SOUTHAMPTON METHODIST DISTRICT

England & Wales · Charity number 1134386

Details

Status	Registered
Legal form	Previously excepted
Registered	2010-02-18
Register	View on the Charity Commission register

Contact

Address	9 Ellerton Close Theale Reading RG7 5QN
Phone	01189306773
Email	andrew.wood4@btopenworld.com
Website	www.sdmc.org.uk

Activities

Objects: THE PURPOSES OF THE METHODIST CHURCH ARE AND SHALL BE DEEMED TO HAVE BEEN SINCE THE DATE OF UNION THE ADVANCEMENT OF -(A) THE CHRISTIAN FAITH IN ACCORDANCE WITH THE DOCTRINAL STANDARDS AND THE DISCIPLINE OF THE METHODIST CHURCH;(B) ANY CHARITABLE PURPOSE FOR THE TIME BEING OF ANY CONNEXIONAL, DISTRICT, CIRCUIT, LOCAL OR OTHER ORGANISATION OF THE METHODIST CHURCH;(C) ANY CHARITABLE PURPOSE FOR THE TIME BEING OF ANY SOCIETY OR INSTITUTION SUBSIDIARY OR ANCILLARY TO THE METHODIST CHURCH;(D) ANY PURPOSE FOR THE TIME BEING OF ANY CHARITY BEING A CHARITY SUBSIDIARY OR ANCILLARY TO THE METHODIST CHURCH.

Activities: In the power of the Holy Spirit and in the name of Christ to renew and promote the work of God in the region. To advance the mission of the Methodist Church by encouraging churches and circuits to engage in collaborative working-ecumenically wherever possible. To make available resources of finance, personnel and expertise and overseeing the various ministries of the Church and provide training

Classification

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

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Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL.
- Dorset
- Hampshire
- Isle Of Wight
- Reading
- West Berkshire
- Wokingham

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£659,075	£552,440	£1,492,090	3
2024-08-31	£566,650	£452,369	£1,385,107	3
2023-08-31	£428,464	£434,584	-	-
2022-08-31	£360,068	£310,381	-	-
2021-08-31	£344,078	£239,736	-	-
2020-08-31	£365,450	£375,508	-	-

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Trustees

Name	Role	Appointed
CHRISTINE ELIZABETH HOLLAND		2015-09-01
Christopher Stephen Smith		2023-09-01
Dr David Julian Tawn		2023-09-01
ELIZABETH WARD		2023-09-01
Hilary Jane Evans		2025-09-01
Lynne Kathleen Matthews		2024-09-01
Margaret Jane Moyce		2025-09-01
Michael Thomas Parker		2024-09-01
PAUL ANTONY YARRIEN		2018-10-15
ROSALIND PATRICIA PYE		2024-01-01
Rev Andrew Robert Pottage		2025-09-01
Rev BRYAN FREDRICK COATES		2023-05-01
Rev David John Muskett		2023-09-01
Rev MARK JOHN CHEETHAM		2023-09-01
Rev Martin Pieter Beukes		2021-09-01
Rev Pauline Annette Crispin		2022-09-01
Rev Peter Gerrard Rayson		2024-09-01
Rev RACHEL JANE BORGARS		2019-03-02
Rev Rachel Ann Bending		2024-09-01

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SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2025

Southampton Methodist District

Annual Report for the year ending 31 August 2025

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

1.3 The District's ways of working include:

- Building quality relationships across our circuits and with ecumenical groups, civic authorities and the wider connexion
- Deploying the resources over which we have stewardship effectively and flexibly including awarding grants to churches, circuits, university chaplaincies and ecumenical groups
- Engaging in theological reflection and prayerful discernment which will help us understand our mission more fully
- Developing and sharing best practice

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2024-25 there were 11 circuits in the District. From 1 September 2025 there are 10 circuits in the District following the merger of the remaining churches in the Yeovil and Blackmore Vale Circuit into the Dorset South and West Circuit.

2.2 In 2024-25 the District paid grants from the District Advance Fund that totalled £176,890 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

2.3 The District had three directly employed staff at 31 August 2025 the District Administrator, Intergenerational Mission Enabler and a New Places for New People Pioneer who is taking forward the Compass project in Portsmouth. The District Safeguarding Officer transferred to the employment of the Connexion on 31 July 2025 following a decision by Methodist Conference in 2024 to change the model for the delivery of support to ministers, churches, circuits and districts on safeguarding matters. A new Lay Employment Advisor was appointed from 1 September 2025 to provide support to churches, circuits and the district on lay employment matters.

2.4 In January 2024 the District achieved an Eco District bronze aware from A Rocha.

2.5 The trustees had due regard to the guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles: the organisation must have an identifiable benefit: the benefit must be to the public or a section of the public. The church exists to:

- increase awareness of God's presence and to celebrate God's love.
- help people to learn and grow as Christians, through mutual support and care; and

- be a good neighbour to people in need and challenge injustice.

The trustees consider that for these three reasons the charity meets these public benefit requirements.

2.6 The District relies on volunteers to support the delivery of its objectives. Volunteers serve as office holders and on District Committees, support the processes that lead to the invitation of ministers and lay employees to serve across the District and support with the hosting of Synod and other District meetings

3. Financial Review

3.1 During the year the District received total income of £659,075 (2024: £566,650) and spent £552,440 (2024: £452,369). At 31 August 2025 the District had funds totalling £1,492,090 (2024: £1,385,107). The District's funds have increased during the year primarily due to an increased income into the District Advance Fund from the Connexional Advance and Property Fund and levies on circuit model trust funds and lower than budgeted expenditure on travel and repairs and maintenance on the District manse.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry. The District does not undertake fundraising activities to raise funds from the public.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. Whilst many churches and circuits are facing financial challenges particularly due to limited increases in income, pay and utility cost inflation all circuits paid their District and Methodist Church Fund assessments for 2024-25 and no circuit has indicated they are unable to meet their 2025-26 assessments.

3.4 The principal risks facing the District are:

- Circuits being unable to pay their assessments – circuits are consulted on draft assessment amounts. Grants are available to support circuits who have short term challenges paying their assessment. In the medium term circuit reorganisations are being explored to resize circuits to reflect the changing availability of resources to fund ministry.
- Safeguarding matters are not responded to appropriately – the District Safeguarding Officer supports the District to respond appropriately to safeguarding concerns including liaison with external agencies where appropriate
- Lack of volunteers or paid officers to cover key roles – the District shares resources with our largest circuit enabling key roles to be covered.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2026, circuits should be able to maintain reserves with the proceeds of the sale of church buildings that are deemed to be surplus and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

3.7.1 To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit

income mirrors the deposit rates available elsewhere. The Southampton District Trustees' investment policy is aligned with that of the Central Finance Board of the Methodist Church and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was 4.72% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £62,000. At 31 August 2025 the level of general fund reserves held was £166,188 (2024: £139,453). The District's general reserves increased during the year mainly due to the Lay Employment Officer post being vacant for most of the year, lower than budgeted expenditure on travel and maintenance of the District manse. The District's general reserve is expected to reduce to a level that is closer to its reserves policy over the next 3 years.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2025 was £42,047 (2025: £45,888). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The District acts as accounting body for the University of Portsmouth free church chaplaincy. The chaplain is a University employee but receives a housing allowance from the District and Wessex URC Synod. The Portsmouth University Chaplaincy Fund is held to reflect the payment of the housing allowance and the associated income from recharges of costs to the Wessex URC Synod. The balance on the fund at 31 August 2025 was £5 (2024: -£5).

The Mission Alongside the Poor fund holds the MAPJ funds distributed by the Connexion to Districts. These funds are being used to provide grants to churches and circuits to support their communities with cost of living related issues. The balance on the fund at 31 August 2025 was £20,355 (2024: £14,442). The balance on the fund increased during the year due to a further allocation of funding from the Connexion.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2025 so the reserve reflects the market value at that date £735,000 (2024: £735,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years the Fund balance at 31 August 2025 was £366,135 (2024: £302,702). The Fund balance has increased as the level of income to the Fund was higher than for 2023-24..

3.8.3 **Restricted Funds**

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund is held to fund improvements to the District manse and has been used to part fund the Intergenerational Mission Enabler post. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2025 was £131,056 (2024: £130,837). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The value of the fund increased during the year due to an unrealised investment gain.

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2025 was £2,131 (2024: £2,131).

The New Places for New People fund holds the connexional grant received to fund the District's New Places for New People project in Portsmouth (the Compass project). During 2022-23 the District was awarded a connexional grant to part fund phase 2 of the project and research activities in other circuits to explore opportunities for other New Places for New People projects. The first instalment of this grant (£28,000) was paid during 2022-23. A further instalment of £28,000 was paid in August 2025. A New Places for New People Pioneer was appointed to support the Compass project in Portsmouth from 1 September 2024. In addition to expenditure on the Compass project there was expenditure on research activities in the Yeovil and Blackmore Vale Circuit. The fund balance at 31 August 2025 was £29,173 (2024: £14,442).

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2024-25 the total income from assessments was £119,978 (2024: £120,012).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2024. This is credited to the District Advance Fund. In 2024-25 the total income to the District Advance Fund from levies on CMTFs was £251,490 (2024: £163,269). The increase in the levy reflects an increase in the Circuit Model Trust Fund balances between 1 September 2023 and 1 September 2024.

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

3.10 Plans for Future Periods

.3.10.1 In light of the reduction in financial resources available to circuits and ministers that are available to be stationed the District will continue to review the structure of its circuits. Over the next few years the number of circuits in the District is expected to reduce through amalgamations.

3.10.2 From September 2026 the District Chair will also be the Chair of the Channel Islands District. This provides opportunities to further extend the joint working across the two Districts.

3.10.3 Opportunities to extend New Places for New People work to other circuits are being explored building on research activity.

3.10.4 The District will continue to implement its Environmental Policy. This includes measuring its carbon footprint from district funded travel. The District will also apply for Action for Hope funding from the Connexion. This will increase the grant funding available to support churches to undertake projects that reduce the carbon footprint of their premises.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co-ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by

- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit

meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, ministerial staff, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

5.9 The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the connexional team based at 25 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the District.

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits for a term of three years which thus have the opportunity to participate in the life of the District. Circuit representation on the DPC alternates between lay and ordained representatives. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets four times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386 (Registered in England & Wales)
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Rachel Bending
Synod Secretary	Rev'd Martin Beukes
District Treasurer	Mrs Christine Holland

Trustees

The following served as trustees throughout all or part of the year 2024-25 or were trustees at the time of the report being approved:

Rev'd R Bending
Rev'd M Beukes
Rev'd R Borgars
Rev'd Dr M Cheetham
Rev'd B Coates
Rev'd P Crispin
Mrs C Holland
Mrs H Evans (from September 2025)
Rev'd J Izzard (to August 2025)
Ms L Matthews
Rev'd D Muskett
Mr M Parker
Rev'd A Pottage
Mrs R Pye
Rev'd P Rayson
Rev'd S Robinson (to September 2025)
Mr C Smith
Mrs C Stuckey (to August 2025)
Dr J Tawn
Mrs E Ward

Southampton Methodist District

Annual Report for the year ending 31 August 2025

Mrs M Moyce (from September 2025)	Mr P Yarrien
Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ
	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 7 March 2026.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Rachel Bending, District Chair
7 March 2026

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2025

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2024-25	Total 2023-24
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies							
Income from investments		5,766	48,689		2,782	57,257	58,440
Charitable activities							
Assessments on circuits	2	119,978				119,978	120,012
Circuit Model Trust Funds			251,490			251,490	163,269
Connexional Advance & Property Fund			186,165			186,165	153,758
New Places for New People Connexional grant					28,000	28,000	
Mission Alongside the Poor Connexional grant			8,913			8,913	8,759
Total income from charitable activities							445,798
Other income	3	2,255		5,017		7,272	62,412
Total income and endowments		128,019	495,257	5,017	30,782	659,075	566,650
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	310,699	16,145		329,834	251,945
Salaries and associated costs	6	127,861			38,242	166,103	135,331
Property costs	7	4,041				4,041	12,139
Office/ Administrative expenses	8	8,029	2,388		646	11,063	7,317
Synods, Committees and Conferences	9	5,889		16,334	763	22,986	21,941
Other outgoings	10	9,154			9,259	18,413	23,696
Total charitable expenditure		157,964	313,087	32,479	48,910	552,440	452,369
Net income/(expenditure) before investment gains/ losses		-29,945	182,170	-27,462	-18,128	106,635	114,281
Gains/loss in value of investment assets	11	129			219	348	14,516
Net incoming/(outgoing resources before transfers		-29,816	182,170	-27,462	-17,909	106,983	128,797
Transfers between funds	12	56,551	-118,737	29,534	32,652		
Net income/expenditure for the year		26,735	63,433	2,072	14,743	106,983	128,797
Gains on the revaluation of fixed assets	13						
Total funds brought forward		139,453	302,702	795,335	147,617	1,385,107	1,256,310
Total funds carried forward		166,188	366,135	797,407	162,360	1,492,090	1,385,107

Southampton Methodist District

Balance Sheet as at 31 August 2025

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2025	Total 2024
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			735,000		**735,000**	735,000
Investments	15	69,726			130,764	**200,490**	200,426
Total fixed assets		**69,726**		**735,000**	**130,764**	**935,490**	**935,426**
Current Assets							
Debtors and Prepayments	14	4,571		224		**4,795**	10,222
Investments with TMCP		1	924,744	8,913	284	**933,942**	727,503
Central Finance Board deposits		87,967		53,270	31,469	**172,706**	132,451
Cash at Bank and in hand		7,111				**7,111**	5,412
Total current assets		**99,650**	**924,744**	**62,407**	**31,753**	**1,118,554**	**875,588**
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	3,188			157	**3,345**	1,107
Grants payable in 1 year	18		283,830			**283,830**	215,962
Total current liabilities		**3,188**	**283,830**		**157**	**287,175**	**217,069**
Net current (liabilities)/assets		**96,462**	**640,914**	**62,407**	**31,596**	**831,379**	**658,519**
Total assets less current liabilities		**166,188**	**640,914**	**797,407**	**162,360**	**1,766,869**	**1,593,945**
Long term liabilities							
Grants payable from 2025/26	18		274,779			**274,779**	**208,838**
Net assets		**166,188**	**366,135**	**797,407**	**162,360**	**1,492,090**	**1,385,107**
Funds of the District							
General Fund (Unrestricted)	24	166,188				**166,188**	139,453
District Advance Fund (Unrestricted)	24		366,135			**366,135**	302,702
Designated Funds (unrestricted)	24			797,407		**797,407**	795,335
Total unrestricted funds		**166,188**	**366,135**	**797,407**	-	**1,329,730**	**1,237,490**
Restricted Funds	24				162,360	**162,360**	147,617
Endowment Funds							
Total Funds		**166,188**	**366,135**	**797,407**	**162,360**	**1,492,090**	**1,385,107**

Signed on behalf of the District Trustees

Rachel Bending
District Chair
7 March 2026

Christine Holland
District Treasurer
7 March 2026

Southampton Methodist District

Statement of Cashflows as at 31 August 2025

	2025 £	2024 £
Cashflows from operating activities		
Net income/expenditure for the reporting period (per the statement of financial activities)	**106,983**	**128,797**
Adjustments for:		
Depreciation charges		
(Gains)/ losses on investments and fixed asset revaluations	-348	-14,516
Dividents, interest and rents from investments	-57,257	-58,440
Loss/(profit) on the sale of fixed assets		
(Increase)/decrease in stocks		
(Increase)/decrease in debtors	5,427	-6,249
Increase/(decrease) in creditors	136,047	61,436
Net cash provided by (used in) operating activities	**190,852**	**111,028**
Cashflows from investing activities		
Dividents, interest and rents from investments	57,257	58,440
Proceeds from the sale of property, plant and equipment		
Purchase of property, plant and equipment		
Proceeds from the sale of investments	284	1,713
Purchase of investments		
Net cash provided by (used in) investing activities	**57,541**	**60,153**
Cashflows from financing activities		
Repayment of borrowing		
Cash inflows from new borrowing		
Receipt of endowments		
Net cash provided by (used in) financing activities		
Change in cash and cash equivalents in the reporting period	**248,393**	**171,181**
Cash and cash equivalents at the beginning of the reporting period	**865,366**	**694,185**
Change in cash and cash equivalents due to exchange rate movements		
Cash and cash equivalents at the end of the reporting period	**1,113,759**	**865,366**
Cash in hand and at bank	1,113,759	865,366
Notice deposits (less than 3 months)		
Overdraft repayable on demand		
Total cash and equivalents	**1,113,759**	**865,366**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2025

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2025 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in two matters: the collection of monthly assessments from circuits which are paid to the Methodist Church Fund; the payment of expenses of representatives from the District to the Methodist Conference. In all of these matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2024. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts.

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains or losses arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2025 the District was made up of 11 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/4 Berkshire and Hampshire Borders; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £119,978 (2024: £120,012) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £633,492 (2024: £634,668) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

	2024-25	2023-24
	£	£
Lay employee - shared costs	2,255	2,316
Wessex URC Synod re Portsmouth University Chaplaincy	2,592	2,526
Contributions towards the costs of conferences/ training courses	2,426	2,570
Refund of contribution to the Methodist Church Pensions Reserve		55,000
Total	**7,273**	**62,412**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts, with a total value of £50,045, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

Travel and other expenses have been reimbursed to 10 (2024:9) trustees for the expenses set out in the table below.

	2024-25	2023-24
	£	£
Travel expenses	2,417	2,170
Other reimbursed expenses	2,514	1,526
Total	**4,931**	**3,696**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

5 Grants, donations and related support costs

Grants and donations totalling £295,636 were paid during the year (2024: £241,419). Grants from the District Advance Fund can be made for more than one financial year. Grants are accrued in the year they are committed. After adjusting for the increase in the value of accrued grants the expenditure on grants in 2024-25 was £329,834.

	2024-25	2023-24
	£	£
Unrestricted:		
From the District Advance Fund	310,099	229,872
From the District Development Fund	2,932	2,880
From the Portsmouth Chaplaincy Fund	10,213	9,953
Other:		
- Churches Together subscriptions	2,990	2,990
Sub total	***326,834***	***245,695***
- From the Benevolent Fund	-	250
- From the Mission Alongside the Poor Fund	3,000	6,000
Sub total	***3,000***	***6,250***
Total	329,834	251,945

Expenditure on charitable activities through the District Advance Fund

The District Advance fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the District through relevant grants as assessed by the District Grants Committee. The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. Since September 2021 the free church chaplain has been employed by the University and is paid a housing allowance by the District and Wessex URC Synod. The payment of the housing allowance is administered via the Methodist Church lay employee payroll for tax purposes but the chaplain is not an employee of the District. The payment of the housing allowance is treated as a grant in the District accounts. Wessex Synod is recharged for its share of the grant. During the year the following grants were paid:

Given to	£	Type of grant	£
Churches	119,890	Ministry	94,239
Circuits	31,000	Property	82,651
Institutions	26,000		
	176,890		176,890
Accrued grants August 2024	424,800		
Accrued grants August 2025	558,609		
	133,809		
Portsmouth University Chaplaincy Fund (District grant)	7,621		
District	67,203		
New Places for New People - Compass project	35,000		
Mission Alongside the Poor funding	8,913		

The income of the fund was £495,257 (2024: £418,368) during the year which is more than the total paid out in grants in the year. The Property & Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Property & Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

6 Salaries and associated costs

	2024-25	2023-24
	£	£
Salaries	132,079	98,472
Employer's National Insurance contributions	14,764	9,736
Employer's pension contributions	6,309	4,144
Total salaries costs	153,152	112,352
Chairs Travel & Expenses	4,727	8,994
Other Staff Costs	1,653	1,420
Removal expenses	-	7,249
Staff Travel	6,571	5,316
	12,951	22,979
Total staff and associated costs	**166,103**	**135,331**

The number of lay employees during the year was 3.34 FTE. No employees received employee benefits that totalled more than £60,000.

The lay employees are employees of the District and are paid salaries at rates set by the District. The lay employees are paid at at least the Living Wage as required by the Methodist Conference.

The District provides a defined contributions pension scheme for its lay employees via The Pensions Trust. This is a multi employer pension scheme. The District matches employees pension contributions up to 6% of salary costs.

7 Property costs

	2024-25	2023-24
	£	£
Hire of premises	752	775
District manse costs	3,289	11,364
Total	**4,041**	**12,139**

8 Office/ Administrative expenses

	2024-25	2023-24
	£	£
Printing, postage and stationery	251	402
Telephone costs	964	782
Equipment	2,154	1,728
Insurance	1,529	1,581
Safeguarding support	3,118	758
TMCP management fees for investment funds (note 11)	3,047	2,066
Total	**11,063**	**7,317**

9 Synods, Committees and Conferences

	2024-25 £	2023-24 £
Synod expenses	412	2,418
Training & conferences	17,096	14,630
Travel expenses	5,477	4,894
Total	**22,985**	**21,941**

10 Other outgoings

	2024-25 £	2023-24 £
New Places for New People Compass project	9,259	14,197
District Property Secretary	5,842	6,227
GDPR compliance	1,202	1,353
Professional fees	530	530
Churches Together Hampshire and Isle of Wight	-	432
Sundry outgoings	1,580	957
Total	**18,413**	**23,696**

11 Investment management fees

During the year the District paid £3,047 to TMCP, the custodians of the District's investment funds (2024: £2,066). This represents fees the management of the District Advance Fund (£2,388), District Reserve Fund (£226) and MIH Fund (£433)

The sum of £348 (2024: £14,516 unrealised gain) represents an unrealised gain in the invested funds of the MIH Fund (£219) and District Reserve Fund (£129).

12 Transfers between Funds

During the year £54,203 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £13,000 was withdrawn to fund training and ministers conference expenses, £7,621 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs, £35,000 was withdrawn to part fund the Compass New Places for New People project in Portsmouth and £8,913 was transferred to the Mission Alongside the Poor fund. The general fund received interest income of £2,348 from the MIH Fund.

13 District Manse

The District manse was revalued at 31 August 2025 by Sparks Ellison Estate Agents. The valuation at 31 August 2025 was £735,000.

	Land £	Buildings £	Total £
Balance brought forward at 1 September 2024	275,000	460,000	735,000
Revaluations in the year	0	0	0
Balance carried forward at 31 August 2025	**275,000**	**460,000**	**735,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2024-25 £	2023-24 £
Trade debtors		
Channel Islands District	4,571	2,316
Wessex Synod	224	210
	4,795	**2,526**
Prepayments and accrued income		
Payments in advance	-	7,696
Other accrued income	-	-
	-	**7,696**
Total	**4,795**	**10,222**

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund) £	MIH Fund £	Total £
Balance brought forward at 1 September 2024	69,598	130,828	200,426
Units sold during the year		-283	-283
Unrealised gains on revaluation	128	219	347
Unrealised losses on revaluation			
Balance carried forward at 31 August 2025	**69,726**	**130,764**	**200,490**

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2024-25 £	2023-24 £
Creditors:		
Trade creditors	339	104
Total creditors	339	104
Accruals:		
Independent Examiner	530	530
Reimbursed expenses	2,476	473
Total accruals	3,006	1,003
Total of creditors and accrued expenses	3,345	1,107

It is expected that all sums accrued at 31 August 2025 will be paid during the year to 31 August 2026.

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £558,609 were committed as at 31 August 2025 which are payable in future years:

	Payable at 31 August 2025 £	Payable at 31 August 2024 £
Current liability		
Payable in 2025-26	283,830	
Payable in 2024-25		215,962
Long term liability		
Payable in 2025-26		85,099
Payable in 2026-27	145,207	74,928
Payable in 2027-28	116,827	48,811
Payable in 2028-29	12,745	
Total commitment	558,609	424,800

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2025 (2024: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2023: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 6 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2025 was £166,188 (2024: £139,453).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2025 was £366,135 (2024: £302,702). The balance at 31 August 2025 reflects commitments of £588,609 that are payable in future years as set out in note 18.

Four designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The District Development Fund which funds courses and conferences. The balance at 31 August 2025 was £42,047 (2024: £45,888)

The Portsmouth Chaplaincy Fund - The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. From September 2021 the free church chaplain has been employed by the University and is paid a housing allowance by the District and Wessex URC Synod. This fund reflects the grant payment to the chaplain, the employers National Insurance payable on the payment of the grant via the Methodist Church lay employee payroll and the recharging of a share of the costs to the Wessex URC Synod. At 31 August 2025 the balance on the fund was £5 (2024: £5).

Since 2021-22 the Methodist Connexion has distributed Mission Alongside the Poor funds to Districts. These monies are held in a separate fund to be used to provide grants to churches and circuits in the District to enable them to support those experiencing cost of living related pressures in their local communities. Grants totalling £3,000 were paid during 2024-25 (2024: £6,000). The balance on the fund at 31 August 2025 was £20,355.

The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2025. The balance in the reserve at 31 August 2025 was £735,000. (2024: £735,000)

The movements in these funds in the year ending 31 August 2025 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2025 was £2,131. (2024: £2,131).

The MIH fund is used to fund repairs and maintenance to the District manse. The balance at 31 August 2025 was £131,056. (2024:£130,837).

The New Places for New People fund was used to fund the cost of a Mission Development Worker who supported the development phase of the District's New Places for New People project in Portsmouth (the Compass project). Funding for a second phase of work focussed on Portsmouth alongside research based support for other circuits to explore New Places for New People opportunities was approved during 2022-23 with the first of several annual grant payments being made to the District. A Pioneer was appointed in September 2024 to lead the second phase of the Compass project. The balance held at 31 August 2025 was £29,173. (2024: £14,649).

The movements in these funds in the year ending 31 August 2025 are shown in note 24.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2025

Note 26: Statement of Financial Activities for the year ended 31 August 2024 for comparative purposes

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2023-24	Total 2022-23
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies						**0**	0
Income from investments		8,345	46,341			**0**	0
Charitable activities					3,754	**58,440**	**28,816**
Assessments on circuits	2	120,012					
Circuit Model Trust Funds			163,269			**120,012**	120,000
Connexional Advance & Property Fund			153,758			**163,269**	165,638
New Places for New People Connexional grant						**153,758**	67,443
Mission Alongside the Poor Connexional grant						**0**	28,000
Total income from charitable activities		**120,012**	**317,027**	8,759	0	**8,759**	8,306
Other income	3	2,316	55,000	**8,759**	**0**	**445,798**	**389,387**
				5,096		**62,412**	10,261
Total income and endowments		**130,673**	**418,368**	**13,855**	**3,754**	**566,650**	**428,464**
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	229,872	18,833	250	**251,945**	274,061
Salaries and associated costs	6	135,331				**135,331**	126,647
Property costs	7	12,139				**12,139**	7,161
Office/ Administrative expenses	8	4,677	1,538	758	344	**7,317**	4,753
Synods, Committees and Conferences	9	7,302		14,639		**21,941**	19,583
Other outgoings	10	9,067			14,629	**23,696**	2,379
Total charitable expenditure		**171,506**	**231,410**	**34,230**	**15,223**	**452,369**	**434,584**
Net income/(expenditure) before investment gains/ losses		**-40,833**	**186,958**	**-20,375**	**-11,469**	**114,281**	**-6,120**
Gains/loss in value of investment assets	11	4,998			9,518	14,516	-8,773
Net incoming/(outgoing resources before transfers		-35,835	186,958	-20,375	-1,951	128,797	-14,893
Transfers between funds	12	46,101	-61,773	19,510	-3,838	**0**	0
Net income/expenditure for the year		**10,266**	**125,185**	**-865**	**-5,789**	**128,797**	**-14,893**
Gains on the revaluation of fixed assets	13					**0**	-65,000
Total funds brought forward		129,187	177,517	796,200	153,406	**1,256,310**	1,336,203
Total funds carried forward		**139,453**	**302,702**	**795,335**	**147,617**	**1,385,107**	**1,256,310**

Declarations and Scrutiny

I confirm that these accrual based accounts for the year ended 31 August 2025 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer C Holland Date. 28 February 2026

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2025 were presented to the District Policy Committee at its meeting on 7 March 2026 and were approved.

Signature of the Chair of the meeting

Name of the Chair of the meeting Rev'd Rachel Bending Date 7 March 2026

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2025.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 14th March 2026

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2025

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses and revaluations	Transfers	Closing Balances
	£	£	£		£	£
General Fund	139,453	128,020	157,965	129	56,551	**166,188**
District Development Fund	45,888	2,425	19,266		13,000	**42,047**
District Advance Fund	302,702	495,257	313,087		-118,737	**366,135**
Portsmouth Chaplaincy	5	2,592	10,213		7,621	**5**
Mission Alongside the Poor	14,442		3,000		8,913	**20,355**
Property Reserve	735,000					**735,000**
Totals	**1,237,490**	**628,294**	**503,531**	**129**	**-32,652**	**1,329,730**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses	Transfers & accruals	Closing Balance
	£	£	£	£	£	£
Benevolent Fund	2,131					**2,131**
District (MIH) Fund	130,837	2,782	434	219	-2,348	**131,056**
New Places for New People	14,649	28,000	48,476		35,000	**29,173**
Totals	**147,617**	**30,782**	**48,910**	**219**	**32,652**	**162,360**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2024

Southampton Methodist District

Annual Report for the year ending 31 August 2024

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

1.3 The District's ways of working include:

- Building quality relationships across our circuits and with ecumenical groups, civic authorities and the wider connexion
- Deploying the resources over which we have stewardship effectively and flexibly including awarding grants to churches, circuits, university chaplaincies and ecumenical groups
- Engaging in theological reflection and prayerful discernment which will help us understand our mission more fully
- Developing and sharing best practice

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2023-24 there were 12 circuits in the District. From 1 September 2024 there are 11 circuits in the District following the merger of the Basingstoke and Reading and Kennet and Test Valley circuits to form the Berkshire and Hampshire Borders circuit. On 1 September 2024 three churches, a presbyter and a manse transferred from the Yeovil and Blackmore Vale circuit to the Salisbury circuit and a church transferred from the Yeovil and Blackmore Vale Circuit to Somerset Mendip circuit in the Bristol District. The Yeovil and Blackmore Vale circuit continues to explore opportunities to continue its mission in partnership with other circuits.

2.2 In 2023-24 the District paid grants from the District Advance Fund that totalled £167,527 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

2.3 The District had three directly employed staff at 31 August 2024- the District Administrator, Intergenerational Mission Enabler and District Safeguarding Officer. A New Places for New People Pioneer was appointed to take forward the Compass project in Portsmouth wef 1 September 2024.

2.4 The New Places for New People project progressed with research activities to identify potential mission opportunities in the Salisbury and Yeovil.

2.5 In January 2024 the District achieved an Eco District bronze aware from A Rocha.

2.6 The trustees had due regard to the guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2011. This guidance sets out two key principles: the

organisation must have an identifiable benefit: the benefit must be to the public or a section of the public. The church exists to:

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

The trustees consider that for these three reasons the charity meets these public benefit requirements.

2.7 The District relies on volunteers to support the delivery of its objectives. Volunteers serve as office holders and on District Committees, support the processes that lead to the invitation of ministers and lay employees to serve across the District and support with the hosting of Synod and other District meetings

3. Financial Review

3.1 During the year the District received total income of £566,650 (2023: £428,464) and spent £452,369 (2023: £434,584). At 31 August 2024 the District had funds totalling £1,385,107 (2023: £1,256,310). The District's funds have increased during the year primarily due to better performance against the District's invested funds, an increased amount being distributed from the Connexional Advance and Property Fund and the repayment of a grant previously made to the Methodist Ministers Pension Fund Reserve in 2021.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry. The District does not undertake fundraising activities to raise funds from the public.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic caused significant financial challenges for churches: Some churches have not recovered their lettings income and some have ceased to meet for worship. Increased utility costs and pay cost inflation have added to the financial challenges faced by churches and circuits. All circuits paid their District and Methodist Church Fund assessments for 2023-24 and no circuit has indicated they are unable to meet their 2024-25 assessments.

3.4 The principal risks facing the District are:

- Circuits being unable to pay their assessments – circuits are consulted on draft assessment amounts. Grants are available to support circuits who have short term challenges paying their assessment. In the medium term circuit reorganisations are being explored to resize circuits to reflect the changing availability of resources to fund ministry.
- Safeguarding matters are not responded to appropriately – the District Safeguarding Officer supports the District to respond appropriately to safeguarding concerns including liaison with external agencies where appropriate
- Lack of volunteers or paid officers to cover key roles – the District shares resources with our largest circuit enabling key roles to be covered.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2025, circuits should be able to maintain reserves with the proceeds of the sale of church buildings that are deemed to be surplus and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

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

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was 7.17% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £62,000. At 31 August 2024 the level of general fund reserves held was £138,453 (2023: £129,187). The District's general reserves increased during the year mainly due to the Lay Employment Officer post being vacant for most of the year, lower than budgeted expenditure on travel and an unrealised gain on the general funds invested with the Trustees for Methodist Purposes. The District's general reserve is expected to reduce to a level that is closer to its reserves policy over the next 3 years.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2023 was £45,888 (2023: £49,595). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The District acts as accounting body for the University of Portsmouth free church chaplaincy. The chaplain is a University employee but receives a housing allowance from the District and Wessex URC Synod. The Portsmouth University Chaplaincy Fund is held to reflect the payment of the housing allowance and the associated income from recharges of costs to the Wessex URC Synod. The balance on the fund at 31 August 2024 was £5 (2023: -£78 deficit). The deficit was reduced in 2023-24 through an adjustment to the District grant to reflect the National Insurance costs associated with the payment of the housing allowance. The changes to employers national insurance rates and thresholds from April 2025 will require a further adjustment to the District grant to fund these additional costs.

The Mission Alongside the Poor fund holds the funds distributed by the Connexion to Districts. These funds are being used to provide grants to churches and circuits to support their communities with cost of living related issues. The balance on the fund at 31 August 2024 was £14,649 (2023: £11,883). The balance on the fund increased during the year due to a further allocation from the Connexion.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2024 so the reserve reflects the market value at that date £735,000 (2023: £735,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years the Fund balance at 31 August 2024 was £302,702 (2023: £177,517). The Fund balance has increased as the level of income to the Fund increased and a grant of £55,000 to the Methodist Ministers Pension Fund Reserve made in November 2021 was repaid with interest.

3.8.3 Restricted Funds

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund is held to fund improvements to the District manse and has been used to part fund the Intergenerational Mission Enabler post. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2024 was £130,837 (2023: £123,747). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The value of the fund increased during the year due to an unrealised investment gain..

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2024 was £2,131 (2023: £381).

The District is the accounting body for Churches Together in Hampshire and the Islands. During the year this body ceased operating and its remaining funds (£432) were paid to Churches Together in England.

The New Places for New People reserve holds the connexional grant received to fund the District's New Places for New People project in Portsmouth. During 2022-23 the District was awarded a connexional grant to part fund phase 2 of the project and research activities in other circuits to explore opportunities for other New Places for New People projects. The first instalment of this grant (£28,000) was paid during 2022-23. The fund balance at 31 August 2024 was £14,469 (2023: £28,846). During 2023/24 there was expenditure on research activities in the Salisbury and Yeovil and Blackmore Vale circuits. A New Places for New People Pioneer was appointed to support the Compass project in Portsmouth from 1 September 2024.

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2023-24 this sum amounted to £120,012 (2023: £120,000).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2023. This is credited to the District Advance Fund. In 2023-24 this sum was £163,269 (2023: £165,638). The reduction in the levy reflects a reduction in the Circuit Model Trust Fund balances between 1 September 2022 and 1 September 2023.

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

3.10 Plans for Future Periods

.3.10.1 In light of the reduction in financial resources available to circuits and ministers that are available to be stationed the District will continue to review the structure of its circuits.

3.10.2 During 2024-25 there will be particular focus on securing a sustainable home for the churches in the Yeovil and Blackmore Vale Circuit in another circuit.

3.10.3 The outcome from the research activity undertaken through the New Places for New People work in two circuits is also due to be reviewed informing decisions about future ministry in these circuits and opportunities for the extension of this research activity to other circuits.

3.10.4 The District will continue to implement its Environmental Policy. This includes measuring its carbon footprint from district funded travel. The District will also apply for Action for Hope funding from the Connexion. This will increase the grant funding available to support churches to undertake projects that reduce the carbon footprint of their premises.

3.10.4 The District will also seek to recruit to a Lay Employment Advisor post to support circuits and churches in scoping lay employee roles and successfully recruiting to and managing these roles.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co-ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by

- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, ministerial staff, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

5.9 The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the connexional team based at 25 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the District.

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits for a term of three years which thus have the opportunity to participate in the life of the District. Circuit representation on the DPC alternates between lay and ordained representatives. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets four times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386 (Registered in England & Wales)
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Rachel Bending (Rev'd Andrew de Ville to 31 August 2024)
Synod Secretary	Rev'd Martyn Beukes (Mrs Sandra Coates to August 2024)

Southampton Methodist District

Annual Report for the year ending 31 August 2024

District Treasurer	Mrs Christine Holland

Trustees
The following served as trustees throughout all or part of the year 2023-24 or were trustees at the time of the report being approved:

Rev'd R Bending (from September 2024)
Rev'd M Beukes
Rev'd R Borgars
Rev'd M Cheetham
Rev'd B Coates
Mr D Coates (to December 2023)
Mrs S Coates (to August 2024)
Rev'd P Crispin
Rev'd A de Ville (to August 2024)
Dr J Evans (to August 2024)
Mrs C Holland
Rev'd J Hughes (to August 2024)
Rev'd J Izzard
Ms L Matthews (from September 2024)
Rev'd D Muskett (from January 2024)
Mr M Petter (to August 2024)
Mr M Parker (from September 2024)
Rev'd A Pottage
Mrs R Pye
Rev'd P Rayson (from September 2024)
Rev'd S Robinson (from January 2025)
Mr C Smith
Mrs C Stuckey
Dr J Tawn
Mrs E Ward (from September 2024)
Mr P Yarrien

Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ
	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 1 March 2025.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Rachel Bending, District Chair
1 March 2025

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2024

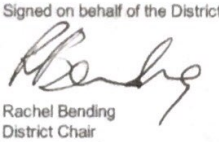
	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2023-24	Total 2022-23
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies							
Income from investments		8,345	46,341		3,754	58,440	28,816
Charitable activities							
Assessments on circuits	2	120,012				120,012	120,000
Circuit Model Trust Funds			163,269			163,269	165,638
Connexional Advance & Property Fund			153,758			153,758	67,443
New Places for New People Connexional grant							28,000
Mission Alongside the Poor Connexional grant				8,759		8,759	6,306
Total income from charitable activities		120,012	317,027	8,759		445,798	388,387
Other income	3	2,316	55,000	5,096		62,412	10,261
Total income and endowments		130,673	418,368	13,855	3,754	566,650	428,464
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	229,872	18,833	250	251,945	274,061
Salaries and associated costs	6	135,331				135,331	126,647
Property costs	7	12,139				12,139	7,161
Office/ Administrative expenses	8	4,677	1,538	758	344	7,317	4,753
Synods, Committees and Conferences	9	7,302		14,639		21,941	19,583
Other outgoings	10	9,067			14,629	23,696	2,379
Total charitable expenditure		171,506	231,410	34,230	15,223	452,369	434,584
Net income/(expenditure) before investment gains/ losses		-40,833	186,958	-20,375	-11,469	114,281	-6,120
Gains/loss in value of investment assets	11	4,998			9,518	14,516	-8,773
Net incoming/(outgoing resources before transfers		-35,835	186,958	-20,375	-1,951	128,797	-14,893
Transfers between funds	12	46,101	-61,773	19,510	-3,838		
Net income/expenditure for the year		10,266	125,185	-865	-5,789	128,797	-14,893
Gains on the revaluation of fixed assets	13						-65,000
Total funds brought forward		129,187	177,517	796,200	153,406	1,256,310	1,336,203
Total funds carried forward		139,453	302,702	795,335	147,617	1,385,107	1,256,310

Southampton Methodist District

Balance Sheet as at 31 August 2024

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2024	Total 2023
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			735,000		**735,000**	735,000
Investments	15	69,598			130,828	**200,426**	187,625
Total fixed assets		**69,598**	-	**735,000**	**130,828**	**935,426**	**922,625**
Current Assets							
Debtors and Prepayments	14	2,316		7,906		**10,222**	3,973
Investments with TMCP		1	727,502			**727,503**	540,685
Central Finance Board deposits		63,233		52,429	16,789	**132,451**	147,746
Cash at Bank and in hand		5,412				**5,412**	5,754
Total current assets		**70,962**	**727,502**	**60,335**	**16,789**	**875,588**	**698,158**
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	1,107				**1,107**	2,018
Grants payable in 1 year	18		215,962			**215,962**	159,117
Total current liabilities		**1,107**	**215,962**			**217,069**	**161,135**
Net current (liabilities)/assets		**69,855**	**511,540**	**60,335**	**16,789**	**658,519**	**537,023**
Total assets less current liabilities		**139,453**	**511,540**	**795,335**	**147,617**	**1,593,945**	**1,459,648**
Long term liabilities							
Grants payable from 2025/26	18		208,838			**208,838**	**203,338**
Net assets		**139,453**	**302,702**	**795,335**	**147,617**	**1,385,107**	**1,256,310**
Funds of the District							
General Fund (Unrestricted)	24	139,453				**139,453**	129,187
District Advance Fund (Unrestricted)	24		302,702			**302,702**	177,517
Designated Funds (unrestricted)	24			795,335		**795,335**	796,200
Total unrestricted funds		**139,453**	**302,702**	**795,335**	-	**1,237,490**	**1,102,904**
Restricted Funds	24				147,617	**147,617**	153,406
Endowment Funds							
Total Funds		**139,453**	**302,702**	**795,335**	**147,617**	**1,385,107**	**1,256,310**

Signed on behalf of the District Trustees



Rachel Bending
District Chair
1 March 2025



Christine Holland
District Treasurer
1 March 2025

Southampton Methodist District

Statement of Cashflows as at 31 August 2024

	2024 £	2023 £
Cashflows from operating activities		
Net income/expenditure for the reporting period (per the statement of financial activities)	128,797	-79,893
Adjustments for:		
Depreciation charges		
(Gains)/ losses on investments and fixed asset revaluations	-14,516	73,773
Dividents, interest and rents from investments	-58,440	-28,816
Loss/(profit) on the sale of fixed assets		
(Increase)/decrease in stocks		
(Increase)/decrease in debtors	-6,249	-1,309
Increase/(decrease) in creditors	61,436	121,002
Net cash provided by (used in) operating activities	111,028	84,757
Cashflows from investing activities		
Dividents, interest and rents from investments	58,440	28,816
Proceeds from the sale of property, plant and equipment		
Purchase of property, plant and equipment		
Proceeds from the sale of investments	1,713	6,001
Purchase of investments		
Net cash provided by (used in) investing activities	60,153	34,817
Cashflows from financing activities		
Repayment of borrowing		
Cash inflows from new borrowing		
Receipt of endowments		
Net cash provided by (used in) financing activities		
Change in cash and cash equivalents in the reporting period	171,181	119,574
Cash and cash equivalents at the beginning of the reporting period	694,185	574,611
Change in cash and cash equivalents due to exchange rate movements		
Cash and cash equivalents at the end of the reporting period	865,366	694,185
Cash in hand and at bank	865,366	694,185
Notice deposits (less than 3 months)		
Overdraft repayable on demand		
Total cash and equivalents	865,366	694,185

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2024

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2024 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in two matters: the collection of monthly assessments from circuits which are paid to the Methodist Church Fund, the payment of expenses of representatives from the District to the Methodist Conference. In all of these matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2024. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 18 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts.

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains or losses arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2024

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2024 the District was made up of 12 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/3 Kennet & Test Valley; 26/4 Basingstoke and Reading; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £120,012 (2023: £120,000) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £634,668 (2023: £583,224) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

	2023-24	2022-23
	£	£
Lay employee - shared costs	2,316	4,088
Wessex URC Synod re Portsmouth University Chaplaincy	2,526	2,528
Contributions towards the costs of conferences/ training courses	2,570	3,645
Refund of contribution to the Methodist Church Pensions Reserve	55,000	
Total	**62,412**	**10,261**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts, with a total value of £49,075, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

Travel and other expenses have been reimbursed to 9 (2023:9) trustees for the expenses set out in the table below.

	2023-24	2022-23
	£	£
Travel expenses	2,170	838
Other reimbursed expenses	1,526	2,689
Total	**3,696**	**3,527**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

Manse premises	775	825
District manse costs	11,364	6,336
Total	**12,139**	**7,161**

8 Office / Administrative expenses

	2023-24 £	2022-23 £
Printing, postage and stationery	402	349
Telephone costs	782	899
Equipment	1,728	17
Insurance	1,581	1,544
Safeguarding support	758	-
TMCP management fees for investment funds (note 11)	2,066	1,944
Total	**7,317**	**4,753**

9 Synods, Committees and Conferences

	2023-24 £	2022-23 £
Synod expenses	2,418	1,291
Training & conferences	14,639	15,421
Travel expenses - committees	4,884	2,871
Total	**21,941**	**19,583**

10 Other outgoings

	2023-24 £	2022-23 £
New Places for New People Researcher	14,197	
District Property Secretary	6,227	
GDPR compliance	1,353	
Professional fees	530	530
Churches Together Hampshire and Isle of Wight	432	175
Sundry outgoings	957	1,674
Total	**23,696**	**2,379**

11 Investment management fees

During the year the District paid £2,066 to TMCP, the custodians of the District's investment funds (2023: £1,945). This represents fees the management of the District Advance Fund (£1,538), District Reserve Fund (£184) and MIH Fund (£344).

The sum of £14,516 (2023: £6,775 unrealised loss) represents an unrealised gain in the invested funds of the MIH Fund (£9,518) and District Reserve Fund (£4,998).

12 Transfers between Funds

During the year £26,860 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £12,000 was withdrawn to fund training and ministers conference expenses, £7,510 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs, £7,248 was withdrawn to fund removal costs, £2,000 was withdrawn to top up the Benevolent Fund and £6,354 was withdrawn to part fund GDPR compliance and support on property matters. The general fund received interest income of £3,402 from the MIH Fund. £2,436 was withdrawn from the MIH Fund to part fund repairs to the District manse.

13 District Manse

The District manse was revalued at 31 August 2024 by Sparks Ellison Estate Agents. The valuation at 31 March 2023 was £735,000.

	Land £	Buildings £	Total £
Balance brought forward at 1 September 2023	275,000	460,000	735,000
Revaluations in the year	0	0	0
Balance carried forward at 31 August 2024	**275,000**	**460,000**	**735,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2023-24 £	2022-23 £
Trade debtors		
Channel Islands District	2,316	1,733

Wessex Synod	210	210
	2,526	1,943
Prepayments and accrued income		
Payments in advance	7,696	1,700
Other accrued income	-	330
	7,696	2,030
Total	10,222	3,973

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund)	MIH Fund	Total
	£	£	£
Balance brought forward at 1 September 2023	64,600	123,025	187,625
Units sold during the year		-1,715	-1,715
Unrealised gains on revaluation	4,998	9,518	14,516
Unrealised losses on revaluation			
Balance carried forward at 31 August 2024	**69,598**	**130,828**	**200,426**

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2023-24 £	2022-23 £
Creditors:		
Trade creditors	104	254
Total creditors	104	254
Accruals:		
Receipts in advance		
Independent Examiner	530	530
Reimbursed expenses	473	1,234
Total accruals	1,003	1,764
Total of creditors and accrued expenses	1,107	2,018

It is expected that all sums accrued at 31 August 2024 will be paid during the year to 31 August 2025.

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £424,800 were committed as at 31 August 2024 which are payable in future years:

	Payable at 31 August 2024 £	Payable at 31 August 2023 £
Current liability		
Payable in 2024-25	215,962	

Payable in 2023-24		159,117
Long term liability		
Payable in 2024-25		72,599
Payable in 2025-26	85,099	66,928
Payable in 2026-27	74,928	51,489
Payable in 2027-28	48,811	12,322
Total commitment	**424,800**	**362,455**

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2024 (2023: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2023: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 6 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2024 was £139,453 (2023: £129,187).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2024 was £302,702 (2023: £177,517). The balance at 31 August 2024 reflects commitments of £424,800 that are payable in future years as set out in note 18.

Four designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The District Development Fund which funds courses and conferences. The balance at 31 August 2024 was £45,888 (2023: £49,545)

The Portsmouth Chaplaincy Fund - The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. From September 2021 the free church chaplain has been employed by the University and is paid a housing allowance by the District and Wessex URC Synod. This fund reflects the grant payment to the chaplain, the employers National Insurance payable on the payment of the grant via the Methodist Church lay employee payroll and the recharging of a share of the costs to the Wessex URC Synod. At 31 August 2024 the balance on the fund was £5 (2023: -£78 deficit).

In the years 2021-22 to 2023-24 the Methodist Connexion distributed Mission Alongside the Poor funds to Districts. These monies are held in a separate fund to be used to provide grants to churches and circuits in the District to enable them to support those experiencing cost of living related pressures in their local communities. Grants totalling £6,000 were paid during 2023-24 (2023: £5,600). The balance on the fund at 31 August 2024 was £14,442.

The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2024. The balance in the reserve at 31 August 2024 was £735,000. (2023: £735,000)

The movements in these funds in the year ending 31 August 2024 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2024 was £2,131. (2023: £381).

The MIH fund is used to fund repairs and maintenance to the District manse. The balance at 31 August 2024 was £130,837 (2023: £123,747).

The District is the accounting body for Churches Together Hampshire and the Islands. During the year this group ceased to operate. The balance of its funds (£432) was paid to Churches Together in England. The balance held at 31 August 2024 was £Nil (2023: £432).

The New Places for New People fund was used to fund the cost of a Mission Development Worker who supported the development phase of the District's New Places for New People project in Portsmouth. Funding for a second phase of work focussed on Portsmouth alongside research based support for other circuits to explore New Places for New People opportunities was approved during 2022-23 with the first of several annual grant payments being made to the District. The balance held at 31 August 2024 was £14,649. (2023: £28,846).

The movements in these funds in the year ending 31 August 2024 are shown in note 24.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2024

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses and revaluations	Transfers	Closing Balances
	£	£	£		£	£
General Fund	129,187	130,673	171,506	4,998	46,101	139,453
District Development Fund	49,595	2,570	18,277		12,000	45,888
District Advance Fund	177,517	418,368	231,410		-61,773	302,702
Portsmouth Chaplaincy	-78	2,526	9,953		7,510	5
Mission Alongside the Poor	11,683	8,759	6,000			14,442
Property Reserve	735,000					735,000
Totals	**1,102,904**	**562,896**	**437,146**	**4,998**	**3,838**	**1,237,490**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses	Transfers & accruals	Closing Balance
	£	£	£	£	£	£
Benevolent Fund	381		250		2,000	2,131
District (MIH) Fund	123,747	3,754	344	9,518	-5,838	130,837
Churches Together Hampshire and the Islands	432		432			0
New Places for New People	28,846		14,197			14,649
Totals	**153,406**	**3,754**	**15,223**	**9,518**	**-3,838**	**147,617**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2024

Note 26: Statement of Financial Activities for the year ended 31 August 2023 for comparative purposes

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2022-23	Total 2021-22
		£	£	£	£	£	£
Income and Endowments						0	0
Donations and legacies						0	0
Income from investments		5,387	19,542		3,887	28,816	7,990
Charitable activities							
Assessments on circuits	2	120,000				120,000	120,000
Circuit Model Trust Funds			165,638			165,638	206,132
Connexional Advance & Property Fund			67,443			67,443	6,690
New Places for New People Connexional grant					28,000	28,000	
Mission Alongside the Poor Connexional grant				8,306		8,306	8,977
Total income from charitable activities		**120,000**	**233,081**	**8,306**	**28,000**	**389,387**	**341,799**
Other income	3	4,088		6,173		10,261	18,279
Total income and endowments		**129,475**	**252,623**	**14,479**	**31,887**	**428,464**	**368,068**
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	249,845	20,926	300	274,061	117,108
Salaries and associated costs	6	126,542		105		126,647	137,639
Property costs	7	7,161				7,161	28,947
Office/ Administrative expenses	8	3,001	1,346		406	4,753	5,422
Synods, Committees and Conferences	9	4,160		15,423		19,583	18,584
Other outgoings	10	2,204			175	2,379	2,681
Total charitable expenditure		**146,058**	**251,191**	**36,454**	**881**	**434,584**	**310,381**
Net income/(expenditure) before investment gains/ losses		**-16,583**	**1,432**	**-21,975**	**31,006**	**-6,120**	**138,079**
Gains/loss in value of investment assets	11	-2,865			-5,908	-8,773	-13,567
Net incoming/(outgoing resources before transfers		-19,448	1,432	-21,975	25,098	-14,893	-76,894
Transfers between funds	12	29,747	-45,951	19,685	-3,481	0	0
Net income/expenditure for the year		**10,299**	**-44,519**	**-2,290**	**21,617**	**-14,893**	**44,120**
Gains on the revaluation of fixed assets	13			-65,000		-65,000	50,000
Total funds brought forward		118,888	222,036	863,490	131,789	1,336,203	1,242,083
Total funds carried forward		**129,187**	**177,517**	**796,200**	**153,406**	**1,256,310**	**1,336,203**

Declarations and Scrutiny

I confirm that these accrual based accounts for the year ended 31 August 2024 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer: CHol Date: 1 March 2025

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2024 were presented to the District Policy Committee at its meeting on 1 March 2024 and were approved.

Signature of the Chair of the meeting

Name of the Chair of the meeting: Rev'd Rachel Bending Date: 1 March 2025

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2024.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address: 86 Silverdale Road, Earley, Reading RG6 7LT

Date: 3rd March 2025

SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2023

Southampton Methodist District

Annual Report for the year ending 31 August 2023

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2022-23 there were 12 circuits in the District.

2.2 In 2022-23 the District paid grants from the District Advance Fund that totalled £128,560 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

3. Financial Review

3.1 During the year the District received total income of £428,464 (2022: £368,068) and spent £434,584 (2022: £310,381). At 31 August 2023 the District had funds totalling £1,256,310 (2022: £1,336,203). The District's funds have decreased during the year primarily due to the revaluation of the District manse and an increase in the commitments for grants payable in future years.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic caused significant financial challenges for churches: Some churches have not recovered their lettings income and some have ceased to meet for worship. Increased utility costs and pay cost inflation have added to the financial challenges faced by churches and circuits.

3.4 All circuits paid their District and Methodist Church Fund assessments for 2022-23 and no circuit has indicated they are unable to meet their 2023-24 assessments.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2024, circuits should be able to maintain reserves with the proceeds of the sale of church buildings that are deemed to be surplus and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

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

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was 2.29% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £56,200. At 31 August 2023 the level of general fund reserves held was £129,187 (2022: £118,888). The District's general reserves increased during the year mainly due to the Lay Employment Officer post being vacant for most of the year and lower than budgeted expenditure on travel and the District manse. The District's general reserve is expected to reduce to a level that is closer to its reserves policy over the next 3 years.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2023 was £49,595 (2022: £54,848). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The District acts as accounting body for the University of Portsmouth free church chaplaincy. The chaplain is a University employee but receives a housing allowance from the District and Wessex URC Synod. The Portsmouth University Chaplaincy Fund is held to reflect the payment of the housing allowance and the associated income from recharges of costs to the Wessex URC Synod. The balance on the fund at 31 August 2023 was -£78 (deficit) (2022: -£335). The deficit was reduced in 2022-23 through an adjustment to the District grant to reflect the National Insurance costs associated with the payment of the housing allowance

The Mission Alongside the Poor fund holds the funds distributed by the Connexion to Districts. These funds are being used to provide grants to churches and circuits to support their communities with cost of living related issues. The balance on the fund at 31 August 2023 was £11,683 (2022: £8,977). The balance on the fund increased during the year due to a further allocation from the Connexion.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2023 so the reserve reflects the market value at that date £735,000 (2022: £800,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years the Fund balance at 31 August 2023 was £177,517 (2022: £222,036). The Fund balance has increased as the level of income to the Fund increased and commitments for grants payable in future years were lower than last year.

3.8.3 Restricted Funds

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund is held to fund improvements to the District manse and has been used to part fund the Intergenerational Mission Enabler post. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2023 was £123,747 (2022: £129,655). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The value of the fund reduced during the year due to an unrealised investment loss and the sale of units to fund the refurbishment of the District manse.

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2023 was £381 (2022: £681).

The District is the accounting body for Churches Together in Hampshire and the Islands. The balance held at 31 August 2023 was £432 (2022: £607).

The New Places for New People reserve holds the connexional grant received to fund phase 1 of the District's New Places for New People project in Portsmouth. The balance at 31 August 2022 was £846. During 2022-23 the District was awarded a connexional grant to part fund phase 2 of the project and research activities in other circuits to explore opportunities for other New Places for New People projects. The first instalment of this grant (£28,000) was paid during 2022-23 increasing the fund balance at 31 August 2023 to £28,846.

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2022-23 this sum amounted to £120,000 (2022: £120,000).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2022. This is credited to the District Advance Fund. In 2022-23 this sum was £165,638 (2022: £206,132). The reduction in the levy reflects a reduction in the Circuit Model Trust Fund balances between 1 September 2021 and 1 September 2022.

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co-ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by

- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit

meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, ministerial staff, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

5.9 The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the connexional team based at 25 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the District.

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits which thus have the opportunity to participate in the life of the District. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets four times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Andrew de Ville
Synod Secretary	Mrs Sandra Coates
District Treasurer	Mrs Christine Holland

Trustees

The following served as trustees throughout all or part of the year 2022-23 or were trustees at the time of the report being approved:

Rev M Beukes
Mr R Betts (to May 2023)
Mr L Buckwell (to August 2023)
Rev R Borgars
Rev M Cheetham (from September 2023)
Mr D Coates (to December 2023)
Rev B Coates (from May 2023)
Mrs S Coates
Rev P Crispin
Rev A de Ville
Dr J Evans
Rev R Fry (to August 2023)
Rev J Hughes
Rev J Izzard
Rev K James (to August 2023)
Rev R Lownsbrough (to August 2023)
Rev D Muskett (from January 2024)
Mr M Petter
Rev A Pottage (from September 2023)
Mrs R Pye (from January 2024)
Mr C Smith (from September 2023)
Mrs C Stuckey
Dr J Tawn (from September 2023)
Mr N Thorne (to August 2023)

Southampton Methodist District

Annual Report for the year ending 31 August 2023

Rev P Griffin (to August 2023)	Mrs E Ward (from September 2023)
Mrs C Holland	Mr P Yarrien

Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ
	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 16 March 2024.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Andrew de Ville, District Chair
16 March 2024

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2023

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2022-23	Total 2021-22
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies							
Income from investments		5,387	19,542		3,887	**28,816**	**7,990**
Charitable activities							
Assessments on circuits	2	120,000				120,000	120,000
Circuit Model Trust Funds			165,638			165,638	206,132
Connexional Advance & Property Fund			67,443			67,443	6,690
New Places for New People Connexional grant					28,000	28,000	
Mission Alongside the Poor Connexional grant				8,306		8,306	8,977
Total income from charitable activities		**120,000**	**233,081**	**8,306**	**28,000**	**389,387**	**341,799**
Other income	3	4,088		6,173		**10,261**	18,279
Total income and endowments		**129,475**	**252,623**	**14,479**	**31,887**	**428,464**	**368,068**
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	249,845	20,926	300	**274,061**	117,108
Salaries and associated costs	6	126,542		105		**126,647**	137,639
Property costs	7	7,161				**7,161**	28,947
Office/ Administrative expenses	8	3,001	1,346		406	**4,753**	5,422
Synods, Committees and Conferences	9	4,160		15,423		**19,583**	18,584
Other outgoings	10	2,204			175	**2,379**	2,681
Total charitable expenditure		**146,058**	**251,191**	**36,454**	**881**	**434,584**	**310,381**
Net income/(expenditure) before investment gains/ losses		**-16,583**	**1,432**	**-21,975**	**31,006**	**-6,120**	**139,079**
Gains/loss in value of investment assets	11	-2,865			-5,908	-8,773	-13,567
Net incoming/(outgoing resources before transfers		-19,448	1,432	-21,975	25,098	-14,893	-76,894
Transfers between funds	12	29,747	-45,951	19,685	-3,481		
Net income/expenditure for the year		**10,299**	**-44,519**	**-2,290**	**21,617**	**-14,893**	**44,120**
Gains on the revaluation of fixed assets	13			-65,000		**-65,000**	50,000
Total funds brought forward		118,888	222,036	863,490	131,789	**1,336,203**	1,242,083
Total funds carried forward		**129,187**	**177,517**	**796,200**	**153,406**	**1,256,310**	**1,336,203**

Southampton Methodist District

Balance Sheet as at 31 August 2023

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2023	Total 2022
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			735000		**735,000**	800,000
Investments	15	64,600			123,025	**187,625**	202,399
Total fixed assets		**64,600**		**735,000**	**123,025**	**922,625**	**1,002,399**
Current Assets							
Debtors and Prepayments	14	330		3,643		**3,973**	2,664
Investments with TMCP		1	539,972		712	**540,685**	479,904
Central Finance Board deposits		60,520		57,557	29,669	**147,746**	86,201
Cash at Bank and in hand		5,754				**5,754**	8,506
Total current assets		**66,605**	**539,972**	**61,200**	**30,381**	**698,158**	**577,275**
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	2,018				**2,018**	2,301
Grants payable in 2023/24	18		159,117			**159,117**	173,820
Total current liabilities		**2,018**	**159,117**			**161,135**	**176,121**
Net current (liabilities)/assets		**64,587**	**380,855**	**61,200**	**30,381**	**537,023**	**401,154**
Total assets less current liabilities		**129,187**	**380,855**	**796,200**	**153,406**	**1,459,648**	**1,403,553**
Long term liabilities							
Grants payable from 2024-25	18		203,338			**203,338**	**67,350**
Net assets		**129,187**	**177,517**	**796,200**	**153,406**	**1,256,310**	**1,336,203**
Funds of the District							
General Fund (Unrestricted)	24	129,187				**129,187**	118,888
District Advance Fund (Unrestricted)	24		177,517			**177,517**	222,036
Designated Funds (unrestricted)	24			796,200		**796,200**	863,490
Total unrestricted funds		**129,187**	**177,517**	**796,200**		**1,102,904**	**1,204,414**
Restricted Funds	24				153,406	**153,406**	131,789
Endowment Funds							
Total Funds		**129,187**	**177,517**	**796,200**	**153,406**	**1,256,310**	**1,336,203**

Signed on behalf of the District Trustees

Andrew de Ville
District Chair
16 March 2024

Christine Holland
District Treasurer
16 March 2024

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2023

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2023 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in two matters: 1.
The collection of monthly assessments from circuits which are paid to the Methodist Church Fund 2. The
payment of expenses of representatives from the District to the Methodist Conference In all of these
matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2022. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts.

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains or losses arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2023 the District was made up of 12 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/3 Kennet & Test Valley; 26/4 Basingstoke and Reading; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £120,000 (2022: £120,000) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £583,224 (2022: £607,335) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

From 1 March 2020 to 16 October 2021 the District manse was occupied by a minister who was stationed in the connexional team. The District rented accommodation for the District Chair and received contributions towards its dual manse running costs from connexional funds.

	2022-23	2021-22
	£	£
Lay employee - shared costs	4,088	10,148
Wessex URC Synod re Portsmouth University Chaplaincy	2,528	2,614
Contributions towards the costs of conferences/ training courses	3,646	2,517
Contributions towards District manse costs		3,000
Total	**10,262**	**18,279**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts, with a total value of £45,826, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

Travel and other expenses have been reimbursed to 9 (2022:8) trustees for the expenses set out in the table below.

	2022-23	2021-22
	£	£
Travel expenses	838	1,311
Other reimbursed expenses	2,689	4,114
Total	**3,527**	**5,425**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2023

5 Grants, donations and related support costs

Grants and donations totalling £185,887 were paid during the year (2022: £197,446). Grants from the District Advance Fund can be made for more than one financial year. Grants are accrued in the year they are committed. After adjusting for the increase in the value of accrued grants the expenditure on grants in 2022-23 was £273,310

	2022-23	2021-22
Unrestricted:	£	£
From the District Advance Fund	249,845	101,916
From the District Development Fund	5,476	2,353
From the Portsmouth Chaplaincy Fund	9,850	9,849
Other		
- Churches Together subscriptions	2,990	2,990
Sub total	***268,161***	***117,108***
- From the Benevolent Fund	300	-
- From the Mission Alongside the Poor Fund	5,600	
Sub total		-
Total	**274,061**	**117,108**

Expenditure on charitable activities through the District Advance Fund

The District Advance fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the District through relevant grants as assessed by the District Grants Committee. The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. Since September 2021 the free church chaplain has been employed by the University and is paid a housing allowance by the District and Wessex URC Synod. The payment of the housing allowance is administered via the Methodist Church lay employee payroll for tax purposes but the chaplain is not an employee of the District. The payment of the housing allowance is treated as a grant in the District accounts. Wessex Synod is recharged for its share of the grant. During the year the following grants were paid:

Given to	£	Type of grant	£
Churches	91,310	Ministry	69,750
Circuits	15,000	Property	58,810
Institutions	22,250		
	128,560		128,560
Accrued grants August 2023	362,455		
Accrued grants August 2022	241,170		
	249,845		
Portsmouth University Chaplaincy Fund	7,685		
District	38,266		

The income of the fund was £252,623 (2022: £215,226) during the year which is more than the total paid out in grants in the year. The Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

6 Salaries and associated costs

	2022-23	2021-22
	£	£
Salaries	97,403	107,744
Employer's National Insurance contributions	9,634	10,132
Employer's pension contributions	5,247	6,172
Total salaries costs	**112,284**	**124,048**
Chairs Travel & Expenses	6,956	6,170
Other Staff Costs	2,147	2,238
Removal expenses	-	1,080
Staff Travel	4,375	4,103
	13,478	**13,591**
Total staff and associated costs	**125,762**	**137,639**

The number of lay employees during the year was 2.54 FTE. No employees received employee benefits that totalled more than £60,000.

The lay employees are employees of the District and are paid salaries at rates set by the District. The lay employees are paid at at least the Living Wage as required by the Methodist Conference.

The District provides a defined contributions pension scheme for its lay employees via The Pensions Trust. This is a multi employer pension scheme. The District matches employees pension contributions up to 6% of salary costs.

7 Property costs

	2022-23 £	2021-22 £
Hire of premises	825	660
Chair's manse and District manse costs	6,336	28,287
		-
Total	**7,161**	**28,947**

8 Office/ Administrative expenses

	2022-23 £	2021-22 £
Printing, postage and stationery	349	215
Telephone costs	899	1,145
Equipment	17	409
Insurance	1,544	1,528
Safeguarding support	-	215
Total charged to the General Fund	**2,809**	**3,512**
TMCP management fees for investment funds (note 11)	1,945	1,910
Total	**4,754**	**5,422**

9 Synods, Committes and Conferences

	2022-23 £	2021-22 £
Synod expenses	2,869	2,198
Training & conferences	1,291	3,690
Travel expenses - committees	14,817	12,696
Total	**18,977**	**18,584**

10 Other outgoings

	2022-23 £	2021-22 £
Professional fees	530	530
Churches Together Hampshire and Isle of Wight	175	175
Sundry outgoings	1,683	1,975
Total	**2,388**	**2,680**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2023

11 Investment management fees

During the year the District paid £1,945 to TMCP, the custodians of the District's Investment funds (2022: £1,910). This represents fees the management of the District Advance Fund (£1,346), District Reserve Fund (£192) and MIH Fund (£407).

The sum of £8,773 (2022: £13,567 unrealised loss) represents an unrealised loss in the invested funds of the MIH Fund (-£5,908) and District Reserve Fund (-£2,865).

12 Transfers between Funds

During the year £25,380 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £12,000 was withdrawn to fund training and ministers conference expenses, £7,685 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs and £886 was withdrawn to fund additional administrative support. The general fund received interest income of £3.481 from the MIH Fund.

13 District Manse

The District manse was revalued at 31 August 2023 by Sparks Ellison Estate Agents. The valuation at 31 March 2022 was £800,000.

	Land	Buildings	Total
	£	£	£
Balance brought forward at 1 September 2022	300,000	500,000	800,000
Revaluations in the year	-25,000	-40,000	-65,000
Balance carried forward at 31 August 2023	**275,000**	**460,000**	**735,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2022-23	2021-22
	£	£
Trade debtors		
Channel Islands District	1,733	1,096
Wessex Synod	210	947
	1,943	**2,043**
Prepayments and accrued income		
Payments in advance	1,700	621
Other accrued income	330	
	2,030	**621**
Total	**3,973**	**2,664**

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund)	MIH Fund	Total
	£	£	£
Balance brought forward at 1 September 2022	67,464	134,935	202,399
Units sold during the year		6,002	6,002
Unrealised gains on revaluation	2,864	5,908	8,772
Unrealised losses on revaluation			
Balance carried forward at 31 August 2023	**64,600**	**123,025**	**187,625**

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2022-23 £	2021-22 £
Creditors:		
Trade creditors	254	226
Total creditors	**254**	**226**
Accruals:		
Receipts in advance		164
Independent Examiner	530	530
Reimbursed expenses	1,234	1,381
Total accruals	**1,764**	**2,075**
Total of creditors and accrued expenses	**2,018**	**2,301**

It is expected that all sums accrued at 31 August 2023 will be paid during the year to 31 August 2024.

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £362,455 were committed as at 31 August 2023 which are payable in future years:

	Payable at 31 August 2023 £	Payable at 31 August 2022 £
Current liability		
Payable in 2022-23		173,820
Payable in 2023-24	159,117	
Long term liability		
Payable in 2023-24		37,350
Payable in 2024-25	72,599	10,000
Payable in 2025-26	66,928	10,000
Payable in 2026-27	51,489	10,000
Payable in 2027-28	12,322	
Total commitment	**362,455**	**241,170**

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2023 (2021: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2022: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 6 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2023 was £129,187 (2022: £118,888).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2023 was £177,517 (2022: £222,036). The balance at 31 August 2023 reflects commitments of £362,455 that are payable in future years as set out in notes 18 and 24.

Four designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The District Development Fund which funds courses and conferences. The balance at 31 August 2023 was £49,595 (2022: £54,848)

The Portsmouth Chaplaincy Fund - The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. From September 2021 the free church chaplain has been employed by the University and is paid a housing allowance by the District and Wessex URC Synod. This fund reflects the grant payment to the chaplain, the employers National Insurance payable on the payment of the grant via the Methodist Church lay employee payroll and the recharging of a share of the costs to the Wessex URC Synod. At 31 August 2023 the balance on the fund was -£78 (deficit) (2022: -£335 deficit).

During 2021-22 and 2022-23 the Methodist Connexion distributed Mission Alongside the Poor funds to Districts. These monies are held in a separate fund to be used to provide grants to churches and circuits in the District to enable them to support those experiencing cost of living related pressures in their local communities. No grants were made in 2021-22. Grants totalling £5,600 were paid during 2022-23. The balance on the fund at 31 August 2023 was £11,683.

The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2023. The balance in the reserve at 31 August 2023 was £735,000. (2022: £800,000)

The movements in these funds in the year ending 31 August 2023 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2023 was £381. (2022: £681).

The MIH fund has been used to fund repairs and maintenance to the District manse and to part fund the Intergenerational Mission Enabler post. The balance at 31 August 2023 was £123,747. (2022: £129,655).

The District is the accounting body for Churches Together Hampshire and the Islands. The balance held at 31 August 2023 was £432 (2022: £607).

The New Places for New People fund was used to fund the cost of a Mission Development Worker who supported the development phase of the District's New Places for New People project in Portsmouth. Funding for a second phase of work focussed on Portsmouth alongside reaserch based suport for other circuits to explore New Places for New People opportunities was approved during 2022-23 with the first of several annual grant playments being made to the District. The balance held at 31 August 2023 was £28,846. (2022: £846).

The movements in these funds in the year ending 31 August 2023 are shown in note 24.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2023

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Unrealised Investment losses and revaluations	Transfers	Closing Balances
	£	£	£		£	£
General Fund	118,888	129,475	146,058	-2,865	29,747	**129,187**
District Development Fund	54,848	3,646	20,899		12,000	**49,595**
District Advance Fund	222,036	252,623	251,191		-45,951	**177,517**
Portsmouth Chaplaincy	-335	2,527	9,955		7,685	**-78**
Mission Alongside the Poor	8,977	8,306	5,600			**11,683**
Property Reserve	800,000			-65,000		**735,000**
Totals	**1,204,414**	**396,577**	**433,703**	**-67,865**	**3,481**	**1,102,904**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses	Transfers & accruals	Closing Balance
	£	£	£	£	£	£
Benevolent Fund	681		300			**381**
District (MIH) Fund	129,655	3,887	406	-5,908	-3,481	**123,747**
Churches Together Hampshire and the Islands	607		175			**432**
New Places for New People	846	28,000				**28,846**
Totals	**131,789**	**31,887**	**881**	**-5,908**	**-3,481**	**153,406**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2023

Note 26: Statement of Financial Activities for the year ended 31 August 2022 for comparative purposes

	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2021-22	Total 2020-21
	£	£	£	£	£	£
Income and Endowments					**0**	0
Donations and legacies					**0**	0
Income from investments	2,063	2,404		3,523	**7,990**	5,086
Charitable activities						0
Assessments on circuits	120,000				**120,000**	120,000
Circuit Model Trust Funds		206,132			**206,132**	118,779
Connexional Advance & Property Fund		6,690			**6,690**	59,365
New Places for New People Connexional grant						10,000
Mission Alongside the Poor Connexional grant		8,977			**8,977**	
Total income from charitable activities	**120,000**	**221,799**			**341,799**	**313,230**
Other income	13,148		5,131		**18,279**	30,848
						0
Total income and endowments	**135,211**	**224,203**	**5,131**	**3,523**	**368,068**	**344,078**
Expenditure						
Expenditure on activities						
Grants and donations	2,990	101,916	12,202		**117,108**	74,301
Salaries and associated costs	132,071		450	5,118	**137,639**	125,267
Property costs	28,947				**28,947**	25,596
Office/ Administrative expenses	3,615	1273		534	**5,422**	5,505
Synods, Committees and Conferences	5,888		12,696		**18,584**	5,096
Other outgoings	2,396		14	271	**2,681**	3,971
						0
Total charitable expenditure	**175,907**	**103,189**	**25,362**	**5,923**	**310,381**	**239,736**
Net income/(expenditure) before investment gains/ losses	**-40,696**	**121,014**	**-20,231**	**-2,400**	**139,079**	**104,342**
Gains/loss in value of investment assets	-4,522	0		-9,045	**-13,567**	33,494
Net incoming/(outgoing resources befor	-45,218		-20,231	-11,445	**-76,894**	137,836
Transfers between funds	38,941	-47,177	24,327	-16,091	**0**	
Net income/expenditure for the year	**-6,277**	**73,837**	**4,096**	**-27,536**	**44,120**	**137,836**
Gains on the revaluation of fixed assets			50,000		**50,000**	50,000
						0
Total funds brought forward	125,165	148,199	809,394	159,325	**1,242,083**	1,054,247
Total funds carried forward	**118,888**	**222,036**	**863,490**	**131,789**	**1,336,203**	**1,242,083**

Declarations and Scrutiny

I confirm that these accrual based accounts for the year ended 31 August 2023 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer . Date. 15 March 2024

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2024 were presented to the District Policy Committee at its meeting on 16 March 2023 and were approved.

Signature of the Chair of the meeting

Name of the Chair of the meeting Rev Andrew de Ville Date 16 March 2024

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2023.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 24th March 2024.

SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2022

Southampton Methodist District

Annual Report for the year ending 31 August 2022

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2021-22 there were12 circuits in the District.

2.2 In 2021-22 the District paid grants from the District Advance Fund that totalled £159,246 to churches, circuits, university chaplaincies, ecumenical groups and the Methodist Ministers Pension Reserve. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

3. Financial Review

3.1 During the year the District received total income of £368,068 (2021: £344,078) and spent £310,381 (2021 £239,736). At 31 August 2022 the District had funds totalling £1,336,203 (2021: £1,242,083). The District's funds have increased during the year primarily due the revaluation of the District manse and an increase in income to the District Advance Fund alongside a reduction in the commitments for grants payable in future years.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic caused significant financial challenges for churches: Church buildings were closed for many weeks between March 2020 and Easter 2021 reducing the ability of churches to generate income from lettings. Some churches have not recovered their lettings income and some have ceased to meet for worship. Increased utility costs and pay cost inflation have added to the financial challenges faced by churches and circuits.

3.4 All circuits paid their District assessment for 2021-22 and no circuit has indicated they are unable to meet their 2022-23 District assessment.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2023, circuits should be able to maintain reserves with the proceeds of the sale of church buildings that are deemed to be surplus and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

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

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was -0.88% for the year. This reflects reductions is the value of investments during 2021-22.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £56,200. At 31 August 2022 the level of general fund reserves held was £118,888 (2021: £125,165). The District's general reserves reduced during the year due to budgeted use of reserves, expenditure on the District manse following a quinquennial inspection and reductions in the value of investments held in the general fund. The District's general reserve is expected to reduce to a level that is closer to its reserves policy over the next 3 years.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2022 was £54,848 (2021: £59,394). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The District acts as accounting body for the University of Portsmouth free church chaplaincy. A new chaplain was appointed from September 2021. The chaplain is a University employee but receives a housing allowance from the District and Wessex URC Synod. The Portsmouth University Chaplaincy Fund is held to reflect the payment of the housing allowance and the associated income from recharges of costs to the Wessex URC Synod. The balance on the fund at 31 August 2022 was -£335 (deficit). The deficit will be addressed in 2022-23 through the adjustment of the District grant to reflect the National Insurance costs associated with the payment of the housing allowance

The Mission Alongside the Poor fund holds the funds distributed by the Connexion to Districts. These funds will be used to provide grants to churches and circuits to support their communities with cost of living related issues. The balance on the fund at 31 August 2022 was £8,977.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2022 so the reserve reflects the market value at that date £800,000 (2021: £750,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years the Fund balance at 31 August 2022 was £222,036 (2021: £148,199). The Fund balance has increased as the level of income to the Fund increased and commitments for grants payable in future years were lower than last year.

3.8.3 Restricted Funds

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund is held to fund improvements to the District manse and has been used to part fund the Intergenerational Mission Enabler post. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2022 was £129,655 (2021: £151,701). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The value of the fund reduced during the year due to an unrealised investment loss and the cost of refurbishment of the District manse.

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2022 was £681 (2021: £681).

The District is the accounting body for Churches Together in Hampshire and the Islands. The balance held at 31 August 2021 was £607 (2021: £782).

The New Places for New People reserve holds the connexional grant received to fund phase 1 of the District's New Places for New People project in Portsmouth. The balance at 31 August 2022 was £846.

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2021-22 this sum amounted to £120,000 (2021: £120,000).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2021. This is credited to the District Advance Fund. In 2021-22 this sum was £206,132 (2021: £118,779). The increase in the levy reflects an increase in the Circuit Model Trust Fund balances between 1 September 2020 and 1 September 2021.

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co-ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by

- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit

meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

5.9 The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the connexional team based at 25 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the District.

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits which thus have the opportunity to participate in the life of the District. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets four times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Andrew de Ville
Synod Secretary	Mrs Sandra Coates
District Treasurer	Mrs Christine Holland

Trustees

The following served as trustees throughout all or part of the year 2021-22 or were trustees at the time of the report being approved:

Mr M Bell (to August 2022)
Rev M Beukes
Mr R Betts
Mr L Buckwell
Rev R Borgars
Mr D Coates
Mrs S Coates
Mr P Cooper (to August 2022)
Rev P Crispin (from September 2022)
Rev A de Ville
Dr J Evans
Rev R Fry
Rev P Griffin
Mrs C Holland
Rev J Hughes
Rev J Izzard (from September 2022)
Rev K James
Rev R Lownsbrough
Miss J Mason (to November 2022)
Mr M Petter
Mrs C Stuckey
Mr N Thorne
Mrs E Ward (to August 2022)
Mr P Yarrien

Southampton Methodist District

Annual Report for the year ending 31 August 2022

Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ
	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 11 March 2023.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Andrew de Ville, District Chair
11 March 2023

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2022

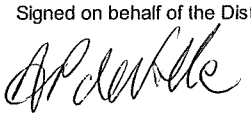
	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2021-22	Total 2020-21
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies							
Income from investments		2,063	2,404		3,523	**7,990**	5,086
Charitable activities							
Assessments on circuits	2	120,000				**120,000**	120,000
Circuit Model Trust Funds			206,132			**206,132**	118,779
Connexional Advance & Property Fund			6,690			**6,690**	59,365
New Places for New People Connexional grant							10,000
Mission Alongside the Poor Connexional grant			8,977			**8,977**	
Total income from charitable activities		**120,000**	**221,799**			**341,799**	**313,230**
Other income	3	13,148		5,131		**18,279**	30,848
Total income and endowments		**135,211**	**224,203**	**5,131**	**3,523**	**368,068**	**344,078**
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	101,916	12,202		**117,108**	74,301
Salaries and associated costs	6	132,071		450	5,118	**137,639**	125,267
Property costs	7	28,947				**28,947**	25,596
Office/ Administrative expenses	8	3,615	1273		534	**5,422**	5,505
Synods, Committees and Conferences	9	5,888		12,696		**18,584**	5,096
Other outgoings	10	2,396		14	271	**2,681**	3,971
Total charitable expenditure		**175,907**	**103,189**	**25,362**	**5,923**	**310,381**	**239,736**
Net income/(expenditure) before investment gains/ losses		**-40,696**	**121,014**	**-20,231**	**-2,400**	**139,079**	**104,342**
Gains/loss in value of investment assets	11	-4,522			-9,045	**-13,567**	33,494
Net incoming/(outgoing resources before transfers		-45,218		-20,231	-11,445	**-76,894**	137,836
Transfers between funds	12	38,941	-47,177	24,327	-16,091		
Net income/expenditure for the year		**-6,277**	**73,837**	**4,096**	**-27,536**	**44,120**	**137,836**
Gains on the revaluation of fixed assets	13			50,000		**50,000**	50,000
Total funds brought forward		125,165	148,199	809,394	159,325	**1,242,083**	1,054,247
Total funds carried forward		**118,888**	**222,036**	**863,490**	**131,789**	**1,336,203**	**1,242,083**

Southampton Methodist District

Balance Sheet as at 31 August 2022

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2022	Total 2021
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			800000		**800,000**	750,000
Investments	15	80,464			121,935	**202,399**	215,967
Total fixed assets		**80,464**		**800,000**	**121,935**	**1,002,399**	**965,967**
Current Assets							
Debtors and Prepayments	14	2,158		506		**2,664**	2,145
Investments with TMCP		1	463,206	8,977	7,720	**479,904**	454,419
Central Finance Board deposits		29,896		54,171	2,134	**86,201**	110,725
Cash at Bank and in hand		8,506				**8,506**	9,665
Total current assets		**40,561**	**463,206**	**63,654**	**9,854**	**577,275**	**576,954**
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	2,137		164		**2,301**	2,338
Grants payable in 2022-23	18		173,820			**173,820**	192,500
Total current liabilities		**2,137**	**173,820**	**164**		**176,121**	**194,838**
Net current (liabilities)/assets		**38,424**	**289,386**	**63,490**	**9,854**	**401,154**	**382,116**
Total assets less current liabilities		**118,888**	**289,386**	**863,490**	**131,789**	**1,403,553**	**1,348,083**
Long term liabilities							
Grants payable from 2023-24	18		67,350			**67,350**	**106,000**
Net assets		**118,888**	**222,036**	**863,490**	**131,789**	**1,336,203**	**1,242,083**
Funds of the District							
General Fund (Unrestricted)	24	118,888				**118,888**	125,165
District Advance Fund (Unrestricted)	24		222,036			**222,036**	148,199
Designated Funds (unrestricted)	24			863,490		**863,490**	809,394
Total unrestricted funds		**118,888**	**222,036**	**863,490**		**1,204,414**	**1,082,758**
Restricted Funds	24				**131,789**	**131,789**	159,325
Endowment Funds							-
Total Funds		**118,888**	**222,036**	**863,490**	**131,789**	**1,336,203**	**1,242,083**

Signed on behalf of the District Trustees



Andrew de Ville
District Chair
11 March 2023



Christine Holland
District Treasurer
11 March 2023

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2022

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2022 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in two matters: 1.
The collection of monthly assessments from circuits which are paid to the Methodist Church Fund 2. The
payment of expenses of representatives from the District to the Methodist Conference In all of these
matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2022. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts.

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains or losses arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2022 the District was made up of 12 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/3 Kennet & Test Valley; 26/4 Basingstoke and Reading; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £120,000 (2021: £120,000) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £607,335 (2021: £628,812) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

From 1 March 2020 to 16 October 2021 the District manse was occupied by a minister who is stationed in the connexional team. The District rented accommodation for the District Chair and received contributions towards its dual manse running costs from connexional funds.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2022

	2021-22	2020-21
	£	£
Lay employee - shared costs	10,148	9,923
Wessex URC Synod re Portsmouth University Chaplaincy	2,614	
Contributions towards the costs of conferences/ training courses	2,517	425
Contributions towards District manse costs	3,000	18,000
Distribution of Bournemouth University Chaplaincy surplus	-	2,500
Total	**18,279**	**30,848**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts, with a total value of £42,741, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

Travel and other expenses have been reimbursed to 8 (2021:6) trustees for the expenses set out in the table below.

	2021-22	2020-21
	£	£
Travel expenses	1,311	154
Other reimbursed expenses	4,114	2,145
Total	**5,425**	**2,299**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

5 Grants, donations and related support costs

Grants and donations totalling £197,446 were paid during the year (2021: £119,351). Grants from the District Advance Fund can be made for more than one financial year. Grants are accrued in the year they are committed. After adjusting for the reduction in the value of accrued grants the expenditure on grants in 2021-22 was £117,108.

	2021-22	2020-21
Unrestricted:	£	£
From the General Fund		
From the District Advance Fund	101,916	66,400
From the District Development Fund	2,353	2,961
From the Portsmouth Chaplaincy Fund	9,849	
Other		
- Churches Together subscriptions	2,990	2,990
Sub total	***117,108***	***72,351***
Restricted:		
- From Benevolent Fund	-	1,950
Sub total	***-***	***1,950***
Total	**117,108**	**74,301**

Expenditure on charitable activities through the District Advance Fund

The District Advance fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the District through relevant grants as assessed by the District Grants Committee. The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. Prior to 31 August 2020 the University of Portsmouth Chaplain was a Methodist Minister who was paid a stipend. During 2020-21 financial year the post was vacant. From September 2021 the free church chaplain was employed by the University and is paid a housing allowance by the District and Wessex URC Synod. The payment of the housing allowance is administered via the Methodist Church lay employee payroll for tax purposes but the chaplain is not an employee of the District. The payment of the housing allowance is treated as a grant in the District accounts. Wessex Synod is recharged for its share of the grant. During the year the following grants were paid:

Given to	£	Type of grant	£
Churches	36,502	Ministry	142,944
Circuits	45,744	Property	16,302
Institutions	22,000		
Methodist Church Pensions Reserve	55,000		
	159,246		159,246
Accrued grants August 2022	241,170		
Accrued grants August 2021	- 298,500		
	101,916		
Portsmouth University Chaplaincy Fund	7,350		
District	30,850		
Mission Alongside the Poor Fund	8,977		

The income of the fund was £215,226 (2021: £179,696) during the year which is more than the total paid out in grants in the year. The Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

6 Salaries and associated costs

	2021-22	2020-21
	£	£
Salaries	107,744	103,150
Employer's National Insurance contributions	10,132	9,163
Employer's pension contributions	6,172	6,025
Total salaries costs	**124,048**	**118,338**
Chairs Travel & Expenses	6,170	3,423
Other Staff Costs	2,238	2,464
Removal expenses	1,080	
Staff Travel	4,103	1,042
	13,591	**6,929**
Total staff and associated costs	**137,639**	**125,267**

The number of lay employees during the year was 2.96 FTE. No employees received employee benefits that totalled more than £60,000.

The lay employees are employees of the District and are paid salaries at rates set by the District. The lay employees are paid at at least the Living Wage as required by the Methodist Conference.

The District provides a defined contributions pension scheme for its lay employees via The Pensions Trust. This is a multi employer pension scheme. The District matches employees pension contributions up to 6% of salary costs.

7 Property costs

	2021-22 £	2020-21 £
Hire of premises	660	300
Chair's manse and District manse costs	28,287	25,296
	-	-
Total	**28,947**	**25,596**

8 Office/ Administrative expenses

	2021-22 £	2020-21 £
Printing, postage and stationery	215	467
Telephone costs	1,145	969
Equipment	409	1,463
Insurance	1,528	1,445
Safeguarding support	215	
Total charged to the General Fund	**3,512**	**4,344**
TMCP management fees for investment funds (note 11)	1,910	1,161
Total	**5,422**	**5,505**

9 Synods, Committes and Conferences

	2021-22 £	2020-21 £
Synod expenses	2,198	2,522
Training & conferences	3,690	1,156
Travel expenses - committees	12,696	1,420
Total	**18,584**	**5,098**

10 Other outgoings

	2021-22 £	2020-21 £
Professional fees	530	1,604
Churches Together Hampshire and Isle of Wight	175	175
Distribution of Portsmouth University Chaplaincy funds		425
Sundry outgoings	1,975	1,767
Total	**2,680**	**3,971**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2022

11 Investment management fees

During the year the District paid £1,910 to TMCP, the custodians of the District's investment funds (2021: £1,161). This represents fees the management of the District Advance Fund (£1,273), District Reserve Fund (£205) and MIH Fund (£432).

The sum of £13,567 (2021: £33,494 unrealised gain) represents an unrealised loss in the invested funds of the MIH Fund (-£9,045) and District Reserve Fund (-£4,522).

12 Transfers between Funds

During the year £22,850 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £8,000 was withdrawn to fund training and ministers conference expenses and £7,350 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs. The Connexion distributed £8,977 of Mission Alongside the Poor funds to Districts during 2021-22. This was credited to the District Advance Fund and is accounted for in a separate fund. £13,000 from the MIH Fund was used to fund the refurbishment of the District Manse. The general fund received interest income of £3.091 from the MIH Fund

13 District Manse

The District manse was revalued at 31 August 2022 by Sparks Ellison Estate Agents. The valuation at 31 March 2021 was £750,000.

	Land	Buildings	Total
	£	£	£
Balance brought forward at 1 September 2021	260,000	490,000	750,000
Revaluations in the year	40,000	10,000	50,000
Balance carried forward at 31 August 2022	**300,000**	**500,000**	**800,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2021-22	2020-21
	£	£
Trade debtors		
Channel Islands District	1,096	1,049
Wessex Synod	947	626
	2,043	**1,675**
Prepayments and accrued income		
Payments in advance	621	470
Other accrued income		
	621	**470**
Total	**2,664**	**2,145**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2022

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund)	MIH Fund	Total
	£	£	£
Balance brought forward at 1 September 2021	71,986	143,980	215,966
Unrealised gains on revaluation	0	0	0
Unrealised losses on revaluation	4,522	9,045	13,567
Transfer to the General Fund (manse costs)		13,000	
Balance carried forward at 31 August 2022	**67,464**	**147,935**	**215,399**

No units were purchased or disposed of during the year.

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs. The MIH Fund was used to fund £13,000 of manse refurbishment costs incurred during 2021-22.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2021-22 £	2020-21 £
Creditors:		
Trade creditors	226	1,596
Total creditors	**226**	**1,596**
Accruals:		
Receipts in advance	164	198
Independent Examiner	530	530
Reimbursed expenses	1,381	14
Total accruals	**2,075**	**742**
Total of creditors and accrued expenses	**2,301**	**2,338**

It is expected that all sums accrued at 31 August 2022 will be paid during the year to 31 August 2023.

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £241,170 were committed as at 31 August 2022 which are payable in future years:

	Payable at 31 August 2022 £	Payable at 31 August 2021 £
Current liability		
Payable in 2022-23	173,820	
Payable in 2021-22		192,500
Long term liability		
Payable in 2022-23		69,500
Payable in 2023-24	37,350	16,500
Payable in 2024-25	10,000	10,000
Payable in 2025-26	10,000	10,000
Payable in 2026-27	10,000	
Total commitment	**241,170**	**298,500**

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2022 (2021: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2021: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 5 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2022 was £118,888 (2021: £125,165).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2022 was £222,036 (2021: £148,199). The balance at 31 August 2022 reflects commitments of £241,170 that are payable in future years as set out in notes 18 and 24.

Four designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The District Development Fund which funds courses and conferences. The balance at 31 August 2021 was £54,848. (2021: £59,394)

The Portsmouth Chaplaincy Fund - The District acts as accounting body for the financial support to the University of Portsmouth free church chaplain. During 2020-21 financial year the post was vacant. From September 2021 the free church chaplain was employed by the University and is paid a housing allowance by the District and Wessex URC Synod. This fund reflects the grant payment to the chaplain, the employers National Insurance payable on the payment of the grant via the Methodist Church lay employee payroll and the recharging of a share of the costs to the Wessex URC Synod. At 31 August 2022 the balance on the fund was -£335 (deficit). This deficit will be addressed in 2022-23 via adjustment of the District grant to reflect National Insurance costs.

During 2021-22 the Methodist Connexion distributed Mission Alongside the Poor funds to Districts. These monies have been moved to a separate fund to be used to provide grants to churches and circuits in the District to enable them to support those experiencing cost of living related pressures in their local communities. No grants were made in 2021-22. The balance on the fund at 31 August 2022 was £8,977.

The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2022. The balance in the reserve at 31 August 2022 was £800,000. (2021: £750,000)

The movements in these funds in the year ending 31 August 2021 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2022 was £681. (2021: £681).

The MIH fund has been used to fund repairs and maintenance to the District manse and to part fund the Intergenerational Mission Enabler post. The balance at 31 August 2022 was £129.655. (2021: £151,701).

The District is the accounting body for Churches Together Hampshire and the Islands. The balance held at 31 August 2022 was £607 (2021: £782).

The New Places for New People fund was used to fund the cost of a Mission Development Worker who supported the development phase of the District's New Places for New People project in Portsmouth. The balance held at 31 August 2022 was £843. (2021: £6,161).

The movements in these funds in the year ending 31 August 2022 are shown in note 24.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2022

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investmet losses and revaluations	Transfers	Closing Balances
	£	£	£		£	£
General Fund	125,165	135,211	175,907	-4,522	38,941	**118,888**
District Development Fund	59,394	2,517	15,063		8,000	**54,848**
District Advance Fund	148,199	224,203	103,189		-47,177	**222,036**
Portsmouth Chaplaincy	0	2,614	10,299		7,350	**-335**
Mission Alongside the Poor	0				8,977	**8,977**
Property Reserve	750,000			50,000		**800,000**
Totals	**1,082,758**	**364,545**	**304,458**	**45,478**	**16,091**	**1,204,414**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses	Transfers & accruals	Closing Balance
	£	£	£	£	£	£
Benevolent Fund	681					**681**
District (MIH) Fund	151,701	3,522	432	-9,045	16,091	**129,655**
Churches Together Hampshire and the Islands	782		175			**607**
New Places for New People	6,161		5,315			**846**
Totals	**159,325**	**3,522**	**5,922**	**-9,045**	**16,091**	**131,789**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2022

Note 26: Statement of Financial Activities for the year ended 31 August 2021 for comparative purposes

	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2020-21	Total 2019-20
	£	£	£	£	£	£
Income and Endowments						
Donations and legacies						38,876
Income from investments	1,251	1,552		2,283	5,086	8,111
Charitable activities						
Assessments on circuits	120,000				120,000	130,000
Circuit Model Trust Funds		118,779			118,779	155,439
Connexional Advance & Property Fund		59,365			59,365	18,311
New Places for New People grant				10,000	10,000	
Total income from charitable activities	**121,251**	**179,696**	**0**	**12,283**	**313,230**	**350,737**
Other income	30,423		425		30,848	14,713
Total income and endowments	**151,674**	**179,696**	**425**	**12,283**	**344,078**	**365,450**
Expenditure						
Expenditure on activities						
Grants and donations	2,990	66,400	2,961	1,950	74,301	154,461
Salaries and associated costs	122,446			2,821	125,267	168,783
Property costs	25,596				25,596	22,445
Office/ Administrative expenses	3,504	752		1,249	5,505	5,128
Synods, Committees and Conferences	3,941		1,155		5,096	23,270
Other outgoings	2,983		756	232	3,971	1,421
Total charitable expenditure	**161,460**	**67,152**	**4,872**	**6,252**	**239,736**	**375,508**
Net income/(expenditure) before investment gains/ losses	**-9,786**	**112,544**	**-4,447**	**6,031**	**104,342**	**-10,058**
Gains on investment assets	11,164			22,330	33,494	3,276
Net incoming/(outgoing resources before transfers	1,378	112,544	-4,447	28,361	**137,836**	-13,334
Transfers between funds	21,893	-19,605	-295	-1,993	0	0
Net income/expenditure for the year	**23,271**	**92,939**	**-4,742**	**26,368**	**137,836**	**-13,334**
Gains/(Losses) on revaluation of fixed assets			50,000		**50,000**	170,000
Total funds brought forward	101,894	55,260	764,136	132,957	**1,054,247**	897,581
Total funds carried forward	**125,165**	**148,199**	**809,394**	**159,325**	**1,242,083**	**1,054,247**

Declarations and Scrutiny

I confirm that these accrual based accounts for the year ended 31 August 2022 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer CHolland Date 11 March 2023

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2022 were presented to the District Policy Committee at its meeting on 11 March 2023 and were approved.

Signature of the Chair of the meeting A de Ville

Name of the Chair of the meeting Rev Andrew de Ville Date 11 March 2023

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2022.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 26 March 23

SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2021

Southampton Methodist District

Annual Report for the year ending 31 August 2021

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2020-21 there were 12 circuits in the District.

2.2 In response to the coronavirus the District has delivered many of its functions remotely since April 2020. Regular online gatherings of District officers and ministers have been held to enable the continuation of District business, the provision of support to circuits and pastoral support to ministers and lay employees. Training activities, conferences and Synod meetings were held online during 2020-21 with some face to face meetings resuming in September 2021.

2.3 In 2020-21 the District paid grants from the District Advance Fund that totalled £89,050 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

3. Financial Review

3.1 During the year the District received total income of £344,078 (2020: £365,450) and spent £239,736 (2020: £375,508). At 31 August 2021 the District had funds totalling £1,242,083 (2020: £1,054,247). The District's funds have increased during the year due to lower expenditure on District grants, the revaluation of the District manse, unrealised gains on invested funds and lower than usual expenditure primarily on travel, training and conferences due to the coronavirus.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic has caused financial challenges for churches:

- church buildings were closed for many weeks between March 2020 and Easter 2021 reducing the ability of churches to generate income from lettings.

- The closure of church buildings changed the way congregations met for worship. This reduced the income received from offertory that would usually be donated during worship services. Whilst some churches offset this by increased donations via standing orders others were unable to replace this income.

In the year to 31 August 2021 most circuits provided some financial support to churches from circuit funds to help mitigate the impact of reductions in their income.

3.4 All circuits paid their District assessment for 2020-21 and no circuit has indicated they are unable to meet their 2021-22 District assessment.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2022 and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

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

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was 5.64% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £56,200. At 31 August 2021 the level of general fund reserves held was £125,165 (2020: £101,894). The District's general reserves increased during the year due to underspends against various budgets primarily due to the impact of the lockdown from March 2020 and an unrealised investment gain. The District's general reserve is expected to reduce to a level that is closer to its reserves policy over the next 3 years.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2021 was £59,394 (2020: £63,416). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The Portsmouth Chaplaincy Fund is designated for funding the chaplain's stipend, employer national insurance and pension costs and his accommodation costs. The Fund receives income in the form of grants from the District Advance Fund, University of Portsmouth and the Wessex URC Synod. The

post of chaplain was vacant from 1 September 2020 to 31 August 2021. A new chaplain was appointed from September 2021. The new chaplain is a University employee so the designated fund is no longer required. The balance held on the fund was distributed to Wessex URC Synod and the District Advance Fund in August 2021.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2021 so the reserve reflects the market value at that date £750,000 (2020: £700,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years the Fund balance at 31 August 2021 was £148,199 (2020: £55,260). The Fund balance is higher than in recent years as fewer grants applications were made in 2020-21.

3.8.3 Restricted Funds

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund is held to fund improvements to the District manse and has been used to part fund the Intergenerational Mission Enabler post. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2021 was £151,701 (2020: £129,369). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The value of the fund increased during the year due to an unrealised investment gain.

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2021 was £681 (2020: £2,631).

The District is the accounting body for Churches Together in Hampshire and the Islands. The balance held at 31 August 2021 was £782 (2020: £957).

The New Places for New People reserve hold the connexional grant received to fund phase 1 of the District's New Places for New People project in Portsmouth. The balance at 31 August 2021 was £6,161. These funds are expected to be spent during 2021-22.

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2020-21 this sum amounted to £120,000 (2020: £130,000).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2020. This is credited to the District Advance Fund. In 2020-21 this sum was £118,779 (2020: £155,439).

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:

- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by

- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

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

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits which thus have the opportunity to participate in the life of the District. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets three times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

5.13 A District Enabling Team has also been appointed to work alongside the District Chair to assist the work of the District. This group consists of up to four ministers and four lay officers with a range of skills.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Andrew de Ville
Synod Secretary	Mrs Sandra Coates
District Treasurer	Mrs Christine Holland

Trustees

The following served as trustees throughout all or part of the year 2019-20 or were trustees at the time of the report being approved:

Mr M Bell
Rev M Beukes (from September 2021)
Mr R Betts
Rev D Binks (to August 2021)
Mr L Buckwell (from September 2021)
Rev R Borgars
Mr D Coates
Mrs S Coates
Mr P Cooper
Rev A de Ville
Dr J Evans (from September 2021)
Rev R Fry
Rev P Griffin (from September 2021)
Rev G Hill (to August 2021)
Mrs C Holland
Rev J Hughes (from September 2021)
Mr S Irish (to August 2021)
Rev K James
Rev R Lownsbrough
Miss J Mason
Mr J Peddle (to August 2021)
Mr M Petter
Mrs C Stuckey
Rev J Tembo (to July 2021)
Mr N Thorne
Mrs E Ward
Mr P Yarrien

Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 5 March 2022.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Andrew de Ville, District Chair
5 March 2022

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2021

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2020-21	Total 2019-20
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies							38,876
Income from investments		1,251	1,552		2,283	5,086	8,111
Charitable activities							
Assessments on circuits	2	120,000				120,000	130,000
Circuit Model Trust Funds			118,779			118,779	155,439
Connexional Advance & Property Fund			59,365			59,365	18,311
New Places for New People Connexional grant					10,000	10,000	
Total income from charitable activities		**121,251**	**179,696**		**12,283**	**313,230**	**350,737**
Other income	3	30,423		425		30,848	14,713
Total income and endowments		**151,674**	**179,696**	**425**	**12,283**	**344,078**	**365,450**
Expenditure							
Expenditure on activities							
Grants and donations	5	2,990	66,400	2,961	1,950	74,301	154,461
Salaries and associated costs	6	122,446			2,821	125,267	168,783
Property costs	7	25,596				25,596	22,445
Office/ Administrative expenses	8	3,504	752		1,249	5,505	5,128
Synods, Committees and Conferences	9	3,941		1,155		5,096	23,270
Other outgoings	10	2,983		756	232	3,971	1,421
Total charitable expenditure		**161,460**	**67,152**	**4,872**	**6,252**	**239,736**	**375,508**
Net income/(expenditure) before investment gains/ losses							**-10,058**
Gains in value of investment assets	11	11,164			22,330	33,494	3,276
Net incoming/(outgoing resources before transfers		1,378	112,544	-4,447	28,361	**137,836**	-13,334
Transfers between funds	12	21,893	-19,605	-295	-1,993		
Net income/expenditure for the year		**23,271**	**92,939**	**-4,742**	**26,368**	**137,836**	**-13,334**
Gains on the revaluation of fixed assets	13			50,000		**50,000**	170,000
Total funds brought forward		101,894	55,260	764,136	132,957	**1,054,247**	897,581
Total funds carried forward		**125,165**	**148,199**	**809,394**	**159,325**	**1,242,083**	**1,054,247**

Southampton Methodist District

Balance Sheet as at 31 August 2021

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2021	Total 2020
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			750,000		**750,000**	700,000
Investments	15	71,986			143,981	**215,967**	182,472
Total fixed assets		**71,986**	**-**	**750,000**	**143,981**	**965,967**	**882,472**
Current Assets							
Debtors and Prepayments	14	1,996		149		**2,145**	7,490
Investments with TMCP			446,699		7,720	**454,419**	384,131
Central Finance Board deposits		43,645		59,443	7,637	**110,725**	90,105
Cash at Bank and in hand		9,665				**9,665**	15,818
Total current assets		**55,306**	**446,699**	**59,592**	**15,357**	**576,954**	**497,544**
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	2,127		198	13	**2,338**	4,619
Grants payable in 2021-22	18		192,500			**192,500**	210,650
Total current liabilities		**2,127**	**192,500**	**198**	**13**	**194,838**	**215,269**
Net current (liabilities)/assets		**53,179**	**254,199**	**59,394**	**15,344**	**382,116**	**282,275**
Total assets less current liabilities		**125,165**	**254,199**	**809,394**	**159,325**	**1,348,083**	**1,164,747**
Long term liabilities							
Grants payable from 2022-23	18		106,000			**106,000**	**110,500**
Net assets		**125,165**	**148,199**	**809,394**	**159,325**	**1,242,083**	**1,054,247**
Funds of the District							
General Fund (Unrestricted)	24	125,165				**125,165**	101,894
District Advance Fund (Unrestricted)	24		148,199			**148,199**	55,260
Designated Funds (unrestricted)	24			809,394		**809,394**	764,136
Total unrestricted funds		**125,165**	**148,199**	**809,394**	**-**	**1,082,758**	**921,290**
Restricted Funds	24				**159,325**	**159,325**	132,957
Endowment Funds						**-**	
Total Funds		**125,165**	**148,199**	**809,394**	**159,325**	**1,242,083**	**1,054,247**

Signed on behalf of the District Trustees

Andrew de Ville
District Chair
5 March 2022

Christine Holland
District Treasurer
5 March 2022

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2021

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2021 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in two matters: 1. The collection of monthly assessments from circuits which are paid to the Methodist Church Fund 2. The payment of expenses of representatives from the District to the Methodist Conference
In all of these matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2021. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts.

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2021 the District was made up of 12 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/3 Kennet & Test Valley; 26/4 Basingstoke and Reading; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £120,000 (2020: £130,000) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £628,812 (2020: £599,556) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

From 1 March 2020 to 16 October 2021 the District manse was occupied by a minister who is stationed in the connexional team. The District rented accommodation for the District Chair and received contributions towards its dual manse running costs from connexional funds.

	2020-21	2019-20
	£	£
Lay employee - shared costs	9,923	9,744
Contributions towards the costs of conferences/ training courses	425	2,833
Contributions towards District manse costs	18,000	2,136
Distribution of Bournemouth University Chaplaincy surplus	2,500	
Total	**30,848**	**14,713**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts, with a total value of £42,151, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

Travel and other expenses have been reimbursed to 6 (2020:8) trustees for the expenses set out in the table below.

	2020-21	2019-20
	£	£
Travel expenses	154	2,234
Other reimbursed expenses	2,145	2,258
Total	**2,299**	**4,492**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

5 Grants, donations and related support costs

Grants and donations totalling £119,351 were paid during the year (2020: £195,761). Grants from the District Advance Fund can be made for more than one financial year. Grants are accrued in the year they are committed. In 2020-21 fewer grants were agreed. After adjusting for the reduction in the value of accrued grants the expenditure on grants in 2020-21 was £74,301.

	2020-21	2019-20
Unrestricted:		
- From the General Fund		210
- From the District Advance Fund	66,400	144,600
From the District Development Fund	2,961	6,661
Other		
- Churches Together subscriptions	2,990	2,990
Sub total	***72,351***	***154,461***
Restricted:		
- From Benevolent Fund	1,950	-
Sub total	***1,950***	-
Total	**74,301**	**154,461**

Expenditure on charitable activities through the District Advance Fund

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

Given to	£	Type of grant	£
Churches	40,200	Ministry	71,550
Circuits	35,100	Property	17,500
Institutions	13,750		
	89,050		89,050
Accrued grants August 2021	298,500		
Accrued grants August 2020	- 321,150		
	66,400		
District	22,400		

The income of the fund was £179,696 (2020: £177,316) during the year which is more than the total paid out in grants in the year. The Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

6 Salaries and associated costs

	2020-21 £	2019-20 £
Stipends and salaries	103,150	127,988
Employer's National Insurance contributions	9,163	13,880
Employer's pension contributions	6,025	12,224
Total salaries costs	**118,338**	**154,092**
Chairs Travel & Expenses	3,423	5,444
Other Staff Costs	2,464	2,268
Removal expenses		2,868
Staff Travel	1,042	4,111
	6,929	**14,691**
Total staff and associated costs	**125,267**	**168,783**

Stipends and salaries costs for 2019-20 include the stipend for the chaplain to the University of Portsmouth whose pay costs were part funded by a grant from the District Advance Fund. This post was vacant throughout 2020-21. The number of lay employees during the year was 3.41 FTE. No employees received employee benefits that totalled more than £60,000.

The lay employees are employees of the District and are paid salaries at rates set by the District. The lay employees are paid at at least the Living Wage as required by the Methodist Conference.

The District provides a defined contributions pension scheme for its lay employees via The Pensions Trust. This is a multi employer pension scheme. The District matches employees pension contributions up to 6% of salary costs.

7 Property costs

	2020-21 £	2019-20 £
Hire of premises	300	1,060
Chair's manse and District manse costs	25,296	5,585
Portsmouth University chaplain's housing costs	-	15,800
Total	**25,596**	**22,445**

8 Office/ Administrative expenses

	2020-21 £	2019-20 £
Printing, postage and stationery	467	620
Telephone costs	969	1,067
Equipment	1,463	579
Insurance	1,445	1,374
Safeguarding support		300
Total charged to the General Fund	**4,344**	**3,940**
TMCP management fees for investment funds (note 11)	1,161	1,188
Total	**5,505**	**5,128**

9 Synods, Committes and Conferences

	2020-21 £	2019-20 £
Synod expenses	2,522	4,724
Conferences	1,156	12,624
Travel expenses - committees	1,420	5,922
Total	**5,098**	**23,270**

10 Other outgoings

	2020-21 £	2019-20 £
Professional fees	1,604	650
Churches Together Hampshire and Isle of Wight	175	175
Distribution of Portsmouth University Chaplaincy funds	425	
Sundry outgoings	1,767	596
Total	**3,971**	**1,421**

11 Investment management fees

During the year the District paid £1,161 to TMCP, the custodians of the District's investment funds (2020: £1,188). This represents fees the management of the District Advance Fund (£752), District Reserve Fund (£121) and MIH Fund (£288).

The sum of £33,494 (2020: -£3,276) represents an unrealised gain in the invested funds of the MIH Fund (£22,330) and District Reserve Fund (£11,164).

12 Transfers between Funds

During the year £22,400 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post. The District received £2,500 when the Bournemouth University Chaplaincy distributed its funds to its funders. This was returned to the District Advance Fund. £295 was returned to the District Advance Fund from the Portsmouth University Chaplaincy Funds. The general fund received interest income of £1,993 from the MIH Fund.

13 District Manse

The District manse was revalued at 31 August 2021 by Sparks Ellison Estate Agents. The valuation at 31 March 2020 was £700,000.

	Land	Buildings	Total
	£	£	£
Balance brought forward at 1 September 2020	240,000	460,000	700,000
Revaluations in the year	20,000	30,000	50,000
Balance carried forward at 31 August 2021	**260,000**	**490,000**	**750,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2020-21	2019-20
	£	£
Trade debtors		
Channel Islands District	1,049	-
Wessex Synod	626	7,100
	1,675	**7,100**
Prepayments and accrued income		
Payments in advance	470	-
Other accrued income		390
	470	**390**
Total	**2,145**	**7,490**

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund)	MIH Fund (Restricted Fund)	Total
	£	£	£
Balance brought forward at 1 September 2020	60,822	121,650	182,472
Unrealised gains on revaluation	11,164	22,330	33,494
Unrealised losses on revaluation	0	0	0
Balance carried forward at 31 August 2021	**71,986**	**143,980**	**215,966**

No units were purchased or disposed of during the year.

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2020-21 £	2019-20 £
Creditors:		
Trade creditors	1,596	2,134
Total creditors	**1,596**	**2,134**
Accruals:		
Receipts in advance	198	
Independent Examiner	530	530
Reimbursed expenses	14	1,955
Total accruals	**742**	**2,485**
Total of creditors and accrued expenses	**2,338**	**4,619**

It is expected that all sums accrued at 31 August 2021 will be paid during the year to 31 August 2022.

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £298,500 were committed as at 31 August 2021 which are payable in future years:

	Payable at 31 August 2021 £	Payable at 31 August 2020 £
Current liability		
Payable in 2020-21		210,650
Payable in 2021-22	192,500	85,500
Long term liability		
Payable in 2022-23	69,500	25,000
Payable in 2023-24	16,500	
Payable in 2024-25	10,000	
Payable in 2025-26	10,000	
Total commitment	**298,500**	**321,150**

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2021 (2020: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2020: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 5 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2021 was £125,165 (2020: £101,894).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2021 was £148,199 (2020: £55,260). The balance at 31 August 2021 reflects commitments of £298,500 that are payable in future years as set out in notes 18 and 24.

Three designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:
The District Development Fund which funds courses and conferences. The balance at 31 August 2021 was £59,394. (2020: £63,416)

The Portsmouth Chaplaincy Fund - The District was the accounting body for the ecumenical Portsmouth University Chaplaincy. The post of chaplain was vacant from 1 September 2020 to 31 August 2021. The new chaplain from September 2021 is an employee of the University. The balance on the Portsmouth Chaplaincy Fund at 31 August 2020 was £720. This was distributed to the funders (the District Advance Fund and Wessex URC Synod) in 2020-21.

The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2021. The balance in the reserve at 31 August 2021 was £750,000. (2020: £700,000)

The movements in these funds in the year ending 31 August 2021 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2021 was £681. (2020: £2,631).

The MIH fund has been used to fund repairs and maintenance to the District manse and to part fund the Intergenerational Mission Enabler post. The balance at 31 August 2021 was £151,701. (2020: £129,369).

The District is the accounting body for Churches Together Hampshire and the Islands. The balance held at 31 August 2021 was £782 (2020: £957).

The New Places for New People fund is used to fund the cost of a Mission Development Worker who is supporting the District's New Places for New People project in Portsmouth.

The movements in these funds in the year ending 31 August 2021 are shown in note 24.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2021

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Investment gains and revaluations	Transfers	Closing Balances
	£	£	£		£	£
General Fund	101,894	151,734	161,520	11,164	21,893	**125,165**
District Development Fund	63,416	425	4,447		0	**59,394**
District Advance Fund	55,260	179,696	67,152		-19,605	**148,199**
Portsmouth Chaplaincy	720	0	425		-295	**0**
Property Reserve	700,000			50,000		**750,000**
Totals	**921,290**	**331,855**	**233,544**	**61,164**	**1,993**	**1,082,758**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Investment gains	Transfers & accruals	Closing Balance
	£	£	£		£	£
Benevolent Fund	2,631		1,950			**681**
District (MIH) Fund	129,369	2,283	288	22,330	-1,993	**151,701**
Churches Together Hampshire and the Islands	957		175			**782**
New Places for New People	0	10,000	3,839			**6,161**
Totals	**132,957**	**12,283**	**6,252**	**22,330**	**-1,993**	**159,325**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2021

Note 26: Statement of Financial Activities for the year ended 31 August 2020 for comparative purposes

	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2019-20	Total 2018-19
	£	£	£	£	£	£
Income and Endowments						
Donations and legacies			38,876		38,876	38,253
Income from investments	1,902	3,566		2,643	8,111	10,079
Charitable activities					0	0
Assessments on circuits	130,000				130,000	130,008
Circuit Model Trust Funds		155,439			155,439	180,145
Connexional Advance & Property Fund		18,311			18,311	0
Total income from charitable activities	**131,902**	**177,316**	**38,876**	**2,643**	**350,737**	**358,485**
Other income	11,880		2,833		14,713	15,874
Total income and endowments	**143,782**	**177,316**	**41,709**	**2,643**	**365,450**	**374,359**
Expenditure						
Expenditure on activities						
Grants and donations	3,200	144,600	6,661		154,461	98,306
Salaries and associated costs	127,192		41,591		168,783	166,767
Property costs	6,646		15,799		22,445	21,464
Office/ Administrative expenses	4,063	771		294	5,128	6,210
Synods, Committees and Conferences	10,646		12,624		23,270	32,111
Other outgoings	1,246			175	1,421	1,919
Total charitable expenditure	**152,993**	**145,371**	**76,675**	**469**	**375,508**	**326,777**
Net income/(expenditure) before investment gains/ losses	**-9,211**	**31,945**	**-34,966**	**2,174**	**-10,058**	**47,582**
Gains on investment assets	1,092			2,184	3,276	2,274
Net incoming/(outgoing resources before transfers	-10,303	31,945	-34,966	-10	-13,334	45,308
Transfers between funds	17,350	-37,500	37,500	-17,350		
Net income/expenditure for the year	**7,047**	**-5,555**	**2,534**	**-17,360**	**-13,334**	**49,856**
Gains/(Losses) on revaluation of fixed assets			170000		170000	
Total funds brought forward	94,847	60,815	591,602	150,317	897,581	847,725
Total funds carried forward	**101,894**	**55,260**	**764,136**	**132,957**	**1,054,247**	**897,581**

Declarations and Scrutiny

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

Signature of Treasurer C Holland. Date 5 March 2022

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2021 were presented to the District Policy Committee at its meeting on 5 March 2022 and were approved.

Signature of the Chair of the meeting A P de Ville

Name of the Chair of the meeting Rev Andrew de Ville Date 5 March 2022

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2021.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 12th March 2022

SOUTHAMPTON METHODIST DISTRICT

England & Wales - Charity number 1134386

Accounts

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August 2020

Southampton Methodist District

Annual Report for the year ending 31 August 2020

1. Objectives and Activities

1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.

1.2 The District's priorities are to:

- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
- Support Local Churches and Circuits in providing a safe professional and legal environment;
- Encourage Local Churches to explore and trial new ways of being 'church';
- Encourage and resource Christian learning and discipleship across the District;
- Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

2. Achievements and performance

2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2019-20 there were 12 circuits in the District.

2.2 In response to the coronavirus the District has delivered its functions remotely since April 2020. Regular online gatherings of District officers and ministers have been held to enable the continuation of District business, the provision of support to circuits and pastoral support to ministers and lay employees. Training activities, conferences and Synod meetings have also been held online.

2.3 In 2019 -20 the District paid grants from the District Advance Fund that totalled £154,461 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:

- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
- Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.

The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

3. Financial Review

3.1 During the year the District received total income of £365,450 (2019: £374,359) and spent £375,508 (2019: £326,777.) At 31 August 2020 the District had funds totalling £1,054,247 (2019: £897,581). The District's funds have increased during the year due to the revaluation of the District manse and lower than budgeted expenditure primarily on travel, training and conferences and manse repairs and maintenance.

3.2 The District has three principal sources of income:

- Assessments on Circuits within the District
- Levies on the Model Trust Funds of Circuits within the District and
- investment income.

These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry.

3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic has caused financial challenges for churches:

- church buildings have been closed for many weeks since March 2020. The closure of church buildings has changed the way congregations meet for worship potentially reducing the income

received from offertory that would usually be donated during worship services. This has also reduced the ability of churches to generate income from lettings.

- the impact on the personal finances of members of the congregation could lead to reductions in their donations to the church.

In the year to 31 August 2020 some circuits provided financial support to churches from circuit funds to help mitigate the impact of reductions in their income.

3.4 The funds held by most churches and circuits across the District reduced in the year to 31 August 2020. However reserves are held by the majority of churches and circuits which should enable them to mitigate the impact of the coronavirus during 2021. All circuits paid their District assessment for 2019-20 and no circuit has indicated they are unable to meet their 2020-21 District assessment.

3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2021 and the District has adequate reserves to cover a shortfall in anticipated income.

3.7 Investment policy and performance

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

3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

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

3.7.4 The total return achieved on the invested funds of the Southampton District was 0.72% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

The District must meet its financial responsibilities in relation to the support of District staff and the maintenance of the Chair's Manse. Our reserves policy for our general fund is to hold at least four months' expenditure in hand. This is £56,200. At 31 August 2020 the level of general fund reserves held was £101,894 (2019: £94,847). The District's general reserves increased during the year due to underspends against various budgets primarily due to the impact of the lockdown from March 2020.

The District Development Fund is designated for training, conferences and retreats. The balance held at 31 August 2020 was £63,416 (2019: £61,867). This is expected to reduce over next few years. Any further funding for this fund will come from the District Advance Fund.

The Portsmouth Chaplaincy Fund is designated for funding the chaplain's stipend, employer national insurance and pension costs and his accommodation costs. The Fund receives income in the form of grants from the District Advance Fund, University of Portsmouth and the Wessex URC Synod. The

balance held at 31 August 2020 was £720 (2019: £265 overdrawn). The post of chaplain has been vacant since 1 September 2020 and the recruitment process is on hold.

The Property Reserve reflects the value of the District manse. The manse was revalued as at 31 August 2020 so the reserve reflects the market value at that date £700,000 (2019: £530,000).

3.8.2 District Advance Fund (DAF)

The District Advance Fund has been earmarked by the Trustees to support mission, ministry and property projects across the District. It is the aim of the Trustees to allocate all funds held giving priority to ministry and mission related grants. Some of the grants are paid over a number of years but are recognised as commitments in the year in which they are awarded.

After making allowance for commitments on mission and property grants awarded from the District Advance Fund which will be paid in future years. The Fund balance at 31 August 2020 was £55,260 (2019: £60,815).

3.8.3 Restricted Funds

The District MIH Fund represents the residual funds from the sale of the former Methodist International House in Southampton. The monies in the Fund are used to support the overall work of the District. The Fund currently part funds the Intergenerational Mission Enabler post and improvements to the District manse. Other grants are made available in accordance with standing orders for Model Trust Deed funds. The balance held at 31 August 2020 was £129,369 (2019: £146,554). The reserves policy for this fund is to maintain a balance of at least £70,000 to fund maintenance and improvements to the District manse in the medium term. The reserve will be reduced to this level over the next few years.

The District holds a Benevolent Fund to provide financial support to ministers and lay people in the District who are in need of support. The reserves policy for this Fund is to maintain a balance that is sufficient to meet the requests for support from the fund. The balance held at 31 August 2020 was £2,631 (2019: £2,631).

The District is the accounting body for Churches Together in Hampshire and the Islands. The balance held at 31 August 2020 was £957 (2019: 1,132).

3.9 Collaborative arrangements with connected charities

3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2019-20 this sum amounted to £130,000 (2019: £130,000).

3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2019. This is credited to the District Advance Fund. In 2019-20 this sum was £155,439 (2019: £180,145).

3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

3.9.4 Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

4. Trustees' Responsibilities

4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.

4.2 In preparing these financial statements, the Trustees must:
- select suitable accounting policies and apply them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

5. Structure, governance and management

5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.

5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.

5.3 A District is the co ordinating charity for a group of circuits and makes its decisions at the half yearly synods.

5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by
- providing opportunities for circuits to work together and support each other
- offering resources (finance, personnel and expertise) to support circuits.

5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.

5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.

5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit meeting for certain matters. The circuit meeting passes regulatory control to church councils for local implementation by the presbyter, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

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

5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits which thus have the opportunity to participate in the life of the District. Members may be either ministers or members of churches in the District.

5.11 The DPC normally meets three times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.

5.12 The DPC is responsible for:

- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
- encouraging inter-circuit and ecumenical co-operation
- acting in an executive capacity in matters remitted to the Committee by the Synod
- keeping within its purview all District concerns not dealt with elsewhere
- contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
- such other functions as may be assigned to the Committee under Methodist Standing Orders
- being aware of the public benefit guidance issued by the Charity Commission.

5.13 A District Enabling Team has also been appointed to work alongside the District Chair to assist the work of the District. This group consists of up to four ministers and four lay officers with a range of skills.

6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ
District Chair	Rev'd Andrew de Ville (appointed 1 March 2020)
Synod Secretary	Mrs Sandra Coates
District Treasurer	Mrs Christine Holland

Trustees

The following served as trustees throughout all or part of the year 2019-20 or were trustees at the time of the report being approved:

Mr M Bell
Mr R Betts
Rev D Binks
Rev R Borgars
Mr D Coates
Mrs S Coates
Mrs A Cocks (to August 2020)
Mr P Cooper
Rev A de Ville
Mr J Elkin (to March 2020)
Rev R Fry (from September 2020)
Rev G Hill
Mrs C Holland
Rev D Hookins (to August 2020)
Mr S Irish
Rev K James (from September 2020)
Rev R Lownsbrough (from September 2020)
Miss J Mason (from September 2020)
Mr D Morgan (to August 2020)
Mr J Peddle
Mr M Petter
Rev P Rees (to August 2020)
Mrs J Shipton Ashwell (to August 2020)
Mrs C Stuckey
Rev J Tembo (from September 2020)
Mr N Thorne (from September 2020)
Mrs E Ward
Rev A Wood (to February 2020)
Mr P Yarrien

Southampton Methodist District

Annual Report for the year ending 31 August 2020

Chair's PA and District Administrator	Miss Sarah Pothecary
Bankers	CAF Bank Ltd 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ
	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
Investment managers and custodian trustees	Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester M1 1JQ
Independent Examiner	Mrs Claire Connell ACA, 86 Silverdale Road, Earley, Reading RG6 7LT

The Trustees' Report and Financial Statements were approved by the District Policy Committee on 6 March 2021.

Signed on behalf of the District Policy Committee, as authorised.

Rev'd Andrew de Ville, District Chair
6 March 2021

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2020

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2019-20	Total 2018-19
		£	£	£	£	£	£
Income and Endowments							
Donations and legacies				38,876		38,876	38,253
Income from investments		1,902	3,566		2,643	8,111	10,079
Charitable activities							
Assessments on circuits	2	130,000				130,000	130,008
Circuit Model Trust Funds			155,439			155,439	180,145
Connexional Advance & Property Fund			18,311			18,311	
Total income from charitable activities		**131,902**	**177,316**	**38,876**	**2,643**	**350,737**	**358,485**
Other income	3	11,880		2,833		14,713	15,874
Total income and endowments		**143,782**	**177,316**	**41,709**	**2,643**	**365,450**	**374,359**
Expenditure							
Expenditure on activities							
Grants and donations	5	3,200	144,600	6,661		154,461	98,306
Salaries and associated costs	6	127,192		41,591		168,783	166,767
Property costs	7	6,646		15,799		22,445	21,464
Office/ Administrative expenses	8	4,063	771		294	5,128	6,210
Synods, Committees and Conferences	9	10,646		12,624		23,270	32,111
Other outgoings	10	1,246			175	1,421	1,919
Total charitable expenditure		**152,993**	**145,371**	**76,675**	**469**	**375,508**	**326,777**
Net income/(expenditure) before investment gains/ losses		**-9,211**	**31,945**	**-34,966**	**2,174**	**-10,058**	**47,582**
Reductions in value of investment assets	11	1,092			2,184	3,276	2,274
Net incoming/(outgoing resources before transfers		-10,303	31,945	-34,966	-10	-13,334	45,308
Transfers between funds	12	17,350	-37,500	37,500	-17,350		
Net income/expenditure for the year		**7,047**	**-5,555**	**2,534**	**-17,360**	**-13,334**	**49,856**
Gains on the revaluation of fixed assets	13			170,000		170,000	
Total funds brought forward		94,847	60,815	591,602	150,317	897,581	847,725
Total funds carried forward		**101,894**	**55,260**	**764,136**	**132,957**	**1,054,247**	**897,581**

Southampton Methodist District

Balance Sheet as at 31 August 2020

	Note	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Other Funds (Restricted)	Total 2020	Total 2019
		£	£	£	£	£	£
Tangible Fixed Assets							
District Manse	13			700,000		**700,000**	530,000
Investments	15	60,822			121,650	**182,472**	185,748
Total fixed assets		**60,822**	-	**700,000**	**121,650**	**882,472**	**715,748**
Current Assets							
Debtors and Prepayments	14			7,490		**7,490**	5,959
Investments with TMCP		1	376,410		7,720	**384,131**	408,486
Central Finance Board deposits		28,206		58,312	3,587	**90,105**	87,989
Cash at Bank and in hand		15,818				**15,818**	9,314
Total current assets		**44,025**	**376,410**	**65,802**	**11,307**	**497,544**	511,748
Current liabilities							
Creditors and Accruals (due in under 1 year)	17	2,953		1,666		**4,619**	4,965
Grants payable in 2020-21	18		210,650			**210,650**	231,600
Total current liabilities		**2,953**	**210,650**	**1,666**		**215,269**	**236,565**
Net current (liabilities)/assets		**41,072**	**165,760**	**64,136**	**11,307**	**282,275**	**275,183**
Total assets less current liabilities		**101,894**	**165,760**	**764,136**	**132,957**	**1,164,747**	**990,931**
Long term liabilities							
Grants payable from 2021-22	18		110,500			**110,500**	93,350
Net assets		**101,894**	**55,260**	**764,136**	**132,957**	**1,054,247**	**897,581**
Funds of the District							
General Fund (Unrestricted)	24	101,894				**101,894**	94,847
District Advance Fund (Unrestricted)	24		55,260			**55,260**	60,315
Designated Funds (unrestricted)	24			764,136		**764,136**	591,602
Total unrestricted funds		**101,894**	**55,260**	**764,136**		**921,290**	**747,264**
Restricted Funds	24				**132,957**	**132,957**	150,317
Endowment Funds							
Total Funds		**101,894**	**55,260**	**764,136**	**132,957**	**1,054,247**	**897,581**

Signed on behalf of the District Trustees

Andrew De Ville
District Chair
6 March 2021

Christine Holland
District Treasurer
6 March 2021

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2020

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the *Accounting and Reporting by Charities: Statement of Recommended Practice* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

ii Public benefit entity

The Southampton District meets the definition of a public benefit entity under FRS 102.

iii Basis

The accounts have been prepared on the basis of historic cost except that investments and the District Chair's manse are shown at their market value.

iv Going concern

Based on the monetary assets and human resources available to the District at 31 August 2020 the trustees believe that the District is a going concern.

v Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Southampton District. Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in three matters:

1. The collection of monthly assessments from circuits which are paid to the Methodist Church Fund
2. The payment of expenses of delegates from the District to the Methodist Conference
3. The collection taken at the spring Synod on behalf of the Methodist Ministers' Children's Relief Fund.

In all of these matters the transactions are not reflected in the SOFA.

As there is no obligation on the District to make up any shortfall in Methodist Church Fund assessments they are the income of the Methodist Church Fund and are not recognised as income in the District's accounts.

vi Consolidation

The District oversees the work of ministers and lay workers in churches and circuits within the District but does not have control over those circuits or churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the churches and circuits within the District are not consolidated into these financial statements.

vii Expenditure

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

viii Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

ix VAT

The District is not VAT registered. All input VAT is charged with the expenses to which it refers.

x Tangible fixed assets

Assets are capitalised if they can be used for more than one year and individually cost at least £2,500. Freehold property is stated at market value. The District manse was valued by Sparks Ellison, Estate Agency as at 31 August 2020. Depreciation is provided on the building at 2% per annum on cost except in the years the manse is revalued.

xi Ownership of Methodist Property

Under the Methodist Church Act 1976 the ownership of Methodist Property in England, Wales and Scotland was on 16 April 1977 automatically transferred to the Trustees for Methodist Church Purposes (TMCP). Property includes stocks, shares, unit trust investments and all other securities as well as land, buildings and chattels. TMCP holds such property as Custodian Trustees. The management of this property is vested in the relevant Managing Trustees who must act in accordance with the Model Trusts and the Standing Orders made under them. The property for which the District are managing trustees is included in the District Accounts

xii Ministers' manse costs

The District is required to provide accommodation for the District Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for the District Chair as HMRC does not seek to tax these benefits.

Until 31 August 2020 the District also funded the cost of a manse for the chaplain to the University of Portsmouth through payment of a housing allowance for the chaplain, Council Tax and water charges. This post was vacant from 1 September 2020.

These costs are shown in the Property Costs note to the accounts.

xiii Investments

The investments of the Southampton District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the monthly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

2 Assessment on Circuits

In the year ending 31 August 2020 the District was made up of 12 circuits: 26/1 Southampton; 26/2 Winchester, Eastleigh and Romsey; 26/3 Kennet & Test Valley; 26/4 Basingstoke and Reading; 26/5 Yeovil & Blackmore Vale; 26/6 Meon Valley; 26/7 East Solent & Downs; 26/8 Dorset South and West, 26/9 Poole Bay; 26/10 Christchurch and Wimbourne; 26/11 Isle of Wight; 26/12 Salisbury.

The circuits have paid their assessments to the District totalling £130,000 (2019: £130,008) and to the Methodist Church Fund during the year. The circuit assessments are determined by the District based on the number of paid staff in the circuits.

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £599,556 (2019: £613,104) all of which were collected the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

3 Other income

Since 1 March 2020 the District manse has been occupied by a minister who is stationed in the connexional team. The District has rented accommodation for the District Chair and receives contributions towards its dual manse running costs from connexional funds

	2019-20	2018-19
	£	£
Lay employee - shared costs	9,744	10,464
Contributions towards the costs of conferences	2,833	5,251
Contributions towards District manse costs	2,136	
Miscellaneous income		159
Total	**14,713**	**15,874**

4 Cost of the District Chair and Trustees

The members of the District Policy Committee are the trustees of the District. The stipend, employer's national insurance and employer's pension contributions of the District Chair are paid by the Methodist Connexion. These amounts do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.
Travel and other expenses have been reimbursed to 8 (2019:11) trustees for the expenses set out in the table below.

	2019-20	2018-19
	£	£
Travel expenses	2,234	4,658
Other reimbursed expenses	2,258	1,381
Total	**4,492**	**6,039**

The other reimbursed expenses include stationery, postage and equipment purchased on behalf of the District.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2020

5 Grants, donations and related support costs

Grants and donations totalling £154,461 were made during the year (2019: £98,306) as shown in the table below.

	2019-20	2018-19
Unrestricted:		
- From the General Fund	210	53
- From the District Advance Fund	144,600	86,590
From the District Development Fund	6,661	8,396
Other		
- Churches Together subscriptions	2,990	3,267
Sub total	***154,461***	***98,306***
Restricted:		
- From Benevolent Fund	-	-
Sub total	-	-
Total	**154,461**	**98,306**

Expenditure on charitable activities through the District Advance Fund

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

Given to	£	Type of grant	£
Churches	72,800	Ministry	107,600
Circuits	50,100	Property	40,800
Institutions	25,500		
	148,400		148,400
Accrued grants	- 3,800		
	144,600		
District	37,500		

The income of the fund was £177,316 (2019: £183,831) during the year which is more than the total paid out in grants in the year. The Grants Committee is aware that grant applications must demonstrate public benefit. The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

6 Salaries and associated costs

	2019-20 £	2018-19 £
Stipends and salaries	127,988	127,184
Employer's National Insurance contributions	13,880	13,949
Employer's pension contributions	12,224	10,386
Total salaries costs	**154,092**	**151,519**
Chairs Travel & Expenses	5,444	6,480
Other Staff Costs	2,268	2,230
Removal expenses	2,868	
Staff Travel	4,111	6,538
	14,691	**15,248**
Total staff and associated costs	**168,783**	**166,767**

Stipends and salaries costs include the stipend for the chaplain to the University of Portsmoutwhose pay costs were part funded by a grant from the District Advance Fund and the salaries for the District's lay employees. The average number of lay employees during the year was 2.97 FTE. No employees received employee benefits that totalled more than £60,000.

The chaplain to the University of Portsmouth was paid a stipend at the rate agreed by the Methodist Conference. The lay employees are employees of the District and are paid salaries at rates set by the District. The lay employees are paid at at least the Living Wage as required by the Methodist Conference.

The chaplain to the University of Portsmouth was member of the Methodist Ministers Pension Scheme. This is a defined benefits single employer pension scheme. The Scheme rules require member contributions to be paid by the person responsible for the minister's remuneration. As the District was responsible for the chaplain's salary its contribution to the scheme is 26.9% of the chaplain's stipend. Responsibility for any deficit is shared between the Methodist Council and the persons responsible for the minister's remuneration. It is not possible to separately identify the District's share of any pensions deficit.

The District provides a defined contributions pension scheme for its lay employees via The Pensions Trust. This is a multi employer pension scheme. The District matches employees pension contributions up to 6% of salary costs.

7 Property costs

	2019-20 £	2018-19 £
Hire of premises	1,060	1,246
Chair's manse and District manse costs	5,585	3,597
Portsmouth University chaplain's housing costs	15,800	16,621
Total	**22,445**	**21,464**

8 Office/ Administrative expenses

	2019-20 £	2018-19 £
Printing, postage and stationery	620	1,263
Telephone	1,067	871
Website		
Equipment	579	974
Insurance	1,374	1,374
Safeguarding support	300	509
Total charged to the General Fund	**3,940**	**4,991**
TMCP management fees for investment funds (note 11)	1,188	1,219
Total	**5,128**	**6,210**

9 Synods, Committes and Conferences

	2019-20 £	2018-19 £
Synod expenses	4,724	2,612
Conferences	12,624	19,559
Travel expenses - committees	5,922	9,940
Total	**23,270**	**32,111**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2020

10 Other outgoings

	2019-20 £	2018-19 £
Professional fees	650	530
Churches Together Hampshire and Isle of Wight	175	350
Sundry outgoings	596	1,039
Total	**1,421**	**1,919**

11 Investment management fees

During the year the District paid £1,188 to TMCP, the custodians of the District's investment funds (2019: £1,219). This represents fees the management of the District Advance Fund (£771), District Reserve Fund (£124) and MIH Fund (£293).

The sum of £3,276 (2019: £2,274) represents an unrealised loss in the invested funds of the MIH Fund (£2,184) and District Reserve Fund (£1,092).

12 Transfers between Funds

During the year £37,500 was withdrawn from the District Advance Fund to fund conferences, training grants and the District's contribution to the University of Portsmouth chaplaincy. Net income of £2,350 and £15,000 to part fund a lay employee post was paid from the MIH fund to the general fund during the year.

13 District Manse

The District manse was revalued at 31 August 2020 by Sparks Ellison Estate Agents. The valuation at 31 March 2019 was £530,000.

	Land £	Buildings £	Total £
Balance brought forward at 1 September 2019	200,000	330,000	530,000
Revaluations in the year	40,000	130,000	170,000
Balance carried forward at 31 August 2020	**240,000**	**460,000**	**700,000**

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

	2019-20 £	2018-19 £
Trade debtors		
Channel Islands District	-	1,007
Wessex Synod	7,100	
	7,100	**1,007**
Prepayments and accrued income		
Payments in advance	-	4,952
Other accrued income	390	
	390	**4,952**
Total	**7,490**	**5,959**

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2020

15 Investments with Trustees for Methodist Church Purposes (TMCP)

The District's investment assets are held by TMCP in Managed Mixed Funds. The movement in the funds during the year were:

	District Reserve (forms part of the General Fund)	MIH Fund (Restricted Fund)	Total
	£	£	£
Balance brought forward at 1 September 2019	61,914	123,834	188,022
Unrealised gains on revaluation	0	0	0
Unrealised losses on revaluation	1,092	2,184	3,276
Balance carried forward at 31 August 2020	**60,822**	**121,650**	**182,472**

No units were purchased or disposed of during the year.

The cash funds that support the District Advance Fund, the MIH Fund and the District Reserve account are held by TMCP in Trustees Interest Funds on which interest is credited each month. The interest paid on the District Advance Fund is held in the fund. The interest earned on the MIH Fund and District Reserve are credited to the general fund and used to support the District's day to day running costs.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property including legacies, endowments and accumulated funds. Trust property is held for an on behalf of local managing trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the managing trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has a current account at CAF Bank Ltd. The sums held on this account are immediately available. In addition the District has a deposit account at the Central Finance Board of the Methodist Church. Interest is earned on these accounts and credited monthly. The sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2019-20 £	2018-19 £
Creditors:		
Trade creditors	2,134	1,471
Total creditors	**2,134**	**1,471**
Accruals:		
Independent Examiner	530	530
Reimbursed expenses	1,955	2,964
Total accruals	**2,485**	**3,494**
Total of creditors and accrued expenses	**4,619**	**4,965**

It is expected that all sums accrued at 31 August 2020 will be paid during the year to 31 August 2021.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2020

18 Grant commitments from the District Advance Fund

Some grants awarded by the District are payable in instalments over more than one financial year. Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Grants of £321,150 were awarded as at 31 August 2020 which are payable in future years:

	Payable at 31 August 2020 £	Payable at 31 August 2019 £
Current liability		
Payable in 2019-20		231,600
Payable in 2020-21	210,650	
Long term liability		
Payable in 2020-21		63,350
Payable in 2021-22	85,500	20,000
Payable in 2022-23	25,000	10,000
Payable in 2023-24		
Total commitment	**321,150**	**324,950**

19 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at 31 August 2020 (2019: Nil)

20 Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £530 for the year (2019: £530). The independent examiner provided no additional services during the year.

21 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. The contribution of volunteers has not been valued and included in the accounts.

22 Unrestricted funds

The District has 5 unrestricted funds 4 of which are earmarked for specific purposes.

The general fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District. The balance at 31 August 2020 was £101,894 (2019: £94,847).

The District Advance Fund funds ministry and property grants to churches, circuits and institutions. The balance at 31 August 2020 was £55,260 (2019: £60,815). The balance at 31 August 2020 reflects commitments of £321,150 that are payable in future years as set out in notes 18 and 24.

Three designated funds are held to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The District Development Fund which funds courses and conferences. The balance at 31 August 2020 was £63,416. (2019: £61,867)

The Portsmouth Chaplaincy Fund - The District is the accounting body for the ecumenical Portsmouth University Chaplaincy. The Portsmouth Chaplaincy Fund receives income from the District, URC Wessex Synod and a grant from the University. These income streams fund the cost of the chaplain. The balance on the Portsmouth Chaplaincy Fund at 31 August 2020 was £720 (2019: £265 in deficit). The post of chaplain has been vacant since 1 September 2020.
The Property Reserve shows the value of the District manse. The District manse was revalued as at 31 August 2020. The balance in the reserve at 31 August 2020 was £700,000. (2019: £530,000)

The movements in these funds in the year ending 31 August 2020 are shown in note 24.

23 Restricted Funds

The Benevolent Fund provides financial support to ministers and lay people in the District in need of support. The balance at 31 August 2020 was £2,631. (2019: £2,631).

The MIH fund is used to fund repairs and maintenance to the District manse and to part fund the Intergenerational Mission Enabler post. The balance at 31 August 2020 was £129,369 (2019: £146,554).

The District is the accounting body for Churches Together Hampshire and the Islands. The balance held at 31 August 2020 was £957 (2019: £1,132).
The movements in these funds in the year ending 31 August 2020 are shown in note 24.

Southampton Methodist District

Notes to the Accounts

For the year ended 31 August 2020

24 Summary of movements on significant individual funds

Unrestricted Funds

Unrestricted Fund Name	Opening Balance	Income	Expenditure	Investment reductions and revaluation	Transfers	Closing Balances
	£	£	£		£	£
General Fund	94,847	143,782	152,993	1,092	17,350	**101,894**
District Development Fund	61,867	2,833	19,284		18,000	**63,416**
District Advance Fund	60,815	177,316	145,371		-37,500	**55,260**
Portsmouth Chaplaincy	-265	38,876	57,391		19,500	**720**
Property Reserve	530,000			170,000		**700,000**
Totals	**747,264**	**362,807**	**375,039**	**171,092**	**17,350**	**921,290**

Restricted Funds

Restricted Fund Name	Opening Balance	Income	Expenditure	Investment reductions	Transfers & accruals	Closing Balance
	£	£	£		£	£
Benevolent Fund	2,631					**2,631**
District (MIH) Fund	146,554	2,643	294	2,184	17,350	**129,369**
Churches Together Hampshire and the Islands	1,132		175			**957**
Totals	**150,317**	**2,643**	**469**	**2,184**	**17,350**	**132,957**

25 Connected organisations and related parties

All of the District trustees are members of a church and circuit within the District and may be trustees of these churches or circuits.

Connected organisations include the Methodist Conference, circuits and churches within the District, other Methodist Districts, the Methodist Ministers' Children's relief Association, Central Finance Board of the Methodist Church and the Trustees for Methodist Church Purposes. All of these entities have their own trustees and autonomous administration such that the Southampton Methodist District has no significant influence over any of them nor them over the District. They are therefore not considered to be related parties.

There were no related party transactions.

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2020

Note 26: Statement of Financial Activities for the year ended 31 August 2019 for comparative purposes

	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2018-19	Total 2017-18
	£	£	£	£	£	£
Income and Endowments						
Donations and legacies			38,253		38,253	36,962
Income from investments	2,422	3,686		3,971	10,079	8,576
Charitable activities					0	0
Assessments on circuits	130,008				130,008	119,988
Circuit Model Trust Funds		180,145			180,145	143,623
Connexional Advance & Property Fund					0	74,711
Total income from charitable activities	**132,430**	**183,831**	**38,253**	**3,971**	**358,485**	**383,860**
Other income	10,464		5,410		15,874	12,870
Total income and endowments	**142,894**	**183,831**	**43,663**	**3,971**	**374,359**	**396,730**
Expenditure						
Expenditure on activities						
Grants and donations	3,320	86,590	8,396		98,306	190,152
Salaries and associated costs	125,277		41,490		166,767	160,245
Property costs	4,629		16,835		21,464	29,412
Office/ Administrative expenses	5,113	767		330	6,210	4,813
Synods, Committees and Conferences	12,552		19,559		32,111	30,884
Other outgoings	1,569			350	1,919	2,813
Total charitable expenditure	**152,460**	**87,357**	**86,280**	**680**	**326,777**	**418,319**
Net income/(expenditure) before investment gains/ losses	**-9,566**	**96,474**	**-42,617**	**3,291**	**47,582**	**-21,589**
Gains on investment assets	758			1,516	2,274	7,478
Net incoming/(outgoing resources before transfers	-8,808	96,474	-42,617	4,807	45,308	-14,111
Transfers between funds	23,640	-37,500	37,500	-23,640		0
Net income/expenditure for the year	**14,832**	**58,974**	**-5,117**	**-18,833**	**49,856**	**-14,111**
Gains/(Losses) on revaluation of fixed assets						
Total funds brought forward	80,015	1,841	596,719	169,150	847,725	861,836
Total funds carried forward	**94,847**	**60,815**	**591,602**	**150,317**	**897,581**	**847,725**

Declarations and Scrutiny

I confirm that these accrual based accounts for the year ended 31 August 2020 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer C Holland Date 6 March 2021

Name and address of treasurer: Christine Holland, 9 Ellerton Close, Theale, Reading RG7 5QN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2020 were presented to the District Policy Committee at its meeting on 6 March 2021 and were approved.

Signature of the Chair of the meeting A de Ville

Name of the Chair of the meeting Rev Andrew De Ville Date 6 March 2021

Independent Examiner's Report to the Trustees of the Southampton Methodist District

I report to the trustees on my examination of the accounts of the Southampton Methodist District ('the District') for the year ended 31 August 2020.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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

Claire Connell

Signature of independent examiner
Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 12 March 2021