

# Southampton Methodist District

Annual Report and Accounts for the year ending 31 August  
2021

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## **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.

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### **Annual Report for the year ending 31 August 2021**

- 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

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### **Annual Report for the year ending 31 August 2021**

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.

## **Southampton Methodist District**

### **Annual Report for the year ending 31 August 2021**

#### **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.



## Southampton Methodist District

### Annual Report for the year ending 31 August 2021

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

## Southampton Methodist District

### Annual Report for the year ending 31 August 2021

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 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
		£	£	£	£	£	£
<b>Income and Endowments</b>							
Donations and legacies							38,876
Income from investments		1,251	1,552		2,283	5,086	8,111
<b>Charitable activities</b>							
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	
<b>Total income from charitable activities</b>		<b>121,251</b>	<b>179,696</b>		<b>12,283</b>	<b>313,230</b>	<b>350,737</b>
Other income	3	30,423		425		30,848	14,713
<b>Total income and endowments</b>		<b>151,674</b>	<b>179,696</b>	<b>425</b>	<b>12,283</b>	<b>344,078</b>	<b>365,450</b>
<b>Expenditure</b>							
<b>Expenditure on activities</b>							
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
<b>Total charitable expenditure</b>		<b>161,460</b>	<b>67,152</b>	<b>4,872</b>	<b>6,252</b>	<b>239,736</b>	<b>375,508</b>
<b>Net income/(expenditure) before investment gains/ losses</b>							<b>-10,058</b>
Gains in value of investment assets	11	11,164			22,330	33,494	3,276
<b>Net incoming/(outgoing resources before transfers)</b>		<b>1,378</b>	<b>112,544</b>	<b>-4,447</b>	<b>28,361</b>	<b>137,836</b>	<b>-13,334</b>
Transfers between funds	12	21,893	-19,605	-295	-1,993		
<b>Net income/expenditure for the year</b>		<b>23,271</b>	<b>92,939</b>	<b>-4,742</b>	<b>26,368</b>	<b>137,836</b>	<b>-13,334</b>
Gains on the revaluation of fixed assets	13			50,000		50,000	170,000
<b>Total funds brought forward</b>		<b>101,894</b>	<b>55,260</b>	<b>764,136</b>	<b>132,957</b>	<b>1,054,247</b>	<b>897,581</b>
<b>Total funds carried forward</b>		<b>125,165</b>	<b>148,199</b>	<b>809,394</b>	<b>159,325</b>	<b>1,242,083</b>	<b>1,054,247</b>

# 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
	£	£	£	£	£	£
<b>Tangible Fixed Assets</b>						
District Manse	13		750,000		750,000	700,000
Investments	15	71,986		143,981	215,967	182,472
<b>Total fixed assets</b>		<b>71,986</b>	<b>-</b>	<b>143,981</b>	<b>965,967</b>	<b>882,472</b>
<b>Current Assets</b>						
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
<b>Total current assets</b>		<b>55,306</b>	<b>446,699</b>	<b>15,357</b>	<b>576,954</b>	<b>497,544</b>
<b>Current liabilities</b>						
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
<b>Total current liabilities</b>		<b>2,127</b>	<b>192,500</b>	<b>13</b>	<b>194,838</b>	<b>215,269</b>
<b>Net current (liabilities)/assets</b>		<b>53,179</b>	<b>254,199</b>	<b>15,344</b>	<b>382,116</b>	<b>282,275</b>
<b>Total assets less current liabilities</b>		<b>125,165</b>	<b>254,199</b>	<b>159,325</b>	<b>1,348,083</b>	<b>1,164,747</b>
<b>Long term liabilities</b>						
Grants payable from 2022-23	18		106,000		106,000	110,500
<b>Net assets</b>		<b>125,165</b>	<b>148,199</b>	<b>159,325</b>	<b>1,242,083</b>	<b>1,054,247</b>
<b>Funds of the District</b>						
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
<b>Total unrestricted funds</b>		<b>125,165</b>	<b>148,199</b>	<b>-</b>	<b>1,082,758</b>	<b>921,290</b>
Restricted Funds	24			159,325	159,325	132,957
Endowment Funds					-	
<b>Total Funds</b>		<b>125,165</b>	<b>148,199</b>	<b>159,325</b>	<b>1,242,083</b>	<b>1,054,247</b>

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:

collection of monthly assessments from circuits which are paid to the Methodist Church Fund

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.

1. The
2. The

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.

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

**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.

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

	<b>2020-21</b>	<b>2019-20</b>
	<b>£</b>	<b>£</b>
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	
<b>Total</b>	<b>30,848</b>	<b>14,713</b>

#### **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.

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

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 2021**

**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
<b>Sub total</b>	<b>72,351</b>	<b>154,461</b>
Restricted:		
- From Benevolent Fund	1,950	-
<b>Sub total</b>	<b>1,950</b>	<b>-</b>
<b>Total</b>	<b>74,301</b>	<b>154,461</b>

***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
<b>Total salaries costs</b>	<b>118,338</b>	<b>154,092</b>
Chairs Travel & Expenses	3,423	5,444
Other Staff Costs	2,464	2,268
Removal expenses		2,868
Staff Travel	1,042	4,111
	<b>6,929</b>	<b>14,691</b>
<b>Total staff and associated costs</b>	<b>125,267</b>	<b>168,783</b>

**Southampton Methodist District**  
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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**

	<b>2020-21</b> £	<b>2019-20</b> £
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
<b>Total</b>	<b>25,596</b>	<b>22,445</b>

**8 Office/ Administrative expenses**

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

**9 Synods, Committes and Conferences**

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

**10 Other outgoings**

	<b>2020-21</b> £	<b>2019-20</b> £
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
<b>Total</b>	<b>3,971</b>	<b>1,421</b>



**Southampton Methodist District**  
**Notes to the Accounts**  
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**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.

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

**14 Debtors and prepayments**

Debtors and prepayments were made up as follows:

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

**Southampton Methodist District**  
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**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:

	<b>District Reserve (forms part of the General Fund)</b>	<b>MIH Fund (Restricted Fund)</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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
<b>Balance carried forward at 31 August 2021</b>	<b>71,986</b>	<b>143,980</b>	<b>215,966</b>

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**

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

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

**Southampton Methodist District**  
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**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 £
<b>Current liability</b>		
Payable in 2020-21		210,650
Payable in 2021-22	192,500	85,500
<b>Long term liability</b>		
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	
<b>Total commitment</b>	<b>298,500</b>	<b>321,150</b>

**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.

**Southampton Methodist District**  
**Notes to the Accounts**  
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**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**  
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**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
<b>Totals</b>	<b>921,290</b>	<b>331,855</b>	<b>233,544</b>	<b>61,164</b>	<b>1,993</b>	<b>1,082,758</b>

**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
<b>Totals</b>	<b>132,957</b>	<b>12,283</b>	<b>6,252</b>	<b>22,330</b>	<b>-1,993</b>	<b>159,325</b>

**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  
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**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
	£	£	£	£	£	£
<b>Income and Endowments</b>						
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
<b>Total income from charitable activities</b>	<b>131,902</b>	<b>177,316</b>	<b>38,876</b>	<b>2,643</b>	<b>350,737</b>	<b>358,485</b>
Other income	11,880		2,833		14,713	15,874
<b>Total income and endowments</b>	<b>143,782</b>	<b>177,316</b>	<b>41,709</b>	<b>2,643</b>	<b>365,450</b>	<b>374,359</b>
<b>Expenditure</b>						
<b>Expenditure on activities</b>						
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
<b>Total charitable expenditure</b>	<b>152,993</b>	<b>145,371</b>	<b>76,675</b>	<b>469</b>	<b>375,508</b>	<b>326,777</b>
<b>Net income/(expenditure) before investment gains/ losses</b>	<b>-9,211</b>	<b>31,945</b>	<b>-34,966</b>	<b>2,174</b>	<b>-10,058</b>	<b>47,582</b>
Gains on investment assets	1,092			2,184	3,276	2,274
<b>Net incoming/(outgoing) resources before transfers</b>	<b>-10,303</b>	<b>31,945</b>	<b>-34,966</b>	<b>-10</b>	<b>-13,334</b>	<b>45,308</b>
Transfers between funds	17,350	-37,500	37,500	-17,350		
<b>Net Income/expenditure for the year</b>	<b>7,047</b>	<b>-5,555</b>	<b>2,534</b>	<b>-17,360</b>	<b>-13,334</b>	<b>49,856</b>
Gains/(Losses) on revaluation of fixed assets			170,000		170,000	
Total funds brought forward	94,847	60,815	591,602	150,317	897,581	847,725
<b>Total funds carried forward</b>	<b>101,894</b>	<b>55,260</b>	<b>764,136</b>	<b>132,957</b>	<b>1,054,247</b>	<b>897,581</b>

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## 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 *Chloe*

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

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.

Signature of independent examiner

Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date *12 March 2022*