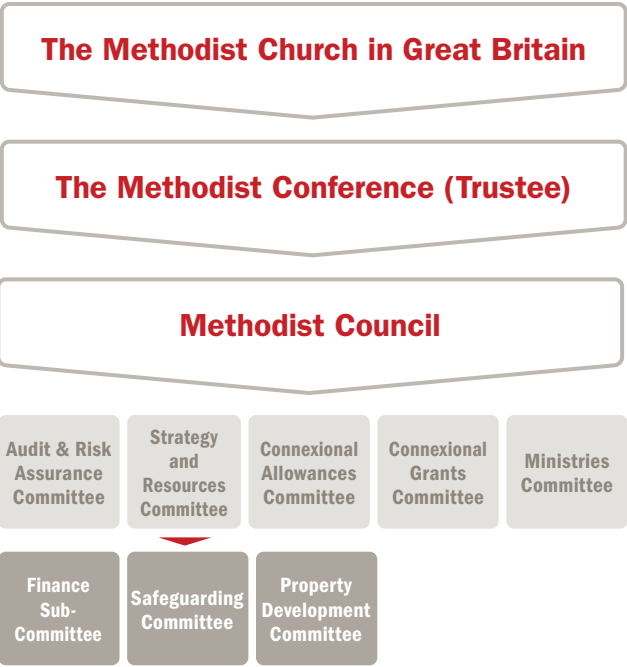
The members of the Methodist Conference are the trustees and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

Governance and oversight

The Constitutional Practice and Discipline of The Methodist Church (2020 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and more easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the senior leadership group of the Connexional Team, and to local trustees in the case of the self-accounting entities. These local trustees are accountable to the Methodist Council.

The basic governance structure as far as these consolidated financial statements are concerned is presented in the following diagram.



During the year, the Investment Committee ceased to meet and the terms of reference of the Finance Sub-committee were expanded to take on the residual functions of the Investment Committee.

The Methodist Conference

This is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church’s affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 30 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

The Methodist Council meets three times a year and consists of 54 members most of whom hold office for four years. Its terms of reference are to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- implement Conference decisions;

Governance and oversight (continued)

- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- protect the assets of The Methodist Church.

It has agreed the following objectives for the coming year in order to support the delivery of the Church's strategic objective "to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission":

1. Proclaiming the Gospel through worship / The ministry of the whole people of God in the Life of the World
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for Justice and Peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership.

In addition to the above, it is responsible for (inter alia):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering the following funds:
 - o The Methodist Church Fund
 - o The Connexional Priority Fund
 - o The World Mission Fund
 - o The Mission in Britain Fund
 - o The Fund for Training
 - o The Fund for Property
 - o The Epworth Fund
 - o The Fund for the Support of Presbyters and Deacons
 - o The Sabbatical Fund
 - o The Pension Reserve Fund;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the

maximum to be reimbursed from the Connexional Sabbatical Fund;

- dealing with all model trust property affairs for all home districts and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council are historically significant are scrutinised before going ahead.

The following committees have an oversight/ governance role and report to the Methodist Council:

The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2019/2020, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- ensuring that a collaborative style of working is adopted throughout the Connexional Team; and
- identifying and managing risks.

The Audit and Risk Assurance Committee

This is a committee of the Conference appointed on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers

and any appropriate staff members of the Connexional Team to attend its meetings.

During the period, the scope of this committee was extended such that it now meets at least three times in the year and reports annually to the Methodist Council. The Audit and Risk Assurance Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements and their annual report;
- reviewing the effectiveness of procedures relating to risk management including risk assurance;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports and regular progress reports and risk updates; and
- submitting an annual report to the Council.

The Investment Committee

The Methodist Council appointed the Investment Committee. It met twice during the year and agreed that much of the work of the Committee had become successfully embedded in the routines of the Finance Department. As a result, it agreed it would cease to meet and transferred its residual functions to the Finance Sub-Committee.

Oversight Committees

To assist the Methodist Council in discharging its duties there are a number of other committees, the key ones being:

- **The Finance Sub-Committee of the Strategy and Resources Committee** whose remit is to:
 - o provide expert advice on financial matters to the SRC;
 - o provide the core membership of the Conference Financial Committee;
 - o review the Council's cash and investment holding; and
 - o represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.
- **The Connexional Allowances Committee**, which is responsible for recommending allowances for

ministers and awarding grants from the following funds:

- o The Fund for the Support of Presbyters and Deacons;
- o The Methodist Medical Benevolent Fund;
- o The Methodist Ministers' Children's Relief Association;
- o The Aspinall Robinson Trust;
- o The Benevolent Fund for Deaconesses; and
- o The Connexional Travel Fund.

- **The Connexional Grants Committee**, which is responsible for:
 - o all connexional grants;
 - o monitoring all grants made by sub-committees and grant streams;
 - o operating within the annual budget set by the Council;
 - o monitoring the use of District Advance Funds (DAFs); and
 - o establishing clear processes for the longer-term monitoring and evaluation of grant expenditure.
- **The Property Development Committee**, which works to develop and maintain a connexional property strategy. Its responsibilities include:
 - o developing and proposing to the Council policies in respect of the use of Methodist property;
 - o exercising such managing trustee responsibilities and duties as may be delegated to it by the Council;
 - o being responsible for identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
 - o reviewing and monitoring the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
 - o offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.
- **The Ministries Committee** which reports to the Methodist Council to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing and supporting

Governance and oversight (continued)

programmes and processes for candidacy, training, oversight and related matters.

- **The Safeguarding Committee**, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advises the Methodist Council on all related issues.

Other oversight bodies

These include:

- The trustees of All We Can (the operating name of the Methodist Relief and Development Fund), whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist, ecumenical or other appropriate oversight, primarily overseas.
- Local managing trustees for those bodies that report to the Council but are not administered by the Connexional Team (they are self-accounting entities).

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 39. For each of them, with the exception of Westminster College Oxford Trust Ltd, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. In the case of Westminster College Oxford Trust Ltd, the Conference appoints the trustees, subject to the approval of the Methodist Council and they in turn report to the Conference. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

The Methodist Council appoints members to the various trustee bodies, on the recommendations of existing members. It follows a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment.

All new members of the Council undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees receive regular updates and are made aware of relevant events and training opportunities.

Overview of the work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 4,110 places of worship, with around 170,000 members;
- the work of around 1,290 active Methodist ministers;
- approximately 133,000 visits to a Methodist service each week;
- around 25,000 pupils enrolled in 84 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the Connexion, the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 1,367 volunteers (note 12 in the accounts) who serve on a whole range of connexional committees, working groups, and other bodies that support the life of the Church.

This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.

Key activities

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its virtual meeting hosted at Cliff College in June-July 2020:

- Four deacons and 21 presbyters were received into Full Connexion, along with six presbyters by transfer, and one by reinstatement;
- The Conference celebrated the ways in which the reaffirmation of *Our Calling* had shaped the life and work of the Church and received the report on *Reaffirming Our Calling: Oversight and Trusteeship* to develop this work further;
- The Evangelism and Growth Team presented the *God for All* report. Within the report, it outlined their aims to present a contextual, coherent and coordinated strategy for evangelism and growth; and
- The 3Generate manifesto (available at www.methodist.org.uk/3genmanifestos) focused on mental health and the 'Eco Church Challenge'. The Conference urged local churches to engage and respond with intentional action.

Organisation of the Work

In 2019/2020 The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, now organises its work in the following eight key areas:

1. Building communities
2. Children, youth and families
3. Evangelism and growth
4. Global relations
5. Learning network
6. The Methodist Council and governance
7. Ministries
8. Property

Each of these is reviewed below, followed by a summary of the grants programmes that support the Church's work across all of the above.

1. Building communities

To build communities, the Methodist Church is committed to working with ecumenical partners

from a wide variety of Christian traditions. Unity and mission are inseparable and we continue to encourage flexible ways of working together wherever possible. The Conference has reason to be grateful to all those who represent the Methodist Church on a wide variety of committees, commissions and working groups thus enabling connexional, district, circuit and local initiatives. In the last months of this connexional year, in the context of a global pandemic, the existing good relationship with ecumenical partners has enabled us to share experience and expertise as we support one another. National ecumenical officers have participated in regular virtual meetings hosted by Churches Together in England (CTE) where information has been shared and we have prayed with and for one another. Churches Together in Britain and Ireland has enabled the sharing of resources across the four nations.

In the context of challenging and changing international relationships, our ecumenical relationships in Europe and through the World Council of Churches are opportunities for wider engagement and enrichment. The Methodist Church in Britain continues to work with our concordat partners, the United Methodist Church (UMC), identifying areas of work where we are stronger together, such as our response to climate change.

Our ecumenical officer is working with the Joint Covenant Advocacy and Monitoring Group to discern the ways in which we continue to develop the covenant relationship with the Church of England following the decisions of the Methodist Council and the General Synod.

Our assistant ecumenical officer has been continuing work with the Fellowship Groups to develop ways of working that ensure proper support and accountability; working with those who have been impacted by the changing policy around grants; and developing links with other faiths and working with the districts to provide appropriate support for this work around the Connexion.

The Joint Public Issues Team (JPIT) has an important role in building communities. It helps church members campaign on a range of issues driven by the *Six Hopes for Society* supported by the Methodist Church and others. Its campaigns included ending domestic violence, lifting the ban on asylum seekers working, and the rights of child refugees.

Key activities (continued)

JPIT has produced resources to help people reflect on their lives and the world in the light of their faith, from the ‘Living Lent’ climate challenges to the resources encouraging people to ‘Think, Pray, Vote’ at the general election. It also encouraged members to engage with their banks and pension providers over the funding of nuclear weapons.

A particular focus this year was the impact of the economy on people and the planet. Over 300 people attended a day conference to talk about ‘Renewal and Rebellion’. From the summer onwards, JPIT focused on what ‘From Recovery to Flourishing’ might look like in the light of Covid-19. They also produced resources to encourage church members to ‘Stay Alert to Justice’ highlighting aspects of injustice such as racism, food poverty, climate change and domestic violence.

JPIT has continued to support churches over environmental action, particularly in preparation for UN COP26, helping to establish the ecumenical ‘Climate Sunday’ initiative. They are also working with global church partners to set up a new youth campaign.

During lockdown JPIT conducted research with churches and charities working alongside people most likely to be harmed economically by Covid-19. These ‘Gleanings’ were shared with churches as they reshaped their mission in the light of the pandemic.

Publishing information is an important element of building communities. Connexional publications are delivered in a variety of ways, including print and digital. ‘Methodist Church mandated’ resources include the annual Conference agendas and membership tickets, as well as resources required by the Conference for wider consultation (such as tens of thousands of booklets printed or downloaded in 2019 to support district synods in discussing *God in Love Unites Us*), or to support the strategic decisions of the Conference (for example to resource the delivery of the *God for All* evangelism and growth strategy).

Other Methodist Church resources are created to promote and support the work of the Connexional Team or otherwise equip churches, circuits and districts to respond to *Our Calling*. They first require a proposal to be approved by the team’s quarterly Publishing Board. In 2019/2020 publications included resources for safeguarding training; exploring vocations; Fresh Expressions research;

promoting and reflecting on works in the Methodist Modern Art Collection; the commitment cards for A Methodist Way of Life, and the second book in the series, *Talking of God... with Others*, as well as perennial favourites such as the *2020/2021 Methodist Prayer Handbook: The Earth is the Lord’s*; and *The Methodist Diary*.

Inevitably, equipping churches to respond to the Covid-19 pandemic brought unexpected publishing challenges at short notice in 2020. Posters were needed to advertise that help was still available when churches closed; to encourage our communities to find hope in Easter; and to support congregations in re-opening churches safely. The pandemic has made it inappropriate to encourage members to handle printed publications or give them out. Therefore, more resources have had to be made available online for downloading and printing at home. This is particularly true of *the connexion* magazine. We cut the June print run by two-thirds to around 25,000 copies and heavily promoted the idea of downloading the online PDF instead. However, the magazine continues to promote the Church’s engagement in mission, with features on how churches have coped with the impact of the pandemic and responded to the ‘Black Lives Matter’ movement.

2. Children, youth and families

3Generate is the Children and Youth Assembly of the Methodist Church, where children and young people aged 8–23 gather from across the Connexion. It aims to create an inclusive and diverse space for the prophetic voice of children and young people to emerge and be heard, enabling them to speak courageously, and listen to God and each other. Through the process of 3Generate, children and young people are equipped to become participants in advocacy, change and growth and have an impact in their local Methodist communities. 3Generate calls the Church to listen to and have a meaningful dialogue with children and young people, so that change can happen. At an event in November 2019, our last at Pontins, there were 1,079 delegates aged 8-23, 272 volunteers, 339 group leaders, 11 One Programme Participants (OPPs) and 11 3Generate representatives, a total of 1,947 people, making it our largest event yet.

The Children, Youth and Family team continues to develop its digital presence, resourcing and creating learning spaces via social media and virtual conferences. These seek to inform, equip and inspire,

sharing details of events and resources as well as the work of the team more broadly. Our monthly live broadcasts where we explore current topics, meet those in lay ministry and present new resources have been well received with good engagement.

Our third live-streamed or virtual conference was called ‘Homegrown’ and took the theme of ‘Growing Faith at Home’. We have also produced ‘Parenting for Faith’, The ‘Kitchen Table Project’, and ‘Who Let the Dads Out?’ All sessions are available on the Methodist Church website and in total have been viewed over 7,000 times. Our next live-streamed learning and equipping event will explore creating spaces for children’s spirituality.

In August 2020 we launched ‘Green Agents of Change’ catalyst events for children and young people interested in climate justice with the first online events for 8–11 year olds and 12–17 year olds.

Finally, ‘Get Creative’ was an arts competition for children and young people aged 4–23 launched in spring 2020 in response to the Covid-19 lockdown. We received a huge response with entries that included art, poetry, spoken word and photography. The winners will be displayed in an online gallery on the Methodist Church website.

3. Evangelism and growth

The connexional *Evangelism and Growth Strategy* was received and adopted by the Conference with a revised budget for 2020/2021. An accompanying video ‘Good News to Share’ was launched after the Conference to help congregations celebrate evangelism in their own contexts. Following the Conference, in summer 2020, the Evangelism and Growth webpages were updated to help individuals, churches, circuits and districts find guidance on taking reflective, strategic next steps. New opportunities, such as a transformational leadership learning community, and new resources, including a practical eight-step process for mission planning, were highlighted.

To celebrate the 2020/2021 connexional ‘Year of Prayer’, the Mission team launched a weekly prayer meeting. Close partnerships began with districts to build compelling project plans for ‘New Places for New People’ and ‘Church at the Margins’ projects. Additional elements planned for the first year of the strategy were developed and/or delivered,

including the core materials of *A Methodist Way of Life*, a discipleship pattern to enable individuals and communities to respond to the gospel with their whole lives; online courses for digital pioneering, evangelism for leaders, and mission beyond lockdown; an expanded second year of *The Story Project*, an interactive testimony project; and an experimental digital evangelism campaign called #GodIsWithUs.

4. Global relations

The Methodist Church in Great Britain (MCB) has over 100 partner churches and organisations in over 65 countries across the globe, and the Global Relationships Committee (GRC) oversees the continuing development of our relationships. Its strategy is a part of the response to *Our Calling* and sits within the Mission Team of the Connexional Team, operating within the recommendations of the *Hope in God’s Future* and *Inclusive Church* reports. It can be summarised as enabling churches, circuits and districts to be distinctive and highly effective participants in mission, by means of:

- true partnership with sister churches around the world;
- focus on the places and programmes where our participation can make a real difference locally and globally; and
- evolution that encourages new initiatives while maintaining the best of what has gone on before.

This is expressed by maintaining and strengthening traditional and more recent partnerships through:

- fostering people-to-people encounters;
- enabling reciprocal learning and engagement in mission;
- sharing resources within the agreed strategies and priorities of the World Mission Fund;
- engaging in capacity building with global partners to enable long-term sustainability and mission;
- being flexible and alert to new opportunities for mission and co-operation; and
- equipping members of The Methodist Church in Great Britain to celebrate and take confidence in God’s presence and action in the world and respond to God’s call.

As well as supporting Mission Partners who commit to serve for a minimum of six years, the Global Relationships (GR) team also run a number of other programmes for people to serve the World Church.

Key activities (continued)

These include opportunities for persons from Britain and Ireland to experience the World Church through volunteering to serve a Partner for 3–12 months under the ‘Encounter Worldwide’ programme; volunteering for a shorter period during sabbaticals and through the Specialist Skills Programme; or participating in a group visit through ‘Encounter Together’. The GR team also enables MCB to receive young adults from other countries to serve in faith-based community and advocacy placements for two years through the Global Mission Fellows (GMF) programme of the United Methodist Church, of which MCB is an affiliate. GR is also working with the Council of Evangelical Methodist Churches of Latin America (CIEMAL) on a pilot programme bringing evangelists to support the work of circuits and districts in Britain and in the Methodist Church Ireland.

Due to the effects of the Covid-19 pandemic, all programmes that involve the international movement of personnel have been suspended except for the Mission Partner and CIEMAL evangelist programmes, where people were already in place before lockdown.

Through the Church CAN programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context. Work is ongoing, and a new Church CAN project is being explored online.

Being in partnership does not in itself imply that we will provide grant funding, which is only one way of expressing that partnership. The Strategy for Global Relationships defines the following priorities for grants from the World Mission Fund:

- building the capacity, leadership and long-term stability of Partner Churches;
- encouraging evangelism, outreach and engagement with the wider society (including interfaith and peace initiatives);
- supporting partners who have a special emphasis on issues of justice, inclusion, education, health and empowerment, and supporting those who have been marginalised because of their identity, faith, ethnicity, gender or economic status;
- assisting Partner Churches in responding to emergencies, natural disasters and those affected by human violence or ethnic conflict; and
- supporting partner organisations that have close relationships with Partner Churches overseas and are used by them for the ministry and mission of that Church.

Work can be funded by General (expressions of solidarity) grants, as well as Annual (capacity building and mission initiative) grants, Scholarship and Leadership Training, and Nationals in Mission grants. In 2019/2020, the original budget of £200,000 was raised to enable £727,557 to be given in General grants. This was due to the huge impact upon some Partners of the pandemic, and, of that sum, £573,779 was given as a direct result of the impact of Covid-19.

Here are a few examples of grants made in 2019/2020:

- **Eglise Methodiste Du Togo (£10,000)**
When in Togo many found themselves suddenly without income or employment, and churches lost income due to closure, this grant helped with the distribution of food kits, sanitation provision and ministerial support.
- **Iglesia Evangelica Metodista de El Salvador (£10,130)**
In El Salvador the economic effect on the nation has been devastating. With this grant the Church was able to support 400 families with food rations; buy medicine that will benefit up to 2,500 patients through their clinic; and provide some PPE equipment for the community.
- **National Christian Council Sri Lanka (£15,000)**
This grant was used to support the Church as it responded to the Covid-19 emergency with prayer, social action, advocacy and community awareness, and disinfection.
- **United Methodist Church in Bulgaria (£5,200)**
A National in Mission Appointment grant was made available to ministries working with Turkish-speaking Roma in Gorno Ezerovo.
- **The Methodist Church in Cuba (£9,000)**
A grant was made to support evangelism and leadership training, and to strengthen internet provision in response to Covid-19.
- **United Church of Zambia (£27,171)**
A SALT grant was awarded to Charles Lungu towards a PhD programme (2017–2020); it was co-funded with Wesley House Cambridge.
- **The Church of Bangladesh (£5,700)**
A grant was made to Bollobhpur Hospital. This church hospital conducts four clinics a week for pregnant women, one in the hospital and three in nearby villages. The grant was used to replace a very old ultrasound scanner that was no longer reliable.

Supporting the advocacy of All We Can

Between 1 September 2019 and 31 August 2020, All We Can’s work has helped transform the lives of more than 989,000 people. As a key part of the Methodist family, and the Church’s official relief and development agency, All We Can works in partnership with our global neighbours most impacted by disasters, poverty and injustice to enable flourishing and resilient communities. During the 2019/2020 financial year, All We Can recommitted to its ‘partnership approach’ – moving away from conventional project-focused funding in favour of long-term partnerships with local organisations rooted in the communities they serve. The charity’s vision – for every person’s potential to be fulfilled – is enabled by this approach, and powered by the generosity and faithful support of those committed to the All We Can movement.

In the past year, All We Can partnered with 22 local organisations in six countries to facilitate a variety of long-term development programmes. All We Can’s partnership approach means that the specifics of each project are driven and owned by the local community. This means in each country in which All We Can works, a number of different activities can be taking place – including work as varied as climate-smart agriculture projects and rights-based self-help groups.

Through this approach, All We Can not only supports local activists in their development activities, but also enables them to grow their own organisational capacity. By focussing on building up grassroots local organisations, long-term sustainable change is ensured for generations to come – as the abilities of these local organisations grow.

As part of the Methodist family, All We Can also coordinates the Methodist Church’s response to humanitarian emergencies. Due to the overwhelming impact of Covid-19 on All We Can’s local partners, a significant portion of the charity’s workload during the 2019/2020 year involved responding to this emergency situation. All We Can’s long-term development partners and other local organisations were supported to pivot their programmes to assist communities in coping with the impact of coronavirus, as well as lockdowns and other restrictions.

In addition to this coronavirus response work, All We Can responded to two other emergency situations during the year. In September 2019, Hurricane Dorian caused mass devastation in the Bahamas. All We Can worked with the Methodist Church of the Caribbean and Americas and with other humanitarian aid partners in

the region to respond. In August 2020, it fundraised for a humanitarian response to the explosion in the port of Beirut. Furthermore, it continued to respond to protracted refugee crises in Jordan and Bangladesh. In total, All We Can directly reached an estimated 64,000 through its emergency responses.

This year, All We Can has continued its collaboration with Global Relationships through the Church CAN initiative. It works with global Church partners identified by Global Relationships, to build those Churches’ capacity. This work recognises that Churches have unique strengths that enable them to make an important contribution to seeing ‘everyone’s potential fulfilled’. In the past year, work with existing Church CAN partners has been consolidated, with new programmes launched in Guatemala and Southern Africa, and the Caribbean and Americas.

5. Learning network

The newly configured Forums are working well in many of the regions. Work has been undertaken to enable them to be effective in their role of supporting learning and development in all its many forms so that circuits may be places of lifelong learning and sharing. The purpose is to encourage and inspire Methodist people in all aspects of their calling, so that they may live out their discipleship and make known the love of God. The learning and development gathering was held in December 2019 to reflect together on the role and work of the Regional Forums and the ways in which we can effectively resource learning and development to support the work of mission and ministry within the Church.

The learning network has adapted to the ongoing Covid-19 situation with a wide range of areas of engagement switched to online delivery. Engagement with these online sessions has been positive, often with higher numbers attending than if the sessions were face to face. Through this online engagement we are learning and continue to learn what is most effective in online engagement. We recognised that church members’ willingness to engage in online learning and development has undergone a step change – due to the forced change that Covid-19 has triggered with families and friends of all generations having to use digital means to stay in touch during lockdown. We anticipate a ‘blended learning’ approach continuing beyond the current Covid-19 situation and are in the early stages of developing some initial online learning materials utilising the Theology X online learning platform.

Key activities (continued)

Staff within the Learning and Development team have continued to support the delivery and facilitation of supervision training, working closely with the Ministries team. Plans for engaging in ongoing supervision training in an online format are well underway and some of the professional development for supervisors has already been delivered in an online format.

Work has been undertaken on launching a three-year pilot project for establishing a Reconciliation and Mediation Team across the three regions that participated in the initial training in East of England, London and North West & Mann Learning Network regions. It builds on the work previously undertaken in developing *Positive Working Together*, and recognises the need, highlighted by a number of district chairs, to more effectively resource districts by offering professional reconciliation/mediation at an early stage in a dispute. It also links with work being undertaken to review the complaints and discipline process and aims to link up with the work of the District Reconciliation Groups within the three Learning Network regions. Training on supporting people's mental health is also being planned, in collaboration with the Wellbeing Officer.

6. The Methodist Council and governance

The Methodist Council is charged with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The following are just a few of the actions that the Council carried out during 2019/2020 in accordance with its governance responsibilities.

- It adopted a risk management policy and adopted the corporate risk register.
- It appointed Epworth as its regulated adviser in relation to the Royal London proposed Group Personal Pension Plan for employees of the Methodist Council and other Methodist employers.
- It made decisions and recommendations in relation to the Pension and Assurance Scheme for Lay Employees of the Methodist Church, and

its ongoing costs in the light of its closure to future accrual.

- As the managing trustees of the Centenary Hall Trust, it considered the responses to the consultation on the proposed amendments to the Charity Commission Scheme (1988) and concluded that an amended scheme should be sought from the Charity Commission.
- It approved a partnership agreement with The Queen's Foundation for an Ecumenical Theological Foundation.
- It endorsed the production of good practice guidelines for churches in the area of sexual harassment, for publication and launch at the Conference.
- It adopted a modern slavery transparency statement and underlined its strong commitment to pursuing the objectives of the Modern Slavery Act (2015).
- The Conference affirmed an 'Inclusive Church Strategy' and the EDI Adviser has overseen the development of task groups to implement the different elements of the strategy.
- The Council has received reports from many committees and revised their terms and conditions, and has made appointments and nominations to various bodies and committees.

Work relating to Covid-19 is ongoing. Guidance was produced to aid district chairs, circuit superintendents and others in hosting online meetings during the pandemic. Despite the current restrictions, the work of DBS blemish checks and safeguarding risk assessments has continued. Extensive work has been undertaken to work on the Foundation and Advanced safeguarding training modules in order to be able to offer an online version of the required training.

The Church contributed to the Independent Inquiry into Child Sexual Abuse (IICSA) investigation into Child Protection in Religious Organisations and Settings. The current phase of the inquiry's work is a thematic inquiry into current child protection policies, practices and procedures in religious institutions. The findings from the inquiry are expected during 2021 and further details can be found on the Church's website.

Taking the theme of 'What's the Story?', the President and Vice President of the Methodist Conference 2019/2020, the Revd Dr Barbara Glasson and Professor Clive Marsh, travelled extensively across the Connexion before lockdown,

starting conversations about the individual stories of the people called Methodists, and they have continued this dialogue online.

7. Ministries

The appointment of a vocations' adviser has allowed us to continue to develop the Vocations Strategy. Partnerships have been established with many members of the Connexional Team to enable vocational questions to be asked in relation to the various projects members of the Team are engaged with. We have commissioned new resources under the title *Called to be...* enabling people to consider the various ways of serving in the Church and recorded short videos of preachers, of all ages and backgrounds, sharing their call. We continue to address the under-representation of BAME people in church offices. We are also working to promote Vocations Sunday.

During the year, 93 people attended an 'Exploring Ordained Ministry' day. Although this has not led to an increase in the number of people candidating this year, we are pleased to report that even during the pandemic 31 people have expressed an interest to explore the call to ordained ministry.

The assessment of local preachers in training has been reviewed to make it easier to navigate for both student and tutor. We continue to wind down the old course 'Faith and Worship' which we will discontinue from spring 2021. We have received just under 200 'Worship: Leading and Preaching' portfolios and 50 'Faith and Worship' submissions in the last year; these have been moderated or marked depending on the pathway.

During the year we ran the induction processes for 32 new superintendents and 23 superintendents in their first year in the role. We also ran bespoke inductions for two district chairs. The annual superintendents' conference had to be cancelled due to lockdown; however we hope to run this conference in 2021.

The roll-out of supervision for all those in active ordained ministry continues. At the beginning of June 2020, 465 people had received initial training, of whom 316 were approved to supervise under the policy. About 110 people are in the process of training; the remainder (39) have withdrawn or were recommended not to proceed. Training this year has focused on those who are new in their role as superintendents and in increasing capacity where

more is needed. As all supervision has had to move online, so too has our training, with the training course and assessment being adjusted appropriately. A detailed piece of research will be shared with the Reference group and wider Church in coming months, which will shape the new supervision policy presented to the 2021 Conference.

Twenty-two people attended the 'First Moves in Ministry' retreat and 16 attended an online version of the new mid-ministry retreat for those in years eight to 12 of ministry (known as ReCharge); originally 35 people were due to attend the physical event. There were 55 ministers attending the pre-retirement courses in the past year.

The team has been responsible for the creation and signposting of provisions for worshipping at home during the Covid-19 lockdown. These materials have been well received across the Connexion and we are grateful to all those who have partnered with us in this large piece of unplanned work.

Gaps in our provision for supporting the ministry of chaplains and those engaged with lay ministries have been identified and a new officer was appointed to oversee this work from September 2020.

The Queen's Foundation

- This institution leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2019/2020, the Foundation worked with 60 student presbyters and deacons and 45 probationer ministers. They represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT.
- Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the

Key activities (continued)

world's best. Queen's continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain.

- Professor Clive Marsh was appointed Principal from September 2020, succeeding the Revd Canon Dr David Hewlett, under whose leadership Queen's grew and flourished. During a period of staff change, and in which the Covid-19 pandemic has posed huge challenges necessitating flexibility in teaching and timetabling, Queen's strengths have come to the fore. Its experience of online teaching with dispersed cohorts, its pastoral tutorial structure, and the considerable skills of the staff team have all been invaluable in this testing period.

Cliff College

- This institution continues to act as a focus for strategic development in mission and ministry, with a renewed focus on 'equipping the Church in evangelism and mission'. Cliff College works in partnership with several teams and clusters across the Connexion to deliver a range of projects and programmes which contribute to current priorities. These include innovative short courses, such as 'Worship Leading & Preaching', 'Family Ministry', 'Pioneering Ministry' and 'Administrative Ministry'. They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.
- Cliff is currently at work to renew its undergraduate and postgraduate programmes, all of which support and encourage the development of individuals, both lay and ordained, in their ministry roles. The particular difficulties of the Covid-19 pandemic have found Cliff well placed to respond with creativity and flexibility, especially when courses had to move quickly online. The annual Cliff Festival had to be held online, and was a great success nevertheless, offering the customary weekend of worship, study and fellowship with a particular emphasis on the College's expanding engagement overseas.

- The relaunched Cliff Year, an intentional year-long programme of study and vocational discernment that builds on and honours Cliff's historical ministry programmes, has made a sound beginning in 2019/2020, despite the constraints of the pandemic. Dr Ed McKenzie has joined the teaching staff as a lecturer in Biblical Theology and Mission, and the restructured executive team and College committee is striving to build on the progress of recent years. The consultation process for the College's new 'Vision 21' strategic plan is well underway and the document will be released during 2020/2021.

Southlands Methodist Trust

- The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.
- During the reporting year, the SMT's main research and educational activities focused on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society.
- The SMT sponsors a young person to spend two years working as assistant chaplain at the College as part of a discernment process. The role is attached to an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at www.southlandsmethodisttrust.org.uk
- The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education.
- The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. As part of this contribution,

it provides funding for the staffing of MAST. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

8. Property

The Property Support Team continues to provide a wide range of assistance to managing trustees and connexional colleagues. This year new online materials were produced to support districts, circuits and managing trustees, including brand-new guidance for quinquennial inspections, the bedrock for good management of all church property. Regular strategic updates, illustrated through live property projects, were brought to the Property Development Committee for discussion, looking to plan or facilitate future wider connexional strategies, manage trustees' needs or give access to wider support opportunities. The team continues to explore and establish potential partnerships, which are crucial to future missional and development opportunities to help trustees in using their property to its fullest capacity. All the links created so far are with established Methodist and Christian-based organisations, which have a shared ethos and commitment to mission within their communities. We continue to look at how we develop a strategy for our listed buildings, and work with circuits and districts to assist them as they develop their property plans. The first 'new look' *Property Matters* was developed and published this year, moving to a monthly e-newsletter format (from a quarterly paper format) to make it more accessible and give up-to-the-minute property information during the year.

We are working to promote the property strategy across the Connexion. We work in areas across the whole nation, from Kent to Cornwall, and Wales to Northumberland. Already, there are interesting projects starting to emerge, from significant building alterations for mission to wholesale developments for new church buildings and affordable housing. To continue to build support for the property strategy at the local level, the team has compiled new promotional and presentation materials that can be used by district property secretaries (DPSs) to promote the strategy locally, and encourage joined-up thinking across districts and circuits.

A successful interactive training/workshop day was held with DPSs focusing on quinquennial inspections, the Connexional property strategy, and business planning. The team is working on a DPS mapping exercise and report to better understand the needs of the role and allow for some planning within the new strategy – this is due for publication in January 2021.

The Property Support Team is developing an approach to circuit property to ensure that connexional resources required for the emerging *Strategic Guidance for the Use of Property in Mission* are more effectively aimed at circuits and districts to develop wider and more holistic strategies. The team has had a number of conversations with circuits, which see the benefit of a wider review of their property portfolio. We are working with Joint Public Issues Team colleagues on a key piece of work focusing on energy efficiency and environmental issues, to help inform the Church's future net-zero carbon policies. It has been noted that grant funding is especially of interest to many churches as they fundraise for projects. We have therefore explored along with the Grants Team how information can be communicated and we offer guidance to support those involved in this aspect of a project. We have also collaborated with the Grants Team to develop simplified grant requirements and technical and business plan assessments for all connexional property grants.

Since March 2020, the Property Support Team has been assisting managing trustees in their property responsibilities during the Covid-19 pandemic, through the expansion of a series of 'themed' guides. We have also provided additional support via phone and email and ensured that guidance reflects the differing policies for all four devolved administrations. The Government's advice is reviewed daily and we benefit from links made by JPIT with the Ministry of Housing Communities and local government round tables. The Property Team has worked with schools and colleges to create opportunities for managing trustees to engage with their local communities during the pandemic. A number of online discussions have been held with the Free Churches Group and Methodist schools to explore principles for how Methodist property might provide over-spill accommodation for local schools.

Grant programmes

Connexional grants are only offered to projects in line with *Our Calling*. When considering grant applications, the Connexional Grants Committee (CGC) examined how applicants intended to fulfil the calling of The Methodist Church in Great Britain:

- to make more followers of Jesus Christ;
- to be a good neighbour to people in need and to challenge injustice;
- to increase awareness of God’s presence and to celebrate God’s love through worship; and
- to help people to grow and learn as Christians, through mutual support and care.

The CGC sought to concentrate its resources on projects that:

- develop confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved;
- support community development and action for justice, especially among the most disadvantaged – in Britain and worldwide;
- encourage fresh ways of being Church;
- underpin every activity with God-centred worship and prayer; and
- nurture a culture in the Church that is people-centred and flexible.

Mission and Ministry in Britain grants £3.1m (2019: £5.8m)

The Connexional Grants Committee (CGC) receives applications for funding for mission and ministry in Britain, including Chaplaincy, Methodist Action on Poverty and Justice (MAPJ), Property and Mission & Ministry streams. The CGC assesses these applications against criteria for eligibility and impact. The first allows the committee to assess whether the project should be funded from its resources; the second enables the committee to prioritise competing applications based on potential impact.

The general situation in 2019/2020 was for a significant downward trend in the number and value of applications. Seventy-eight applications were received (down from 121) for a total value of £7.53m (£10.6m in the previous year).

The total grants awarded included £265,000 for MAPJ projects (six awards). Only 14 awards in total were made for the whole year due to the suspension of grant-giving in response to the coronavirus

pandemic. No grants were made from the Fund for Property (£1m in the previous year) or from the Connexional Priority Fund.

World Mission Fund grants £3.9m (2018: £3.4m)

The Connexional Grants Committee (CGC) also administers the Church’s international grants. These are given to Partner Churches and organisations overseas to support mission and ministry in their communities. These grants are made from the World Mission Fund and the entire cost of a multi-year grant, where there is no break clause, is committed in the year it is approved. The grants cover four main streams:

- annual grants to support the core work of our partners;
- Scholarship and Leadership Training (SALT), enabling key partner personnel to study for qualifications;
- Nationals in Mission Appointments (NMA), funding posts for which our partners have the people but not the financial resources; and
- general grants – mainly in response to natural disasters or other unforeseen events.

All We Can – Methodist Relief and Development grants £1.4m (2019: £1.3m)

All We Can awards grants through local partners in its priority countries that are registered non-governmental organisations (NGOs), community-based organisations (CBOs) or Methodist Churches. These grants are given in the context of a deeply relational approach to joint working and are focused on community and capacity development initiatives, which are monitored and measured for impact and clear accountability. Humanitarian aid is only allocated through organisations that are All We Can partners, Methodist Churches, or through Action by Churches Together (ACT).

Westminster College Oxford Trust £700,000 (2019: £1.9m)

Almost all of this grant expenditure was awarded to Wesley Memorial Church, Oxford.

Ministry grants, including personnel support £2.6m (2019: £1.7m)

Grants are given to equip the Church’s ministries through its work with chaplaincies, children and young people, and by enabling evangelism, spirituality and discipleship. Most of the grants made covered student fees and bursaries. Small grants are also made to Methodist presbyters, deacons, lay employees and local preachers and their families towards the education of their children, during times of ill health and for one-off financial support. Giving for this purpose draws on a variety of funds including the Fund for the Support of Presbyters and Deacons, Trinity Hall Trust and several benevolent funds.

The figures disclosed above list the grant-giving entity and type of grant however, Note 10 discloses grants by related activity.

Plans for the future

Throughout the coming year The Methodist Council plans to continue pursuing the objectives of the Methodist Church, in particular those objectives collectively referred to as: *Reaffirming Our Calling*. The main strands of this work with some examples include:

- 1. Proclaiming the gospel through worship / The ministry of the whole people of God in the life of the world.** Reflecting on the impact and effectiveness of online worship and learning over the last year to develop future strategies for supporting these areas.
- 2. A Church for all people / The Inclusive Church.** Development of action plans around how the Church as a whole becomes a more welcoming, diverse, and tolerant organisation.
- 3. God’s Church in God’s world / Striving for justice and peace.** Consideration of the Church’s net-zero carbon emission targets, ongoing engagement in reflection on our ethics in relation to investments.
- 4. Evangelism / God for all.** Working with districts in the year ahead to fund the first tranche of projects to increase our engagement in sharing the gospel in new ways, striving to work with those in the most marginalised communities in our world.

- 5. Resources for the Church / The use of God’s gifts (including oversight and leadership).** Working with others throughout the Church to respond to the financial impact of the pandemic. Detailed work to enable the Church to make decisions about its future decision-making structure that offer the best patterns of oversight and management for the organisation.
- 6. Responding to the gospel in partnership.** Continued reform of the processes of grant-giving both at home and abroad to ensure participation and positive engagement from our partners.

Remuneration of key management personnel

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC). The senior management group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church’s work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale that is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church’s policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are in Notes 25–27 to the financial statements.

Fundraising activities

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church; and
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

Financial review

The activities covered in these consolidated financial statements are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

The net income for the year was a deficit of £5.76m (2019: £3.34m surplus), including net investment losses of £5.8m (2019: £3.8m gain). This investment loss largely reflected the reduction in value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These reductions were due to the impact on the markets of the Covid-19 pandemic.

Other recognised losses for the year were £14.1m (2019: £3.7m). A £9.1m loss (2019: £5.6m) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The

Methodist Church. A £5m loss resulted from the revaluation of the Church's property. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 77).

Income

The total income for the year was £44.4m (2019: £49.1m) a decrease of 10% compared to the previous year. This reduction was mainly due to the Covid-19 pandemic as follows:

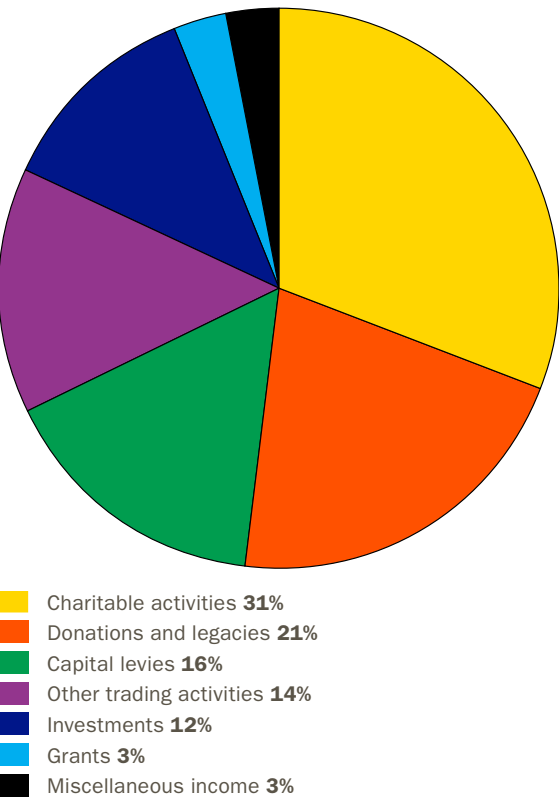
1. Reductions in trading income across both Methodist International Centre Ltd (reduced hotel occupancy) and Cliff College (course and event cancellations)
2. The Methodist Council agreed a rent holiday with Methodist International Centre Ltd (the company that runs the hotel) and there were no profits generated in the year to be gifted to the Church.
3. A reduction in investment income was experienced due to the significant impact that the pandemic had on the financial markets with consequent reductions in dividends being paid in year.

Donated income also fell during the year. The donation figure included an amount of £0.5m, which reflects the transfer of Camden Methodist Church to connexional funds at no consideration or value. This contrasts with the inclusion of the transfer of Oxford Place Leeds to connexional funds in the previous year for £3.5m therefore contributing a £3m reduction in donations in year. A detailed analysis of income is provided in Notes 3-6 (pages 48-50).

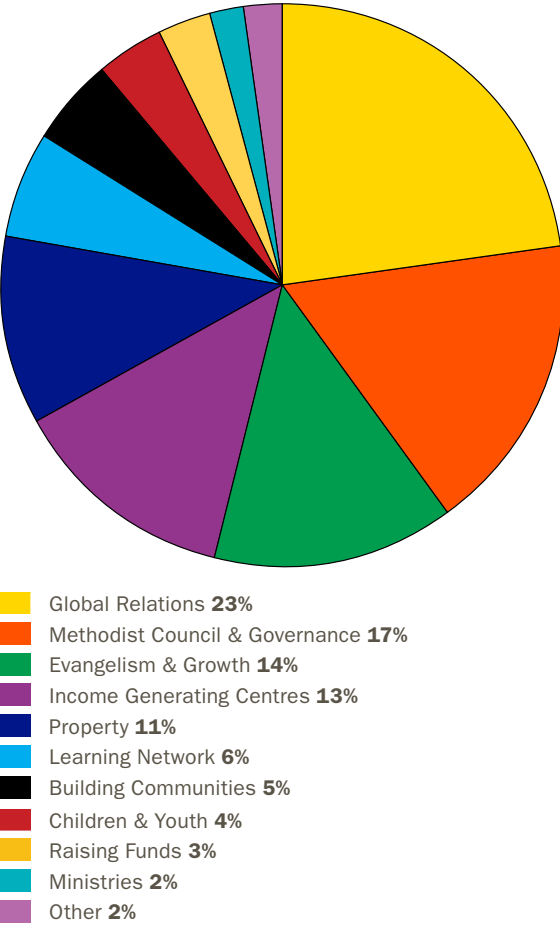
Expenditure

Total expenditure decreased to £44.4m (2019: £49.6m). Of this, £44.3m was spent on direct charitable activities (2019: £49.6m). The reduction in expenditure was particularly linked to the decision of the Methodist Council to suspend grant-giving from the Mission in Britain and Property Funds in the summer. This decision was taken in the light of the Covid-19 pandemic and the uncertainty that existed about its impact on the Church's financial position. Spending from restricted funds (after transfers) was greater than income by £6.7m. This largely reflects the policy to use excess reserves in a planned manner over three years. A detailed analysis of expenditure by activity is included in Notes 7-8 (pages 50-51).

The Methodist Church in Great Britain
Total income £44.4m



The Methodist Church in Great Britain
Total expenditure £44.4m



Managed Reserves

The total value of funds held at 31 August 2020 was £264m (2019: £284m). There are restricted reserves of £152m (2019: £164m), unrestricted reserves of £92m (2019: £100m), and endowment reserves of £19m (2019: £20m).

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council. As a consequence of the Covid-19 pandemic the reserves policies are under review with the intention to make any necessary changes during 2020/2021. There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);

- The Methodist International Centre (included within general funds);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

General funds

At 31 August 2020, the balance of the unrestricted general funds was £54m (2019: £55m). Of this, £46m (2019: £44m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of one of its subsidiary undertakings, which is therefore not available for use as a reserve. The trustees approved a reserves balance of £7.5 million. This would ensure that there is sufficient cash or near cash at hand at all times to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2020 the free reserves balance was £8m (2019: £11m).

Managed Reserves (continued)

Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed or they decide not to continue with the project for which the funds were designated.

At 31 August 2020, the designated funds totalled £52 million (2019: £50 million) of which the main fund balances were as follows:

● The Connexional Priority Fund	£9 million
● Epworth Fund	£7 million
● The Pension Reserve Fund	£35 million
● Others	£1 million
● Total:	£52 million

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. The Methodist Council in 2015 approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £5 million. Around £3 million of this will cover the potential claims for levy refunds as applications can be made regarding replacement projects for up to five years under Standing Order (SO) 973. The remaining £2 million will cover year-to-year fluctuations in levy income and investment values.

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London, in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. It receives approximately £200,000 annually from investments and has the potential for some capital appreciation. The current expenditure policy is in line with the reserves policy and serves to ensure that the fund balance does not fall below £5m.

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers’ Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). More information can be found in the Financial Risks section below.

At 31 August 2020 the reserves position on the designated funds was above the policy by £6 million. The CPF’s reserves were above the policy by £4 million and the Epworth Fund was above policy by £2 million. The balance held in the smaller designated funds is detailed in Note 19c (page 64) in the notes to the financial statements.

Financial risks

The Council’s general reserves enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 4).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the general public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of a number of key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Methodist Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left a number of circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of

local churches. If these trends continue, there is a risk that the annual increases in the assessment would not be sustainable in the longer term. However, if this decline were to happen, it would be gradual, and with the three-year planning processes in place, the Council would have time to adjust.

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable, with one single donation accounting for over 50% of this year’s income.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over a number of years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. In order to mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. This fund has the benefit of providing comfort to the Pension Fund trustees of the financial support of the Church for the schemes and enables them to follow an investment policy more likely to generate higher returns than a more conservative policy would realise. The Fund has made annual contributions of £1 million up to 2018 (with no payment required in 2019 or 2020) to the Methodist Ministers’ Pension Scheme (MMPS) in order to help eliminate the deficit. An additional contribution of £1.1m was made to the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC) scheme in 2019/2020 to reduce the deficit balance on that scheme.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

The accumulating level of reserves expected to be held in the Pension Reserve Fund forms part of

the ‘employer covenant’ with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference.

Investments

As at 31 August 2020, the Church held fixed asset investments with a fair value of £189 million (2019: £194 million). The Finance Sub-Committee now (and the Investment Committee prior to June 2020) regularly reviews the investment portfolio and performs an annual review of the investment policy. The Church’s investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church’s in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

Investments (continued)

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £53m vs £189m (2019: £53m vs £194m).

Performance and holdings

Losses on investments during the year were £5.8m (2019: £3.8m gain on investments). This performance was directly linked to the global market pressures experienced as a result of the Covid-19 pandemic. The total returns as at 31 August 2020 for CFB managed funds are summarised as follows:

	1 year to 31.08.20	3 years to 31.08.20 (p.a.)	11.07.16 to 31.08.20 (p.a.)
Managed LT Methodist Council Fund	-1.4%	4.0%	6.7%
Managed MT Methodist Council Fund	0.1%	3.3%	4.9%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	-9.7%	-0.7%	6.5%
FTSE All Share	-12.7%	-2.8%	5.9%
Ethical benchmark	-11.0%	-1.4%	6.3%
CFB Overseas Fund	6.6%	8.7%	12.2%
FTSE All World ex UK	7.6%	8.7%	12.4%
CFB Short Fixed Interest Fund	1.5%	1.6%	2.6%
Benchmark	1.4%	1.7%	2.6%
CFB Corporate Bond Fund	2.4%	3.2%	4.9%
Benchmark	2.9%	3.5%	5.2%
CFB Deposit Fund	0.7%	0.6%	0.6%
1 week Libid	0.3%	0.4%	0.3%

Property benchmarks

	1 year to 30.06.20	3 years to 30.06.20 (p.a.)	11.07.16 to 31.06.20 (p.a.)
Managed LT Methodist Council Fund	-0.9%	4.7%	6.8%
Benchmark	-0.3%	4.5%	6.6%
Ethical Benchmark	0.2%	4.9%	6.9%
Managed MT Methodist Council Fund	1.2%	4.0%	5.0%
Benchmark	2.6%	4.2%	5.0%
Ethical benchmark	2.9%	4.4%	5.1%
	1 year	3 years (pa)	10 years (pa)
CFB Property Fund	-1.2%	4.7%	7.8%
FTSE All Share	-2.6%	3.4%	6.5%

Principal risks and uncertainties

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church’s ability to fulfil its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken.

This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church’s purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church are:

- lack of coherent strategy and an inability to identify priorities contributing to decline, ultimately resulting in The Methodist Church ceasing to exist;
- ineffective recruitment and training of those who fulfil ministerial/lay roles resulting in shortage/ surplus of ministers or decline in membership due to poor standard/allocation of ministers/lay workers;
- safeguarding failures leading to harm to individuals or the organisation;
- ineffective stewardship of resources resulting in reduced liquidity/cash flow or deficit; or failure to use funds towards changing priorities;
- local churches and circuits deciding to leave the connexional framework resulting in reduction or break-up of the Methodist Connexion; and
- Ineffective governance and organisational structure meaning the Conference fails to function properly as the Church’s governing body and the Conference trustees cannot fulfil their legal responsibilities.

Risk management

The principal risks identified are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Methodist Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

Risk appetite

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Methodist Council to adopt appropriate behaviours, decisions and controls according to the priorities in the Connexional Team’s strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

Risk strategy and responsibilities

The Council’s role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;
- approving major decisions affecting the Church’s risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit and Risk Assurance Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team’s approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether or not the Team has complied with expected risk management practice. The following safeguards are in place:

Investments (continued)

- **Policies and procedures** Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- **Reports** The Senior Management Group of the Connexional Team, the Council and its committees (Audit and Risk Assurance Committee and the Strategy and Resources Committee) receive a number of key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- **Strategic planning and budgeting** The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- **Risk registers** Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually, and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- **Team risk management** The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- **Audit and Risk Assurance Committee** In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any emerging issues. A summary of the terms of reference of the committee can be found on page 6.
- **Internal audit programme** This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- **External audit** The external audit provides a report to the Audit and Risk Assurance

Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.

- **Third party reports** From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit and Risk Assurance Committee and makes recommendations to the Strategy and Resources Committee and/or to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was significantly supported by an

unrestricted legacy (£1.9m) and a £0.5m increase in a donation from Methodist Insurance. Along with expenditure reductions consequent of the pandemic, this prevented the funds from dropping below reserve levels. Looking forward, the budget for 2020/2021 maintains funds above reserve levels despite drops in income. The risk of reductions in District Assessment income over the next two to three years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Account. On-going monitoring of this position is undertaken through the work of the Finance Sub-committee (FSC) of the Strategy and Resources Committee. The assumptions made by the FSC in relation to Going Concern are scrutinised annually by the Audit and Risk Assurance Committee with any concerns being reported through to the Methodist Council.

The environment

The Methodist Church takes its responsibility towards the environment seriously (as detailed in *Hope in God's Future*). Having originally set an ambitious target of 80% reduction of carbon emissions by 2050, the Methodist Council adopted a report in 2019 recognising the need for the achievement of net zero carbon emissions before 2050.

Our environmental goals

The Church's goals are:

- improved knowledge of the footprint of The Methodist Church and of the measures that would be most effective in reducing carbon emissions;
- improved knowledge of further technical support that can be made available to support circuits' adaptation of buildings;
- further financial resources identified to support reduction in carbon emissions; and
- better equipped staff and ministers to make informed choices to reduce their carbon footprint.

Related parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

- 1) The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
- 2) The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
- 3) The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014, and operates from Methodist Church House in London. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
- 4) The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
- 5) Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 75) of the financial statements.

Statement of trustees’ responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

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

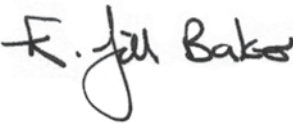
The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

A resolution proposing the reappointment of RSM UK Audit LLP as auditor to the charity will be put to the Methodist Council.

RSM UK Audit LLP has indicated its willingness to continue in office.



Mrs E Jill Baker
Chair of the Council

January 2021

Independent Auditor’s Report to the Trustees of The Methodist Church in Great Britain

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the ‘parent charity’) and its subsidiaries (the ‘group’) for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, Statement of financial activities – Connexional Funds, the Consolidated and Connexional Funds Balance Sheets, the Consolidated and Connexional Funds Cash Flow Statements 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 group’s and charity’s affairs as at 31 August 2020 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group’s or parent charity’s ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Consolidated Report and Financial Statements other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 28, 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 group's and parent 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 group or parent 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 these financial statements.

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Ben J. Holt

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row, Birmingham
West Midlands B2 5AF

February 2021

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.



Consolidated financial statements

Consolidated statement of financial activities

For the year ended 31 August 2020

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2019 Total £000
Income and endowments from:									
Donations and legacies	3a	3,564	5,994	-	9,558	4,245	7,911	-	12,156
Charitable activities	3e	13,555	342	-	13,897	13,440	500	-	13,940
Investments	4a	1,350	4,060	-	5,410	1,663	4,157	-	5,820
Other trading activities	5a	4,835	1,217	-	6,052	8,105	1,474	-	9,579
Other									
Capital levies	6a	6,917	-	-	6,917	5,656	-	-	5,656
Grants	6b	469	729	-	1,198	2	936	-	938
Miscellaneous income	3c	647	685	-	1,332	660	399	-	1,059
Total income		31,337	13,027	-	44,364	33,771	15,377	-	49,148
Expenditure on:									
Raising funds		6,159	1,001	17	7,177	7,195	1,328	17	8,540
Charitable activities									
Building communities	7a	1,251	818	-	2,069	994	857	-	1,851
Children & Youth	7a	1,690	7	-	1,697	1,713	147	-	1,860
Evangelism & Growth	7a	4,662	1,444	-	6,106	7,016	2,792	-	9,808
Global relations	7a	1,341	8,719	-	10,060	1,327	7,641	-	8,968
Learning Network	7a	2,803	19	-	2,822	3,148	30	-	3,178
Methodist Council & Governance	7a	3,378	4,335	-	7,713	2,444	6,263	-	8,707
Ministry	7a	875	149	-	1,024	596	235	-	831
Property	7a	4,698	29	-	4,727	5,042	148	-	5,190
Others - Pensions	7a	691	-	-	691	496	-	-	496
Net loss on the disposal of tangible fixed assets	7a	106	161	-	267	165	45	-	210
Total expenditure	20a, 21a	27,654	16,682	17	44,353	30,136	19,486	17	49,639
Net gains/(losses) on investments	14a	(3,070)	(1,850)	(849)	(5,769)	3,047	1,000	(219)	3,828
Net income		613	(5,505)	(866)	(5,758)	6,682	(3,109)	(236)	3,337
Transfers between funds	22	954	(1,187)	233	-	1,455	(1,679)	224	-
Net income after transfers		1,567	(6,692)	(633)	(5,758)	8,137	(4,788)	(12)	3,337
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(9,092)	(29)	-	(9,121)	(5,418)	(139)	-	(5,557)
Gains (losses) on revaluation of charitable properties		-	(5,000)	-	(5,000)	1,118	782	-	1,900
Net movement in funds		(7,525)	(11,721)	(633)	(19,879)	3,837	(4,145)	(12)	(320)
Total funds at 1 September		99,967	163,840	20,113	283,920	96,130	167,985	20,125	284,240
Total funds at 31 August		92,442	152,119	19,480	264,041	99,967	163,840	20,113	283,920

Statement of financial activities – The Connexional Funds

For the year ended 31 August 2020

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2019 Total £000
Income and endowments from:									
Donations and legacies	3b	3,564	2,893	-	6,457	4,245	4,800	-	9,045
Charitable activities	3f	13,555	402	-	13,957	13,440	500	-	13,940
Investments	4b	1,499	2,950	-	4,449	3,617	3,212	-	6,829
Other trading activities	5b	319	913	-	1,232	471	1,072	-	1,543
Other									
Capital levies	6a	6,917	-	-	6,917	5,656	-	-	5,656
Grants	6c	-	183	-	183	2	156	-	158
Miscellaneous income	3d	713	42	-	755	667	62	-	729
Total income		26,567	7,383	-	33,950	28,098	9,802	-	37,900
Expenditure on:									
Raising funds		1,360	1,001	17	2,378	1,476	1,328	17	2,821
Charitable activities									
Building communities	7b	1,251	818	-	2,069	994	857	-	1,851
Children & Youth	7b	1,690	7	-	1,697	1,714	146	-	1,860
Evangelism & Growth	7b	4,661	1,443	-	6,104	7,016	2,793	-	9,809
Global relations	7b	1,341	5,784	-	7,125	1,327	4,909	-	6,236
Learning Network	7b	2,803	20	-	2,823	3,148	30	-	3,178
Methodist Council & Governance	7b	3,941	738	-	4,679	3,075	1,230	-	4,305
Ministry	7b	875	149	-	1,024	596	235	-	831
Property	7b	4,697	28	-	4,725	5,041	148	-	5,189
Others - Pensions	7b	691	-	-	691	496	-	-	496
Net loss on the disposal of tangible fixed assets	7b	106	161	-	267	166	45	-	211
Total expenditure	20b, 21b	23,416	10,149	17	33,582	25,049	11,721	17	36,787
Net gains/(losses) on investments	14b	(3,010)	(2,258)	(849)	(6,117)	3,047	685	(219)	3,513
Net income		141	(5,024)	(866)	(5,749)	6,096	(1,234)	(236)	4,626
Transfers between funds	22	954	(1,187)	233	-	1,455	(1,679)	224	-
Net income after transfers		1,095	(6,211)	(633)	(5,749)	7,551	(2,913)	(12)	4,626
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(9,092)	(29)	-	(9,121)	(5,418)	(139)	-	(5,557)
Gains on revaluation of charitable properties		-	(5,000)	-	(5,000)	1,118	782	-	1,900
Net movement in funds		(7,997)	(11,240)	(633)	(19,870)	3,251	(2,270)	(12)	969
Total funds at 1 September		98,107	134,501	20,113	252,721	94,856	136,771	20,125	251,752
Total funds at 31 August		90,110	123,261	19,480	232,851	98,107	134,501	20,113	252,721

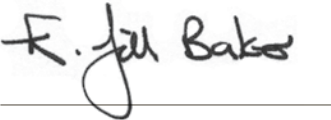
Balance Sheets as at 31 August 2020

	The Methodist Church in Great Britain			The Connexional Funds	
	Notes	2020	2019	2020	2019
		£000	£000	£000	£000
Fixed assets					
Intangible assets	13c	99	138	83	112
Tangible fixed assets	13a&b	94,231	98,561	86,315	90,374
Investments	14a&b	189,112	193,934	162,308	167,451
		283,442	292,633	248,706	257,937
Current assets					
Stocks	17	60	70	41	50
Debtors	15	3,845	5,284	3,482	5,422
Short-term deposits		14,038	15,549	12,745	14,577
Cash at bank and in hand		4,559	5,352	2,808	2,518
Total current assets		22,502	26,255	19,076	22,567
Creditors					
Amounts falling due within one year	16a	(17,158)	(17,489)	(14,908)	(15,262)
Net current assets		5,344	8,766	4,168	7,305
Total assets less current liabilities		288,786	301,399	252,874	265,242
Creditors					
Amounts falling due after more than one year	16b	(8,960)	(10,311)	(4,238)	(5,353)
Net assets excluding pension liability		279,826	291,088	248,636	259,889
Defined benefit pension scheme liability	28	(15,785)	(7,168)	(15,785)	(7,168)
Net assets including pension liability	23	264,041	283,920	232,851	252,721
The funds of the charity					
Unrestricted funds					
General funds		54,139	54,813	52,904	53,626
Designated funds		52,193	50,388	51,096	49,715
Defined benefit pension scheme liability	28	(13,890)	(5,234)	(13,890)	(5,234)
Total unrestricted funds	19	92,442	99,967	90,110	98,107
Restricted funds	20	152,119	163,840	123,261	134,501
Endowment funds	21	19,480	20,113	19,480	20,113
Total funds		264,041	283,920	232,851	252,721

Total unrestricted funds include revaluation reserve of £7.6m (2019: £7.6m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £54.3m (2019: £59.3m) for The Methodist Church in Great Britain and £52.3m (2019: £57.3m) for The Connexional Funds. (Note 24 Page 74).

The notes on pages 38-82 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26th January 2021 and signed on their behalf by:



Mrs E Jill Baker
Chair of the Council



The Reverend Timothy Swindell
Connexional Treasurer

Cash flow statements for the year ended 31 August 2020

	The Methodist Church in Great Britain		The Connexional Funds		
	Notes	2020	2019	2020	2019
Statement of cash flows		£000	£000	£000	£000
Cash flows from operating activities					
Net cash generated used in operating activities		(4,477)	(5,856)	(2,893)	(7,914)
Cash flows from investing activities					
Dividends, interest and rents from investments		5,410	5,043	4,449	6,050
Proceeds from the sale of property, plant and equipment		710	2,078	710	2,078
Purchase of property, plant and equipment	13a	(2,915)	(2,759)	(2,769)	(2,480)
Purchase of intangible assets	13c	(17)	(28)	(17)	(6)
Proceeds from the sale of investments	14a	1,100	6,190	100	5,684
Purchase of investments	14a	(1,593)	(4,066)	(620)	(211)
Net cash provided by investing activities		2,695	6,458	1,853	11,115
Cash flows from financing activities					
Repayment of loans		(522)	(1,689)	(502)	(1,652)
Net cash from/(used in) financing activities		(522)	(1,689)	(502)	(1,652)
Change in cash and cash equivalents in the reporting period		(2,304)	(1,087)	(1,542)	1,549
Cash and cash equivalents at the beginning of the reporting period		20,901	21,988	17,095	15,546
Cash and cash equivalents at the end of the reporting period		18,597	20,901	15,553	17,095
Reconciliation of net income to net cash flow from operating activities		2020	2019	2020	2019
		£000	£000	£000	£000
Net Income		(5,762)	3,337	(5,749)	4,626
Adjustments for:					
Depreciation and amortisation charges		514	454	86	100
Loss on the sale of fixed assets		267	210	267	210
Donated property		(454)	(3,545)	(454)	(3,545)
Net (gains)/ losses on investments		5,769	(3,828)	6,117	(3,513)
Investment income		(5,410)	(5,820)	(4,449)	(6,829)
Decrease in stocks		10	13	9	18
Decrease/(increase) in debtors		1,439	540	1,940	178
(Decrease)/increase in creditors		(1,160)	3,033	(966)	1,090
Pension costs/difference between pension costs charged and paid		310	(250)	305	(250)
Net cash generated used in operating activities		(4,477)	(5,856)	(2,893)	(7,914)
		2020	2019	2020	2019
Analysis of cash and cash equivalents		£000	£000	£000	£000
Cash in hand and at bank		4,559	5,352	2,808	2,518
Short-term deposits (less than 3 months)		14,038	15,549	12,745	14,577
Total cash and cash equivalents		18,597	20,901	15,553	17,095

Notes to the consolidated financial statements for the year ended 31 August 2020

1. Accounting policies

a) Scope and basis of the preparation of the financial statements

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a “true and fair” view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a “true and fair” view. This departure has involved following “Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)” second edition effective from 1 January 2019, rather than “Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005” which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 45.

b) Preparation of the financial statements on a going concern basis

These financial statements have been prepared on the basis that The Methodist Church in Great Britain is a going concern. A comprehensive review of the Church's financial performance and general reserves position is covered in the financial statements and trustees' report. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial 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 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was significantly supported by a significant unrestricted legacy (£1.9m) and a £0.5m increase in a donation from Methodist Insurance. Along with expenditure reductions as a result of the pandemic, this prevented the funds from dropping below reserve levels. Looking forward, the budget for 2020/2021 maintains funds above reserve levels despite drops in income. The risk of reductions in District Assessment income over the next two to three years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Account.

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below.

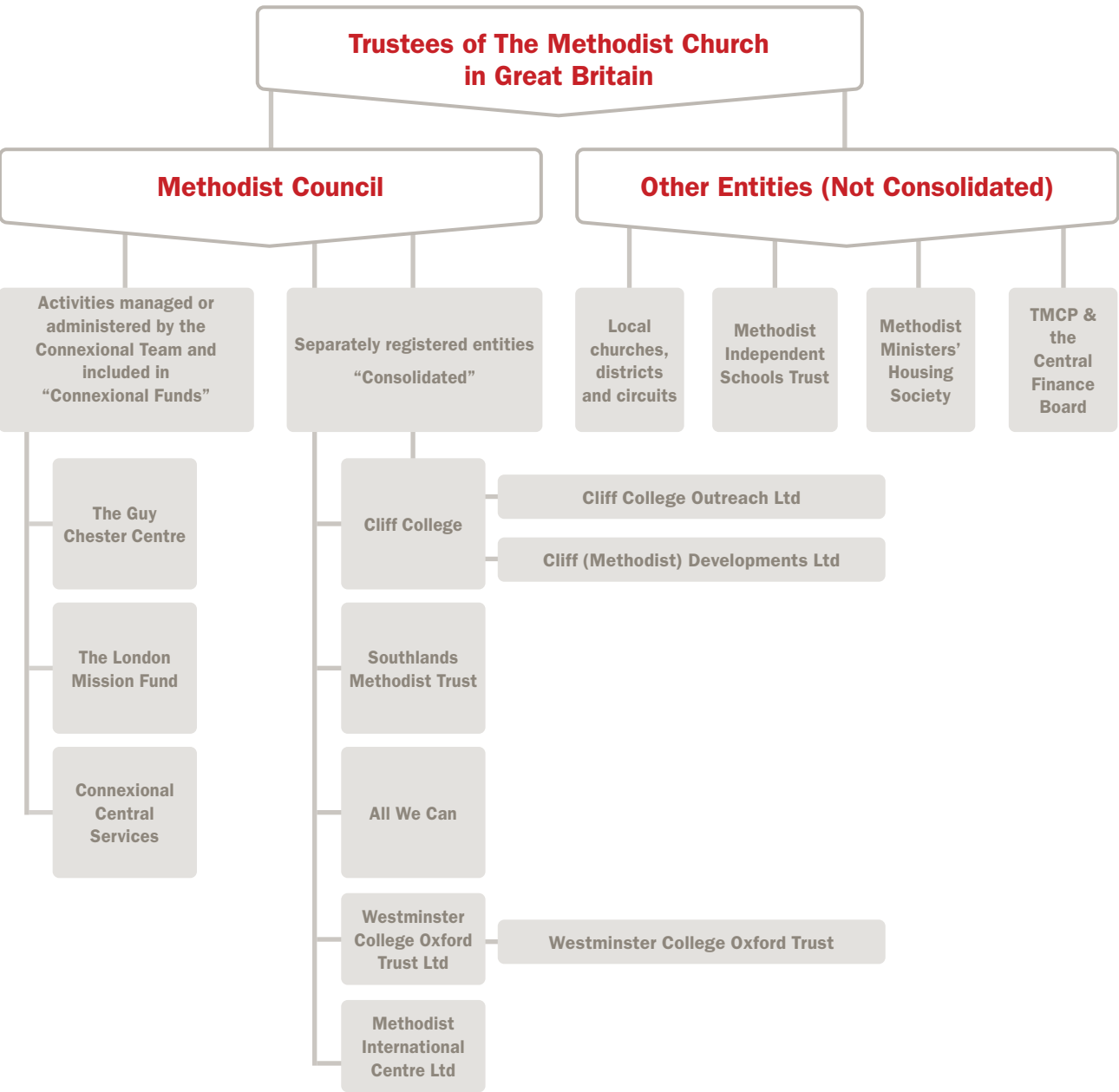
The consolidation principles applied are based on the SORP whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities. For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of The Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

Notes to the consolidated financial statements for the year ended 31 August 2020

d) The group structure



e) Excluded entities

There are a number of entities that form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

- Methodist churches, circuits and districts
- Methodist Independent Schools Trust
- Trustees for Methodist Church Purposes (TMCP)
- The Central Finance Board (CFB)
- The Methodist Ministers' Housing Society

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

f) Recognition of income and endowments

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

District Assessment

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained “by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]”. The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

Donations

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church’s stated purposes, or which are illegal are rejected by the Church.

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

Legacies

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Capital (property) levies

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the *Constitutional Practice and Discipline of the Methodist Church*. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church’s custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those that provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

j) Pension costs

Defined benefit pension schemes

The Methodist Council participates in three main pension schemes: the Methodist Ministers’ Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction. The Council's policy is to recognise the contributions paid to the Scheme by other group employers as a credit in the Statement of Financial Activities.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 45-46.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 45-46. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

Defined contribution pension schemes

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties that is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

q) Heritage assets

There are four Methodist Heritage sites in Great Britain that fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire – the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol – the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London – John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe –exhibitions and activities focusing on one strand of 19th-century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost, which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2020, updated by the value of any share acquisitions (at cost) up to 31 August 2020. The assets are held at fair value.

s) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

t) Cash and cash equivalents

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £6,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits that arise are as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

2. Accounting estimates and judgments

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The Partner Churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

Cost allocation

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgment is exercised in applying cost drivers to cost categories.

Actuarial assumptions in respect of defined benefit pension schemes

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

Defined benefit pension scheme commitments

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of which are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP), the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

The Methodist Ministers' Pension Scheme (MMPS)

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as is a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. At the end of the year, the Scheme is in deficit by £20.5m. Its funding position worsened by £40.7m in the past year. The scheme has not been included in these financial statements for the reasons set out below:

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

- a) There are approximately 1,289 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 35, the majority of ‘employer’ contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.2 million compared to £8.1 million paid by the circuits.
- b) The diagram on page 39 shows a simple structure of the Church – the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member’s remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.
- d) The Recovery Plan to reduce the MMPS deficit comprises 9.8% per annum of stipends paid by the employing bodies plus a fixed lump sum contribution of £1 million per annum from the Pension Reserve Fund. As stated in the reserves policy section of the Trustees’ Report on page 21, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

The annual depreciation charge for tangible fixed assets, particularly buildings, is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

Methodist Church House

The charity’s Property Development Committee was considering options for the redevelopment of Methodist Church House. An outline plan was approved in 2018 for a new building to be developed on the existing site, subject to agreement of detailed plans, including planning permission, being approved. A review of this plan has been undertaken in the light of the Covid-19 pandemic and its impact on the office accommodation market in London. Consequently, the Methodist Council has agreed to stop the project and the costs previously charged to assets in course of construction have been written off to the Statement of Financial Activities.

Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer’s knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor. This is relevant to the lease between Westminster College Oxford Trust and Oxford Brookes University as shown in Note 16c on page 62.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain						
3a. Donations and legacies	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Donations	1,566	3,880	5,446	4,127	4,638	8,765
Legacies	1,998	2,114	4,112	118	3,273	3,391
Total	3,564	5,994	9,558	4,245	7,911	12,156

The Connexional Funds						
3b. Donations and legacies	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Donations	1,566	1,955	3,521	4,127	2,659	6,786
Legacies	1,998	938	2,936	118	2,141	2,259
Total	3,564	2,893	6,457	4,245	4,800	9,045

The Methodist Church in Great Britain						
3c. Miscellaneous income	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Student fees	-	620	620	-	238	238
Seminars and events	168	1	169	73	85	158
Conference income	-	-	-	32	-	32
Administration & IT services	41	-	41	82	-	82
Bureau & Accountancy services	300	-	300	355	-	355
Others	138	64	202	118	76	194
Total	647	685	1,332	660	399	1,059

The Connexional Funds						
3d. Miscellaneous income	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Seminars and events	168	1	169	73	6	79
Conference income	-	-	-	32	-	32
Administration & IT services	41	-	41	82	-	82
Bureau & Accountancy services	300	-	300	355	-	355
Others	204	41	245	125	56	181
Total	713	42	755	667	62	729

The Methodist Church in Great Britain						
3e. Charitable activities	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
District assessment	13,534	125	13,659	13,400	76	13,476
Rental Income	21	217	238	40	424	464
Total	13,555	342	13,897	13,440	500	13,940

The Connexional Funds						
3f. Charitable activities	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
District assessment	13,534	125	13,659	13,400	76	13,476
Rental Income	21	277	298	40	424	464
Total	13,555	402	13,957	13,440	500	13,940

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain						
4a. Investment income	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Central Finance Board	1,219	1,534	2,753	1,463	1,945	3,408
Interest and other investment income	5	102	107	80	208	288
Rental Income	126	1,268	1,394	120	883	1,003
William Leech Charities Fund	-	1,156	1,156	-	1,121	1,121
Total	1,350	4,060	5,410	1,663	4,157	5,820

The Connexional Funds						
4b. Investment income	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Central Finance Board	1,219	1,453	2,672	1,463	1,850	3,313
Interest and other investment income	5	1	6	7	121	128
Gift aid from Methodist International Centre Ltd	-	-	-	1,428	-	1,428
Rental Income	275	340	615	719	120	839
William Leech Charities Fund	-	1,156	1,156	-	1,121	1,121
Total	1,499	2,950	4,449	3,617	3,212	6,829

The Methodist Church in Great Britain						
5a Other trading activities	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Publishing	319	-	319	455	-	455
Room and conference hire	4,516	1,217	5,733	7,634	1,474	9,108
Advertising and fees	-	-	-	16	-	16
Total	4,835	1,217	6,052	8,105	1,474	9,579

The Connexional Funds						
5b Other trading activities	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Publishing	319	-	319	455	-	455
Room and conference hire	-	913	913	-	1,072	1,072
Advertising and fees	-	-	-	16	-	16
Total	319	913	1,232	471	1,072	1,543

6a Capital levies
Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

The Methodist Church in Great Britain						
6b Grant income	Unrestricted	Restricted	2020	Unrestricted	Restricted	2019
	£000	£000	Total £000	£000	£000	Total £000
Chiesa Valdese - All We Can	-	438	438	-	476	476
The Aldershot Military Trust	-	160	160	-	150	150
Other*	469	131	600	2	310	312
Total	469	729	1,198	2	936	938

* MIC Ltd (£469k) and Cliff College (£58k) have undertaken the government furloughed scheme of which £527k has been included in other incoming grants. There are no unfulfilled conditions or contingencies attached to the grants. Both entities have also received other forms of government assistance of which they have benefitted in 2019/20. Cliff College received £25k from Derbyshire County Council and MIC Ltd received the business rate tax waiver assistance of amount £129k.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Connexional Funds 6c Grant income	Unrestricted £000	Restricted £000		2020 Total £000	Unrestricted £000	Restricted £000		2019 Total £000
The Aldershot Military Trust	-	160		160	-	150		150
Other	-	23		23	2	6		8
Total	-	183		183	2	156		158
The Methodist Church in Great Britain 7a. Expenditure	Grant Costs £000	Direct Costs £000	Support Costs £000	2020 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2019 Total £000
Raising funds	109	6,729	339	7,177	188	8,020	332	8,540
Charitable activities								
Building communities	531	1,178	360	2,069	841	798	212	1,851
Children & Youth	94	1,218	385	1,697	88	1,199	573	1,860
Evangelism & Growth	3,083	2,316	707	6,106	7,881	1,241	686	9,808
Global relations	5,326	3,820	914	10,060	4,723	3,364	881	8,968
Learning Network	5	2,150	667	2,822	39	2,227	912	3,178
Methodist Council & Governance	3,160	3,927	626	7,713	4,481	3,790	436	8,707
Ministry	120	749	155	1,024	220	541	70	831
Property	31	3,667	1,028	4,726	93	3,904	1,193	5,190
Others - Pensions	-	691	-	691	-	496	-	496
Net loss on the disposal of tangible fixed assets	-	268	-	268	-	210	-	210
	12,350	19,984	4,842	37,176	18,366	17,770	4,963	41,099
Total	12,459	26,713	5,181	44,353	18,554	25,790	5,295	49,639

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.
The Charitable activities breakdown was updated to align with Church's current activities. 2019 figures are stated in the new format including Raising funds.

The Connexional Funds 7b. Expenditure	Grant Costs £000	Direct Costs £000	Support Costs £000	2020 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2019 Total £000
Raising funds	-	2,039	339	2,378	-	2,489	332	2,821
Charitable activities								
Building communities	531	1,178	360	2,069	841	798	212	1,851
Children & Youth	94	1,218	385	1,697	88	1,199	573	1,860
Evangelism & Growth	3,083	2,314	707	6,104	7,881	1,242	686	9,809
Global relations	3,917	2,294	914	7,125	3,388	1,967	881	6,236
Learning Network	5	2,151	667	2,823	39	2,227	912	3,178
Methodist Council & Governance	2,666	1,387	626	4,679	2,836	1,033	436	4,305
Ministry	120	749	155	1,024	220	541	70	831
Property	31	3,666	1,028	4,725	93	3,903	1,193	5,189
Others - Pensions	-	691	-	691	-	496	-	496
Net loss on the disposal of tangible fixed assets	-	267	-	267	-	211	-	211
Total	10,447	15,915	4,842	31,204	15,386	13,617	4,963	33,966
Total	10,447	17,954	5,181	33,582	15,386	16,106	5,295	36,787

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £7.1m (2019: £8.4m) and for the Connexion - £2.4m (2019: £2.9m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2020	2019	2020	2019
Cost of raising voluntary income	£0.3m	£0.3m	£0.3m	£0.3m
Cost of investment management	£0.4m	£0.4m	£0.3m	£0.4m
Cost of other trading activities	£6.5m	£7.7m	£1.8m	£2.2m

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain and The Connexional Funds 8a. Support costs by activity		Building communities £000	Children & Youth £000	Evangelism & Growth £000	Global relations £000	Learning Network £000	Ministry £000	Property £000	Methodist Council & Governance £000	Raising funds £000	2020 Total £000
Facilities	Per capita	67	74	59	89	133	67	22	193	37	741
Development & Personnel	Per capita	94	104	83	125	188	94	31	271	52	1,042
Financial Services	Per capita	133	133	505	612	213	399	80	372	213	2,660
Information Technology	Per capita	66	74	60	88	133	66	22	192	37	738
Total		360	385	707	914	667	626	155	1,028	339	5,181
The Methodist Church in Great Britain and The Connexional Funds 8b. Support costs by activity		Building communities £000	Children & Youth £000	Evangelism & Growth £000	Global relations £000	Learning Network £000	Ministry £000	Property £000	Methodist Council & Governance £000	Raising funds £000	2019 Total £000
Facilities	Per capita	69	240	86	275	378	103	17	463	85	1,716
Development & Personnel	Per capita	49	170	61	194	267	73	12	328	61	1,215
Financial Services	Per capita	67	67	505	303	118	219	34	219	152	1,684
Information Technology	Per capita	27	96	34	109	149	41	7	183	34	680
Total		212	573	686	881	912	436	70	1,193	332	5,295

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

9. Subsidiaries

The results of the Council’s subsidiaries (before consolidation adjustments) are included within the statement of financial activities as follows:

	Cliff College	Southlands Methodist Trust	All We Can	Westminster College Oxford Trust Ltd	Methodist International Centre Ltd
	2020	2020	2020	2020	2020
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	477	-	2,625	-	-
Investments	78	458	17	560	-
Other trading activities	303	-	-	-	4,992
Other:					
Grants	925	-	586	8	-
Miscellaneous income	650	-	-	-	13
Total income	2,433	458	3,228	568	5,005
Expenditure on:					
Raising funds	-	-	-	-	4,948
Charitable activities					
Ministry	2,718	580	-	728	-
Global relations	-	-	3,020	-	-
Total expenditure on charitable activities	2,718	580	3,020	728	-
Total expenditure	2,718	580	3,020	728	4,948
Net gains/(losses) on investments	-	(158)	(43)	606	(60)
Net income/(expenditure)	(285)	(280)	165	446	(3)
Distribution under Gift aid	-	-	-	-	-
Net movement in funds	(285)	(280)	165	446	(3)
Net assets					
Fixed assets	7,568	23	16	-	323
Investments	547	10,168	558	15,530	-
Current assets	653	93	1,599	795	1,106
Creditors and loans	(407)	(89)	(293)	(5,568)	(1,432)
Total	8,361	10,196	1,880	10,757	(3)

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

9. Subsidiaries (continued)

	Cliff College	Southlands Methodist Trust	All We Can	Westminster College Oxford Trust Ltd	Methodist International Centre Ltd
	2019	2019	2019	2019	2019
	£000	£000	£000	£000	£000
Income from:					
Donations and legacies	279	-	2,831	-	-
Investments	57	462	20	507	-
Other trading activities	1,004	-	-	-	7,639
Other:					
Grants	678	-	558	-	-
Miscellaneous income	95	4	-	-	34
Net gains on the disposal of tangible fixed assets	1	-	-	-	-
Total income	2,114	466	3,409	507	7,673
Expenditure on:					
Raising funds	-	-	-	-	6,317
Charitable activities					
Ministry	2,651	648	-	1,924	-
Global relations	-	-	2,929	-	-
Total expenditure on charitable activities	2,651	648	2,929	1,924	-
Total expenditure	2,651	648	2,929	1,924	6,317
Net gains/(losses) on investments	28	179	10	100	-
Net income/(expenditure)	(509)	(3)	490	(1,317)	1,356
Distribution under Gift aid	-	-	-	-	(1,356)
Net movement in funds	(509)	(3)	490	(1,317)	-
Net assets					
Fixed assets	7,682	27	20	-	485
Investments	619	10,297	627	14,880	54
Current assets	813	262	1,385	874	1,925
Creditors and loans	(468)	(110)	(318)	(5,443)	(2,464)
Total	8,646	10,476	1,714	10,311	-

Cliff College **Cliff College Outreach Limited** **Cliff (Methodist) Developments Limited**
Charity Number 529386 Company Number 2331438 Company Number 4934377
The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

All We Can Charity Number 291691
All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

Southlands Methodist Trust Charity Number 1100660
Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through Southlands College that reflect its Methodist foundation and ethos.

Methodist International Centre Limited Company Number 3866984
A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise hotel which also provides student accommodation.

Westminster College Oxford Trust Limited **Westminster College Oxford Trust**
Company Number 3714361 Charity Number 309672
Westminster College Oxford Trust Ltd is the charitable company that acts as the managing trustee of the Westminster campus at Harcourt Hill, Oxford. Westminster College Oxford Trust oversees the continuing relationship between Oxford Brookes University and the Methodist Church, in relation to the physical developments on the campus. The lease of land and buildings was renewed for a term of ninety-nine years on 24 July, 2017.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2020	2019
	£000	£000	Total	Total
Global relations	£000	£000	£000	£000
Annual grants	-	3,046	3,046	2,889
Nationals in mission appointment	-	843	843	984
Scholarship programmes	-	1,340	1,340	778
Ministerial and personnel support grants	-	96	96	-
Total	-	5,325	5,325	4,651
	£000	£000	£000	£000
Building communities	141	390	531	841
Children & Youth	-	94	94	88
Evangelism & Growth	-	2,698	2,698	7,441
Learning Network	-	5	5	32
Methodist Council & Governance	-	31	31	93
Ministry	2,597	949	3,546	5,001
Property	-	120	120	220
Income Generating Centre	-	109	109	188
Total	2,738	4,396	7,134	13,903
Grand Total	2,738	9,721	12,459	18,554

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2020	2019
	£000	£000	Total	Total
Global relations	£000	£000	£000	£000
Annual grants	-	1,638	1,638	1,554
Nationals in mission appointment	-	843	843	984
Scholarship programmes	-	1,340	1,340	778
Ministerial and personnel support grants	-	96	96	72
Total	-	3,917	3,917	3,388
	£000	£000	£000	£000
Building communities	141	390	531	841
Children & Youth	-	94	94	88
Evangelism & Growth	-	3,083	3,083	7,881
Learning Network	-	5	5	39
Methodist Council & Governance	-	31	31	93
Ministry	2,496	170	2,666	2,836
Property	-	120	120	220
Total	2,637	3,893	6,530	11,998
Grand Total	2,637	7,810	10,447	15,386

The figures in Note 10 are not intended to be the same as those listed for grants on page 18-19.
A detailed list of institutional grant recipients can be viewed using the following link:
<https://www.methodist.org.uk/media/19808/list-of-grant-recipients-2020.xlsx>

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

11. Included in the SOFA are the following:

	The Methodist Church in Great Britain		The Connexional Funds	
	2020	2019	2020	2019
	£000	£000	£000	£000
Audit and consultancy fees				
Payable to RSM UK Audit LLP	80	82	68	71
Payable to RSM UK Tax & Accounting Ltd for regulatory advice	16	7	14	7
Other self accounting entities - payable to RSM UK Audit LLP	-	15	-	-
Payable to RSM UK Tax & Accounting Ltd for taxation advice	4	8	4	4
Payable to other auditors - for internal audit services	16	28	16	25
Payable to other auditors - for audit of self accounting entities	48	36		-
Depreciation	458	399	40	52
Amortisation	56	55	46	48
Foreign exchange differences	1	3	1	3
Loan interest payable	11	20	4	20

12. Stipends and salary costs

The Methodist Council appointed or employed on average 420 (2019: 425) people during the year, of which Connexional Funds had 277 (2019: 279) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2020	2019	2020	2019
	£000	£000	£000	£000
Stipends and salaries	13,819	13,342	9,546	8,984
Redundancy costs	20	33	20	33
Temporary staff costs	293	421	203	322
Social security costs	1,285	1,243	921	839
Pension costs - (defined contribution schemes)	1,581	865	1,335	857
Defined benefit pension costs excluding interest (Note 28)	1,514	1,354	1,501	1,138
Total	18,512	17,258	13,526	12,173

The Methodist Church in Great Britain

17 employees were paid £60k or more during the year (2019: 14 employees). The total aggregate pension contributions for these employees for the year were £177k (2019: £163k).

The Connexional Funds

10 employees were paid £60k or more during the year (2019: 7 employees). The total aggregate pension contributions for these employees for the year were £105k (2019: £99k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2020	2019	2020	2019
	Number of employees	Number of employees	Number of employees	Number of employees
£60,001 - £70,000	10	8	7	5
£70,001 - £80,000	4	3	2	1
£90,001 - £100,000	1	2	-	1
£100,001 - £110,000	1	-	1	-
£170,001 - £180,000	1	-	-	-
£210,001 - £220,000	-	1	-	-

The highest paid individual is employed by Methodist International Centre Ltd.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

12. Stipends and salary costs (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
Actual average number of staff by activity	2020	2019	2020	2019
Methodist Council & Governance	58.4	54.1	58.4	54.1
Global Relations	45.7	48.9	26.2	32.0
Evangelism & Growth	18.2	10.2	18.2	10.2
Learning Network	41.4	43.4	41.4	43.4
Children & Youth	23.5	27.0	23.5	27.0
Ministry	59.5	51.2	19.0	11.7
Building Communities	21.3	8.5	21.3	8.5
Administration & Support	47.0	73.0	47.0	73.0
Property	6.1	2.8	6.1	2.8
Fund Raising	98.4	105.3	15.4	24.3
Total	419.5	424.4	276.5	279.1

The average number of volunteers working for the Council during the year was 1,367 (2019: 1,641).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Conference Officer for Legal & Constitutional Practice, the Head of Mission, the Head of Ministries, Director of Finance and Resources and the Director of Human Resources & Development, collectively the Senior Leadership Group of the Connexional team. Their total remuneration inclusive of benefits and 13.8% employer’s national insurance, but excluding pension contributions was £507k (2019: £477k). In addition, pension contributions of £78k were paid into defined contribution pension schemes on behalf of these personnel (2019: £88k).

Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers’ Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

Defined Benefit Pension Scheme Actuary

The actuarial valuations for all the defined benefit schemes were performed by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

The Methodist Ministers’ Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 45-46 with further information as required by FRS102 included on pages 80-82.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,289 ministers who are active members of MMPS of whom the Council (the ‘reporting entity’) is responsible for the pension contributions of around 56, the majority of ‘employer’ pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2017, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund both this deficit and the shortfall arising from the level of future service contributions being paid. It was agreed that contributions from the Methodist Church’s Pension Reserve Fund would be made as follows:

- a lump sum of £650,000 per annum will be paid into the Scheme each August, starting August 2018 up to and including August 2022; and
- between £0 and £447,000 will be paid to the Scheme each December, starting December 2018 up to and including December 2022. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

The Superannuation Scheme for Lay Mission Partners (SSMP)

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit.

There are 38 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £173.29 per year of qualifying service to a single retired mission partner or widow / widower, £231.11 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £115.16 (single) / £153.92 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age. The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2020 by the Scheme’s actuary and shown in Note 28.

Other pension schemes

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 17 members in the scheme participating in the Trust’s two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £141k (2019: £160k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £8.7k (2019: £9.1k). Further disclosures are deemed unnecessary on the grounds of immateriality.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

13a. Tangible fixed assets The Methodist Church in Great Britain					
	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2019	98,403	1,847	1,654	33	101,937
Additions during the year	2,758	77	80	-	2,915
Revaluations	(5,000)	-	-	-	(5,000)
Disposals	(1,787)	-	-	-	(1,787)
Total	94,374	1,924	1,734	33	98,065
Depreciation					
At 1 September 2019	423	1,411	1,531	11	3,376
Charge for the year	183	168	103	4	458
Disposals	-	-	-	-	-
Total	606	1,579	1,634	15	3,834
Net book value as at 31 August 2020	93,768	345	100	18	94,231
Net book value as at 31 August 2019	97,980	436	123	22	98,561
13b. Tangible fixed assets - The Connexional Funds					
	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2019	90,300	916	1,192	-	92,408
Additions during the year	2,726	39	4	-	2,769
Revaluations	(5,000)	-	-	-	(5,000)
Disposals	(1,788)	-	-	-	(1,788)
Total	86,238	955	1,196	-	88,389
Depreciation					
At 1 September 2019	-	870	1,164	-	2,034
Charge for the year	-	26	14	-	40
Disposals	-	-	-	-	-
Total	-	896	1,178	-	2,074
Net book value as at 31 August 2020	86,238	59	18	-	86,315
Net book value as at 31 August 2019	90,300	46	28	-	90,374
13c. Intangible fixed assets					
Software	The Methodist Church in Great Britain			The Connexional Funds	
At cost	£000			£000	
At 1 September 2019	366			330	
Additions during the year	17			17	
Total	383			347	
Amortisation					
At 1 September 2019	228			218	
Charge for the year	56			46	
Total	284			264	
Net book value as at 31 August 2020	99			83	
Net book value as at 31 August 2019	138			112	

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2019 except for Asbury Overseas House, Birmingham which was revalued on 31 August 2020.

The manses, which are residential and have a well established market were revalued internally by reference to current market prices on 31 August 2019.

Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850,000 (Previous valuation £6,850,000).

The commercial properties were valued by professional independent valuers as follows:

- 25 Marylebone Road, London - valuation was carried out in August 2016 by Andrew Low, Partner, Knight Frank (Commercial Business), BA, MSc, RICS, valued at £25,802,142.
- Kings Cross Complex London WC1 - valuation carried out in August 2017 by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU; valued at £4,000,000.
- 105 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU, in August 2017 for £2,000.
- Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in April 2016 by M J Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £5,120,000
- North Bank Portfolio, Pages Lane/Meadow Drive, Muswell Hill N10 1PR - Valuation carried out in April 2016 by James Gilmartin MRICS and Joe Salmon MRICS of Gilmartin Ley. The North Bank Estate was valued at £23,720,000.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £27.6m (2019: £25.8m) for the Methodist Church in Great Britain and £20.3m (2019: £19.3m) for Connexional Funds.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

14a. Investments The Methodist Church in Great Britain

	Investment properties	Central Finance Board units	William Leech charity fund	Other investments	2020	2019
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	53,441	127,865	11,580	1,048	193,934	188,685
Additions	-	1,373	220	-	1,593	7,611
Donated assets	454	-	-	-	454	-
Disposals	-	(1,100)	-	-	(1,100)	(6,190)
Investment gains	(450)	(4,753)	(566)	-	(5,769)	3,828
Fair value as at 31 August	53,445	123,385	11,234	1,048	189,112	193,934

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board units	William Leech charity fund	Other investments	2020	2019
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	34,114	120,858	11,579	900	167,451	165,866
Additions	-	400	220	-	620	3,756
Donated assets	454	-	-	-	454	-
Disposals	-	(100)	-	-	(100)	(5,684)
Investment gains	(1,139)	(4,412)	(566)	-	(6,117)	3,513
Fair value as at 31 August	33,429	116,746	11,233	900	162,308	167,451

Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

William Leech Charities Fund

The Methodist Church holds investments valued at £11.2m (2019: £11.6m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2020. The holding is based on the company's audited accounts to 31 March 2020, updated with management accounts to 31 August 2020. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

14c. Analysis of movement of investment properties

	The Methodist Church in Great Britain		The Connexional Funds	
	£000	£000	£000	£000
	2020	2019	2020	2019
Fair value at 1 September	53,442	47,979	34,114	28,830
Additions	-	3,545	-	3,545
Donated assets	454	-	454	-
Disposals	(450)	(400)	-	(400)
Investment gains/loss	-	2,318	(1,140)	2,139
Fair value at 31 August	53,446	53,442	33,428	34,114

Included within investment properties are the following revalued properties:

i) Westminster College Oxford Trust

A property at Harcourt Hill Campus, Harcourt Hill, Oxford OX2 9AT. The current fair value of this property is £11.8m (2019: £11m). The property was revalued on 31 July 2020 by Andrew Lockhart BSc FRICS MCI Arb from Venables Sherrott Lockhart and Partners Ltd.

ii) London Mission Fund

The London Mission property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP on 31 July, 2020.

a) Hove Residential at 20 Bigwood Avenue with a fair value of £270k (2019: £170k)

c) Hostel at 229 King Street Hammersmith, London W6 9JT: £550k (2019: £500k)

d) Maida Vale Library, Sutherland Avenue, London W9 2QT: £425k (2019: £300k)

e) Central Hall Buildings, Archway, London N19 3UB: £1,700k (2019: £1,750k)

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

iii) Guy Chester Center

A property known as the Hazlehyrst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August, 2020 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,620k (2019: £3,690k).

iv) Camden Town Methodist Church

Managing trusteeship of Camden Town Methodist Church transferred the property to Methodist Council during the year. The property is located at 89 Plender Street, Camden Town, London NW1 0JN. The current market value is £454K.

iv) Oxford Place, Leeds

Managing trusteeship transferred from the Yorkshire West District to the Methodist Council during 2018/19. This property is located in Oxford Place, Leeds LS1 3AU. The current market value is £2.25m. It was written down from a value of £3.5m included in the last year's accounts. The property was to be developed into a hotel. Due to the Covid-19 pandemic the business case is no longer viable and discussions are underway with the Yorkshire West District on the future of the property.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Prepayments and accrued interest	2,038	2,041	1,036	1,349
Loans to other entities	20	30	806	30
Concessionary loans	466	426	466	423
Other debtors	1,321	2,787	1,174	3,620
Total	3,845	5,284	3,482	5,422

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Accruals	2,172	1,839	1,622	900
Loans	28	530	-	502
Tax and social security	465	705	214	270
Grant commitments	8,525	9,987	8,212	9,699
Other creditors	5,968	4,428	4,860	3,891
Total	17,158	17,489	14,908	15,262

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Loans	196	216	-	-
Deferred income	3,595	3,633	-	-
Grant commitments	5,169	6,462	4,238	5,353
Total	8,960	10,311	4,238	5,353

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

Loans

Cliff College - The Methodist Church in Great Britain

At 31.8.20 the balance on the loan is £224K (2019: £244K) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

At the balance sheet date the balance on the bank loan is nil. The balance has been fully repaid (2019: £0.5m). In May 2020 the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is to be repaid in full in May 2022.

16c. Deferred Income

Deferred Income relates to a lease premium received by Westminster College Trust from Oxford Brookes University. The 100 year lease commenced on 1 August, 2017. A premium of £3.75m was paid and this is being spread over the life of the lease as per FRS 102 requirements.

	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Operating lease income receivable no later than 1 year	420	420	-	-
Operating lease income receivable later than 1 year but no later than 5 years	1,680	1,680	-	-
Operating lease income receivable later than 5 years	38,185	38,605	-	-
	40,285	40,705	-	-

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

17. Stocks

	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Raw materials and consumables	-	-	-	-
Finished goods and goods for resale	60	70	41	50
Total	60	70	41	50

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the year were £22k (2019: £22k).

18. Financial instruments

	The Methodist Church in Great Britain		The Connexional Funds	
	2020 £000	2019 £000	2020 £000	2019 £000
Financial assets at fair value through profit or loss				
Listed investments	123,385	127,865	116,746	120,858
William Leech Charities Fund and other investments	12,282	12,628	12,133	12,479
Total	135,667	140,493	128,879	133,337
Financial assets that are debt instruments measured at amortised cost				
Debtors	1,321	2,787	1,174	3,620
Total	1,321	2,787	1,174	3,620
Financial liabilities measured at amortised cost				
Loans	224	746	-	502
Accruals	2,172	1,839	1,622	900
Other creditors	5,968	4,428	4,860	3,890
Total	8,364	7,013	6,482	5,292
Concessionary loans (at cost plus accrued interest less impairment)				
Loans to ministers	446	426	446	423
Loan to Lesnes Abbey Circuit	20	30	20	30
Total	466	456	466	453

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain							
19a. Unrestricted funds	Balance at 1 September 2019	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
General	54,813	22,885	(22,167)	-	(1,447)	55	54,139
Designated (Note 19c)	50,388	8,452	(5,923)	-	(1,623)	899	52,193
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
Total	99,967	31,337	(27,654)	(9,092)	(3,070)	954	92,442

The Connexional Funds							
19b. Unrestricted funds	Balance at 1 September 2019	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
General	53,626	18,115	(17,506)	-	(1,386)	55	52,904
Designated (Note 19d)	49,715	8,452	(6,346)	-	(1,624)	899	51,096
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
Total	98,107	26,567	(23,416)	(9,092)	(3,010)	954	90,110

Intercompany transfers occur as the Methodist Church Fund pays on behalf of most other funds. Transfers in of £0.1m to the general fund principally comprise the net balance of the management levy received (£1.3m), payment to the Long-term Renewal Fund (£0.1m) and an MIC payment of £1.2m towards Learning Network Note 22 page 72.

The Methodist Church in Great Britain							
19c. Designated funds	Balance at 1 September 2019	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	8,712	7,576	(3,311)	-	(277)	(3,547)	9,153
2) The Epworth Fund	7,137	145	(413)	-	(217)	(19)	6,633
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	659	-	(993)	-	-	1,420	1,086
5) The Computers in Ministry Fund	1	-	(1)	-	-	-	-
6) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
Total	50,388	8,452	(5,923)	-	(1,623)	899	52,193

The Connexional Funds							
19d. Designated funds	Balance at 1 September 2019	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	8,705	7,576	(3,311)	-	(278)	(3,547)	9,145
2) The Epworth Fund	7,129	145	(413)	-	(217)	(19)	6,625
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	1	-	(1,416)	-	-	1,420	5
5) The Computers in Ministry Fund	1	-	(1)	-	-	-	(1)
6) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
Total	49,715	8,452	(6,346)	-	(1,624)	899	51,096

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester and MIC Ltd) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £434k management levy paid to the general fund and £3.1m to the Pension Reserve Fund (PRF), See Note 22 page 72.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain							
19e. Unrestricted funds	Balance at 1 September 2018	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2019
	£000	£000	£000	£000	£000	£000	£000
General	46,893	26,435	(23,014)	-	3,309	1,190	54,813
Designated 19c	49,237	7,336	(7,306)	-	856	265	50,388
Defined Benefit Pension Scheme	-	-	184	(5,418)	-	-	(5,234)
Total	96,130	33,771	(30,136)	(5,418)	4,165	1,455	99,967

The Connexional Funds							
19f. Unrestricted funds	Balance at 1 September 2018	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2019
	£000	£000	£000	£000	£000	£000	£000
General	45,903	20,762	(17,538)	-	3,309	1,190	53,626
Designated (Note 19d)	48,953	7,336	(7,695)	-	856	265	49,715
Defined Benefit Pension Scheme	-	-	184	(5,418)	-	-	(5,234)
Total	94,856	28,098	(25,049)	(5,418)	4,165	1,455	98,107

Transfers in of £1.45m to the unrestricted fund principally comprise a management levy received (£1.75m) offset by payments (£0.3m) Note 22 page 72.

The Methodist Church in Great Britain							
19g. Designated funds	Balance at 1 September 2018	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2019
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	10,610	5,978	(5,167)	-	251	(2,960)	8,712
2) The Epworth Fund	7,187	185	(317)	-	108	(26)	7,137
3) The Connexional Travel Fund	253	6	(8)	-	6	(1)	256
4) The Designated Training Fund	565	350	(1,041)	-	-	785	659
5) The Computers in Ministry Fund	34	-	(33)	-	-	-	1
6) The Pension Reserve Fund	30,588	817	(740)	-	491	2,467	33,623
Total	49,237	7,336	(7,306)	-	856	265	50,388

The Connexional Funds							
19h. Designated funds	Balance at 1 September 2018	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2019
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	10,606	5,978	(5,170)	-	251	(2,960)	8,705
2) The Epworth Fund	7,187	185	(325)	-	108	(26)	7,129
3) The Connexional Travel Fund	253	6	(8)	-	6	(1)	256
4) The Designated Training Fund	285	350	(1,419)	-	-	785	1
5) The Computers in Ministry Fund	34	-	(33)	-	-	-	1
6) The Pension Reserve Fund	30,588	817	(740)	-	491	2,467	33,623
Total	48,953	7,336	(7,695)	-	856	265	49,715

Transfers out of the Connexional Priority Fund principally relate to £414k management levy paid to the general fund and £2.5m to the Pension Reserve Fund (PRF), See Note 22 page 72.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers’ Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

3) The Connexional Travel Fund

This fund has two purposes: (a) to award grants to ministers on long-term sick leave to compensate them for the absence of business reimbursements and (b) to make grants for island and long mainland journeys.

4) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

5) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers’ Pension Schemes which would be available if required to be used to meet future funding deficits.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain							
20a. Restricted funds	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	9,950	581	(442)	-	(296)	(66)	9,727
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,369	75	(108)	-	-	(25)	25,311
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,798	325	(245)	-	(22)	(39)	6,817
6) The World Mission Fund	27,406	2,778	(5,377)	-	(541)	(744)	23,522
7) The London Mission Fund	19,473	437	(374)	-	(766)	-	18,770
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	-	29,230
9) Cliff College	8,503	1,602	(2,713)	-	-	-	7,392
10) Southlands Methodist Trust	10,478	458	(589)	-	(151)	-	10,196
11) Westminster College Oxford Trust	10,311	567	(728)	-	606	-	10,756
12)The Methodist Medical Benevolent Fund	2,271	47	(43)	-	(71)	(2)	2,202
Total funds with balances > £2m	156,033	9,437	(12,661)	-	(1,721)	(990)	150,098
Other - 28 funds with balances < £2m	7,807	3,590	(4,021)	(29)	(5,129)	(197)	2,021
Total	163,840	13,027	(16,682)	(29)	(6,850)	(1,187)	152,119

The Connexional Funds							
20b. Restricted funds	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	9,936	581	(442)	-	(296)	(66)	9,713
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,469	135	(108)	-	-	(25)	25,471
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,758	325	(248)	-	(22)	(39)	6,774
6) The World Mission Fund	27,201	2,778	(5,792)	-	(541)	(744)	22,902
7) The London Mission Fund	19,475	437	(374)	-	(766)	-	18,772
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	(280)	28,950
Total funds with balances > £2m	124,313	6,823	(9,006)	-	(2,105)	(1,268)	118,757
Other - 27 funds with balances < £2m	10,188	560	(1,143)	(29)	(5,153)	81	4,505
Total	134,501	7,383	(10,149)	(29)	(7,258)	(1,187)	123,261

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain							
20c. Restricted funds	Balance at 1 September	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains	Transfers	Balance at 31 August
	2018						2019
	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	10,017	445	(533)	-	77	(56)	9,950
2) Mission in Britain Fund	5,151	850	(1,631)	-	577	(54)	4,893
3) Centenary Hall Trust	25,382	74	(62)	-	-	(25)	25,369
4) The Fund for Property	2,025	562	(1,064)	-	(20)	(68)	1,435
5) The Fund for Training	7,157	458	(786)	-	11	(42)	6,798
6) The World Mission Fund	27,794	4,975	(4,775)	-	559	(1,147)	27,406
7) The London Mission Fund	19,464	501	(476)	-	(16)	-	19,473
8) The Guy Chester Centre	29,316	1,366	(1,156)	-	(30)	(350)	29,146
9) Cliff College	8,503	-	-	-	-	-	8,503
10) Southlands Methodist Trust	10,481	466	(648)	-	179	-	10,478
11) Westminster College Oxford Trust	11,628	507	(1,924)	-	100	-	10,311
12) The Methodist Medical Benevolent Fund	2,231	59	(48)	-	31	(2)	2,271
Total funds with balances > £2m	159,149	10,263	(13,103)	-	1,468	(1,744)	156,033
Other - 28 funds with balances < £2m	8,836	5,114	(6,383)	(139)	314	65	7,807
Total	167,985	15,377	(19,486)	(139)	1,782	(1,679)	163,840

The Connexional Funds							
20d. Restricted funds	Balance at 1 September	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains	Transfers	Balance at 31 August
	2018						2019
	£000	£000	£000	£000	£000	£000	£000
1) The Fund for the Support of Presbyters and Deacons	10,003	445	(533)	-	77	(56)	9,936
2) Mission in Britain Fund	5,151	850	(1,631)	-	577	(54)	4,893
3) Centenary Hall Trust	25,382	174	(62)	-	-	(25)	25,469
4) The Fund for Property	2,025	562	(1,064)	-	(20)	(68)	1,435
5) The Fund for Training	7,143	458	(812)	-	11	(42)	6,758
6) The World Mission Fund	27,758	4,975	(4,944)	-	559	(1,147)	27,201
7) The London Mission Fund	19,466	501	(476)	-	(16)	-	19,475
8) The Guy Chester Centre	29,316	1,366	(1,506)	-	(30)	-	29,146
Total funds with balances > £2m	126,244	9,331	(11,028)	-	1,158	(1,392)	124,313
Other - 27 funds with balances < £2m	10,527	471	(693)	(139)	309	(287)	10,188
Total	136,771	9,802	(11,721)	(139)	1,467	(1,679)	134,501

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers’ Housing Society.

2) Mission in Britain Fund

This fund exists to further the Church’s mission by making grants to local churches and circuits and to bear witness to the global character of Christian Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

3) Centenary Hall Trust

This trust exists to manage Church House at 25 Marylebone Road.

4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches’ Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn dispense the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in *Our Calling*. The Centre provides funding for the Learning Network.

9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The College now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

11) Westminster College Oxford Trust

This Trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education.

12) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain						
21a. Endowment funds	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Investment gains /(losses) £000	Transfers £000	Balance at 31 August 2020 £000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
Total	20,113	-	(17)	(849)	233	19,480

The Connexional Funds						
21b. Endowment funds	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Investment gains /(losses) £000	Transfers £000	Balance at 31 August 2020 £000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
Total	20,113	-	(17)	(849)	233	19,480

Transfers of £0.2m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain						
21c. Endowment funds	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Investment gains /(losses) £000	Transfers £000	Balance at 31 August 2019 £000
Rank Endowment Fund	6,319	-	(13)	87	6	6,398
William Leech Charities Fund	11,707	-	-	(338)	211	11,580
Other - 7 funds with balances <£2m	2,099	-	(4)	32	7	2,135
Total	20,125	-	(17)	(219)	224	20,113

The Connexional Funds						
21d. Endowment funds	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Investment gains /(losses) £000	Transfers £000	Balance at 31 August 2019 £000
Rank Endowment Fund	6,319	-	(13)	87	6	6,398
William Leech Charities Fund	11,707	-	-	(338)	211	11,580
Other - 7 funds with balances <£2m	2,099	-	(4)	32	7	2,135
Total	20,125	-	(17)	(219)	224	20,113

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain and The Connexional Funds						
22. Fund Transfers		2020			2019	
	Transfers in	Transfers out	Net transfer	Transfers in	Transfers out	Net transfer
	£000	£000	£000	£000	£000	£000
Unrestricted						
Connexional Priority Fund	-	(3,547)	(3,547)	-	(2,960)	(2,960)
Pension Reserve Fund (Note 19)	3,112	(67)	3,045	2,545	(78)	2,467
General Fund (Note 19)	1,322	(100)	1,222	1,745	(100)	1,645
Designated Training Fund	1,420	-	1,420	720	-	720
Methodist International Centre (Note 19)	-	(1,166)	(1,166)	-	(390)	(390)
Others	-	(20)	(20)	-	(26)	(26)
Total	5,854	(4,900)	954	5,010	(3,554)	1,456
Restricted						
Long-term Renewal Fund	100	-	100	100	-	100
World Mission Fund (Note 20)	-	(744)	(744)	-	(1,147)	(1,147)
Guy Chester Centre	-	(280)	(280)	-	(350)	(350)
Fund for Training	-	(39)	(39)	-	(42)	(42)
Mission in Britain	-	(60)	(60)	-	(54)	(54)
Fund for Support of Presbyters & Deacons	-	(66)	(66)	-	(56)	(56)
Fund for property	-	(54)	(54)	-	(68)	(68)
Centenary Hall Trust	-	(25)	(25)	-	(25)	(25)
Others	-	(19)	(19)	-	(38)	(38)
Total	100	(1,287)	(1,187)	100	(1,780)	(1,680)
Endowments						
William Leech Charities Fund	232	(12)	220	223	(12)	211
Rank Endowment	13	(6)	7	13	(7)	6
Others	8	(2)	6	10	(3)	7
Total	253	(20)	233	246	(22)	224
Grand Total	6,207	(6,207)	-	5,356	(5,356)	-

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Methodist Church in Great Britain				
23a. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total
	£000	£000	£000	£000
Intangible fixed assets	83	16	-	99
Tangible fixed assets	18,857	75,374	-	94,231
Investments	81,196	88,603	19,313	189,112
Current assets	12,610	9,745	147	22,502
Creditors due within one year	(5,307)	(11,871)	20	(17,158)
Creditors due after more than one year	(1,107)	(7,853)	-	(8,960)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
Total	92,442	152,119	19,480	264,041
The Connexional Funds				
23b. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total
	£000	£000	£000	£000
Intangible fixed assets	83	-	-	83
Tangible fixed assets	18,535	67,780	-	86,315
Investments	81,196	61,799	19,313	162,308
Current assets	12,290	6,639	147	19,076
Creditors due within one year	(6,992)	(7,936)	20	(14,908)
Creditors due after more than one year	(1,112)	(3,126)	-	(4,238)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
Total	90,110	123,261	19,480	232,851
The Methodist Church in Great Britain				
23c. Analysis of net assets between funds	Unrestricted Funds	Restricted Funds	Endowment Funds	2019 Total
	£000	£000	£000	£000
Intangible fixed assets	112	26	-	138
Tangible fixed assets	17,830	80,731	-	98,561
Investments	82,737	91,253	19,943	193,933
Current assets	12,888	13,247	120	26,255
Creditors due within one year	(7,436)	(10,102)	50	(17,488)
Creditors due after more than one year	(930)	(9,381)	-	(10,311)
Defined benefit pension scheme liability	(5,234)	(1,934)	-	(7,168)
Total	99,967	163,840	20,113	283,920

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2019 Total £000
Intangible fixed assets	112	-	-	112
Tangible fixed assets	17,345	73,029	-	90,374
Investments	82,676	64,831	19,943	167,450
Current assets	12,528	9,919	120	22,567
Creditors due within one year	(8,389)	(6,922)	50	(15,261)
Creditors due after more than one year	(931)	(4,422)	-	(5,353)
Defined benefit pension scheme liability	(5,234)	(1,934)	-	(7,168)
Total	98,107	134,501	20,113	252,721

24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

The Methodist Church in Great Britain

24a. Revaluation reserves	1 September 2019 £000	Movement £000	31 August 2020 £000
Unrestricted	7,594	0	7,594
Restricted	59,282	(5,000)	54,282
Total	66,876	(5,000)	61,876

The Connexional Funds

24b. Revaluation reserves	1 September 2019 £000	Movement £000	31 August 2020 £000
Unrestricted	7,591	0	7,591
Restricted	57,346	(5,000)	52,346
Total	64,937	(5,000)	59,937

The Methodist Church in Great Britain

24c. Revaluation reserves	1 September 2018 £000	Movement £000	31 August 2019 £000
Unrestricted	6,476	1,118	7,594
Restricted	58,500	782	59,282
Total	64,976	1,900	66,876

The Connexional Funds

24d. Revaluation reserves	1 September 2018 £000	Movement £000	31 August 2019 £000
Unrestricted	6,473	1,118	7,591
Restricted	56,564	782	57,346
Total	63,037	1,900	64,937

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

25. Expenses reimbursed to the trustees

	2020 Number of trustees	2020 £000	2019 Number of trustees	2019 £000
Travel and other expenses reimbursed	55	36	47	31

26. Trustees' remuneration

	Contributions		Remuneration including Pensions	
	Total	Total	Total	Total
	2020	2019	2020	2019
	£000	£000	£000	£000
Mr Doug Swanney	17	19	135	125
The Revd Dr Barbara Glasson	7	7	42	36
The Revd Ruth Gee	7	7	42	39
The Revd Dr Jonathan R Hustler	7	7	42	41
The Revd Rachel Parkinson	7	7	41	40
Deacon Karen McBride	7	7	41	40
The Revd Dr Jennifer Hurd	7	7	40	42
Mrs Louise C Wilkins	5	15	37	98
The Revd Gillian M Newton	7	-	41	-
The Revd Leslie M Newton	7	-	41	-
The Revd Michaela A Youngson	7	-	41	-
The Revd Dr Jongikaya Zihle	7	-	41	-
The Revd Richard J Teal	7	-	37	-
The Revd Loraine Mellor	-	7	-	40
The Revd Dr Andrew Wood	-	7	-	40
The Revd Canon Gareth Powell	-	7	-	41
Total	99	97	621	582

Of the trustees listed above, 13 were in the Connexional team or District Chairs (2019: 11). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.6m (2019: £0.6m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2020			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	9	185	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	38	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	85	-	-	-
Lesnes Abbey Circuit (d)	-	-	-	20
The Queen's Foundation for Ecumenical & Theological Education (e)	120	1,046	-	-
Methodist International Centre Ltd (f)	149	8	-	786

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A loan advanced to the Lesnes Abbey Circuit in order to purchase the London Mission Fund’s interest in a manse at 11 Eaglesfield Road, London. The loan is repayable in equal instalments over 9 years.
- (e) A payment of £1.05m (2019: £1.57m) was made to The Queen’s Foundation for Ecumenical Theological Education being tuition fees for the 2019-20 academic year. Rent of £120k was received from The Queen’s Foundation for the period Sep 19 to Aug 20.
- (f) Income receivable from Methodist International Centre Ltd was for rent chargeable for the use of building owned by Connexional Funds £149K (2019: £598k). The £8k relates to accommodation expenses.

	Income from related party £000	Payments to/(from) related party £000	2019 Loans from related party £000	Amount owed by/(to) related party £000
Trustees for Methodist Church Purposes	1	185	-	-
Methodist Ministers’ Housing Society (MMHS)	27	8	-	-
Methodist Ministers Pension Scheme (MMPS)	92	-	-	-
Lesnes Abbey Circuit	-	-	-	30
The Tower Hamlets Circuit	-	862	-	-
The Queen’s Foundation for Ecumenical & Theological Education	120	1,573	-	-
Methodist International Centre Ltd	599	-	-	(214)

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church’s investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.7m in 2019/20. (2019: £13.5m)
- The awarding and distribution of grants to other Methodist entities amounts to £7m in 2019/20
- Investment charges (TMCP & CFB) amounts to £262k in 2019/20 (2019: £270k)

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members who were active when the Scheme closed (“closure members”) are entitled to a retirement pension based on the better of:

- Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and
- Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The calculations underlying these disclosures allow for the cessation of future accrual on 31 May 2019 and the benefits payable to closure members. As closure members are retaining a link to their salary, there is no immediate gain or loss to the Scheme as a result of closure.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2020 Total £000	2019 Total £000
Fair value of scheme assets	81,507	-	81,507	85,069
Present value of scheme liabilities	(95,397)	(1,895)	(97,292)	(92,237)
Sub Total	(13,890)	(1,895)	(15,785)	(7,168)
Unrecognised assets	-	-	-	-
Net defined benefit liability	(13,890)	(1,895)	(15,785)	(7,168)

Asset resulting from the scheme’s valuation is limited to the present value of available refunds or reductions in future contributions to the plan.

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The Connexional Funds in respect of the two schemes are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2020 Total £000	2019 Total £000
Service cost (before contributions from other group employers)	179	-	179	1,686
Interest cost on scheme liabilities	1,609	32	1,641	2,087
Interest income on plan assets	(1,525)	(37)	(1,562)	(2,134)
Net finance costs	84	(5)	79	(47)
Total	263	(5)	258	1,639

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2020 Total £000	2019 Total £000
Actual return on scheme assets	(2,477)	2	(2,475)	7,320
Amounts included in net interest on the net defined liability	(1,525)	(37)	(1,562)	(2,093)
Other actuarial gains/losses	(5,090)	(29)	(5,119)	(11,397)
Movement in unrecognised assets	-	-	-	613
Re-measurement gains and losses recognised in SoFA	(9,092)	(64)	(9,156)	(5,557)

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

	Unrestricted PASLEMC 2020 £000	Unrestricted PASLEMC 2019 £000	Restricted SSMP 2020 £000	Restricted SSMP 2019 £000	Total 2020 £000	Total 2019 £000
At 1 September	90,303	76,336	1,934	1,861	92,237	78,197
Service cost	179	1,686	-	-	179	1,686
Interest on obligation	1,609	2,040	32	47	1,641	2,087
Contributions by members	-	549	-	-	-	549
Benefits paid	(1,783)	(1,566)	(101)	(114)	(1,884)	(1,680)
Actuarial gains/losses	5,089	11,258	30	139	5,119	11,397
At 31 August	95,397	90,303	1,895	1,934	97,292	92,237

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

	Unrestricted PASLEMC 2020 £000	Unrestricted PASLEMC 2019 £000	Restricted SSMP 2020 £000	Restricted SSMP 2019 £000	Total 2020 £000	Total 2019 £000
At 1 September	85,069	76,933	-	-	85,069	76,933
Interest on assets	1,525	2,093	-	-	1,525	2,093
Contributions by employers	1,097	2,173	-	-	1,097	2,173
Contributions by members	-	549	-	-	-	549
Administration expenses	(398)	(340)	-	-	(398)	(340)
Benefits paid	(1,783)	(1,566)	-	-	(1,783)	(1,566)
Actuarial return less interest income on plan assets	(4,003)	5,227	-	-	(4,003)	5,227
At 31 August	81,507	85,069	-	-	81,507	85,069
Unrecognised assets	-	-	-	-	-	-
Net Defined Benefit Liability	13,890	5,234	1,895	1,934	15,785	7,168

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2020 %pa	2019 %pa	2020 %pa	2019 %pa
Discount rate at end of year	1.6	1.8	1.5	1.7
Discount rate at start of year	1.8	2.7	1.7	2.6
RPI Inflation	3.1	3.2	3.3	3.4
CPI Inflation	2.2	2.2	-	-
Rate of increase in pensionable earnings	2.2	2.2	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.2	2.2	3.2	3.3
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.2	2.2	3.2	3.3
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	3.3
Rate of increase in pension in payments LPI 5% 1 September 2019	3.0	3.1	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.1	2.2	-	-

Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 90 if they are male and until age 91 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2020 %pa	2019 %pa	2020 %pa	2019 %pa
Equities	52.2	54.4	19.6	20.6
Gilts	-	-	58.6	58.5
Corporate Bonds	4.8	4.9	12.8	12.8
Property	9.1	7.0	5.1	5.1
Cash	8.6	9.2	3.9	3.0
Liability Driven Investment	20.0	19.6	-	-
Annuities	5.3	4.9	-	-

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers’ Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2020 £000	2019 £000
Service cost	8,327	6,219
Interest cost on scheme liabilities	8,260	11,584
Interest Income on plan assets	(8,704)	(13,069)
Interest on unrecognised assets	343	1,326
Net Finance Costs	(101)	(159)

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2020 £000	2019 £000
Actual Return on Scheme assets	(19,395)	36,895
Amounts included in net interest on the net defined liability	(8,704)	(13,069)
Other Actuarial gains/losses	(11,991)	(55,751)
Movement in unrecognised assets	20,524	30,276
Re-measurement gains and losses recognised in SOFA	(19,566)	(1,649)

c. The changes in the present value of the defined benefit obligation were:

	2020 £000	2019 £000
Opening defined benefit obligation	495,683	439,167
Service cost	8,327	6,219
Interest cost	8,260	11,584
Cost of benefit changes	-	-
Contributions by members	3,402	3,259
Benefits paid	(19,617)	(20,297)
Actuarial (gains)/losses	11,992	55,751
Closing defined benefit obligation	508,047	495,683

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2020.

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments (continued)

d. The changes in the fair value of the plan assets during the year were:

	2020 £000	2019 £000
Opening fair value of scheme assets	515,864	488,298
Interest income on plan assets	8,704	13,069
Contributions by employers	8,472	8,546
Contributions by members	3,402	3,259
Benefits paid	(19,617)	(20,297)
Administration expenses	(1,200)	(837)
Actual return less interest income on plan assets	(28,099)	23,826
Closing fair value of scheme assets	487,526	515,864

The total assets and liabilities of the MMPS at 31 August were:

	2020 £000	2019 £000
Closing defined benefit obligation	(508,047)	(495,683)
Closing fair value of scheme assets	487,526	515,864
Net defined benefit scheme (liability)/asset	(20,521)	20,181
Assets that would not have been recognised had the scheme been included	-	(20,181)

Net defined benefit (liability)/asset	(20,521)	-

The principal actuarial assumptions at the balance sheet date in respect of the Scheme were:

	2020 % pa	2019 % pa
Discount rate at end of year	1.5	1.7
Discount rate at start of year	1.7	2.7
Inflation	3.2	3.4
Rate of increase in pensionable earnings	2.8	2.9
Rate of increase in deferred pensions pre 2009	2.3	2.4
Rate of increase in deferred pension post 2009	2.3	2.4
Rate of increase in pension in payment main benefits CPI LPI 5%	2.3	2.4
Rate of increase in pension in payment main benefits CPI LPI 2.5%	1.8	1.9
Rate of increase in pension in payment AVCs RPI LPI 5%	3.1	3.3
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.2	2.2

Notes to the consolidated financial statements for the year ended 31 August 2020 (continued)

28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers’ Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2020	2019
	%	%
Equities	56.6	57.1
Gilts	0.1	-
Corporate Bonds	15.6	16.4
Index linked Bonds	-	3.9
Property	9.3	8.9
Cash	4.9	4.8
Liability driven Investment	12.1	8.9
Impact investing	1.4	-

Trustee and committee memberships

The membership for 2019/2020 and for 2020/2021 are listed below.

Methodist Council, 2019/2020 members

Mrs E Jill Baker (Chair)	The Revd Dr Jonathan R Hustler	The Revd Michael D Parker
Mr Timothy J Baker	The Revd Philip J Jackson	The Revd Rachel E Parkinson
The Revd Paul H Booth*	The Revd Dr Vincent M Jambawo	The Revd Mary M Patterson
Ms Roxanne Bromley	The Revd Ermal B Kirby*	The Revd Malcolm Peacock
The Revd Dr Adrian Burdon*	Mrs Carolyn J Lawrence*	The Revd Stephen J Poxon
Mr David Burton*	Mrs Heather Lovelady	Mr Pete Prescott
The Revd Linda J Catlow	Mr Andrew Lowe*	Mrs Anne Pryke
Ms Sue Draper	Professor David Matthews	Mr Michael Pryke*
The Revd Mark Dunn-Wilson	Deacon Karen McBride	Mr Graham Russell
Mrs Aileen Fox	Mr Alister McClure*	The Revd Billy Slatter
The Revd Dr Andrew M Fox	Professor Clive Marsh	Mr Douglas Swanney
The Revd Ruth M Gee*	Deacon Jonathan Miller	The Revd Timothy A Swindell
The Revd Dr Barbara C Glasson	Professor Ken Mortimer	The Revd Richard J Teal*
Mr Bala Gnanapragasam	Dr Daleep S Mukarji	Mrs Margaret Webber
The Revd Jeremy H A Hackett*	The Revd Gillian M Newton*	Mrs Louise C Wilkins
The Revd Novette Headley	The Revd Leslie M Newton*	Mr Richard Wills
The Revd Beverly Hollings	Mrs Helen Norton*	The Revd Michaela A Youngson
The Revd David W Hookins*	The Revd Richard Ormrod*	The Revd Dr Jongikaya Zihle
The Revd Dr Jennifer A Hurd		

Methodist Council, 2020/2021 members

Mrs Joanne Anderton**	The Revd Sonia M Hicks**	Mr Keith Norman**
Mrs E Jill Baker (Chair)	The Revd Beverly Hollings	Mrs Helen Norton
Mr Timothy J Baker	Mrs Beti W T Holmes**	The Revd Michael D Parker
The Revd Paul H Booth	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
The Revd Dr Adrian Burdon	The Revd Carmel Ieraci**	Mr Michael Pryke
Mr David Burton	The Revd Ermal B Kirby	Mr Graham Russell
The Revd Dr Joanne Cox-Darling**	Mr Joe Lambert**	The Revd S Mark Slaney**
The Revd Mark Dunn-Wilson	Mrs Carolyn J Lawrence	The Revd Billy Slatter
Mrs Barbara Easton**	Mrs Heather Lovelady	Ms Sandie Smith**
Mr Carl Fairclough**	Mr Andrew Lowe	The Revd Kate Strange**
The Revd Dr Andrew M Fox	Professor David Matthews	The Revd O Mark Street
The Revd Ruth G S Fry**	Mrs Val Mayers**	Mr Douglas Swanney
The Revd Ruth M Gee	Deacon Karen McBride	The Revd Timothy A Swindell
The Revd Dr Barbara C Glasson	Mr Alister McClure	The Revd Richard J Teal
Mr Bala Gnanapragasam	Professor Clive Marsh	The Revd Alison E Walker**
Mr Peter Gregson**	Professor Ken Mortimer	Mrs Margaret Webber
The Revd Jeremy H A Hackett	Dr Daleep S Mukarji	Mr Richard Wills
Ms Charlotte Hambly**	The Revd Gillian M Newton	The Revd Michaela A Youngson
The Revd Novette Headley	The Revd Leslie M Newton	The Revd Dr Jongikaya Zihle

New Members from 1 September 2019 are marked with one asterisk (*)
New Members from 1 September 2020 are marked with two asterisks (**)

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.

Trustees and committee memberships

The Strategy and Resources Committee

The membership for 2019/2020 and current year are listed below:

Voting Members

Ms Janet Arthur	Dr Daleep S Mukarji (Chair) [from 1 September 2019]
Mr Edward Awty	The Revd Gillian M Newton [from 1 September 2019]
Mrs Anne Bolton	The Revd Michael D Parker
Professor David Matthews	The Revd Timothy A Swindell
The Revd Loraine N Mellor	The Revd Marcus Torchon [from 1 September 2019]
The Revd Ruth Midcalf	Ms Helen Woodall
Mrs Shelagh Morgan [from 1 September 2019]	

Non-voting Members

Mrs Joanne Anderton [from 27 June 2020]
The Revd Ruth M Gee [from 1 September 2019]
The Revd Dr Jonathan R Hustler
Mr Douglas Swanney
Mrs Louise C Wilkins (to 31 December 2019)

Other members of the senior management group may attend by invitation as the business shall require.

Induction of new SRC members normally includes: conversations with the chair of SRC and the senior staff of the Connexional Team; a mentoring relationship with an experienced member of SRC; and invitations to share in the induction sessions for Council members.

The Finance Sub-Committee (FSC) of the Strategy and Resources Committee (SRC)

The membership of the committee is:

Voting Members

Mr Edward Awty	Mr Malcolm Pearson
Mrs Helen Blair [from 1 September 2020]	The Revd Stephen J Radford
Mrs Sue Haworth	The Revd Timothy A Swindell (Chair)

Members of the senior management group may attend by invitation as the business shall require.

The Audit & Risk Assurance Committee

The membership of the committee is:

Voting Members

Mrs Sarah Atwell-King	Mrs Susan M Mortimer
Mr Adrian Burton	Mr Michael Rickard [from 30 January 2020]
Mr Alan Kershaw (Chair)	

Members of the senior management group may attend by invitation as the business shall require.

Reference and Administrative Details

Names and addresses

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church

Methodist Church House
25 Marylebone Road
London NW1 5JR
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Ruth M Gee
Mr Douglas Swanney
Mrs Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association

Methodist Church House
25 Marylebone Road
London NW1 5JR

Investment Managers:

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

Bankers:

HSBC plc
Westminster Branch
4-8 Victoria Street
London SW1H 0NJ

Independent Auditor:

RSM UK LLP
St Philips Point
Temple Row
Birmingham
B2 5AF

Solicitors:

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Notes

Notes

Back page