

# Southampton Methodist District

Annual Report and Accounts for the year ending 31 August  
2022

## **Southampton Methodist District**

### **Annual Report for the year ending 31 August 2022**

#### **1. Objectives and Activities**

- 1.1 The District's vision is to be a District where Circuits, Local Churches and individuals of all ages are accompanied and encouraged to respond to the gospel of Jesus Christ and participate in God's mission in the power of the Holy Spirit.
- 1.2 The District's priorities are to:
- Give priority in using our finite resources to support Circuits that are engaging positively in the reshaping for mission process;
  - Support Local Churches and Circuits in providing a safe professional and legal environment;
  - Encourage Local Churches to explore and trial new ways of being 'church';
  - Encourage and resource Christian learning and discipleship across the District;
  - Develop partnerships within the District and the wider global and ecumenical context focused on mission, and to engage with the inter-faith landscape.

#### **2. Achievements and performance**

- 2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2021-22 there were 12 circuits in the District.
- 2.2 In 2021-22 the District paid grants from the District Advance Fund that totalled £159,246 to churches, circuits, university chaplaincies, ecumenical groups and the Methodist Ministers Pension Reserve. The District awards two types of grant:
- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
  - Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.
- The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

#### **3. Financial Review**

- 3.1 During the year the District received total income of £368,068 (2021: £344,078) and spent £310,381 (2021: £239,736). At 31 August 2022 the District had funds totalling £1,336,203 (2021: £1,242,083). The District's funds have increased during the year primarily due to the revaluation of the District manse and an increase in income to the District Advance Fund alongside a reduction in the commitments for grants payable in future years.
- 3.2 The District has three principal sources of income:
- Assessments on Circuits within the District
  - Levies on the Model Trust Funds of Circuits within the District and
  - investment income.
- These sums are used to administer the District and to provide grants to Circuits, churches and individuals in the District to support their ministry.
- 3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic caused significant financial challenges for churches: Church buildings were closed for many weeks between March 2020 and Easter 2021 reducing the ability of churches to generate income from lettings. Some churches have not recovered their lettings income and some have ceased to meet for worship. Increased utility costs and pay cost inflation have added to the financial challenges faced by churches and circuits.
- 3.4 All circuits paid their District assessment for 2021-22 and no circuit has indicated they are unable to meet their 2022-23 District assessment.

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- 3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.
- 3.6 The trustees believe that the District is a going concern principally because the Circuits are expected to continue to substantially meet their assessments in 2023, circuits should be able to maintain reserves with the proceeds of the sale of church buildings that are deemed to be surplus and the District has adequate reserves to cover a shortfall in anticipated income.

#### **3.7 Investment policy and performance**

- 3.7.1 To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Southampton District Trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.
- 3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.
- 3.7.3 There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk.
- 3.7.4 The total return achieved on the invested funds of the Southampton District was -0.88% for the year. This reflects reductions in the value of investments during 2021-22.

#### **3.8 Reserves Policy**

##### **3.8.1 Unrestricted Funds**

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

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

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

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

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

#### **3.8.2 District Advance Fund (DAF)**

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

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

#### **3.8.3 Restricted Funds**

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

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

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

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

#### **3.9 Collaborative arrangements with connected charities**

- 3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2021-22 this sum amounted to £120,000 (2021: £120,000).
- 3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2021. This is credited to the District Advance Fund. In 2021-22 this sum was £206,132 (2021: £118,779). The increase in the levy reflects an increase in the Circuit Model Trust Fund balances between 1 September 2020 and 1 September 2021.
- 3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

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### **Annual Report for the year ending 31 August 2022**

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

#### **4. Trustees' Responsibilities**

- 4.1 For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year.
- 4.2 In preparing these financial statements, the Trustees must:
- select suitable accounting policies and apply them consistently using the accruals method
  - make judgements and estimates that are reasonable and prudent
  - follow applicable accounting standards
  - prepare accounts to comply with the Charities SORP
- 4.3 The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enable them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.
- 4.4 The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website.

#### **5. Structure, governance and management**

- 5.1 The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church. It was registered with the Charity Commission on 18 February 2010.
- 5.2 Circuits are the coordinating charities for local groups of churches. Circuits pay the ministers' stipends and employ lay staff to serve the churches in the circuit. Most decisions are made or ratified by circuit meetings.
- 5.3 A District is the co-ordinating charity for a group of circuits and makes its decisions at the half yearly synods.
- 5.4 The District serves the local churches and circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.
- 5.5 The primary purpose of this District is to advance the mission of the Church in Southampton District by
- providing opportunities for circuits to work together and support each other
  - offering resources (finance, personnel and expertise) to support circuits.
- 5.6 The purpose of the Methodist Church is to advance the Christian faith in accordance with its doctrinal standards and the discipline and the charitable purposes of any connexional, district, circuit, local or any other organisation, society or institution subsidiary or ancillary to the Methodist Church.
- 5.7 The Methodist Conference meets once a year as the denominational body for all the Methodist churches. Overall regulatory authority rests with the Methodist Conference. Connexional staff implement decisions made by Conference including the stationing of presbyters and deacons in individual circuits within the District. Other connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
- 5.8 The District passes regulatory control to circuit level for local implementation by the superintendent minister, ministerial staff and circuit stewards and regulatory authority is delegated to the circuit

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

- 5.9 The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the connexional team based at 25 Tavistock Place, London WC1H 9SF to provide guidance on changes that could affect the District.
- 5.10 The members of the District Policy Committee (DPC) are the trustees of the District. They are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The District Chair is ex officio chair of the DPC and certain other District officers are ex officio members. Other members represent the circuits which thus have the opportunity to participate in the life of the District. Members may be either ministers or members of churches in the District.
- 5.11 The DPC normally meets four times per year and deals with routine and exceptional matters. It also transacts business between meetings by email. It oversees the work of all the committees and groups set up by Synod to support the work of the District.
- 5.12 The DPC is responsible for:
- formulating and promoting policies which will advance the mission of the Church in the circuits and local churches and in particular, supervising the use of resources of personnel, property and finance and assisting local churches and circuits having exceptional problems.
  - encouraging inter-circuit and ecumenical co-operation
  - acting in an executive capacity in matters remitted to the Committee by the Synod
  - keeping within its purview all District concerns not dealt with elsewhere
  - contributing and responding to the development of connexional policies as reflected in the work of the Conference and the Methodist Council carrying out its other responsibilities with any such development in mind
  - such other functions as may be assigned to the Committee under Methodist Standing Orders
  - being aware of the public benefit guidance issued by the Charity Commission.

## 6. Reference and administrative information

Name of the charity	Southampton Methodist District
Charity Registration Number	1134386
Principal office	4 The Glade, Thornbury Wood, Chandler's Ford SO53 5AZ

District Chair	Rev'd Andrew de Ville
Synod Secretary	Mrs Sandra Coates
District Treasurer	Mrs Christine Holland

### Trustees

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

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

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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 11 March 2023.

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



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





Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2022

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

**Southampton Methodist District**

**Balance Sheet as at 31 August 2022**

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

Signed on behalf of the District Trustees



Andrew de Ville  
District Chair  
11 March 2023



Christine Holland  
District Treasurer  
11 March 2023

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

**1 Accounting framework and accounting policies**

**i Accounting framework**

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

**ii Public benefit entity**

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

**iii Basis**

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

**iv Going concern**

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

**v Income recognition**

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

The District acts as agent in two matters:

The 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  
matters the transactions are not reflected in the SOFA.

1.  
2. The  
In all of these

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**  
**For the year ended 31 August 2022**

**x Tangible fixed assets**

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

**xi Ownership of Methodist Property**

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

**xii Ministers' manse costs**

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

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

**xiii Investments**

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

**xiv Debtors and creditors; bank and cash**

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

**xv Methodist Church Fund**

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

**2 Assessment on Circuits**

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

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

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

**3 Other income**

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

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

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Lay employee - shared costs	10,148	9,923
Wessex URC Synod re Portsmouth University Chaplaincy	2,614	
Contributions towards the costs of conferences/ training courses	2,517	425
Contributions towards District manse costs	3,000	18,000
Distribution of Bournemouth University Chaplaincy surplus	-	2,500
<b>Total</b>	<b>18,279</b>	<b>30,848</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 £42,741, do not appear in the District Accounts. The Chair's other costs are met mostly by the District. These are shown in note 6.

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

None of the trustees is an employee of the District.

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

	<b>2021-22</b>	<b>2020-21</b>
	<b>£</b>	<b>£</b>
Travel expenses	1,311	154
Other reimbursed expenses	4,114	2,145
<b>Total</b>	<b>5,425</b>	<b>2,299</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 2022**

**5 Grants, donations and related support costs**

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

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

**Expenditure on charitable activities through the District Advance Fund**

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

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

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

**6 Salaries and associated costs**

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

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

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

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

**7 Property costs**

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

**8 Office/ Administrative expenses**

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

**9 Synods, Committes and Conferences**

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

**10 Other outgoings**

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

**Southampton Methodist District**  
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**11 Investment management fees**

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

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

**12 Transfers between Funds**

During the year £22,850 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £8,000 was withdrawn to fund training and ministers conference expenses and £7,350 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs. The Connexion distributed £8,977 of Mission Alongside the Poor funds to Districts during 2021-22. This was credited to the District Advance Fund and is accounted for in a separate fund. £13,000 from the MIH Fund was used to fund the refurbishment of the District Manse. The general fund received interest income of £3,091 from the MIH Fund

**13 District Manse**

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

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

**14 Debtors and prepayments**

Debtors and prepayments were made up as follows:

	<b>2021-22</b> £	<b>2020-21</b> £
<b>Trade debtors</b>		
Channel Islands District	1,096	1,049
Wessex Synod	947	626
	<b>2,043</b>	<b>1,675</b>
<b>Prepayments and accrued income</b>		
Payments in advance	621	470
Other accrued income	<b>621</b>	<b>470</b>
<b>Total</b>	<b>2,664</b>	<b>2,145</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</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance brought forward at 1 September 2021	71,986	143,980	215,966
Unrealised gains on revaluation	0	0	0
Unrealised losses on revaluation	4,522	9,045	13,567
Transfer to the General Fund (manse costs)		13,000	
<b>Balance carried forward at 31 August 2022</b>	<b>67,464</b>	<b>147,935</b>	<b>215,399</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. The MIH Fund was used to fund £13,000 of manse refurbishment costs incurred during 2021-22.

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

**16 Central Finance Board (CFB) and cash at bank**

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

**17 Creditors and accrued expenses**

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

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

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

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

**19 Capital commitments and contingent liabilities**

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

**20 Independent examiner**

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

**21 Volunteer contributions**

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

**22 Unrestricted funds**

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

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

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

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

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

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

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

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

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

**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 2022 was £681. (2021: £681).

The MIH fund has been used to fund repairs and maintenance to the District manse and to part fund the Intergenerational Mission Enabler post. The balance at 31 August 2022 was £129,655. (2021: £151,701).

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

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

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

**Southampton Methodist District**  
**Notes to the Accounts**  
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**24 Summary of movements on significant individual funds**

**Unrestricted Funds**

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

**Restricted Funds**

Restricted Fund Name	Opening Balance	Income	Expenditure	Unrealised investment losses	Transfers & accruals	Closing Balance
	£	£	£	£	£	£
Benevolent Fund	681					681
District (MIH) Fund	151,701	3,522	432	-9,045	16,091	129,655
Churches Together Hampshire and the Islands	782		175			607
New Places for New People	6,161		5,315			846
<b>Totals</b>	<b>159,325</b>	<b>3,522</b>	<b>5,922</b>	<b>-9,045</b>	<b>16,091</b>	<b>131,789</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  
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**Note 26: Statement of Financial Activities for the year ended 31 August 2021 for comparative purposes**

	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Total 2020-21	Total 2019-20
	£	£	£	£	£	£
<b>Income and Endowments</b>						
<b>Donations and legacies</b>						38,876
<b>Income from investments</b>	1,251	1,552		2,283	5,086	8,111
<b>Charitable activities</b>						
Assessments on circuits	120,000				120,000	130,000
Circuit Model Trust Funds		118,779			118,779	155,439
Connexional Advance & Property Fund		59,365			59,365	18,311
New Places for New People grant				10,000	10,000	
<b>Total income from charitable activities</b>	<b>121,251</b>	<b>179,696</b>	<b>0</b>	<b>12,283</b>	<b>313,230</b>	<b>350,737</b>
Other income	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	2,990	66,400	2,961	1,950	74,301	154,461
Salaries and associated costs	122,446			2,821	125,267	168,783
Property costs	25,596				25,596	22,445
Office/ Administrative expenses	3,504	752		1,249	5,505	5,128
Synods, Committees and Conferences	3,941		1,155		5,096	23,270
Other outgoings	2,983		756	232	3,971	1,421
<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>-9,786</b>	<b>112,544</b>	<b>-4,447</b>	<b>6,031</b>	<b>104,342</b>	<b>-10,058</b>
Gains on investment assets	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	21,893	-19,605	-295	-1,993	0	0
<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/(Losses) on revaluation of fixed assets			50,000		50,000	170,000
Total funds brought forward	101,894	55,260	764,136	132,957	1,054,247	897,581
<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>

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## Declarations and Scrutiny

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

Signature of Treasurer 

Date 11 March 2023

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

### Presentation to the District Policy Committee

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

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Andrew de Ville

Date 11 March 2023

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

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

#### Responsibilities and basis of report

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

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

#### Independent examiner's statement

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

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

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

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



Signature of independent examiner

Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 26 March 23 -