

Southampton Methodist District

Annual Report and Accounts for the year ending 31 August
2023

Southampton Methodist District

Annual Report for the year ending 31 August 2023

1. Objectives and Activities

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

2. Achievements and performance

- 2.1 The principal purpose of the District is to act as a supporting body between the Circuits and the Connexion. The District has limited direct contact with the public. Its role is to support churches and the Circuits in their desire to provide benefit to the public. During 2022-23 there were 12 circuits in the District.
- 2.2 In 2022-23 the District paid grants from the District Advance Fund that totalled £128,560 to churches, circuits, university chaplaincies and ecumenical groups. The District awards two types of grant:
- Property grants - grants for the adaption of buildings to enable the delivery of ministry and services to their community.
 - Mission and ministry grants - grants to support staffing in Circuits, local churches, university chaplaincies and ecumenical groups.
- The District also gives grants to individuals to support the development of their ministry and to support young people in attending 3 Generate.

3. Financial Review

- 3.1 During the year the District received total income of £428,464 (2022: £368,068) and spent £434,584 (2022: £310,381). At 31 August 2023 the District had funds totalling £1,256,310 (2022: £1,336,203). The District's funds have decreased during the year primarily due to the revaluation of the District manse and an increase in the commitments for grants payable in future years.
- 3.2 The District has three principal sources of income:
- Assessments on Circuits within the District
 - Levies on the Model Trust Funds of Circuits within the District and
 - investment income.

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

- 3.3 Circuits levy assessments on churches to meet the running costs of the circuit and pay their District and Methodist Church Fund assessments. The coronavirus pandemic caused significant financial challenges for churches: Some churches have not recovered their lettings income and some have ceased to meet for worship. Increased utility costs and pay cost inflation have added to the financial challenges faced by churches and circuits.
- 3.4 All circuits paid their District and Methodist Church Fund assessments for 2022-23 and no circuit has indicated they are unable to meet their 2023-24 assessments.
- 3.5 The District currently holds reserves in excess of its reserves policy so holds some funds to enable it to mitigate the impact of non payment of the District assessment by some circuits.

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

3.7 Investment policy and performance

- 3.7.1 To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Southampton District Trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.
- 3.7.2 Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.
- 3.7.3 There are no benchmarks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk.
- 3.7.4 The total return achieved on the invested funds of the Southampton District was 2.29% for the year.

3.8 Reserves Policy

3.8.1 Unrestricted Funds

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

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

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

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

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

3.8.2 District Advance Fund (DAF)

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

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

3.8.3 Restricted Funds

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

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

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

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

3.9 Collaborative arrangements with connected charities

- 3.9.1 The District's main source of funding is the assessment obtained from each Circuit within the District. The assessment is based on the staffing levels of the Circuits and is used to defray most of the cost of administering the District. In 2022-23 this sum amounted to £120,000 (2022: £120,000).
- 3.9.2 Each Circuit with a reserve known as a Circuit Model Trust Fund (CMTF) is charged a levy based on the size of the Circuits' CMTFs at 1 September 2022. This is credited to the District Advance Fund. In 2022-23 this sum was £165,638 (2022: £206,132). The reduction in the levy reflects a reduction in the Circuit Model Trust Fund balances between 1 September 2021 and 1 September 2022.
- 3.9.3 The District holds no funds as custodian trustee. It does, however, receive from Circuits within the District their monthly contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month.

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- 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, ministerial staff, the church stewards and other officers. This regulatory authority is then exercised by church councils as managing trustees of their charity.

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

6. Reference and administrative information

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

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

Trustees

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

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

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Rev P Griffin (to August 2023)
Mrs C Holland

Mrs E Ward (from September 2023)
Mr P Yarrien

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 16 March 2024.

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



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

Southampton Methodist District

Statement of Financial Activities for the year ended 31 August 2023

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

Southampton Methodist District

Balance Sheet as at 31 August 2023

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

Signed on behalf of the District Trustees


 Andrew de Ville
 District Chair
 16 March 2024


 Christine Holland
 District Treasurer
 16 March 2024

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

1 Accounting framework and accounting policies

i Accounting framework

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

ii Public benefit entity

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

iii Basis

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

iv Going concern

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

v Income recognition

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

The District acts as agent in two matters:

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.

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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
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x Tangible fixed assets

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

xi Ownership of Methodist Property

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

xii Ministers' manse costs

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

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

xiii Investments

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

xiv Debtors and creditors; bank and cash

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

xv Methodist Church Fund

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

2 Assessment on Circuits

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

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

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

3 Other income

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

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Notes to the Accounts
For the year ended 31 August 2023

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

4 Cost of the District Chair and Trustees

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

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

None of the trustees is an employee of the District.

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

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

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

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5 Grants, donations and related support costs

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

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

Expenditure on charitable activities through the District Advance Fund

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

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

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

6 Salaries and associated costs

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

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

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

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

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

7 Property costs

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

8 Office/ Administrative expenses

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

9 Synods, Committes and Conferences

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

10 Other outgoings

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

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

11 Investment management fees

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

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

12 Transfers between Funds

During the year £25,380 was withdrawn from the District Advance Fund to part fund the Intergenerational Mission Enabler post, £12,000 was withdrawn to fund training and ministers conference expenses, £7,685 was withdrawn to provide a grant to the University of Portsmouth free church chaplain towards housing costs and £886 was withdrawn to fund additional administrative support. The general fund received interest income of £3,481 from the MIH Fund.

13 District Manse

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

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

14 Debtors and prepayments

Debtors and prepayments were made up as follows:

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

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

15 Investments with Trustees for Methodist Church Purposes (TMCP)

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

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

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

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

16 Central Finance Board (CFB) and cash at bank

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

17 Creditors and accrued expenses

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

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

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

18 Grant commitments from the District Advance Fund

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

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

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

19 Capital commitments and contingent liabilities

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

20 Independent examiner

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

21 Volunteer contributions

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

22 Unrestricted funds

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

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

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

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

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

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

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

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

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

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

23 Restricted Funds

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

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

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

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

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

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

24 Summary of movements on significant individual funds

Unrestricted Funds

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

Restricted Funds

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

25 Connected organisations and related parties

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

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

There were no related party transactions.

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

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

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

Declarations and Scrutiny

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

Signature of Treasurer 

Date. 15 March 2024

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

Presentation to the District Policy Committee

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

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Andrew de Ville

Date 16 March 2024

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

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

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

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

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



Signature of independent examiner

Name of independent examiner: Claire Connell

Address 86 Silverdale Road, Earley, Reading RG6 7LT

Date 24th March 2024.