

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

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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

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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

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- 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.

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- 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	Rev K James (from September 2020)
Mr R Betts	Rev R Lownsbrough (from September 2020)
Rev D Binks	Miss J Mason (from September 2020)
Rev R Borgars	Mr D Morgan (to August 2020)
Mr D Coates	Mr J Peddle
Mrs S Coates	Mr M Petter
Mrs A Cocks (to August 2020)	Rev P Rees (to August 2020)
Mr P Cooper	Mrs J Shipton Ashwell (to August 2020)
Rev A de Ville	Mrs C Stuckey
Mr J Elkin (to March 2020)	Rev J Tembo (from September 2020)
Rev R Fry (from September 2020)	Mr N Thorne (from September 2020)
Rev G Hill	Mrs E Ward
Mrs C Holland	Rev A Wood (to February 2020)
Rev D Hookins (to August 2020)	Mr P Yarrien
Mr S Irish	

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Chair's PA and District Administrator	Miss Sarah Potheary
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

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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	830,000
Investments	15	60,822		121,850	182,472	105,746
Total fixed assets		60,822	700,000	121,650	882,472	715,746
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	67,969
Cash at Bank and in hand		15,818			15,818	9,314
Total current assets		44,025	376,410	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	282,275	275,183
Total assets less current liabilities		101,894	165,760	764,136	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	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	1,054,247	897,581

Signed on behalf of the District Trustees



Andrew De Vile
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.

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Notes to the Accounts
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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.

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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.

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Notes to the Accounts
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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

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Notes to the Accounts
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Stipends and salaries costs 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 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 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, Committees 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)

Southampton Methodist District
Notes to the Accounts
For the year ended 31 August 2020

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

0

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 *Christine 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

Rev Andrew 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*