

**The Methodist Church in Great Britain**  
**Consolidated Report and Financial Statements**  
**for the year ended 31 August 2021**

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## Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

This year, as we emerge from unfamiliar ways of living and working, we recognise what has been achieved through a difficult time. This annual report shows us the many and varied ways in which the Methodist Church has faced the challenges of the times to seek a way forward as a response to 'Our Calling' to respond to the Gospel and to enable worship, learning and caring, service and evangelism in the Connexion and across the world.

The 2021 Conference in Birmingham affirmed that 'Our Calling' is the primary strategic driver for our work so all that we do is seen within that. Our "Strategy for Justice, Dignity and Solidarity", adopted by the Conference, reminds us that part of our proclamation of "God for All" is to engage with and challenge unjust discrimination, to celebrate diversity, and to practice hospitality. Similarly, our "Walking with Micah" project seeks to equip the Church effectively to challenge injustice in the nations and communities we are called to serve. This Report highlights the work being done by a number of connexional bodies and committees to ensure that our resources are used within that unity of purpose, as we fulfil our calling to be an inclusive, evangelistic, growing, justice-seeking church.

The report also highlights both the challenges and the opportunities facing the Methodist Church in Great Britain today. Much seems uncertain at the moment but the report draws our attention to the resources at our disposal. "Our Calling" speaks not only of the responsibility that we have but also of God who in love has entrusted us with both the responsibility and the resources to discharge it. This report celebrates the faithful ways in which those resources have been used and the potential that we have to continue to serve God's mission in God's world.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2022

# The Methodist Church in Great Britain Trustees' Report

## Strategic Objectives, Aims and Purposes of The Methodist Church in Great Britain

The activities covered in these financial statements fall within the work of The Methodist Church in Great Britain ('The Methodist Church' or 'The Church'). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission.

## Public Benefit Requirement

The trustees of The Methodist Church have due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 17 of the Charities Act 2011.

This guidance sets out two key principles:

1. The organisation must have an identifiable benefit.
2. The benefit must be to the public or a section of the public.

The Church exists, *inter alia*, to:

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

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

## Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church in Great Britain (MCiGB), as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 50 and include:

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
All We Can	(a separately registered charity)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. During 2020/21 the Council undertook a review of the entities under its control. This review confirmed that the above named organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The review also highlighted that the Westminster College Oxford Trust (WCOT) did not have 50% or more of their trustees appointed by the Council. Consequently, the Council took the decision that WCOT and its subsidiary should no longer form part of the consolidated accounts of the MCiGB.

The Methodist Church registered as a charity on 20 October 2009 (1132208 – ‘The Methodist Church in Great Britain’) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

The members of the Methodist Conference are the trustees and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Among other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting the unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

## **Governance and Oversight**

*The Constitutional Practice and Discipline of The Methodist Church* (2021 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and more easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the senior leadership group of the Connexional Team for matters relating to the objectives of the Connexional Team, and to local trustees in the case of the self-accounting entities. These local trustees are accountable to the Methodist Council.

The basic governance structure as far as these consolidated financial statements are concerned is presented in the diagram below.



During the year, the Connexional Grants Committee ceased to meet with the SRC overseeing the distribution of the residual functions.

## The Methodist Conference

This is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church's affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 30 districts of The Methodist Church as well as other sections of the Church.

## The Methodist Council

The Methodist Council meets three times a year and consists of 54 members most of whom hold office for four years. Its terms of reference are to:

- continuously review the life of The Methodist Church;
- study the work of The Methodist Church and witness throughout the Connexion;
- indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
- give spiritual leadership to the Church;
- implement Conference decisions;
- report annually to the Conference, bringing to its notice matters to which it believes the Conference ought to give urgent attention; and
- protect the assets of The Methodist Church.

It has agreed the following objectives for the coming year in order to support the delivery of the Church's strategic objective 'to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission':

1. Proclaiming the Gospel through worship / The ministry of the people of God in the life of the world
2. A Church for all people / The Inclusive Church
3. God's Church in God's world Striving for justice and peace
4. Evangelism / God For All
5. Resources for the Church: the use of God's gifts (including Oversight and Leadership)
6. Responding to the Gospel in partnership

In addition to the above, it is responsible for (*inter alia*):

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering the following funds:
  - The Methodist Church Fund
  - The Connexional Priority Fund
  - The World Mission Fund
  - The Mission in Britain Fund
  - The Fund for Training
  - The Fund for Property
  - The Epworth Fund
  - The Fund for the Support of Presbyters and Deacons
  - The Sabbatical Fund
  - The Pension Reserve Fund;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs for all home districts and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council are historically significant are scrutinised before going ahead.

The following committees have an oversight/governance role and report to the Methodist Council:

### **The Strategy and Resources Committee**

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2020/2021, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- ensuring that a collaborative style of working is adopted throughout the Connexional Team; and
- identifying and managing risks.

### **The Audit and Risk Assurance Committee**

This is a committee of the Conference appointed on the nomination of the Methodist Council. To safeguard its independence, members of the Methodist Council or the Connexional Team are barred from serving. This committee nevertheless has powers to require the Connexional Treasurers and any appropriate staff members of the Connexional Team to attend its meetings.

Meeting three times in the year and reporting annually to the Methodist Council, the Audit and Risk Assurance Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing the effectiveness of procedures relating to risks;
- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Council.

## Oversight Committees

To assist the Methodist Council in discharging its duties there are a number of other committees, the key ones being:

**The Finance Sub-Committee of the Strategy and Resources Committee** whose remit is to:

- provide expert advice on financial matters to the SRC;
- provide the core membership of the Conference Financial Committee;
- review the Council's cash and investment holding; and
- represent the Methodist Council as the employer in discussions with the trustees of connexional pension schemes.

**The Connexional Allowances Committee**, which is responsible for recommending allowances for ministers and awarding grants from the following funds:

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Methodist Ministers' Children's Relief Association;
- The Aspinall Robinson Trust;
- The Benevolent Fund for Deaconesses; and
- The Connexional Travel Fund.

During 2020/2021 the Methodist Council agreed to close the Connexional Travel Fund (a designated fund of the charity), transferring the residual balance in to the Methodist Church Fund (MCF), and establishing a recurrent MCF budget to fund 'Island Travel'.

**The Property Development Committee**, which works to develop and maintain a connexional property strategy. Its responsibilities include:

- developing and proposing to the Council policies in respect of the use of Methodist property;
- exercising such managing trustee responsibilities and duties as may be delegated to it by the Council;
- being responsible for identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
- reviewing and monitoring the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
- offering advice to any Methodist trustee body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.

**The Ministries Committee** which reports to the Methodist Council to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing



and supporting programmes and processes for candidacy, training, oversight and related matters.

**The Safeguarding Committee**, which has wide-ranging responsibilities for promoting safeguarding practice and safe recruitment across the Connexion. It advises the Methodist Council on all related issues.

### Other Oversight Bodies

These include:

- The trustees of All We Can (the operating name of the Methodist Relief and Development Fund), whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist, ecumenical or other appropriate oversight, primarily overseas.
- Local managing trustees for those bodies that report to the Council but are not administered by the Connexional Team (they are self-accounting entities).

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 66. For each of them, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. As highlighted on page 5, the Westminster College Oxford Trust is not under this delegation from the Council and is therefore being 'deconsolidated' from the 2020/21 accounts. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

The Methodist Council appoints members to the various trustee bodies, on the recommendations of existing members and based on a reasoned statement provided for each nominee. It follows a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment. The Council reviews and re-confirms the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

All new members of the Council undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as trustees and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees receive regular updates and are made aware of relevant events and training opportunities.

## Overview of the Work of The Methodist Church in Great Britain

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs within or is associated with local churches throughout the country. Church activity encompasses:

- 4,004 places of worship, with around 164,000 members;
- the work of around 1,290 active Methodist ministers;
- pupils enrolled in 85 Methodist schools;

- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 657 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

**This report cannot capture in detail the breadth and depth of the Church's work. In the section below is a list of a range of activities from around the Connexion as examples of that work.**

## **Key Activities**

### **Introduction**

The activities of the Church during 2020/21 were very significantly impacted by the Covid-19 pandemic. At a practical level, the Connexional Team were unable to work from Methodist Church House for much of the year, with only a partial reopening of the building ahead of September 2021. Wherever possible, the main activities of the team were moved online allowing the various committees of the Church to continue to exercise their trustee responsibilities and further the purposes of the Methodist Church. The pandemic also created new work for the team to engage with, including offering practical advice to managing trustees throughout the Connexion on topics ranging from property to worship, and everything in between. As online meetings do not involve travel expenses there were significant financial savings during the year. These savings helped offset the trading losses incurred by the Methodist International Centre Ltd as The Wesley hotel was unable to trade effectively for much of the year.

The experience of the Connexional Team was mirrored by the experience of the church throughout the Connexion, with church buildings closed for significant parts of the year. New and creative ways of being church emerged over this period and leaders of worship developed their skills at online worship. The church also had to contend with a hybrid Conference in June 2021 as it was not possible for all 306 members of the Conference to meet physically.

### **The Methodist Conference**

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its hybrid meeting hosted from Birmingham but also online, in June 2021:

- 22 presbyters and three deacons were received into Full Connexion on Sunday 27 June, along with four presbyters by transfer and one presbyter by reinstatement. Later that day, ordination services took place in five churches in the vicinity of Birmingham.
- The Conference reaffirmed the Our Calling vision statement, which was launched 21 years ago, and adopted it as the primary strategic driver for the Church's work.
- The Conference was informed of the report on the education strategy, 'Transforming Lives: A Schools' Educational Strategy for the Methodist Church', which outlines the strategy for Methodist schools for the next ten years.
- The Conference agreed to adopt a three year period of active discernment on the issue of Holy Communion and online worship, during which churches will be encouraged "with reverence and joy, to a time of discernment, both experiencing and reflecting upon what it might mean to celebrate the Lord's Supper online and to use this as an opportunity to

discuss the issues raised in our churches thereby deepening our understanding of our life together.”

- The Conference confirmed provisional resolutions on the principles or qualities of good relating, understanding of cohabitation and same sex marriages conducted on Methodist premises or by Methodist office-holders.
- The Conference adopted a far-reaching Strategy for Justice, Dignity and Solidarity, which will see “a profound change in the culture, practices and attitudes of the Methodist Church”

## **Organisation of the work**

Since 2019/2020 The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, now organises its work in the following eight key areas:

1. Building Communities
2. Children, Youth and Families
3. Evangelism and Growth
4. Global Relations
5. Learning Network
6. The Methodist Council and Governance
7. Ministries
8. Property

Each of these is reviewed below.

### **1. Building Communities**

To build communities, the Methodist Church is committed to working with ecumenical partners from a wide variety of Christian traditions. Unity and mission are inseparable and we continue to encourage flexible ways of working together wherever possible. The Conference has reason to be grateful to all those who represent the Methodist Church on a wide variety of committees, commissions and working groups thus enabling connexional, district, circuit and local initiatives.

One of the features that will remain with us, even though we are coming out of lock down at the beginning of this Connexional year, is the ability to meet remotely. National ecumenical officers will continue to participate in regular virtual meetings hosted by Churches Together in England (CTE), but with participation of Wales and Scotland and CTBI, where information is shared and we are able to pray together. On these occasions the CTE and CTBI programmes and resources are shared.

In the context of challenging and changing international relationships, our ecumenical relationships in Europe and through the World Council of Churches are opportunities for wider engagement and enrichment. The Methodist Church in Britain continues to work with our concordat partners, the United Methodist Church (UMC), identifying areas of work where we are stronger together, such as our response to climate change. Together with the World Methodist Council and Global partners the Methodist Church in Britain has created an international team to

influence COP26. There are opportunities in this initiative for young people and others to engage and contribute.

With a renewed sense of purpose and determination the ecumenical officers continue to work with MAPUM – Methodist-Anglican Panel for Unity in Mission and with the nascent Life in Covenant Group, this latter replaces the previous Joint Covenant Advocacy and Monitoring Group, to seek to implement the commitments made at the signing of the Anglican-Methodist Covenant, in 2003. This involves collective learning to live with differences and contradictory convictions in our church and also at an inter-denominational level. One of the current issues is the registration for a building to be used for equal-marriage ceremonies. The legal advice currently being offered to LEPs by the Conference Officer for legal and Constitutional Practice is that: “Any denomination who is party to a sharing agreement under the Shared Building Act 1969 has the power to veto a registration of the building for same-sex marriage.” We are seeking ways, if at all possible, to minimize the impact of this statutory regulation.

Fellowship Groups are an expression of the global community present in and under the Methodist Church in Britain. The Assistant Ecumenical Officer continues to work with the Fellowship Groups and diverse languages congregations. They are present throughout the Connexion and are an integral part of the life of the Methodist Church in Britain. With the end of the quinquennium grants for some of the Chaplaincies to the Fellowships, a strategic review is necessary to see how the Fellowship Groups that have received support for their ministry for many years move forward to a different model of operating without losing their connectivity. This work shall be channelled now via the Mission Committee. Another aspect of this ministry is the arrival of people coming from Hong Kong in significant numbers. That has opened an opportunity for new mission initiatives. Work that started in the Northeast Region has grown connexionally and involves many from our churches offering to welcome and support the new arrivals. New groups have been formed, for example in Southwest London a class/congregation of HK people has gathered and numbers are at around 150/200 people. We seek to put in place coordinating structures for this work of welcoming HK people and offering them a sense of belonging in our churches and communities.

The Assistant Ecumenical Officer oversees our Inter-Faith work. A twinning programme for churches and mosques to meet virtually during the Inter-faith week in November last year will be happening this year again. The desk continues to represent Methodism at Inter-religious events and committees, not least the Inter-Faith Network UK that relates in particular to the Government, trying to influence public policies. Inter-religious work also happens through CTBI, its inter-religious activities and theological reflection group.

The Joint Public Issues Team (JPIT) has continued to play a role in building communities. It helps church members campaign on a range of peace and justice issues, shaped by the *Six Hopes for Society*, supported by the Methodist Church and others.

Arising from consultation with local churches, JPIT developed the ‘Reset The Debt’ campaign, raising awareness of the impact of Covid-19 on increasing household debt for the poorest families in communities. They worked with partners from across society to raise this issue in Parliament, the media and with church members, calling for debt write-off for those weighed down by borrowing and arrears due to Covid-19.

JPIT have also resourced members to campaign on justice issues for our global community. This has included campaigning against the cut to the international aid budget, calling for ambitious action at the United Nations COP26 climate meeting in November 2021 and raising concern about the forced labour of Uyghur Muslims in Xinxiang, China.

Continuing work around peacebuilding, JPIT coordinated ecumenical recognition of the Treaty on the Prohibition of Nuclear Weapons, including a statement from senior church leaders. They have continued to campaign on the rights of asylum seekers, migrants and refugees, particularly in

response to the government's Nationality and Borders Bill, joining with others as part of the 'Together With Refugees' campaign. They also encouraged churches to support EU nationals who needed to apply for the EU settlement scheme after Brexit.

They have continued to resource preachers and worship leaders to explore issues of justice and peace, including through the launch of the weekly 'Politics in the Pulpit' podcast and daily 'Stay & Pray' prayers of thanks and intercession.

Branding might seem an overly commercial concern for the Methodist Church, but it is fundamentally about all our communications and publications being presented in a consistent way. It conveys our goals and values and builds up our identity as a community. During 2020/2021, we developed a 'brand book' to make all our online and print publishing more coherent and recognisable as coming from the Methodist Church, with clear visual direction and a defined, inclusive tone of voice.

For all publications, we have moved to thinking 'digital first'; a shift undoubtedly accelerated by our churches, circuits and districts responding to Our Calling during the pandemic. This means that we consider sharing information, and resourcing the work of the Methodist Church, by providing digital content first: that may be as social media posts, podcasts and webpages. But also includes PDF publications for downloading, and we are exploring producing e-books, using the *Methodist Prayer Handbook 2021/2022: A Place for All* as a pilot project.

Nonetheless, some publications are still required or preferred in print, including the Conference-mandated resources, such as the annual Conference Agendas and Membership Tickets. The Christmas evangelistic campaign *God is with Us*, based on engaging videos and complementary social media posts, also had posters to bring it to the attention of congregations and postcards for them to share its message in their communities. This was supplemented with a phenomenally successful free seasonal CD. We distributed nearly 19,000 copies to bring Christmas worship during lockdown into individual homes, care settings and even to outdoor markets.

As churches adapted to life online, our sales of worship and hymn books for 'in-person' services fell very significantly. But sales of other printed resources remained remarkably buoyant, and production of publications required regularly to run churches has continued; for example, to support safeguarding training, to help ordained and lay people taking on new roles in their circuits, or to encourage and support generous financial giving. Additional publications in 2020/2021 included: *Reflect and Respond*, a study guide created by the Methodist Survivors' Advisory Group; resources for all ages to engage with 'A Methodist Way of Life', and materials to support church leaders to take action on the 'God for All' evangelism strategy.

## **2. Children, Youth and Families**

3Generate 2020 was postponed until 2021 due to Covid restrictions on gathering. However, a full residential event at the NEC took place at the end of October 2021 as planned with the opportunity for people to attend as day visitors or as residents.

We have a full programme that has been designed and planned by volunteer groups that have included Young people in the process. This year's theme is 'Tune In' To God challenging children and Young people to Pray, listen and discern with peers and adults what God is calling them to do. Making a Covenant with God to take action on that calling. And sharing this with their local Methodist Community.

3Generate aims to create an inclusive and diverse space and has extensive support in place for children and young people to engage with the event and for the prophetic voice of children and young people to emerge and be heard. The event enables children and Young people to be courageous, share about their understanding of God and Faith and listen to God and each other.

Through the 3Generate process, children and young people are equipped and encouraged to become participants in decision making and action in their local Methodist Communities. They are encouraged and challenged to Listen and look for God to be involved in decision making and advocacy, for action, change and growth and have an impact in their local Methodist communities.

This is supported by resolution 29/4 from Methodist Conference 2021; *reaffirms the importance of hearing the voices of children and young people in discerning future direction and directs the Council and connexional committees, when revising strategic policies, to ensure that there is consultation with under-12s, under-18s and under-23s as well as with other groups.*”

*And Resolution 29/3 The Conference laments the stresses and traumas experienced by many under-23s living through the COVID-19 pandemic and therefore directs circuit staff teams to review how pastoral care might be more intentionally and actively offered to children and young people.”*

3Generate calls the Whole Church to listen to, and be in relationship and dialogue with and amongst, children and young people, so that change and growth can happen together as a community. In October 2021 we had a dynamic and immersive program with Worship, Bible Study, Prayer weaved through and expressed in a variety of ways. Each Child and Young person speaking out and being in discussion. We are piloting this year a new 4-7 year old’s 3Generate day event that has an intergenerational model of participation.

### **Agents of Change**

In 2021/22 we will facilitate five pilot Agent of Change roadshows events, working with regional partners across the country. These events will be aimed at children and young people, aged 8 to 16, and their workers. Each roadshow will explore a different aspect of being an Agent of Change and will support the aims and core principles of the Agents of Change programme, which are to:

- help children and young people to understand how the Christian faith, their own discipleship and their work as Agents of Change are interwoven

**Young Adults Leadership Year Program** Gathering, Equipping and Developing Methodist Young Adult Leaders. The focus of the year is on the Characteristics of Christian Leadership.

Last year the Leadership Year ran online sessions for the participants, this year we will be running the Leadership Year with 3 residential weekends. There will be approximately 16 young adults aged 18-30s from across the connexion who will participate, growing to 30 young adults in 2022/23.

The focus is on understanding and forming characteristics of Leadership rather than on a skills based approach. The residential weekends contain a creative and engaging mixture of training, activities, reflection, worship, peer group support and mentoring. It is a chance to meet other young adults across Methodism and forge supportive relationships as they grow and learn together. The focus for the residential weekends are:

Weekend 1: Understanding leadership –connecting your discipleship and leadership.

Weekend 2: Exploring where and how you are leading other people.

Weekend 3: Developing your leadership.

We received positive feedback from last year’s cohort, in which they described the programme as “empowering”, “insightful”, “transformative”. One commented that the Leadership Year had “given me new ideas on how I can be a faithful leader and equipped me to work better with others, especially those who are different to me”.



## **Methodist Way of Life – Intergenerational Engagement**

Working with Learning Network and Methodist Way of Life working group We designed and produced a set of picture and conversation cards for use with all ages together to explore the Methodist Way of Life. And material for three acts of Intergenerational worship unpacking Methodist Way of Life.

## **Growing Ministry with Children and Young People**

365 creating Space for children and young people to participate in decision making, dialogue, prayer, evangelism and Mission and action with the whole Church. When 3Generate 2020 was unable to go ahead we launched 3Generate 365, It started with a year of gathering virtually children and young people to pray every Friday at 5.17pm with our Youth Representatives. We held a virtual event with interactive sessions for Children and Young people facilitated by the Youth President and the 3Generate Reps to Tune In to God and each other sharing their experiences, Young people from across Methodism World Church Partners joining us virtually in Prayer, voting for Youth President and 3Generate Reps via the 3Generate App.

**Resourcing Churches** 365 events; We developed a toolbox of resources for churches to engage with Children and Youth Ministry. These included downloadable resources and a series of Zoom Gatherings and Webinars. As a part of this we gathered Children and Youth workers virtually on a regular basis over the Covid Lockdown to explore how to Create Spaces with children and Young people. These were learning communities with input and coaching. Ideas exchanges for Youth Workers, Running Intergenerational Ministry virtually. We ran webinars on Involving Children and Young people in Mission planning in the Church, Thriving after lockdown in partnership with the Girls Brigade, Improving Self Esteem, Soul Care and Leadership. With Ministries Love This Calling Campaign we facilitated a webinar on exploring calling and discernment in vocation Children and Youth Ministry. Enabling the Prophetic voice of children and young people, Praying and responding to God for All ages and abilities.

We will be gathering virtually and physically in Regions over the next year for churches who want to Create New Spaces for Children and Young People (New People New Places) to grow Ministry. These spaces will be learning, listening and coaching communities. We will also be facilitating coaching communities and gatherings for those already involved in Children, Youth and Family Ministry to listen, support and coach.

The CYF Team have two licensed Youth Mental Health First Aid Instructors (MHFA), who have delivered seven courses (either in person or online) since they qualified in early 2019. Across these courses they have trained just over 100 people in Youth MHFA – including local church workers and volunteers, key 3Generate volunteers, 3Gen Youth Reps and Ministers. We have established a pattern of delivering at least three of these courses a year. In addition to this we have also hosted webinars on Trauma awareness for leaders and Mental Health and wellbeing and activism with children and young people. We created a short video resource for children on managing anxiety during times of change (such as returning to school after lockdown), delivered training on mental health and emotional wellbeing in partnership with two different Learning Network regions and delivered training to the Methodist Fijian Fellowship on emotional wellbeing.

We spoke at the North East regional safeguarding conference on supporting confidence and resilience in children and young people.

## **3. Evangelism and Growth**

The first full year of *God for All*: The Connexional Evangelism and Growth (E&G) Strategy has seen every district, circuits and churches in every district, and thousands of individual leaders participating in some way. The key programmes, pathways, and resources called for in *God for All*

are now all launched in earnest with feedback loops built into each area for the purposes of ongoing reflection, measurement, and strategic refinement.

The invitation to the whole Church to engage the strategy in a way that resonates with their contexts has been communicated broadly through the publication of *Take Your Next Steps in Evangelism and Growth*, a free digital and/or paper guidebook to God for All's opportunities; a 2021 Conference video update and follow-up article in the Connexion magazine; updated webpages; numerous Synod presentations and workshop; the expansion of active, creative social media streams; and the offer of local Zoom conversations in every circuit.

Additional highlights of the year include:

- *A Methodist Way of Life* (MWOL) is being engaged widely across the Connexion by districts, circuits and churches. MWOL Commitment Cards in more than a dozen languages and full suite of other resources are available online.
- As part of equipping districts, circuits and local churches to begin New Places for New People (NPNP) projects (including Church at the Margins projects), the E+G team has consulted widely and written *Starting new Christian communities: A practical guide*. It can be engaged as one document or with attention to different questions and areas. This guide contains a range of materials including short starter chapters, brief introductions, signposted resources, a Methodist theological foundation of NPNPs and the core NPNP practices which we believe are crucial to developing an NPNP.
- In partnership with the Ministries Team and the Queen's Foundation, the development of a new tutorial position in Evangelism and Leadership based at The Queen's Foundation but exercising mission and ministry as an Officer of the Connexional Team. This reflects a deep denominational commitment to the training, equipping and resourcing of all ministers, lay and ordained, in evangelism and leadership, but with a particular focus on those in pre-ordination training.
- Hope & Anchor is a weekly online chat show that explores spirituality and faith in an inclusive, fun, non-judgmental way. Hope & Anchor features guests across the theological spectrum, from Britain and across the world, who are taking faith outside of the box, addressing challenging questions and preconceptions with intelligence and loads of laughter, and inviting listeners to explore new spiritual landscapes. Link: <https://methodistchurch.org.uk/hope-anchor>
- The E+G Team continues to host a number of monthly webinars that dive into missional reflection and practice, building on a teeming archive of offerings over the past year. For example: webinars on chaplaincy and evangelism, interfaith evangelism, as well as contextual resourcing for specific seasons and ministry roles

#### 4. Global relations

The Methodist Church in Great Britain (MCB) has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC). Its strategy is a part of the response to *Our Calling* and sits within the Mission Team of the Connexional Team, operating within the recommendations of the *Hope in God's Future* and *Inclusive Church* reports. It can be summarised as enabling churches, circuits and districts to be distinctive and highly effective participants in mission, by means of:

- true partnership with sister churches around the world;
- focus on the places and programmes where our participation can make a real difference locally and globally; and



- evolution that encourages new initiatives while maintaining the best of what has gone on before.

This is expressed by maintaining and strengthening traditional and more recent partnerships through:

- fostering people-to-people encounters;
- enabling reciprocal learning and engagement in mission;
- sharing resources within the agreed strategies and priorities of the World Mission Fund;
- engaging in capacity building with global partners to enable long-term sustainability and mission;
- being flexible and alert to new opportunities for mission and co-operation; and
- equipping members of the Methodist Church in Great Britain to celebrate and take confidence in God's presence and action in the world and respond to God's call.

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the World Church. These include opportunities for persons from Britain and Ireland to experience the World Church through volunteering to serve a Partner for 3–12 months under the 'Encounter Worldwide' programme; volunteering for a shorter period during sabbaticals and through the Specialist Skills Programme; or participating in a group visit through 'Encounter Together'. The GR team also enables MCB to receive young adults from other countries to serve in faith-based community and advocacy placements for two years through the Global Mission Fellows (GMF) programme of the United Methodist Church, of which MCB is an affiliate. GR is also working with the Council of Evangelical Methodist Churches of Latin America (CIEMAL) on a pilot programme bringing evangelists to support the work of circuits and districts in Britain and in the Methodist Church Ireland.

Due to the effects of the Covid-19 pandemic, all short-term programmes are suspended; however, planning, advertising and the receipt of provisional applications are now in progress for 2022.

The World Mission Fund is supporting five out of the six COP26 Workers, who are young adults employed to engage Methodists globally in climate awareness and action in preparation for the COP26 summit in Glasgow. The WMF finances the four workers representing our global Partners and one of the two MCB Workers.

Through the Church CAN programme, Global Relationships and All We Can work together with Partner Churches, enabling the strengthening of their capacity and effectiveness as agents of change in their local context.

Following the decision of the Global Relationships committee that the World Mission Fund (WMF) should reach its reserve level by August 2024, there has been a restructuring of the grant-making system from the WMF. Only Essential Assistance (to help avert organisational crisis) and Solidarity (small grants given to support Partners in unforeseen events, such as disease, conflict or natural disaster, which were formerly called General Grants) Grants will be given this year as we work with Partners to see how we can make best use of the funds over reserve level to enable some capacity-building which will support Partners for a future when our financial position will be very different.

We have also invited all our Partner Churches and Organisations to conversations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts.

The Strategy for Global Relationships defines the following priorities for grants from the World Mission Fund:

- building the capacity, leadership and long-term stability of Partner Churches;
- encouraging evangelism, outreach and engagement with the wider society (including interfaith and peace initiatives);
- supporting partners who have a special emphasis on issues of justice, inclusion, education, health and empowerment, and supporting those who have been marginalised because of their identity, faith, ethnicity, gender or economic status;
- assisting Partner Churches in responding to emergencies, natural disasters and those affected by human violence or ethnic conflict; and
- supporting partner organisations that have close relationships with Partner Churches overseas and are used by them for the ministry and mission of that Church.

Work has been funded by General (expressions of solidarity) grants, as well as Annual grants, Scholarship and Leadership Training, and Nationals in Mission grants. In 2020/21, the original budget of £250,000 to be given in General grants, was raised to enable £400,000. This was due to the ongoing impact upon some Partners of the pandemic.

Here are a few examples of grants made in 2020/21:

#### **Nicaragua (£10,550)**

An annual grant from the WMF has been crucial in supporting the National Evangelical Methodist Church in Nicaragua during the COVID-19 pandemic. The church has been able to distribute essential food packages to 23 communities linked to their local churches.

#### **Peru (£11,620)**

Indigenous communities in the Peruvian Amazon have been severely affected by COVID-19, spread by visitors to the surrounding area and internal migrants who have returned from the cities after becoming unemployed during the lockdowns. A General Grant from the World Mission Fund has enabled the Methodist Church in Peru to work with 43 indigenous communities to open nine community pharmacies, offering low cost medicine and basic health consultation services.

#### **Italy (£10,000)**

World Mission Fund support has been used to support the Methodist Church in Italy (OPCEMI) / Federation of Protestant Churches in Italy project, Mediterranean Hope, in their work with refugees in Lampedusa. This grant is to support the work of the team in helping refugees with sustenance, team transportation and proactively responding to tell the story of migration that combats the often negative news stories.

#### **Kenya (£6,240)**

Jennifer Muthoki Mutua is a National in Mission serving The Methodist Church in Kenya and World Student Christian Fellowship (WSCF) – Africa. During the pandemic the Student Christian Movement of Kenya, which has been dormant for the last five years, has been revived, and there has also been growth in the Student Christian Movement of Tanzania and Uganda.

#### **Zambia (£7,035)**

United Church of Zambia Health Institutions have been supporting communities throughout the pandemic. The World Mission Fund was used for the purchase of medical and oxygen supplies to be used at UCZ health centres.

## **India (£17,500)**

HMI facilitates interfaith dialogue and peace building, transforming conflict situations, promoting inter-faith and inter-ethnic harmony, and offering educational programmes for children and adults. As well as receiving an Annual Grant to support this work, HMI has received an additional General Grant and monies from the joint MCB/All We Can Covid-19 response appeal to support their work distributing PPE and emergency food supplies, as well as awareness-raising around health, wellbeing and vaccination access during the pandemic.

### **Transforming lives through the work of All We Can.**

All We Can, the relief and development charity of the Methodist Church in Britain, helped transform the lives of more than half a million\* people between 1 September 2020 and 31 August 2021. By working in partnership with our global neighbours most impacted by disasters, poverty and injustice, All We Can seeks to enable flourishing and resilient communities, and unleash potential.

In the 2020/21 financial year, All We Can partnered with 21 local partners in 6 countries. All We Can works together with talented local organisations who are rooted in their local communities – helping them not only respond to the needs they are facing, but also supporting them with capacity development, training and resourcing. All We Can works in partnership with these local organisations for many years, often over a decade, leaving a legacy of thriving and robust organisations. In the past financial year, local partners in both Ethiopia and Cameroon have graduated from All We Can’s support – equipped with the skills they need to thrive and continue to work sustainably with their communities.

Additionally, through collaboration with Global Relationships, All We Can has worked with 4 Methodist church partners to deliver its Church CAN initiative. This work recognises that Churches have unique strengths that enable them to make an important contribution to seeing ‘everyone’s potential fulfilled’. Church CAN focuses on supporting Churches to implement their institutional strengthening priorities following a facilitated process of capacity self-assessment and strategic planning.

The ongoing impact of Covid-19 has played a huge part in shaping the work of All We Can and its local partners. Throughout the year, All We Can has worked to help partners adapt their programmes to respond to the critical needs of those they serve. It has also engaged with global calls for vaccine equity through WHO’s #VaccinEquity campaign, and as a member of the Crack the Crises Coalition – a union of charities representing more than 12 million people, calling for world leaders to take action on Covid-19, injustice, and climate change. All We Can is also a member of both BOND – the international development network – and the European Commission on Mission, a coalition of Methodist Mission boards and agencies.

Through the joint Emergency Coronavirus Appeal, All We Can and the Methodist Church in Britain have continued to support vulnerable communities across the world tackle Covid-19. In April, when India was at the height of its devastating second wave of the virus, the appeal pivoted to respond directly to this need, working with church and local partners across India to deliver vital support.

All We Can has also responded in other times of urgent humanitarian need. In March 2021, following a devastating fire in Kutupalong camp in Cox’s Bazar, All We Can worked with its humanitarian partner in the region to help rebuild shelters and provide fire safety training for the community. Similarly, in August 2021, All We Can and the Methodist Church in Britain launched the Haiti Earthquake Emergency Appeal in response to the earthquake and following tropical depression which struck the country. By co-ordinating contributions from the global Methodist family, as well as with the generous donations of supporters in the UK, the appeal is helping to provide emergency food, hygiene equipment and temporary shelter materials to the most

vulnerable families, with plans in place to help farming families regain livelihoods once immediate needs have been met.

The origins of All We Can lie in the Methodist people's generosity towards refugees in World War Two – and so the charity also remains steadfastly committed to supporting refugee communities. Notably it continues to support the aforementioned work of humanitarian aid partners working in the camps of Cox's Bazar, Bangladesh alongside Rohingya refugees, as well as with Syrian refugees in Za'atari refugee camp in Jordan.

\*Final impact figures are contained in the All We Can's 20/21 Trustees Report and Accounts and the Annual Review.

## **5. Learning network**

The last year has continued to see the successful development of online engagement for all aspects of learning and development as the learning network team have continued to respond to the ongoing COVID-19 pandemic. The team have been able to offer continued ongoing support to local church leaders, lay and ordained, as we have navigated the pandemic during the year. This year we have developed a closer working across the regions so as to enable more effective use of our resources, skills and experience.

Levels of engagement with the online opportunities has continued to be positive and whilst it is recognised that there have been some limitations to what is possible through online engagement there have also been many advantages. The ability to 'zoom' in from anywhere across the connexion, without the need for travel time and costs of travel, or indeed leaving your home, has perhaps been one of the biggest advantages both for those facilitating events as well as those attending, with some people being able to attend events perhaps for the first time. This has enabled those engaging from some of the more remote parts of the connexion to feel more closely linked in and supported through what is being offered. All of this also brings with it additional environmental benefits. Alongside these benefits it is recognised that online engagement has not been possible for all and has therefore meant that some people have been unable to engage with all that has been offered over this period. It is anticipated that online delivery and engagement will continue for a significant proportion of the work of the team and therefore consideration will be given to ensure that the opportunities are as accessible as possible, perhaps with some face-face events where this is essential. Work is underway for delivering a number of areas of work across the Learning Network drawing together individuals from various regions to develop, prepare and deliver connexion-wide learning and development events. These include a number of our shared areas of work with the Evangelism and Growth team, Children, Youth and Families team and Ministries team. This approach will enable further effective use of skills and experience over the coming year.

Learning Network staff have worked closely with our colleagues in the Safeguarding team and wider connexion to develop online delivery options for Creating Safer Space Foundation Module and Advanced Module. This has been achieved successfully with significant work put in from both connexional staff and district safeguarding officers. The delivery of these modules in online format will continue alongside some local face-face delivery as required over the coming year. Work continues on developing our online learning platform 'Theology X', including safeguarding training, and it is anticipated that additional modules will become available over the coming year.

Staff within the Learning Network continue to work closely with the Ministries team as they support the ongoing delivery and facilitation of Supervision training. This has been successfully delivered in online format during the year. Work on developing continued professional development for Supervisors will continue during the coming year.

The Reconciliation and Mediation Team pilot project, in the Eastern region, London region and North West and Mann region, is now established and we have worked closely with Place for Hope

in establishing the project this year. A cohort of 20 individuals have successfully completed their initial training and accreditation as practitioners in supporting the project within the three learning network regions. The Place for Hope team worked well together with the Director of Learning and Development to deliver the initial objectives for the project. The Positive Working Together manager adapted the Faith in Change and Conflict course to the online environment and delivered it to a high standard. The Client Care and Communications Manager worked collaboratively to develop and review fit for purpose infrastructure required for the project. They also developed their skillset to create new media outputs for the successful e-launch of the project during The Methodist Conference on Thursday 1 July 2021. All three Learning & Development Coordinators in the pilot regions are exploring, with the Project Manager, the opportunity for regional events and how best to proactively promote the service during 2021/22.

A cohort of 11 people made up from Learning Network staff and volunteers are currently being trained as trainers in the delivery of Mental Health First Aid. Upon successful completion of the training it is anticipated that this training will begin to be offered across the connexion during 2021/22, working closely with our Wellbeing Adviser.

## **6. The Methodist Council and Governance**

The Methodist Council is charged with responsibility to keep in constant review the life of the Methodist Church, to study its work and witness throughout the Connexion, to indicate what changes are necessary or what steps could be taken to make the work of the Church more effective, to give spiritual leadership to the Church and to report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention.

The following are just a few of the actions that the Council carried out during 2020/2021 in accordance with its governance responsibilities.

- It adopted a risk management policy and adopted the corporate risk register.
- It adopted a modern slavery transparency statement and underlined its strong commitment to pursuing the objectives of the Modern Slavery Act (2015).
- The Council proposed a strategy for Justice, Dignity and Solidarity: working towards a fully inclusive Methodist Church, which the Conference adopted.
- The Council has received reports from many committees and revised their terms of reference, and has made appointments and nominations to various bodies and committees.
- The Council agreed that there should be a redesign of the connexional grant-giving processes, and proposed changes to the Standing Orders to effect this.

Work relating to Covid-19 is ongoing. Guidance continued to be produced to aid district chairs, circuit superintendents and others during the pandemic, as well as the work of DBS blemish checks and safeguarding risk assessments.

The President and Vice President of the Methodist Conference 2020/2021 managed to reimagine their role at a time when the ministry of visitation has not been possible. There have been many highlights of digital engagements including Facebook Lives as well as numerous visits that were held online.

During the year, the Independent Inquiry into Child Sexual Abuse released a report of the investigation into Child Protection in Religious Organisations and Settings.

The report made two recommendations: the first on policy, procedures and training and the second around legislation for unregistered institutions providing full-time education. The first recommendation largely reflected the Church's existing policy and procedures and stressed the

need for regular updates. As part of the ongoing cycle of learning and review the child protection policy will be reviewed along with the procedures and training to see what changes might be needed in light of the report. Government advice is awaited on the second recommendation.

The report mentioned a general lack of support for victims of abuse among religious organisations. The support to victims and survivors will continue to be reviewed and improved and the Church apologised where this has not happened as it should have done. The Church has learnt much of how the response can be improved from the Survivors' Advisory Group and is grateful to them for sharing their experiences and working with us to make our systems and support better for all. The Church welcomed the report's conclusion that child protection work should be 'victim focussed' and we will continue to work with and be led by the SAG to achieve this.

The Panel recognised positive child protection practice in the Church including the safer recruitment and internal auditing processes.

## **7. Ministries**

The vocations project has ended, however with the retention of the officer on team we will continue to promote vocational exploration as part of ministry development, The under-representation of BAME people in church offices and particularly British born black ministerial candidates is a key focus for a number of officers in the team.

*Faith and Worship* the old local preachers' course has now been replaced by *Worship: Leading and Preaching*. Despite lockdown we have seen a continued increase in the number of preachers on trial being registered onto the course, A service of celebration and recognition for all that *Faith and Worship* offered to the church will take place at Methodist Central Hall, Westminster in October 2021.

For a second year, the Ministerial Candidates Selection Committee had to take place on line. At the start of the process for the 2020-2021 connexional year we had 31 applicants. CSC met 29.

22 presbyteral and 2 diaconal candidates were accepted. Taking into account deferrals from other years and one from this, 25 students started training in Sept 2021. 14 Ministers of Other churches and Conferences started appointments in Sept 2021.

Support for ministers acting as chaplains and those engaged with lay ministries has been offered by a new officer leading to the redevelopment of many of our webpages. The officer will lead on drafting competencies for Local Lay Pastors.

The Superintendents' induction programme was reimagined to allow online delivery. This has had the advantage of building a community of practice and will be the foundation of the induction in years to follow. Half of the annual superintendents' conference happened in person (as lockdown restrictions had been eased by June) 97 supers attended in a COVID safe environment, Feedback made it clear that those who were able to attend had appreciated the content and the ability to confer with colleagues.

A new supervision policy was adopted by the 2021 Conference. 572 people have received initial training as Supervisors of whom 476 were approved to supervise under the policy. About 43 people are in the process of training and 47 have withdrawn or were recommended not to proceed. As all supervision moved online in 2020, so too has our training, with the training course and assessment being adjusted appropriately. Training this year will focus on continuing development in supervision particularly for those early adopters in supervision.

23 people attended the 'First Moves in Ministry' retreat and 16 attended an online version of ReCharge (the mid-ministry retreat) for those in years eight to twelve of ministry originally 35 people were due to attend the physical event. 40 ministers attended the pre-retirement courses.

The team continue to be responsible for creation and signposting of provisions for worshipping at home during the pandemic.

38 awards for higher education studies have been made. (20 new or renewed awards for two years beginning 2021, 18 going into the second year of an award). Work continues at building link with our network centres: The Queen's Foundation and Cliff College. A tutor in evangelism and leadership has been appointed to the Ministries team who will split her time at the Queen's foundation and within the ministries team. A new Memorandum of Understanding has been agreed with Wesley House, Cambridge.

### **The Queen's Foundation**

Queen's leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2020/21, the Foundation worked with 59 student presbyters and deacons and 44 probationer ministers, along with 19 ministers continuing to work towards degrees after ordination. They represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT.

Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world's best. Queen's continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain.

Professor Clive Marsh began his work as Principal in September 2020. Although he started his appointment at a very challenging time, in terms of the pandemic and its effects, as well as facing a large turnover of staff, the Foundation under his leadership has continued to offer its teaching online, and to support students through its excellent tutorial system. The staff team has re-grouped and all are looking forward to moving into a new academic year. The Foundation's finances are healthier than many other TEIs, and the foundations are in place for continued growth and development in the months ahead.

### **Cliff College**

Cliff College is Methodism's 'own' college, and works under the authority of the Council, delegated via the Cliff Committee. It cherishes its historic commitments to evangelism, and its more recent and growing work in digital and global theological education. Cliff College works in partnership with several teams and clusters across the Connexion to deliver a range of projects and programmes which contribute to current priorities. These include innovative short courses, shared work with the Evangelism and Growth team, the Cliff Festival and postgraduate degrees which are especially valuable in continuing ministerial development. They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

The Cliff Committee has welcomed a business plan which seeks to build on the work of Vision 21 and move the work of the college forward to meet future needs. The particular difficulties of the Covid-19 pandemic have found Cliff well placed to respond with creativity and flexibility, especially when there was a need quickly to move courses online. The annual Cliff Festival had to



be held online for the second year running, and was a great success nevertheless, offering the customary weekend of worship, study and fellowship. During the year, a new Learning Strategy was introduced which shapes the College's work and guides the development of new courses and pedagogies. In addition, the Connexion is working closely with Cliff in the development of a new Virtual Learning Environment, as part of TheologyX, Cliff's online learning tool. This will enable the increased use of digital training resources for the needs of the Church. As the Church implements the Conference's decisions around new patterns of ministry, the College will be key to rolling out a new programme of training for Local Lay-Pastors, and in resourcing Connexional priorities. A new shared mission plan was agreed in 2021, which now undergirds the ways in which Cliff and the Connexion work together.

### **Southlands Methodist Trust**

The Southlands Methodist Trust (SMT) is an educational charity, focused on encouraging the Methodist ethos of Southlands College (the Methodist-founded College of the University of Roehampton) and the development of the College's contributions to the research and learning of the wider Church and society.

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation ([www.susannawesleyfoundation.org.uk](http://www.susannawesleyfoundation.org.uk)). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society. During the year, there has been increasing collaboration between the SWF and the Connexion in some key areas of current interest and priority, including: processes of change in the Church; clergy well-being; equality, diversity and inclusion; Methodist-Catholic social action; fostering learning communities; and deepening theological reflection on chaplaincy.

The SMT co-sponsors an ecumenical project to develop a Methodist-Roman Catholic student community housed on campus. It also supports chaplaincy activities and student-led ventures to encourage commitment to social action, such as the Southlands Venture. Information about its projects can be found at [www.southlandsmethodisttrust.org.uk](http://www.southlandsmethodisttrust.org.uk).

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. This will be especially prominent as Southlands prepares to celebrate its 150<sup>th</sup> anniversary in 2022, and to mark its significant contribution to the teaching profession and to educational progress.

The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. As part of this contribution, it provides funding for the staffing of MAST. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

## **8. Property**

The Property Support team has strengthened connections during this year with managing trustees and connexional colleagues alike, increasing awareness of the wide-ranging support offered by the team. Support during the pandemic to all those with property responsibilities in the Connexion was a daily priority for the team - ensuring guidance was always up to date and relevant. A dedicated coronavirus property page was established and became a key source of information for any who needed it, alongside direct guidance for specific queries. Despite the



pandemic, the team has also continued to offer support on property development projects, other forms of pro-active guidance and work on future strategic developments, partnerships and funding.

Support to Managing Trustees and Ministers in regard to church development projects has been a focus for the Director of Property Support. Over the year, it was evident that a broader need for property support was developing across churches, circuits, districts and Connexion alike. By end of the year, property development support could be broken down proportionately in to the following broad themes:

- 2% direct support to districts
- 20% direct support to circuits
- 8% direct support on connexional properties
- 29% direct support to churches looking at general mission and development or reordering
- 31% direct support to churches looking at larger mission and redevelopment projects including housing, new church buildings and community hubs
- 6% direct support to churches looking at property sales
- 4% direct support to churches looking at specific partnerships for developing new mission projects including property redevelopment or reordering

Alongside this, proactive general guidance to managing trustees has continued through undertaking a mixture of reviews, updating and compiling new information. The focus for this was to make property guidance accessible and aligned with other connexional information. This began through simplification of the property website pages which led to a decision to create Property Development Pathways - a centralised and comprehensive resource on the property webpage for those undertaking a property project. When completed in the latter part of 2021, they will present a core project pathway guide with decision 'gateways' and detailed guidance reference points, alongside other considerations for partnership and site redevelopment, heritage buildings & conservation, zero-carbon initiatives and equality, diversity and inclusion. It also signposts to guidance from the Mission team and TMCP to ensure consistency and compatibility. Similarly, having taken over the responsibility for Replacement Projects this year, amendments were made to SO 973, including the drafting of new criteria, to bring decision-making in line with the new Strategic Guidance for the Use of Property in Mission. These were approved by Methodist Council, and the Conference in June. Other reviews, led to updates to the Superintendents' Handbook with greater guidance on property; and also support to connexional colleagues in developing further net zero carbon strategies and approaches.

Two significant pieces of proposed Government legislation emerged this year – the Protect Duty Consultation<sup>1</sup> and Contested Heritage<sup>2</sup>. Working with colleagues, the team have been able to provide input into detailed responses to these proposals, forming an ongoing project into 2022. The online newsletter, *Property Matters*, continued to be a key channel of communication. This was particularly important during the pandemic in promoting guidance updates. The electronic format and monthly emails ensured that information was conveyed efficiently and effectively, and readership improved slightly from the previous quarterly publication: November 2019 (last paper copy) 4,179 readers to August 2021 4,454 readers, with a 60 – 65% average opening rate.

Alongside ongoing support needs, the team have produced forward looking strategic pieces of work. This included a District Property Secretary (DPS) mapping report to analyse current DPS

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<sup>1</sup> [Protect Duty - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/protect-duty) - the **Protect Duty** in essence consults on future legislation which will place a duty of care on Managing Trustees for those using their build from the effects of a terrorist action. It is a legislative response to the findings of the public enquiry into the Manchester Arena bombing.

<sup>2</sup> [Letter from Culture Secretary on HM Government position on contested heritage - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/contested-heritage) - contested heritage, as outlined in the Secretary of State's letter, focusses on the ability to control the removal through the Planning Laws of statues, plaques, memorials, monuments etc. deemed as contested due to their historic origins or heritage.

roles across Districts, and inform new approaches and support in the future. The report gathered 'ground level' data for each District to develop SWOT analysis, role specification and recommendations. The findings have helped the team in the support of more formal, paid district property officer roles achieved in at least three Districts this year. An extension to this has been the team providing direct support to two districts through property training events, and also to ministers in training at the Queen's Foundation in Birmingham.

Working with others has been a key objective of the property team this year. A number of connexional teams, TMCP, PDC members and DPS's came together during the year to present five regional online Property Roadshows between May and July. These proved very successful and the feedback given will be used to inform future training and support on property and related issues. The events attracted 364 attendees with 128 providing feedback. This was a significant improvement on the face-to-face Property Roadshows held in 2019/20 which attracted around 100 attendees. As well as working in more co-ordinated ways with colleagues in TMCP and LCP, the team have developed other relationships, providing Managing Trustees with partnership options when considering mission and property opportunities. A number of these consolidated existing Methodist partnerships including Action for Children and the Boys & Girls Brigade, along with ecumenical partners such as Housing Justice/Faith in Affordable Housing and the Archbishop of Canterbury's Commission for Housing. The team have been able to offer their input and expertise into other working groups within and outside Methodism, principally focussing on affordable housing, including contributions to the Housing and Homelessness Working Group and Housing & Homelessness Forum (through Citizens UK).

The team continues to support churches through the Feasibility Fund grants administered by the Property Development Committee. This has now expanded to include overseeing the project funding run-off from the Connexional Grants Committee Property Grants, and overseeing support to managing trustees applying for Landfill Trust grants. In addition, this year, through the government's £2 billion Culture Recovery Fund the property team, led by the Connexional Conservation officer, and supported by TMCP, assisted four managing trustee bodies of Grade I or II\* church buildings in submitting funding applications. Unfortunately, due to oversubscription, Historic England agreed to fund only one of the projects, awarding them £420,000 in funding for repairs, to be completed by June 2022. Within connexional resources, the Feasibility Fund, by the end of this year had distributed £34,536 to those who applied; this provided funding to churches at the early stages of exploring future uses of their property for mission (60% of the total costs up to max. £10,000). This enabled:

- Feasibility work for 5 churches in North Kent, Gloucestershire, Lincolnshire, Cornwall and London.
- They include a new church building; reordering to develop community engagement in a town centre; supported accommodation for former rough sleepers; a new church building and community hub; and reordering to extend the work of their existing community hub and arts centre.

Due largely to the consequences of the pandemic, the business case for the redevelopment of Oxford Place, Leeds into a hotel became no longer viable. Having taken the difficult decision to end the project, the discussions with the Yorkshire West District resulted in the property being returned to local managing trusteeship.

The 2021 Methodist Conference confirmed the decision to sell Methodist Church House. A project was established under the Methodist Council to take forward this decision and also to progress the options for a replacement to Methodist Church House.

## Grants

The Council agreed that there should be a redesign of the connexional grant-giving processes, in particular those grants which are made from the Mission in Britain Fund, the Fund for Property, and the World Mission Fund.

The Mission in Britain Fund is now to be used for funding New Places for New People projects and Methodist Action on Poverty and Justice. The Epworth Fund is being invested in the Evangelism and Growth strategy. The Fund for Property is being transferred to the oversight of the Property Development Committee. The World Mission Fund is to be overseen by a task group of the Global Relationships Committee.

The changes outlined above will enable streamlined and efficient processes in respect of the three funds which have previously been under the oversight of the Connexional Grants Committee. In the light of these changes, the Council recommended to the Conference that the Connexional Grants Committee be disbanded. Grants already underway in the old system will be honoured and the monitoring of their impact and gathering of learning from them undertaken by the relevant part of the Connexional team and reported to the Strategy and Resources Committee.

### World Mission Fund grants £1.9m (2020-21)

These are grants given to Partner Churches and organisations overseas to support mission and ministry in their communities. The grants cover four main streams:

- annual grants to support the core work of our partners;
- Scholarship and Leadership Training (SALT), enabling key partner personnel to study for qualifications;
- Nationals in Mission Appointments (NMA), funding posts for which our partners have the people but not the financial resources; and
- general grants – mainly in response to natural disasters or other unforeseen events.

There was an upward trend in the number and value of applications requested in 2020-21. 160 applications were received for a total value of £4.6m, 105 applications qualified for £1.88m worth of annual grants, NMA and SALT grants.

In addition to the above, thirty-one General grants totalling £371k were awarded in 2020-21 to partner churches, with seventeen (£191k) of the grants awarded specifically for Covid-19 related work.

## Plans for the future

Throughout the coming year The Methodist Council plans to continue pursuing the objectives of the Methodist Church, in particular those objectives collectively referred to as: 'Reaffirming Our Calling'. The main strands of this work with some examples include:

1. Proclaiming the gospel through worship/ The ministry of the whole people of God in the life of the world.  
Reflecting on the impact and effectiveness of online worship and learning over the last year to develop future strategies for supporting these areas.
2. A Church for all people / The Inclusive Church.  
Implementing the action plans of the Justice, Diversity and Solidarity Strategy to ensure the Church as a whole becomes a more welcoming, diverse, and tolerant organisation.
3. God's Church in God's world / Striving for justice and peace.  
Consideration of the Church's net zero carbon emission targets, ongoing engagement in reflection on our ethics in relation to investments.
4. Evangelism / God for all.

- Working with Districts in the year ahead to increase our engagement in sharing the gospel in new ways, striving to work with those in the most marginalised communities in our world.
5. Resources for the Church: the use of God's gifts (including oversight and leadership). Working with others throughout the Church to respond to the financial impact of the pandemic.  
Detailed work to enable the Church to make decisions about its future decision making structure which offers the best patterns of oversight and management for the organisation.
  6. Responding to the gospel in partnership.  
Continued reform of the processes of grant giving both at home and abroad to ensure participation and positive engagement from our partners.

## **Remuneration of Key Management Personnel**

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC). The senior management group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job-grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

Trustees are required to disclose all relevant interests and register them with the Conference Office. In accordance with the Church's policy, trustees must withdraw from decisions where a conflict of interest arises.

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are in Notes 25–27 to the financial statements.

## **Fundraising Activities**

The Methodist Church raises funds through investment management, trading activity, property transactions and voluntary donations. It receives a proportion of funds raised locally on the sale of property owned by circuits.

It does not employ external fundraisers or undertake direct fundraising campaigns, such as direct mail or telephone canvassing of donations. Whilst essentially a passive fundraiser, it is registered with the Fundraising Regulator and indirectly raises funds from individuals by the following means:

- a proportion of the weekly offertory and other donations in churches goes to support the central work of the Church;
- donations for the mission funds (Mission in Britain Fund, Fund for Property, World Mission Fund) are collected by churches, circuits and districts. The Methodist Church will assist churches, circuits and districts in this work for example by providing collecting boxes and worship resources; and
- legacies are received either for general funds or the mission funds.

During the year legacy income fell significantly largely due a significant one off legacy received in 2019/20. Giving to the mission funds fell due to less opportunity for local fund raising as a consequence of the pandemic.

The Methodist Church has safeguarding procedures that protect vulnerable people and this extends to the indirect fundraising carried out on its behalf by local churches. The Church has not been made aware of any complaints from its fundraising activities.

## Financial Review

The activities covered in these consolidated financial statements are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity and the Charity Commission has agreed that these financial statements can properly serve as the financial statements of the charity.

The net income for the year was a surplus of £23.6m (2020: £5.8m deficit), including net investment gains of £22.7m (2020: £5.8m losses). This investment gain largely reflected the improvement in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These increases reflected the significant improvement in market conditions that more than offset the losses incurred in the previous year.

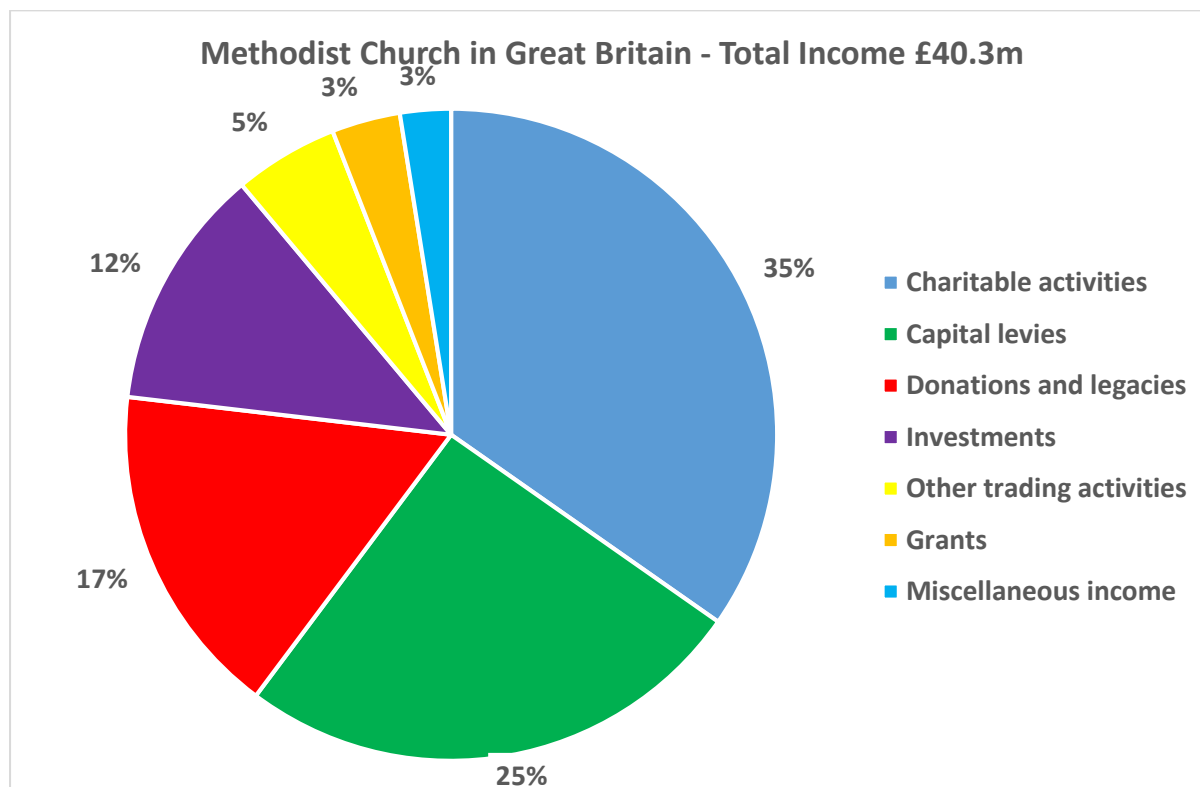
Other recognised gains for the year were £13.2m (2020: £14.1m loss). A £12.3m gain (2020: £9.1m loss) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 93). A £0.9m gain resulted from the revaluation of the Church's charitable property.

## Income

The total income for the year was £40.3m (2020: £44.4m) a decrease of 9% compared to the previous year. This was mainly due to the following:

1. Reduced legacy income following the significant (£1.9m) legacy received in 2019/2020.
2. Lower levels of donations due to the impact of the Covid-19 pandemic.
3. Major reductions in trading income across both MICL (reduced hotel occupancy) and Cliff College (course and event cancellations)
4. A reduction in investment income was experienced due to the significant impact that the pandemic had on the financial markets with consequent reductions in dividends being paid in year.
5. The deconsolidation of the Westminster College Oxford Trust (£0.5m) - see page 4.

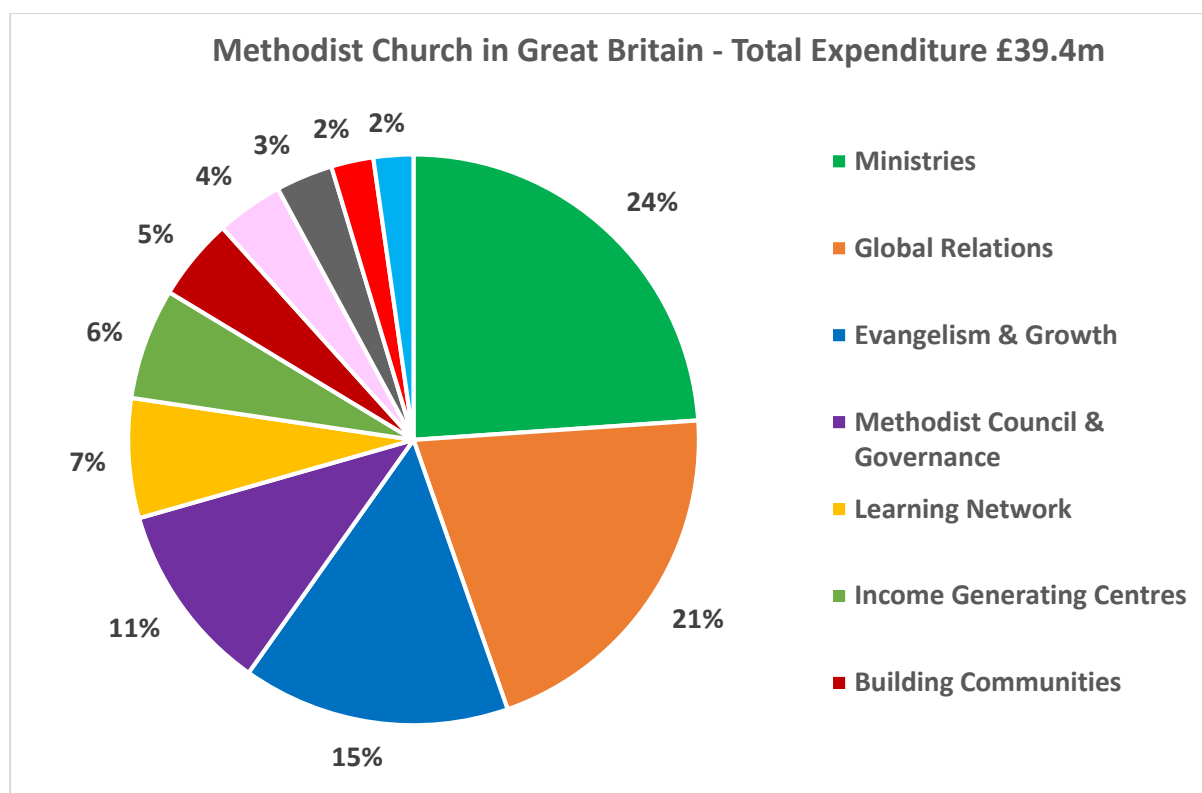
These reductions were partially offset by a material increase in capital levies to £10.3m (2019/2020 £6.9m) as a result of additional sales of Methodist property.



## Expenditure

Total expenditure decreased to £39.4m (2020: £44.4m). Of this, £35.4m was spent on direct charitable activities (2020: £37.2m). The reduction in expenditure was partly due to a reduction in charitable spending by All We Can and the deconsolidation of Westminster College Oxford Trust (£0.7m). Expenditure also reduced because of the ongoing impact of the Covid pandemic reducing trading, events and physical meetings. Spending from restricted funds plus transfers was £2.6m greater than income. This largely reflects the policy to use excess reserves in a

planned manner over three years. A detailed analysis of expenditure by activity is included in Notes 7-8 (pages 64-65).



The total impact of deconsolidating the accounts of the Westminster College Oxford Trust is a reduction in assets of £10.8m.

## Managed Reserves

The total value of funds held at 31 August 2021 was £290m (2020: £264m). There are restricted reserves of £149m (2020: £152m), unrestricted reserves of £118m (2020: £92m), and endowment reserves of £23m (2020: £19m).

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council. As a consequence of the Covid-19 pandemic the reserves policies were reviewed and reserve levels amended. There are five main unrestricted funds:

- The Methodist Church Fund (also known as the general funds);
- The Methodist International Centre (included within general funds);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.



## General funds

At 31 August 2021, the balance of the unrestricted general funds was £53m (2020: £54m). Of this £40.7m (2020: £46m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £16.3m of tangible fixed assets and £24.4m of investment properties. The trustees approved a reserves balance of £7.5 million. This would ensure that there is sufficient cash or near cash at hand at all times to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2021 the free reserves balance was £12.3m (2020: £8m).

## Designated funds

Designated funds are part of the unrestricted funds. The trustees have earmarked them for a particular project or use, without restricting or committing the funds legally. The trustees may cancel the designation if they later decide that the activity should not proceed or they decide not to continue with the project for which the funds were designated.

At 31 August 2021, the designated funds totalled £66 million (2020: £52 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£11 million
• Epworth Fund	£8 million
• The Pension Reserve Fund	£46 million
• Others	<u>£1 million</u>
<b>Total:</b>	<b>£66 million</b>

The Connexional Priority Fund (CPF), as a large designated fund, reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. In 2021 the Methodist Council approved a reserves policy for this fund, setting the long-term uncommitted reserves level of the CPF at £1.5 million.

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. In 2021 the Methodist Council amended the reserves policy to £1m to allow the capital balance of the fund to be used for missional purposes.

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). More information can be found in the Financial Risks section below.

At 31 August 2021 the reserves position on the designated funds is above the policy by £16.5 million. The CPF's reserves are above the policy by £9.8 million and the Epworth Fund is above policy by £6.7 million. Excess balances have been allocated by the Methodist Conference to the delivery of *Our Calling* and the God For All Strategy over the coming four years. The balance held in the smaller designated funds is detailed in Note 19c (page 80) in the notes to the financial statements.

## Financial risks

The Council's general reserves enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams



and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

- dependency on limited income sources (the Methodist Church Fund (MCF) assessment, investment income and donations);
- fluctuations in investment income;
- fluctuations in income from the levies on proceeds of property sales;
- inability to attract donations from the general public;
- an increase in the defined benefit pension scheme liabilities; and
- a sustained fall in the value of investments and property held by the Council.

The MCF assessment is the main source of unrestricted income for the Council. It is a major contributor to the funding of a number of key activities including the administration of the Connexional Funds, the Learning Network and major aspects of the governance processes such as the Methodist Council and the Conference.

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left a number of circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference reversed its decision for a 1% increase in the 2021/22 Assessment and implemented a 1% cut. It also indicated an intention to cut the Assessment by a further 2% (2022/23) and 3% (2023/24). Planning these reductions over three years affords the Council sufficient time to adjust its expenditure budgets accordingly.

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations tend to be very variable and have been impacted by the closure of church buildings for much of the year.

The impact of a sustained fall in the investments and other assets held by the Council could be felt in two ways: first, a deficit in the statement of financial activities occurring over a number of years; second, difficulties in realising assets with the potential for consequent cash flow, and operational problems.

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. In order to mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. This fund has the benefit of providing comfort to the Pension Fund trustees of the financial support of the Church for the schemes and enables them to follow an investment policy more likely to generate higher returns than a more conservative policy would realise. The Fund has made annual contributions of £1 million up to 2018 (with no payment required in 2019 or 2020) to the Methodist Ministers' Pension Scheme (MMPS) in order to help eliminate the deficit. An additional contribution of £1.1m was made to the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC) scheme in both 2019/2020 and 2020/2021 to reduce the deficit balance on that scheme.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further

benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long term funding objective, a remedy mechanism should funding deviate from the long term goal, and a contingent asset that provides the trustees security over Connexional properties should the Council or Conference ever default on payments due.

The accumulating level of reserves expected to be held in the Pension Reserve Fund forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference.

## Investments

As at 31 August 2021, the Church held fixed asset investments with a fair value of £194 million (2020: £189 million). The Finance Sub-Committee regularly review the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

Funds not immediately required are invested in marketable securities through The Methodist Church's in-house investment manager, the Central Finance Board (CFB) of The Methodist Church, whose mission is to:

- provide a high-quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios that are consistent with the moral stance and teachings of the Christian faith;
- encourage strategic thinking on the ethics of investment; and
- be a Christian witness in the investment community.

To ensure that the CFB is working to the highest ethical standards, the trustees established the Joint Advisory Committee for the Ethics of Investment (JACEI), which is made up of five people nominated by the CFB and five by the Methodist Council. The committee monitors the activities of the CFB to ensure that it complies with the ethical stance of the Church.

With regard to investment management the Finance Sub-Committee and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £39m vs £194m (2020: £53m vs £189m). The reduction in investment properties is largely due to the deconsolidation of the Westminster College Oxford Trust and the transfer of trusteeship for Oxford Place, Leeds to the Yorkshire West District.

## Performance and holdings

Gains on investments in year were £22.7m (2020: £5.8m loss on investments). This performance was directly linked to the global market recovery following the Covid-19 pandemic. The total returns as at 31 August 2021 for CFB managed funds are summarised as follows:

	1 year to 31.08.21	3 years to 31.08.21 (p.a.)	11.07.16 to 31.08.21 (p.a.)
Managed LT Methodist Council Fund	22.4%	8.0%	9.6%
Managed MT Methodist Council Fund	12.5%	5.7%	6.3%
	<b>1 year</b>	<b>3 years (pa)</b>	<b>10 years (pa)</b>
CFB UK Equity Fund	29.7%	5.7%	8.7%
FTSE All Share	26.9%	3.7%	7.7%
Ethical benchmark	21.1%	3.1%	7.7%
CFB Overseas Fund	28.9%	13.4%	14.2%
FTSE All World ex UK	25.6%	13.1%	14.2%
CFB Short Fixed Interest Fund	-1.1%	1.6%	2.1%
Benchmark	-1.2%	1.6%	2.1%
CFB Corporate Bond Fund	0.4%	3.8%	5.0%
Benchmark	3.1%	5.6%	6.4%
CFB Deposit Fund	0.1%	0.5%	0.7%
1 week Libid	-0.1%	0.3%	0.3%

## Property benchmarks

	1 year to 30.06.21	3 years to 30.06.21 (p.a.)	11.07.16 to 31.06.21 (p.a.)
Managed LT Methodist Council Fund	18.9%	7.6%	9.1%
Benchmark	16.5%	7.1%	8.6%
Ethical Benchmark	16.0%	7.3%	8.7%
Managed MT Methodist Council Fund	10.3%	5.4%	6.1%
Benchmark	7.9%	5.1%	5.6%
Ethical benchmark	7.6%	5.2%	5.6%
	<b>1 year</b>	<b>3 years (pa)</b>	<b>10 years (pa)</b>
CFB Property Fund	8.9%	3.9%	8.1%
FTSE All Share	21.5%	2.0%	6.4%

## Principal Risks and Uncertainties

The Methodist Church in Great Britain has a risk management policy, which has been set by the Methodist Council for use both by the trustees and by the Connexional Team on behalf of the trustees. The risk management policy is designed to identify and analyse key strategic and operational risks facing The Methodist Church and, where they are at unacceptable levels, to take steps to mitigate the risks.

We define key strategic and operational risks as those that, without effective or appropriate mitigation, are highly likely to occur and would have a negative impact on the Church's ability to fulfill its purpose of advancing the Christian faith in accordance with its doctrinal standards. These risks are reported to the trustees through a risk management process, which allows them both to challenge any assumptions the management team has made about risks and to understand the context in which decisions are taken. This helps to ensure that the most serious risks are being managed effectively.

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church and the mitigations are as follows:

Risk	Current mitigations
Lack of coherent strategy and an inability to identify priorities contributing to decline, ultimately resulting in The Methodist Church ceasing to exist.	Methodist Council, Connexional Leaders' Forum, and Strategy and Resources Committee engaging regularly with strategic overview of the future direction of the Church.
Ineffective recruitment and training of those who fulfill ministerial/lay roles resulting in shortage/surplus of ministers or decline in membership due to poor standard/allocation of ministers/lay workers.	Ongoing review and improvement of candidating and training processes, ongoing learning and development for ministers. Stationing processes. Continuing to encourage, equip, and support lay ministry in the Methodist Church in Britain.
Safeguarding failures leading to harm to individuals or the organisation.	Ongoing review programme of Safeguarding Policy, Procedures & Guidance to reflect current legislation and good practice.
Ineffective stewardship of resources resulting in reduced liquidity/cash flow or deficit; or failure to use funds towards changing priorities.	Transparent and meaningful accounts presented to all the relevant bodies. Various committees undertaking important functions with regard to investment, audit, and setting of reserves; Connexional Finance Strategy adopted by the Council in October 2018 and revised strategic property guidance in 2021. New budget allocation process adopted in 2020.
Local churches and circuits deciding to leave the connexional framework resulting in reduction or break-up of the Methodist Connexion.	Deed of Union and Standing Orders state importance of connexionalism and supporting one another; provisions for consulting Districts and Circuits before any anticipated changes. Decisions arising from the God in Love Unites Us report to the 2021 Conference, including allowing same-sex marriages to take place on Methodist premises have increased the risk of this occurring.
Ineffective governance and organisational structure meaning the Conference fails to function properly as the Church's governing body and the Conference trustees cannot fulfil their legal responsibilities.	In practice the Council and other delegated bodies (SRC; Audit and Risk Assurance) are carrying out some significant trustee oversight activities. Improvements have been made to existing policies (risk management) and new policies have been implemented (anti-fraud).
Connexional property projects are not completed, or are completed to a poor standard, and are significantly over budget.	In depth project management and cost monitoring being carried out with weekly reporting. Property Development Committee and SRC being updates at every meeting.

New connexional investment properties fail to deliver expected levels of income due to the effects of the pandemic.	New project is currently scheduled to open for business from September 2022, which should allow time for gradual recovery of the economy.
Existing connexional investment properties fail to recover as viable businesses post the pandemic.	The business models remain under close review by the relevant Boards/committees. They continue to monitor trends as the country emerges from the pandemic and will adapt as required to generate/increase trade.

### **Risk management**

In relation to the principal risks identified, these are managed on an on-going basis by the relevant member of the Senior Management Group (SMG) of the Connexional Team. Mitigating actions and risk scores are reviewed monthly at a meeting of the SMG. The risks are reviewed at the Audit & Risk Assurance Committee and at the Methodist Council. The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

### **Risk appetite**

Risk appetite is the amount of risk the Church is willing to accept in relation to key drivers of the organisation. Our risk management philosophy is to minimise risk but it enables us to accept additional risk, providing the impact has been evaluated, mitigation measures have been put in place and a regular robust monitoring process is established. This approach to reviewing risk enables the Methodist Council to adopt appropriate behaviours, decisions and controls according to the priorities in the Connexional Team's strategy plan.

Prior to any risk being accepted, we consider the likelihood of the risk occurring and the impact on the Church if the risk did occur. Any risk that seriously threatens the ability of The Methodist Church in Great Britain, now or in the future, to further its purpose of advancing the Christian faith will not be acceptable. If such a risk cannot be extinguished, then all steps will be taken to minimise the likelihood of the risk occurring.

### **Risk strategy and responsibilities**

The Council's role in the oversight of risk is to set out the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees. This includes:

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;
- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether or not the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit Committee and the Strategy and Resources Committee) receive a number of key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually, and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any emerging issues. A summary of the terms of reference of the committee can be found on page 8.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external audit provides a report to the Audit Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

### **Monitoring and review of the policy**

The risk management policy is reviewed by the Senior Management Group of the Connexional Team, meeting annually as the Risk Management Group, which makes reports to the Audit Committee and makes recommendations to the Strategy and Resources Committee and/or to the Council.

For the year under review, the Council is satisfied that the major risks to which the Church is exposed have been assessed and is satisfied that systems are in place to manage and mitigate exposure to them.

Risk management is part of the wider system of internal control. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the Church to respond to a variety of operational, legal, financial and commercial risks.

## Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure as the lockdown lasted longer than expected. Conversely, income increased particularly due to additional property levy income. Overall balances increased through the significant increases in investment valuations. Looking forward, the budget for 2021/22 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The risk of reductions in District Assessment income over the next 2-3 years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Accounts and commercial bank accounts.

## The Environment

The Methodist Church takes its responsibility towards the environment seriously (as detailed in *Hope in God's Future*). Having originally set an ambitious target of 80% reduction of carbon emissions by 2050, in recognition of the urgency of the climate emergency, the Conference agreed an aspirational target to become a net zero Church by 2030.

### Our environmental goals

The Church's goals are:

- improved knowledge of the footprint of The Methodist Church and of the measures that would be most effective in reducing carbon emissions;
- improved knowledge of further technical support that can be made available to support circuits' adaptation of buildings;
- further financial resources identified to support reduction in carbon emissions; and
- better equipped staff and ministers to make informed choices to reduce their carbon footprint.

In light of the significant impact our properties have on carbon emissions, the Conference proposed that steps are taken to 'green' our processes with regard to property including:

- making representations to the Listed Buildings Advisory Committee to see ecofriendly adaptations as a priority;
- ensuring that all building schemes take seriously the need to reduce carbon emissions;
- updating the requirements of quinquennials to embrace factors that could reduce carbon emissions;
- updating SO 803 (with regard to Manses) to ensure that manses become as energy efficient as possible;
- supporting Circuits in finding ways to measure and improve their buildings' energy efficiency.

## Related Parties

The various parts of the legal framework within which The Methodist Church is governed allow for the setting up of separate bodies all reporting into the Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church. The related parties are:

1. The Trustees for Methodist Church Purposes (TMCP). These are the custodian trustees of all property held on the Model Trust of The Methodist Church Act 1976, except for properties in the Channel Islands and the Isle of Man, which are held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes and the Trustees for Manx Methodist Church Purposes.
2. The Central Finance Board of The Methodist Church (CFB). This was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.
3. The Methodist Ministers' Housing Society. This was set up under the Community and Co-operative Benefit Societies Act 2014. It provides housing and associated amenities for retired Methodist presbyters, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.
4. The Queen's Foundation for Ecumenical and Theological Education. This institution offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.
5. Other Methodist bodies with which the Connexional Team have regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 91) of the financial statements.



## Statement of Trustees' Responsibilities

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the group and of the income and expenditure of the charity and group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditor

A resolution proposing the reappointment of RSM UK Audit LLP as auditor to the charity will be put to the Methodist Council.

RSM UK Audit LLP has indicated its willingness to continue in office.



**Mrs E Jill Baker**  
**Chair of the Council**

**January 2022**

## **Independent Auditor's Report to the trustees of The Methodist Church in Great Britain**

### **Opinion**

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Connexional Statement of Financial Activities, the Consolidated and Connexional Balance Sheets, the Consolidated and Connexional Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 August 2021 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If,

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 40, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud. In identifying

and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011 and the parent charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to General Data Protection regulations in the UK and safeguarding. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

RSM UK Audit LLP  
Statutory Auditor, Chartered Accountants  
St Philips Point  
Temple Row, Birmingham  
West Midlands, B2 5AF

Date: 7 February 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**Consolidated statement of financial activities for  
the year ended 31 August 2021**

## The Methodist Church in Great Britain

### Consolidated statement of financial activities

For the year ended 31 August 2021

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
<b>Income and endowments from:</b>									
Donations and legacies	3a	1,079	5,620	-	6,699	3,564	5,994	-	9,558
Charitable activities	3e	13,680	306	-	13,986	13,555	342	-	13,897
Investments	4a	1,312	3,539	-	4,851	1,350	4,060	-	5,410
Other trading activities	5a	851	1,235	-	2,086	4,835	1,217	-	6,052
Other									
Capital levies	6a	10,272	-	-	10,272	6,917	-	-	6,917
Grants	6b	416	954	-	1,370	469	729	-	1,198
Miscellaneous income	3c	426	590	-	1,016	647	685	-	1,332
<b>Total income</b>		<b>28,036</b>	<b>12,244</b>	<b>-</b>	<b>40,280</b>	<b>31,337</b>	<b>13,027</b>	<b>-</b>	<b>44,364</b>
<b>Expenditure on:</b>									
Raising funds		2,988	966	17	3,971	6,159	1,001	17	7,177
Charitable activities									
Building communities	7a	1,023	817	-	1,840	1,251	818	-	2,069
Children & Youth	7a	1,266	7	-	1,273	1,690	7	-	1,697
Evangelism & Growth	7a	5,561	394	10	5,965	4,662	1,444	-	6,106
Global relations	7a	972	7,188	-	8,160	1,341	8,719	-	10,060
Learning Network	7a	2,654	13	-	2,667	2,803	19	-	2,822
Methodist Council & Governance	7a	4,221	18	-	4,239	3,378	4,335	-	7,713
Ministry	7a	5,152	4,260	-	9,412	875	149	-	1,024
Property	7a	801	140	-	941	4,698	29	-	4,727
Others - Pensions	7a	799	-	-	799	691	-	-	691
Net loss on the disposal of tangible fixed assets	7a	148	(59)	-	89	106	161	-	267
<b>Total expenditure</b>	<b>20a, 21a</b>	<b>25,585</b>	<b>13,744</b>	<b>27</b>	<b>39,356</b>	<b>27,654</b>	<b>16,682</b>	<b>17</b>	<b>44,353</b>
Net gains/(losses) on investments	14a	9,924	9,646	3,125	22,695	(3,070)	(1,850)	(849)	(5,769)
<b>Net income</b>		<b>12,375</b>	<b>8,146</b>	<b>3,098</b>	<b>23,619</b>	<b>613</b>	<b>(5,505)</b>	<b>(866)</b>	<b>(5,758)</b>
Transfers between funds	22	946	(1,203)	257	-	954	(1,187)	233	-
<b>Net income after transfers</b>		<b>13,321</b>	<b>6,943</b>	<b>3,355</b>	<b>23,619</b>	<b>1,567</b>	<b>(6,692)</b>	<b>(633)</b>	<b>(5,758)</b>
<b>Other recognised gains and losses:</b>									
Remeasurement of net defined benefit pension scheme liability	28	12,213	80	-	12,293	(9,092)	(29)	-	(9,121)
Gains(losses) on revaluation of charitable properties		-	946	-	946	-	(5,000)	-	(5,000)
<b>Net movement in funds</b>		<b>25,534</b>	<b>7,969</b>	<b>3,355</b>	<b>36,858</b>	<b>(7,525)</b>	<b>(11,721)</b>	<b>(633)</b>	<b>(19,879)</b>
<b>Total funds at 1 September</b>		<b>92,442</b>	<b>152,119</b>	<b>19,480</b>	<b>264,041</b>	<b>99,967</b>	<b>163,840</b>	<b>20,113</b>	<b>283,920</b>
Elimination of Westminster College from consolidation	9	-	(10,757)	-	(10,757)	-	-	-	-
<b>Total funds at 31 August</b>		<b>117,976</b>	<b>149,331</b>	<b>22,835</b>	<b>290,142</b>	<b>92,442</b>	<b>152,119</b>	<b>19,480</b>	<b>264,041</b>

## The Methodist Church in Great Britain

### Statement of financial activities - The Connexional Funds

For the year ended 31 August 2021

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
<b>Income and endowments from:</b>									
Donations and legacies	3b	1,079	2,267	-	3,346	3,564	2,893	-	6,457
Charitable activities	3f	13,680	306	-	13,986	13,555	402	-	13,957
Investments	4b	1,312	2,975	-	4,287	1,499	2,950	-	4,449
Other trading activities	5b	304	942	-	1,246	319	913	-	1,232
Other									
Capital levies	6a	10,272	-	-	10,272	6,917	-	-	6,917
Grants	6c	-	266	-	266	-	183	-	183
Miscellaneous income	3d	455	18	-	473	713	42	-	755
<b>Total income</b>		<b>27,102</b>	<b>6,774</b>	<b>-</b>	<b>33,876</b>	<b>26,567</b>	<b>7,383</b>	<b>-</b>	<b>33,950</b>
<b>Expenditure on:</b>									
Raising funds		1,175	966	17	2,158	1,360	1,001	17	2,378
Charitable activities									
Building communities	7b	1,023	817	-	1,840	1,251	818	-	2,069
Children & Youth	7b	1,264	9	-	1,273	1,690	7	-	1,697
Evangelism & Growth	7b	5,561	395	10	5,966	4,661	1,443	-	6,104
Global relations	7b	972	4,476	-	5,448	1,341	5,784	-	7,125
Learning Network	7b	2,654	13	-	2,667	2,803	20	-	2,823
Methodist Council & Governance	7b	4,220	19	-	4,239	3,941	738	-	4,679
Ministry	7b	5,858	1,252	-	7,110	875	149	-	1,024
Property	7b	800	141	-	941	4,697	28	-	4,725
Others - Pensions	7b	799	-	-	799	691	-	-	691
Net loss on the disposal of tangible fixed assets	7b	148	(59)	-	89	106	161	-	267
<b>Total expenditure</b>	<b>20b, 21b</b>	<b>24,474</b>	<b>8,029</b>	<b>27</b>	<b>32,530</b>	<b>23,416</b>	<b>10,149</b>	<b>17</b>	<b>33,582</b>
Net gains/(losses) on investments	14b	9,924	9,175	3,125	22,224	(3,010)	(2,258)	(849)	(6,117)
<b>Net income</b>		<b>12,552</b>	<b>7,920</b>	<b>3,098</b>	<b>23,570</b>	<b>141</b>	<b>(5,024)</b>	<b>(866)</b>	<b>(5,749)</b>
Transfers between funds	22	946	(1,203)	257	-	954	(1,187)	233	-
<b>Net income after transfers</b>		<b>13,498</b>	<b>6,717</b>	<b>3,355</b>	<b>23,570</b>	<b>1,095</b>	<b>(6,211)</b>	<b>(633)</b>	<b>(5,749)</b>
<b>Other recognised gains and losses:</b>									
Remeasurement of net defined benefit pension scheme liability	28	12,213	80	-	12,293	(9,092)	(29)	-	(9,121)
Gains on revaluation of charitable properties		-	-	-	-	-	(5,000)	-	(5,000)
<b>Net movement in funds</b>		<b>25,711</b>	<b>6,797</b>	<b>3,355</b>	<b>35,863</b>	<b>(7,997)</b>	<b>(11,240)</b>	<b>(633)</b>	<b>(19,870)</b>
<b>Total funds at 1 September</b>		<b>90,110</b>	<b>123,261</b>	<b>19,480</b>	<b>232,851</b>	<b>98,107</b>	<b>134,501</b>	<b>20,113</b>	<b>252,721</b>
<b>Total funds at 31 August</b>		<b>115,821</b>	<b>130,058</b>	<b>22,835</b>	<b>268,714</b>	<b>90,110</b>	<b>123,261</b>	<b>19,480</b>	<b>232,851</b>



**The Methodist Church in Great Britain**  
**Balance Sheets as at 31 August 2021**

	Notes	The Methodist Church in Great Britain		The Connexional Funds	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Fixed assets</b>					
Intangible assets	13c	76	99	63	83
Tangible fixed assets	13a&b	95,947	94,231	87,366	86,315
Investments	14a&b	193,575	189,112	181,991	162,308
		<b>289,598</b>	<b>283,442</b>	<b>269,420</b>	<b>248,706</b>
<b>Current assets</b>					
Stocks	17	54	60	36	41
Debtors	15	3,611	3,845	3,342	3,482
Short-term deposits		13,326	14,038	11,539	12,745
Cash at bank and in hand		4,970	4,559	4,179	2,808
<b>Total current assets</b>		<b>21,961</b>	<b>22,502</b>	<b>19,096</b>	<b>19,076</b>
<b>Creditors</b>					
Amounts falling due within one year	16a	(14,372)	(17,158)	(13,425)	(14,908)
<b>Net current assets</b>		<b>7,589</b>	<b>5,344</b>	<b>5,671</b>	<b>4,168</b>
<b>Total assets less current liabilities</b>		<b>297,187</b>	<b>288,786</b>	<b>275,091</b>	<b>252,874</b>
<b>Creditors</b>					
Amounts falling due after more than one year	16b	(3,969)	(8,960)	(3,301)	(4,238)
<b>Net assets excluding pension liability</b>		<b>293,218</b>	<b>279,826</b>	<b>271,790</b>	<b>248,636</b>
Defined benefit pension scheme liability	28	(3,076)	(15,785)	(3,076)	(15,785)
<b>Net assets including pension liability</b>	23	<b>290,142</b>	<b>264,041</b>	<b>268,714</b>	<b>232,851</b>
<b>The funds of the charity</b>					
Unrestricted funds					
General funds		53,214	54,139	52,514	52,904
Designated funds		66,092	52,193	64,984	51,096
Defined benefit pension scheme liability	28	(1,330)	(13,890)	(1,677)	(13,890)
<b>Total unrestricted funds</b>	19	<b>117,976</b>	<b>92,442</b>	<b>115,821</b>	<b>90,110</b>
Restricted funds	20	149,331	152,119	130,058	123,261
Endowment funds	21	22,835	19,480	22,835	19,480
<b>Total funds</b>		<b>290,142</b>	<b>264,041</b>	<b>268,714</b>	<b>232,851</b>

Total unrestricted funds include revaluation reserve of £7.2m (2020: £7.6m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £54.1m (2020: £54.3m) for The Methodist Church in Great Britain and £52.2m (2020: £52.3m) for The Connexional Funds. (Note 24 Page 90)

The notes on pages 49 to 98 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26<sup>th</sup> January 2022 and signed on their behalf by:

Mrs E Jill Baker  
 Chair of the Council



The Reverend Timothy Swindell  
 Connexional Treasurer



## The Methodist Church in Great Britain

### Cash flow statements For the year ended 31 August 2021

Statement of cash flows	Note	The Methodist Church in Great Britain		The Connexional Funds	
		2021 £000	2020 £000	2021 £000	2020 £000
<b>Cash flows from operating activities</b>					
Net cash generated used in operating activities		(3,672)	(4,477)	(2,813)	(2,893)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		4,851	5,410	4,287	4,449
Proceeds from the sale of property, plant and equipment		1,893	710	1,893	710
Purchase of property, plant and equipment	13a, 13b	(3,104)	(2,915)	(3,069)	(2,769)
Purchase of intangible assets	13c	(6)	(17)	(6)	(17)
Proceeds from the sale of investments	14a	382	1,100	100	100
Purchase of investments	14a, 14b	(348)	(1,593)	(227)	(620)
<b>Net cash provided by investing activities</b>		<b>3,668</b>	<b>2,695</b>	<b>2,978</b>	<b>1,853</b>
<b>Cash flows from financing activities</b>					
Repayment of loans		472	(522)	-	(502)
<b>Net cash from/(used in) financing activities</b>		<b>472</b>	<b>(522)</b>	<b>-</b>	<b>(502)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>468</b>	<b>(2,304)</b>	<b>165</b>	<b>(1,542)</b>
Cash and cash equivalents at the beginning of the reporting period		18,597	20,901	15,553	17,095
Non-consolidated entity - Westminster College, Oxford		(769)	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>18,296</b>	<b>18,597</b>	<b>15,718</b>	<b>15,553</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>					
		<b>2021 £000</b>	<b>2020 £000</b>	<b>2021 £000</b>	<b>2020 £000</b>
		23,619	(5,762)	23,570	(5,749)
<b>Adjustments for:</b>					
Depreciation and amortisation charges		382	514	62	86
Loss on the sale of fixed assets		89	267	89	267
Property transferred back to District		2,250	(454)	2,250	(454)
CFB investment units transferred to District		418	-	418	-
Net (gains)/ losses on investments		(22,695)	5,769	(22,224)	6,117
Investment income		(4,851)	(5,410)	(4,287)	(4,449)
Decrease in stocks		6	10	5	9
Decrease/(increase) in debtors		209	1,439	140	1,940
(Decrease)/increase in creditors		(2,681)	(1,160)	(2,420)	(966)
Pension costs/difference between pension costs charged and paid		(418)	310	(416)	306
<b>Net cash generated used in operating activities</b>		<b>(3,672)</b>	<b>(4,477)</b>	<b>(2,813)</b>	<b>(2,893)</b>
<b>Analysis of cash and cash equivalents</b>					
		<b>2021 £000</b>	<b>2020 £000</b>	<b>2,021 £000</b>	<b>2020 £000</b>
Cash in hand and at bank		4,970	4,559	4,179	2,808
Short-term deposits (less than 3 months)		13,326	14,038	11,539	12,745
<b>Total cash and cash equivalents</b>		<b>18,296</b>	<b>18,597</b>	<b>15,718</b>	<b>15,553</b>
<b>Analysis of changes in net debt</b>					
<b>The Methodist Church in Great Britain</b>					
		<b>01-Sep 2020 £000</b>	<b>Cash flows £000</b>	<b>Non-cash changes £000</b>	<b>31-Aug 2021 £000</b>
<b>Cash and cash equivalents</b>					
Short-term deposits		14,038	57	(769)	13,326
Cash at bank and in hand		4,559	411	-	4,970
		<b>18,597</b>	<b>468</b>	<b>(769)</b>	<b>18,296</b>
<b>Borrowings</b>					
Debt due within one year		(28)	28	(28)	(28)
Debt due after one year		(196)	(500)	28	(668)
		<b>(224)</b>	<b>(472)</b>	<b>-</b>	<b>(696)</b>
<b>Total</b>		<b>18,373</b>	<b>(4)</b>	<b>(769)</b>	<b>17,600</b>
<b>The Connexional Funds</b>					
		<b>01-Sep 2020 £000</b>	<b>Cash flows £000</b>	<b>Non-cash changes £000</b>	<b>31-Aug 2021 £000</b>
<b>Cash and cash equivalents</b>					
Short-term deposits		12,745	(1,206)	-	11,539
Cash at bank and in hand		2,808	1,371	-	4,179
		<b>15,553</b>	<b>165</b>	<b>-</b>	<b>15,718</b>
<b>Borrowings</b>					
Debt due within one year		-	-	-	-
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>		<b>15,553</b>	<b>165</b>	<b>-</b>	<b>15,718</b>

## **1. Accounting policies**

### **a) Scope and basis of the preparation of the financial statements**

The Methodist Church in Great Britain is a public benefit entity for the purposes of FRS 102, and therefore the financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ('the SORP').

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 57.

### **b) Preparation of the financial statements on a going concern basis**

These financial statements have been prepared on the basis that The Methodist Church in Great Britain is a going concern. A comprehensive review of the Church's financial performance and general reserves position is covered in the financial statements and Trustees' Report. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the particular impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure as the lockdown lasted longer than expected. Conversely, income increased particularly due to additional property levy income. Overall balances increased through the significant increases in investment valuations. Looking forward, the budget for 2021/22 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The risk of reductions in District Assessment income over the next 2-3 years is mitigated by the reserves held by churches, circuits and districts in the Central Finance Board Deposit Accounts and commercial bank accounts.

### **c) Group financial statements**

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below.

The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities. Westminster College Oxford Trust does not have more than 50% of its trustees appointed by the Council (they are appointed by the Methodist Conference) and therefore the Methodist Council does not have sufficient control to govern the financial and operating policies of the entity. Consequently, the Council has approved that the accounts of Westminster College will no longer form part of the consolidated accounts of the Methodist Church in Great Britain. For consolidated companies limited by

**Accounting policies (continued)**

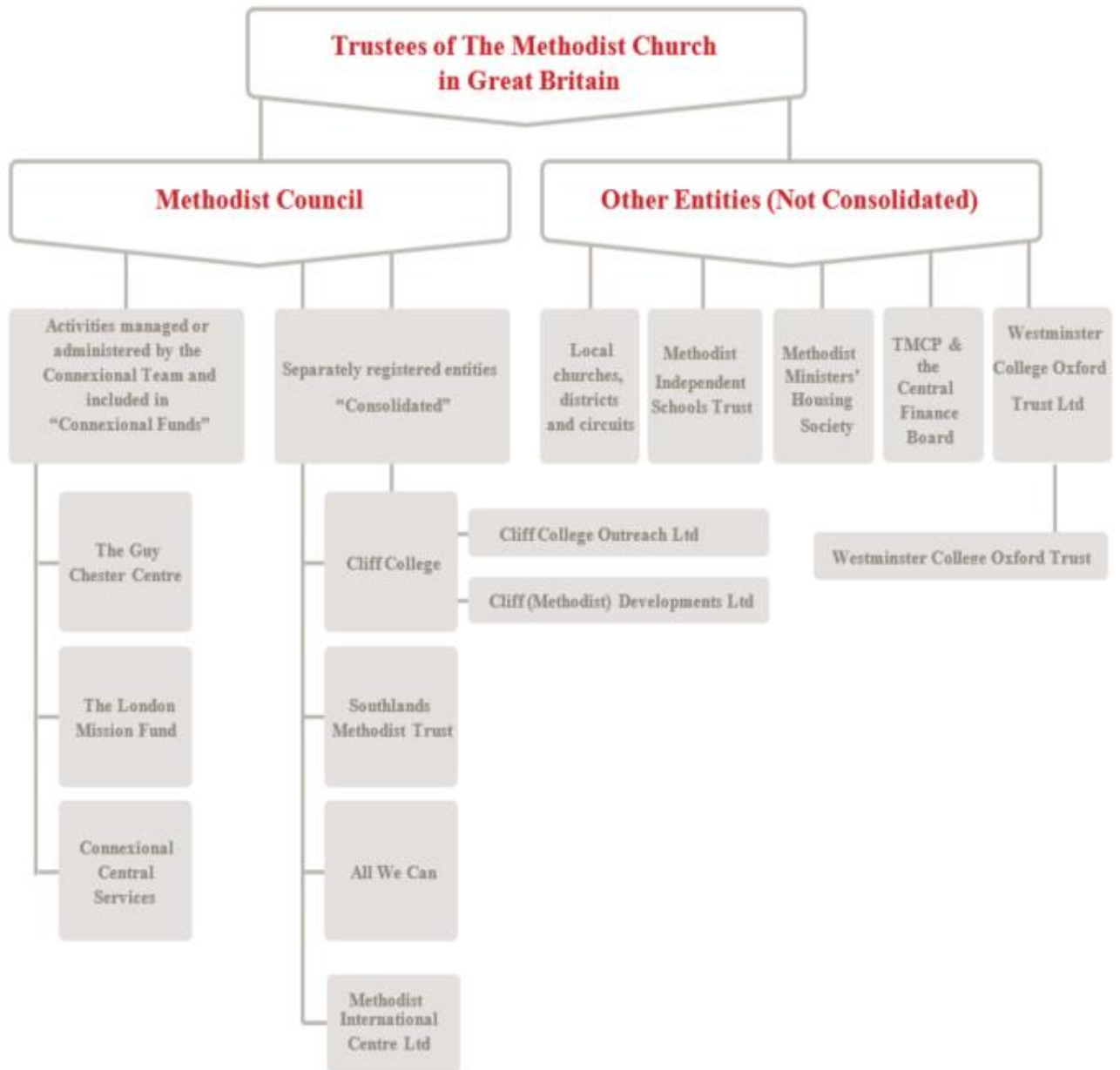
shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

The beneficial element of this control is demonstrated by the concurrence of purpose. All the subsidiary entities included in the consolidation contribute to the purposes and aims of the Methodist Church in Great Britain and benefit its beneficiaries.

The results of the subsidiary entities are consolidated on a line-by-line basis in accordance with section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

Accounting policies (continued)

d) The group structure



e) Excluded entities

There are a number of entities which form part of the wider picture of the Methodist Church in Great Britain, some of which are mentioned below. These entities are excluded from consolidation because the Methodist Council has no control over their financial and operating policies.

- Methodist churches, circuits and districts
- Methodist Independent Schools Trust
- Trustees for Methodist Church Purposes (TMCP)
- The Central Finance Board (CFB)

## **Accounting policies (continued)**

The Methodist Ministers' Housing Society  
Westminster College Oxford Trust Ltd  
Westminster College Oxford Trust

### **f) Recognition of income and endowments**

All income is accounted for when the Church has entitlement to the funds, the amount can be quantified and receipt of the funds is probable. Where income is received in advance of providing goods and/or services, it is deferred until the Church becomes entitled to that income.

All income is reported gross.

Rental income from operating leases (net of incentives given to the lessees) is recognised on a straight-line basis over the lease term.

No amounts are included in the financial statements for services donated by volunteers.

### **District Assessment**

The assessment is accounted for on a receivable basis. The amount can be measured reliably by the Church as they are published annually in advance in the Minutes of Conference. Standing Order 361 (2) states that the Methodist Church Fund shall be maintained "by an assessment levied by the Conference on each Circuit in the home church through the Districts [...]". The assessment primarily funds the decisions of the Conference, part of which is the provision of certain services such as the administration of the connexionally held funds and the processing of ministerial stipends.

### **Donations**

Donations are recognised when there is evidence of entitlement, receipt is probable and the amounts can be measured reliably. Where a donor has specified certain terms and conditions, the Church evaluates whether these conditions can be met before claiming entitlement. In any event, donations or gifts with conditions or terms which are outside of the Church's stated purposes, or which are illegal are rejected by the Church.

Goods donated for on-going use by the Church in carrying out its activities are recognised as tangible fixed assets or as investments with the corresponding gain recognised as income from donations within the SOFA, subject to the capitalisation threshold of £1,000.

### **Legacies**

Entitlement to a legacy is assumed when there is sufficient evidence that a gift has been left to the Church, usually through the notification of a will. Receipt of a legacy is deemed probable when there has been a grant of probate and it has been established that there are sufficient assets in the estate to pay the legacy and there are no conditions attached to the legacy that are outside the control of the Church, or uncertainty around the receipt of this gift. Income from pecuniary legacies is recognised upon notification or receipt if earlier.

Where legacies have been notified to the Church or the Church is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

### **Capital (property) levies**

Capital levies are due on the disposition of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church. These are accounted for on a receipts basis when the disposal proceeds are deposited with the Church's custodian, Trustees for Methodist Church Purposes. Capital levies are disclosed net of any refunds due back to the church, circuit or district.

## Accounting policies (continued)

### Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

### g) Accounting for leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

### h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement.

There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

Expenditure on raising funds includes all expenditure incurred to raise income to spend on charitable purposes. Expenditure on charitable activities includes all costs incurred by the Church in undertaking activities that further its charitable aims for the benefit of its beneficiaries. This expenditure is further analysed into direct and support costs. Direct costs are those specifically related to producing the delivery of an activity or service, for example the costs incurred in training ministers; mission partners working overseas or the payment of grants to beneficiaries. Support costs are those which provide indirect support to front-line services – for example financial services, facilities management, development and personnel, governance costs and management information services. Support costs not attributable to a single activity have been allocated on a basis consistent with identified cost drivers for that cost category such as staff head count and floor space.

### Grant commitments

Grants awarded are provided for in the SOFA in the year in which they are approved by the trustees and the offer is communicated to the recipient. Grants awarded but not paid are recorded as a liability within the balance sheet. Grants awarded subject to explicit conditions being met by the recipient before payments are made are not accrued until such conditions have been met. Such commitments are disclosed in the financial statements as contingent liabilities.

### i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while trustees have the power to convert expendable funds into income. The return on endowment investments is made up of income earned.



## **Accounting policies (continued)**

The costs of raising and administering the restricted funds are charged against the specific fund. Any investment income or gain is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in the case of endowment funds.

### **j) Pension costs**

#### **Defined benefit pension schemes**

The Methodist Council participates in three main pension schemes: the Methodist Ministers' Pension Scheme (MMPS); the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The PASLEMC scheme is a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction. The Council's policy is to recognise the contributions paid to the Scheme by other group employers as a credit in the Statement of Financial Activities.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 58-59.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date, using the projected unit credit method, and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term to the scheme liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other recognised gains and losses in the SOFA. These amounts together with the return on plan assets less amounts included in net interest, and any unrecognised net surplus, are disclosed as re-measurements of the PASLEMC defined benefit liability. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet. Any asset resulting from this calculation is limited to the present value of available refunds or reductions in future contributions to the plan.

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 58-59. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

#### **Defined contribution pension schemes**

Pension costs in respect of defined contribution schemes are charged to the SOFA for the period in which they are payable. Such costs are allocated to activities and between funds according to an employee's normal job function.

## Accounting policies (continued)

### k) Stocks

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete or slow moving items.

### l) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the SOFA.

### m) Tangible fixed assets

All tangible fixed assets costing more than £1,000 are capitalised and included initially at cost, including any incidental expenses of acquisition and irrecoverable VAT. Subsequently, charitable (functional) land and buildings are held at valuation. The Church undertakes to perform the valuations every five years to ensure that the carrying amount does not differ materially from the fair value of the asset at the end of the reporting period. Work to existing properties which is capable of extending the useful life or otherwise adding to the value of the property is capitalised. All other expenditure incurred in respect of general repairs to functional assets is charged to the SOFA in the year it is incurred. Assets under construction are stated at cost and transferred to completed properties when ready for use.

### n) Depreciation

Tangible fixed assets are depreciated to their estimated residual values over their expected useful lives. The depreciation expense is charged or apportioned to the relevant SOFA heading reflecting the asset's use on a straight-line basis as follows:

Freehold land	nil
Freehold buildings	nil
Computer equipment	over 3 years
Furniture and fittings	over 5 years
Motor vehicles	over 5 years

### o) Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Church estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in the Statement of Financial Activities. Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Financial Activities or, for revalued assets, as a revaluation gain. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

### p) Intangible fixed assets and amortisation

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment losses.

Computer software, including development costs, is capitalised as an intangible asset and amortised on a straight-line basis over the expected useful life of five years. Impairment reviews are conducted when events and changes in circumstances indicate that an impairment may have occurred. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly.

## **Accounting policies (continued)**

### **q) Heritage assets**

There are four Methodist Heritage sites in Great Britain which fit into this definition. These are: The Old Rectory, Epworth, Lincolnshire - the childhood home of John and Charles Wesley; The New Room (John Wesley's Chapel), Bristol - the first ever Methodist building in the world; Wesley's Chapel & House, and The Museum of Methodism, London - John Wesley's London base (from which he travelled 250,000 miles to preach, and the place of his death and burial) and Englesea Brook Chapel & Museum of Primitive Methodism, near Crewe - exhibitions and activities focusing on one strand of 19th Century Methodism. These assets have not been consolidated in the financial statements because they belong to entities that are not under the control of the Methodist Council.

### **r) Investments**

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2021, updated by the value of any share acquisitions (at cost) up to 31 August 2021. The assets are held at fair value.

### **s) Irrecoverable VAT**

Irrecoverable VAT has been charged to the expenditure to which it relates within the statement of financial activities.

### **t) Cash and cash equivalents**

Cash and cash equivalents includes cash and cash held on deposit with the Central Finance Board of the Methodist Church and the Trustees' Investment Fund of the Trustees for Methodist Church Purposes and which has a maturity of less than three months from the date of acquisition and used for working capital purposes. Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

### **u) Financial instruments**

The Church has basic financial instruments and financial assets. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Creditors are recognised where the Church has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial assets comprise investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. The fair value of the investments is based on the closing quoted bid price at the accounting dates. Unrealised gains and losses arising from changes in market value are recognised in the income and expenditure account.

## **Accounting policies (continued)**

### **v) Concessionary loans made**

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest-free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £10,000 repayable over five years. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

### **w) Termination benefits and payments**

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment.

Termination benefits are those that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure. These are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

## **2. Accounting estimates and judgments**

In preparing the financial statements, the trustees are required to make estimates and judgments. The areas considered below are considered the most important in understanding the judgments that underlie the financial statements as well as the uncertainties inherent in accounting estimates that could affect the figures reported in the operating results, financial position and cash flows of the next or future accounting periods.

The accounting policies are set out in Note 1 to the financial statements.

### **Grant commitments**

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

### **Cost allocation**

Costs that are not attributable to a single activity are reallocated, or apportioned to activities on a basis consistent with identified cost drivers for that activity. Cost drivers utilised include the headcount and floor space and judgment is exercised in applying cost drivers to cost categories.

## **Accounting estimates and judgments (continued)**

### **Actuarial assumptions in respect of defined benefit pension schemes**

The application of actuarial assumptions relating to defined benefit pension schemes incorporated in the financial statements is in accordance with FRS 102. In applying FRS 102, advice is taken from independent qualified actuaries. In this context, significant judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates. Movements on the defined pension schemes are shown in Note 28.

### **Defined benefit pension scheme commitments**

#### **The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)**

The Methodist Council is the principal employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, with its employees both past and present accounting for more than 80% of the scheme members. As mentioned in Note 12, there are other employing bodies, four of whom are not consolidated in these financial statements. These are The Central Finance Board of the Methodist Church; Trustees for Methodist Church Purposes (TMCP) and the Methodist Ministers Housing Association (MMHA) and Methodist Central Hall Trustees. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and relevant net defined benefit asset/liability of the Pension and Assurance Scheme for Lay Employees of the Methodist Church in its financial statements. This is because the Council is the sponsoring employer of this Scheme as it has legal responsibility for the plan. The Council closed the scheme to new entrants from 31 May 2019 following consultations taking place with members.

#### **The Methodist Ministers' Pension Scheme (MMPS)**

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. The scheme has not been included in these financial statements for the reasons set out below:

- a) There are approximately 1,266 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 54, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.5 million compared to £8.1 million paid by the circuits.
- b) The diagram on page 51 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

## **Accounting estimates and judgments (continued)**

There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such decision would be made by the Conference.

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council has been negotiating with the Trustee of the Scheme to agree a recovery plan and long term funding objective for the Scheme. The Recovery Plan consists of core payments of £1.1m per annum for 6 years; conditional payments (dependant on scheme funding position) of upto £3.4m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. A framework agreement has been negotiated that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory, and Connexional properties are to be charged to provide funding of last resort should remedy payments not be made. As stated in the reserves policy section of the Trustees' Report on page 31, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

### **Useful economic lives**

The annual depreciation charge for tangible fixed assets, particularly buildings is sensitive to change in the estimated useful economic lives and residual value of the assets. As our policy is to revalue the buildings every five years and to undertake full quinquennial inspection in the intervening years, the useful economic lives will be assessed and amended where necessary, to reflect current circumstances. Note 13a shows the relevant tangible fixed assets.

### **Methodist Church House**

The Methodist Council had agreed to discontinue the proposed redevelopment of Methodist Church House in light of significant change of circumstances since the decision had been made to rebuild. Consequently, the Methodist Council has recommended that Methodist Church House be sold, with the proceeds of the sale used for alternative office accommodation for the Connexional Team in London. Under the terms of the required Charity Commission Scheme for the Centenary Hall Trust, the Conference confirmed the decision to sell Methodist Church House.

### **Revaluation of functional property assets and investment properties**

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The Church obtains valuations to determine fair value on a cyclical basis; normally being every five years for functional properties and three years for investment properties. The trustees consider that this is sufficiently regular to ensure that their carrying amount does not differ materially from their fair value at the reporting date. Some of the key assumptions used to determine the fair value of the assets are based on the valuer's knowledge and experience of the market, values of similar properties that could be deemed subjective.

Revaluation gains on functional properties and investment properties are shown in Notes 24 and 14 respectively, and the relevant assets are included in Notes 13 and 14.

## **Accounting estimates and judgments (continued)**

### **Leases**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor. This is relevant to the lease between Westminster College Oxford Trust and Oxford Brookes University as shown in Note 16c on page 78. However, this is zero this year due to the deconsolidation of Westminster College Oxford Trust.



## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

<b>3a. Donations and legacies - The Methodist Church in Great Britain</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Donations	1,070	3,580	4,650	1,566	3,880	5,446
Legacies	9	2,040	2,049	1,998	2,114	4,112
<b>Total</b>	<b>1,079</b>	<b>5,620</b>	<b>6,699</b>	<b>3,564</b>	<b>5,994</b>	<b>9,558</b>

<b>3b. Donations and legacies - The Connexional Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Donations	1,070	1,807	2,877	1,566	1,955	3,521
Legacies	9	460	469	1,998	938	2,936
<b>Total</b>	<b>1,079</b>	<b>2,267</b>	<b>3,346</b>	<b>3,564</b>	<b>2,893</b>	<b>6,457</b>

<b>3c. Miscellaneous income - The Methodist Church in Great Britain</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Student fees	-	545	545	-	620	620
Seminars and events	17	-	17	168	1	169
Conference income	6	-	6	-	-	-
Administration & IT services	23	-	23	41	-	41
Bureau & Accountancy services	355	-	355	300	-	300
Others	25	45	70	138	64	202
<b>Total</b>	<b>426</b>	<b>590</b>	<b>1,016</b>	<b>647</b>	<b>685</b>	<b>1,332</b>

<b>3d. Miscellaneous income - The Connexional Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Seminars and events	17	-	17	168	1	168
Conference income	6	-	6	-	-	-
Administration & IT services	23	-	23	41	-	41
Bureau & Accountancy services	355	-	355	300	-	300
Others	54	18	72	204	41	245
<b>Total</b>	<b>455</b>	<b>18</b>	<b>473</b>	<b>713</b>	<b>42</b>	<b>755</b>

<b>3e. Charitable activities - The Methodist Church in Great Britain</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
District assessment	13,661	133	13,794	13,534	125	13,659
Rental Income	19	173	192	21	217	238
<b>Total</b>	<b>13,680</b>	<b>306</b>	<b>13,986</b>	<b>13,555</b>	<b>342</b>	<b>13,897</b>

<b>3f. Charitable activities - The Connexional Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
District assessment	13,661	133	13,794	13,534	125	13,659
Rental Income	173	19	192	21	277	298
<b>Total</b>	<b>13,834</b>	<b>152</b>	<b>13,986</b>	<b>13,555</b>	<b>402</b>	<b>13,957</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

<b>4a. Investment income - The Methodist Church in Great Britain</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Central Finance Board	1,176	1,349	2,525	1,219	1,534	2,753
Interest and other investment income	1	7	8	5	102	107
Rental Income	135	895	1,030	126	1,268	1,394
William Leech Charities Fund	-	1,288	1,288	-	1,156	1,156
<b>Total</b>	<b>1,312</b>	<b>3,539</b>	<b>4,851</b>	<b>1,350</b>	<b>4,060</b>	<b>5,410</b>

<b>4b. Investment income - The Connexional Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Central Finance Board	1,176	1,270	2,446	1,219	1,453	2,672
Interest and other investment income	1	-	1	5	1	6
Rental Income	135	417	552	275	340	615
William Leech Charities Fund	-	1,288	1,288	-	1,156	1,156
<b>Total</b>	<b>1,312</b>	<b>2,975</b>	<b>4,287</b>	<b>1,499</b>	<b>2,950</b>	<b>4,449</b>

<b>5a Other trading activities - The Methodist Church in Great Britain</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Publishing	293	-	293	319	-	319
Room and conference hire	547	1,235	1,782	4,516	1,217	5,733
Advertising and fees	11	-	11	-	-	-
<b>Total</b>	<b>851</b>	<b>1,235</b>	<b>2,086</b>	<b>4,835</b>	<b>1,217</b>	<b>6,052</b>

<b>5b Other trading activities - The Connexional Funds</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2021 Total</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2020 Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Publishing	293	-	293	319	-	319
Room and conference hire	-	942	942	-	913	913
Advertising and fees	11	-	11	-	-	-
<b>Total</b>	<b>304</b>	<b>942</b>	<b>1,246</b>	<b>319</b>	<b>913</b>	<b>1,232</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 6a Capital levies

Standing Order 973 permits capital levies to be refunded for qualifying projects. Some of these levies may be refunded at any time. Therefore, a contingent liability exists in respect of income already recognised in the Connexional Priority Fund.

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	198	198	-	438	438
The Aldershot Military Trust	-	250	250	-	160	160
Other*	416	506	922	469	131	600
<b>Total</b>	<b>416</b>	<b>954</b>	<b>1,370</b>	<b>469</b>	<b>729</b>	<b>1,198</b>

\* MIC Ltd (£368k) and Cliff College (£225k) have undertaken the government furlough scheme of which £593k has been included in other incoming grants, (2020: £527k). There are no unfulfilled conditions or contingencies attached to the grants. Both entities have also received other forms of government assistance of which they have benefitted in 2020/21. Cliff College received £51k (2020: £25k) from the Office of Students and Derbyshire County Council and MIC Ltd received the business rate tax waiver assistance of amount £291k (2020: £129k) and £44k from Camden Council Business support (2020: £0k).

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2021 Total	Unrestricted	Restricted	2020 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	250	250	-	160	160
Other	-	16	16	-	23	23
<b>Total</b>	<b>-</b>	<b>266</b>	<b>266</b>	<b>-</b>	<b>183</b>	<b>183</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs	Direct Costs	Support Costs	2021 Total	Grant Costs	Direct Costs	Support Costs	2020 Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Raising funds</b>	-	3,729	242	<b>3,971</b>	109	6,729	339	<b>7,177</b>
<b>Charitable activities</b>								
Building communities	418	1,141	281	<b>1,840</b>	531	1,178	360	<b>2,069</b>
Children & Youth	116	853	304	<b>1,273</b>	94	1,218	385	<b>1,697</b>
Evangelism & Growth	4,043	1,434	488	<b>5,965</b>	3,083	2,316	707	<b>6,106</b>
Global relations	3,429	4,088	643	<b>8,160</b>	5,326	3,820	914	<b>10,060</b>
Learning Network	106	2,031	530	<b>2,667</b>	5	2,150	667	<b>2,822</b>
Methodist Council & Governance	31	3,402	806	<b>4,239</b>	3,160	3,927	626	<b>7,713</b>
Ministry	4,928	4,039	445	<b>9,412</b>	120	749	155	<b>1,024</b>
Property	120	705	116	<b>941</b>	31	3,667	1,028	<b>4,726</b>
Others - Pensions	-	799	-	<b>799</b>	-	691	-	<b>691</b>
Net loss on the disposal of tangible fixed assets	-	89	-	<b>89</b>	-	268	-	<b>268</b>
	<b>13,191</b>	<b>18,581</b>	<b>3,613</b>	<b>35,385</b>	<b>12,350</b>	<b>19,984</b>	<b>4,842</b>	<b>37,176</b>
<b>Total</b>	<b>13,191</b>	<b>22,310</b>	<b>3,855</b>	<b>39,356</b>	<b>12,459</b>	<b>26,713</b>	<b>5,181</b>	<b>44,353</b>

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated during the year. Below are the 2020 figures for the updated activities if current format is used.

Charitable activities	Grant Costs	Direct Costs	Support Costs	2021 Total	Grant Costs	Direct Costs	Support Costs	2020 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Methodist Council & Governance	31	3,402	806	<b>4,239</b>	31	3,667	1,028	<b>4,726</b>
Ministry	4,928	4,039	445	<b>9,412</b>	3,160	3,927	626	<b>7,713</b>
Property	120	705	116	<b>941</b>	120	749	155	<b>1,024</b>

7b. Expenditure - The Connexional Funds	Grant Costs	Direct Costs	Support Costs	2021 Total	Grant Costs	Direct Costs	Support Costs	2020 Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Raising funds</b>	-	1,916	242	<b>2,158</b>	-	2,039	339	<b>2,378</b>
<b>Charitable activities</b>								
Building communities	418	1,141	281	<b>1,840</b>	531	1,178	360	<b>2,069</b>
Children & Youth	116	853	304	<b>1,273</b>	94	1,218	385	<b>1,697</b>
Evangelism & Growth	4,043	1,435	488	<b>5,966</b>	3,083	2,314	707	<b>6,104</b>
Global relations	2,396	2,409	643	<b>5,448</b>	3,917	2,294	914	<b>7,125</b>
Learning Network	106	2,031	530	<b>2,667</b>	5	2,151	667	<b>2,823</b>
Methodist Council & Governance	31	3,402	806	<b>4,239</b>	2,666	1,387	626	<b>4,679</b>
Ministry	5,295	1,370	445	<b>7,110</b>	120	749	155	<b>1,024</b>
Property	120	705	116	<b>941</b>	31	3,666	1,028	<b>4,725</b>
Others - Pensions	-	799	-	<b>799</b>	-	691	-	<b>691</b>
Net loss on the disposal of tangible fixed assets	-	89	-	<b>89</b>	-	267	-	<b>267</b>
	<b>12,525</b>	<b>14,234</b>	<b>3,613</b>	<b>30,372</b>	<b>10,447</b>	<b>15,915</b>	<b>4,842</b>	<b>31,204</b>
<b>Total</b>	<b>12,525</b>	<b>16,150</b>	<b>3,855</b>	<b>32,530</b>	<b>10,447</b>	<b>17,954</b>	<b>5,181</b>	<b>33,582</b>

The basis of allocation of support costs is described in Note 8. Grant expenditure is further analysed in Note 10.

The Charitable activities breakdown was updated during the year. Below are the 2020 figures for the updated activities if current format is used.

Charitable activities	Grant Costs	Direct Costs	Support Costs	2021 Total	Grant Costs	Direct Costs	Support Costs	2020 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Methodist Council & Governance	31	3,402	806	<b>4,239</b>	31	3,666	1,028	<b>4,725</b>
Ministry	5,295	1,370	445	<b>7,110</b>	2,666	1,387	626	<b>4,679</b>
Property	120	705	116	<b>941</b>	120	749	155	<b>1,024</b>

Note \* The expenditure incurred in raising funds for the Methodist Church in Great Britain - £4.0m (2020: £7.1m) and for the Connexion - £2.2m (2020: £2.4m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
Cost of raising voluntary income	£0.2m	£0.3m	£0.2m	£0.3m
Cost of investment management	£0.2m	£0.4m	£0.2m	£0.3m
Cost of other trading activities	£3.6m	£6.5m	£1.8m	£1.8m

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 8a. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2021 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	44	49	39	59	89	44	15	128	25	492
Development & Personnel	Per capita	83	92	74	111	166	83	28	239	46	922
Financial Services	Per capita	82	83	311	377	130	246	49	230	131	1,639
Information Technology	Per capita	72	80	64	96	145	72	24	209	40	802
<b>Total</b>		<b>281</b>	<b>304</b>	<b>488</b>	<b>643</b>	<b>530</b>	<b>445</b>	<b>116</b>	<b>806</b>	<b>242</b>	<b>3,855</b>

### 8b. Support costs by activity - The Methodist Church in Great Britain and The Connexional Funds

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2020 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	67	74	59	89	133	67	22	193	37	741
Development & Personnel	Per capita	94	104	83	125	188	94	31	271	52	1,042
Financial Services	Per capita	133	133	505	612	213	399	80	372	213	2,660
Information Technology	Per capita	66	74	60	88	133	66	22	192	37	738
<b>Total</b>		<b>360</b>	<b>385</b>	<b>707</b>	<b>914</b>	<b>667</b>	<b>626</b>	<b>155</b>	<b>1,028</b>	<b>339</b>	<b>5,181</b>

### 9. Subsidiaries

The results of the Council's subsidiaries (before consolidation adjustments) are included within the Statement of Financial Activities as follows:

		Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Westminster College Oxford Trust Ltd
2021		2021	2021	2021	2021	2021
		£000	£000	£000	£000	£000
<b>Income from:</b>						
Donations and legacies		208	23	3,123	-	-
Investments		84	450	30	-	-
Other trading activities		298	-	-	963	-
Other:		-	-	-	-	-
Grants		968	-	497	-	-
Miscellaneous income		591	-	-	2	-
		-	-	-	-	-
<b>Total income</b>		<b>2,149</b>	<b>473</b>	<b>3,650</b>	<b>965</b>	<b>-</b>
<b>Expenditure on:</b>						
Raising funds		-	-	535	1,812	-
<b>Charitable activities</b>						
Ministry		2,495	609	-	-	-
Global relations		-	-	2,207	-	-
<b>Total expenditure on charitable activities</b>		<b>2,495</b>	<b>609</b>	<b>2,207</b>	<b>-</b>	<b>-</b>
<b>Total expenditure</b>		<b>2,495</b>	<b>609</b>	<b>2,742</b>	<b>1,812</b>	<b>-</b>
<b>Net gains/(losses) on investments</b>		<b>18</b>	<b>358</b>	<b>95</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure)</b>		<b>(328)</b>	<b>222</b>	<b>1,003</b>	<b>(847)</b>	<b>-</b>
Distribution under Gift aid		-	-	-	-	-
<b>Net movement in funds</b>		<b>(328)</b>	<b>222</b>	<b>1,003</b>	<b>(847)</b>	<b>-</b>
<b>Net assets</b>						
Fixed assets			7,458	19	12	159
Investments			495	10,411	679	-
Current assets			548	143	2,374	590
Creditors and loans			(468)	(155)	(181)	(1,599)
<b>Total</b>			<b>8,033</b>	<b>10,418</b>	<b>2,884</b>	<b>(850)</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 9. Subsidiaries (continued)

2020	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Westminster College Oxford Trust Ltd
	2020 £000	2020 £000	2020 £000	2020 £000	2020 £000
<b>Income from:</b>					
Donations and legacies	477	-	2,625	-	-
Investments	78	458	17	-	560
Other trading activities	303	-	-	4,992	-
Other:					
Grants	925	-	586	-	8
Miscellaneous income	650	-	-	13	-
<b>Total income</b>	<b>2,433</b>	<b>458</b>	<b>3,228</b>	<b>5,005</b>	<b>568</b>
<b>Expenditure on:</b>					
Raising funds	-	-	-	4,948	-
<b>Charitable activities</b>					
Ministry	2,718	580	-	-	728
Global relations	-	-	3,020	-	-
<b>Total expenditure on charitable activities</b>	<b>2,718</b>	<b>580</b>	<b>3,020</b>	<b>-</b>	<b>728</b>
<b>Total expenditure</b>	<b>2,718</b>	<b>580</b>	<b>3,020</b>	<b>4,948</b>	<b>728</b>
<b>Net gains/(losses) on investments</b>	<b>-</b>	<b>(158)</b>	<b>(43)</b>	<b>(60)</b>	<b>606</b>
<b>Net income/(expenditure)</b>	<b>(285)</b>	<b>(280)</b>	<b>165</b>	<b>(3)</b>	<b>446</b>
Distribution under Gift aid	-	-	-	-	-
<b>Net movement in funds</b>	<b>(285)</b>	<b>(280)</b>	<b>165</b>	<b>(3)</b>	<b>446</b>
<b>Net assets</b>					
Fixed assets	7,568	23	16	323	-
Investments	547	10,168	558	-	15,530
Current assets	653	93	1,599	1,106	795
Creditors and loans	(407)	(89)	(293)	(1,432)	(5,568)
<b>Total</b>	<b>8,361</b>	<b>10,196</b>	<b>1,880</b>	<b>(3)</b>	<b>10,757</b>

#### Cliff College

Charity Number 529386

#### Cliff College Outreach Limited

Company Number 2331438

#### Cliff (Methodist) Developments Limited

Company Number 4934377

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. It offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events.

#### All We Can

Charity Number 291691

All We Can works through partnerships to end the cycle of suffering caused by poverty, inequality and injustice.

#### Southlands Methodist Trust

Charity Number 1100660

Southlands Methodist Trust supports educational activities, including research, chaplaincy and charitable work undertaken in and through Southlands College that reflect its Methodist foundation and ethos.

#### Methodist International Centre Limited

Company Number 3866984

A company set up for the Methodist Council to conduct trading in support of its charitable activities. It is an accredited ethical social enterprise hotel which also provides student accommodation.

#### Westminster College Oxford Trust Limited

Company Number 3714361

#### Westminster College Oxford Trust

Charity Number 309672

Westminster College Oxford Trust Ltd is the charitable company that acts as the managing trustee of the Westminster campus at Harcourt Hill, Oxford.

However, during 2020/21 the Council undertook a review of the entities under its control and it was realised that Westminster College Oxford Trust (WCOT) and Westminster College Oxford Trust Ltd (WCOT Ltd) were previously consolidated in error. This review confirmed that consolidated organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The review also highlighted that although the WCOT directors are appointed by Conference, WCOT did not have 50% or more of their trustees appointed by the Council. Consequently, the Council took the decision that WCOT and WCOT Ltd should no longer form part of the consolidated accounts of the MCiGB. Therefore, WCOT & WCOT Ltd have been eliminated from the consolidation in the current year and the balances eliminated (the balances as at the beginning of the current year) are as below. The trustees have not restated the comparative balances on the basis of materiality.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

<b>Westminster College balances eliminated from consolidation</b>	
<b>Investments</b>	<b>£'000</b>
Investment properties	11,750
Central Finance Board Units	3,729
Other investmensts	51
	<hr/>
	<b>15,530</b>
<b>Current assets</b>	
Prepayments and accrued interest	26
Cash at bank and in hand	769
	<hr/>
	<b>795</b>
<b>Creditors</b>	
Accruals	(879)
Trade creditors	(23)
Grant commitments	(1,001)
Deferred income	(3,665)
	<hr/>
	<b>(5,568)</b>
<b>Net assets</b>	<b>10,757</b>



## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 10a. Grant expenditure: The Methodist Church in Great Britain

Activity	Individuals	Institutions	2021 Total	2020 Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Annual grants	-	2,039	2,039	3,046
Nationals in mission appointment	-	574	574	843
Scholarship programmes	-	714	714	1,340
Ministerial and personnel support grants	-	102	102	96
<b>Total</b>	<b>-</b>	<b>3,429</b>	<b>3,429</b>	<b>5,325</b>
Other grants	£000	£000	£000	£000
Building communities	158	260	418	531
Children & Youth	-	116	116	94
Evangelism & Growth	-	4,043	4,043	2,698
Learning Network	-	106	106	5
Methodist Council & Governance	-	31	31	31
Ministry	2,140	2,788	4,928	3,546
Property	-	120	120	120
Income Generating Centre	-	-	-	109
<b>Total</b>	<b>2,298</b>	<b>7,464</b>	<b>9,762</b>	<b>7,134</b>
<b>Grand Total</b>	<b>2,298</b>	<b>10,893</b>	<b>13,191</b>	<b>12,459</b>

### 10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2021 Total	2020 Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Annual grants	-	1,006	1,006	1,638
Nationals in mission appointment	-	574	574	843
Scholarship programmes	-	714	714	1,340
Ministerial and personnel support grants	-	102	102	96
<b>Total</b>	<b>-</b>	<b>2,396</b>	<b>2,396</b>	<b>3,917</b>
Other grants	£000	£000	£000	£000
Building communities	158	319	477	531
Children & Youth	-	116	116	94
Evangelism & Growth	-	4,043	4,043	3,083
Learning Network	-	106	106	5
Methodist Council & Governance	-	31	31	31
Ministry	1,003	4,292	5,295	2,666
Property	-	120	120	120
<b>Total</b>	<b>1,161</b>	<b>9,027</b>	<b>10,188</b>	<b>6,530</b>
<b>Grand Total</b>	<b>1,161</b>	<b>11,423</b>	<b>12,584</b>	<b>10,447</b>

The figures in Note 10 are not intended to be the same as those listed for grants on pages 18, 19, 27 & 28

A detailed list of institutional grant recipients can be viewed using the following link:

<https://www.methodist.org.uk/media/19808/list-of-grant-recipients-2021.xlsx>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Audit and consultancy fees</b>				
Payable to RSM UK Audit LLP	82	80	60	68
Payable to RSM UK Tax & Accounting Ltd for taxation advice	37	20	32	18
Payable to other auditors - for internal audit services	31	16	30	16
Payable to other auditors - for audit of self accounting entities	36	48	-	-
<b>Depreciation</b>	351	458	36	40
<b>Amortisation</b>	31	56	26	46
<b>Foreign exchange differences</b>	1	1	1	1
<b>Loan interest payable</b>	6	11	-	4

### 12. Stipends and salary costs

The Methodist Council appointed or employed on average 378 (2020: 420) people during the year, of which Connexional Funds had 283 (2020: 277) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Stipends and salaries	12,969	13,819	9,819	9,546
Redundancy costs (loss of office)	253	20	172	20
Temporary staff costs	162	293	68	203
Social security costs	1,197	1,285	911	921
Pension costs - (defined contribution schemes)	1,331	1,581	1,142	1,335
Defined benefit pension costs excluding interest	1,622	1,514	1,605	1,501
<b>Total</b>	<b>17,534</b>	<b>18,512</b>	<b>13,717</b>	<b>13,526</b>

#### The Methodist Church in Great Britain

18 employees were paid £60k or more during the year (2020: 17 employees). The total aggregate pension contributions for these employees for the year were £168k (2020: £177k).

#### The Connexional Funds

13 employees were paid £60k or more during the year (2020: 10 employees). The total aggregate pension contributions for these employees for the year were £145k (2020: £105k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	Number of employees	Number of employees	Number of employees	Number of employees
<b>Basic salary plus bonus</b>				
£60,001 - £70,000	9	10	6	7
£70,001 - £80,000	6	4	5	2
£80,001 - £90,000	2	-	1	-
£90,001 - £100,000	-	1	-	-
£100,001 - £110,000	1	1	1	1
£170,001 - £180,000	-	1	-	-

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
Methodist Council & Governance	58.9	58.4	58.9	58.4
Global Relations	46.3	45.7	26.8	26.2
Evangelism & Growth	20.2	18.2	20.2	18.2
Learning Network	43.9	41.4	43.9	41.4
Children & Youth	19.5	23.5	19.5	23.5
Ministry	64.0	59.5	25.0	19.0
Building Communities	19.0	21.3	19.0	21.3
Administration & Support	50.0	47.0	50.0	47.0
Property	5.0	6.1	5.0	6.1
Fund Raising	50.8	98.4	14.8	15.4
<b>Total</b>	<b>377.6</b>	<b>419.5</b>	<b>283.1</b>	<b>276.5</b>

The average number of volunteers working for the Council during the year was 657 (2020: 1,367).

Volunteers play an important role in the Council. Their contribution is significant in terms of the time they commit to attending meetings, raising funds and delivering services to beneficiaries.

#### Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Conference Officer for Legal & Constitutional Practice, the Head of Mission, the Head of Ministries, Director of Finance and Resources and the Director of Human Resources & Development. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and 13.8% employer's national insurance, but excluding pension contributions was £555k (2020: £507k). In addition, pension contributions of £84k were paid into defined contribution pension schemes on behalf of these personnel (2020: £78k).

#### Pension costs

The Methodist Council operates three main pension schemes:

- the Methodist Ministers' Pension Scheme (MMPS);
- the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC); and
- the Superannuation Scheme for Lay Mission Partners of the Methodist Church (SSMP).

The MMPS and PASLEMC schemes are final salary defined benefit pension schemes and both schemes are funded by the payment of contributions to separately administered trust funds. The SSMP is an unfunded scheme.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. The Methodist Council now contributes to a defined contribution scheme with Royal London for its Lay employees.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 12. Pension costs (continued)

##### **The Methodist Ministers' Pension Scheme**

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 43-44 with further information as required by FRS102 included on pages 79-81.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,266 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of around 54, the majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

For the MMPS, costs equal to the contributions paid by the Council for ministers in posts under the control of the Council are recognised in these accounts as they fall due; likewise, pension contributions for ministers stationed at circuit level are paid by the individual circuit.

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements. The agreement with the Trustees of MMPS for the making good of the technical deficit rests with the Conference and not the Council.

##### **The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)**

The PASLEMC scheme is treated as a group scheme for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit liability in its financial statements.

The PASLEMC scheme is a funded defined benefit arrangement which provides retirement benefits based on final pensionable earnings. The most recent actuarial valuation of the Scheme, carried out as at 1 September 2020, revealed that the Scheme had a deficit on the funding basis. The Methodist Council, the other participating employers and the Trustee of the Scheme put in place a Schedule of Contributions and a Recovery Plan which detailed the contributions that would be made to fund this deficit. It was agreed that contributions from the Methodist Church's Pension Reserve Fund would be made as follows:

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2026 (the August 2021 amount to be paid in December 2021); and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019.

## **The Methodist Church in Great Britain**

### **Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)**

#### **The Superannuation Scheme for Lay Mission Partners (SSMP)**

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit.

There are 34 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £175.19 per year of qualifying service to a single retired mission partner or widow / widower, £233.65 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £116.42 (single) / £155.61 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2021 by the Scheme's actuary and shown in Note 28.

#### **Other pension schemes**

The Methodist Council also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust and The Retirement Benefit Scheme (Ireland).

#### **The Pensions Trust**

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £116k (2020: £141k). Further disclosures are deemed unnecessary on the grounds of immateriality.

#### **The Retirement Benefit Scheme (Ireland)**

There are currently 2 members in this scheme. The pension charge for the year was £9.4k (2020: £8.7k). Further disclosures are deemed unnecessary on the grounds of immateriality.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 13a. Tangible fixed assets - The Methodist Church in Great Britain

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2020	94,374	1,924	1,734	33	98,065
Additions during the year	3,043	15	46	-	3,104
Revaluations	946	-	-	-	946
Transfers (to Software)	-	-	(27)	-	(27)
Disposals	(1,982)	-	-	-	(1,982)
<b>Total</b>	<b>96,381</b>	<b>1,939</b>	<b>1,753</b>	<b>33</b>	<b>100,106</b>
<b>Depreciation</b>					
At 1 September 2020	606	1,579	1,634	15	3,834
Charge for the year	111	148	87	5	351
Transfers	-	-	(26)	-	(26)
Disposals	-	-	-	-	-
<b>Total</b>	<b>717</b>	<b>1,727</b>	<b>1,695</b>	<b>20</b>	<b>4,159</b>
<b>Net book value as at 31 August 2021</b>	<b>95,664</b>	<b>212</b>	<b>58</b>	<b>13</b>	<b>95,947</b>
<b>Net book value as at 31 August 2020</b>	<b>93,768</b>	<b>345</b>	<b>100</b>	<b>18</b>	<b>94,231</b>

### 13b. Tangible fixed assets - The Connexional Funds

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2020	86,238	955	1,196	-	88,389
Additions during the year	3,043	12	14	-	3,069
Transfers	13c	(32)	-	-	(32)
Disposals	(1,982)	-	-	-	(1,982)
<b>Total</b>	<b>87,299</b>	<b>935</b>	<b>1,210</b>	<b>-</b>	<b>89,444</b>
<b>Depreciation</b>					
At 1 September 2020	-	896	1,178	-	2,074
Charge for the year	-	21	15	-	36
Transfers	-	(32)	-	-	(32)
Disposals	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>885</b>	<b>1,193</b>	<b>-</b>	<b>2,078</b>
<b>Net book value as at 31 August 2021</b>	<b>87,299</b>	<b>50</b>	<b>17</b>	<b>-</b>	<b>87,366</b>
<b>Net book value as at 31 August 2020</b>	<b>86,238</b>	<b>59</b>	<b>18</b>	<b>-</b>	<b>86,315</b>

### 13c. Intangible fixed assets

	The Methodist Church in Great Britain	The Connexional Funds
Software	£000	£000
<b>At cost</b>		
At 1 September 2020	383	347
Additions during the year	6	6
Transfer in/(out)	13	-
<b>Total</b>	<b>402</b>	<b>353</b>
<b>Amortisation</b>		
At 1 September 2020	284	264
Transfer in/(out)	11	-
Charge for the year	31	26
<b>Total</b>	<b>326</b>	<b>290</b>
<b>Net book value as at 31 August 2021</b>	<b>76</b>	<b>63</b>
<b>Net book value as at 31 August 2020</b>	<b>99</b>	<b>83</b>

Amortisation cost is included in the support cost and apportion in other activities (Note 8)

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 13d. Revaluation of charitable land and buildings

Land & buildings have been revalued as set out below on an existing use open market value basis, in accordance with the Guidance Notes of the Royal Institution of Chartered Surveyors. The individual valuers are not connected with the Methodist Church. Valuations are based on fair value of the land and buildings subject to and with the benefit of existing leases where appropriate.

The freehold land and buildings were revalued on 31 August 2019 except for Asbury Overseas House, Birmingham which was revalued in 31 August 2020.

The manses, which are residential and have a well established market were revalued internally by reference to current market prices on 31 August 2019.

Asbury Overseas House, Birmingham (Birmingham Methodist Overseas Guest House) A full professional valuation was carried out by Savills in August 2020. The property was valued at £1,850,000.

The commercial properties were valued by professional independent valuers as follows:

25 Marylebone Road, London - valuation was carried out in August 2016 by Andrew Low, Partner, Knight Frank (Commercial Business), BA, MSc, RICS, valued at £25,802,142.

Kings Cross Complex London WC1 - valuation carried out in August 2017 by Tony Harris LLM FRICS FCI Arb of Cluttons, Portman Street, London W1H 6DU; valued at £4,000,000.

105 Lambeth Road SE1 - valuation by Tony Harris LLM FRICS FCI Arb of Cluttons, Portman Street, London W1H 6DU, in August 2017 for £2,000.

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation carried out in August 2021 by MJ Hull BSc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG; valued at £6,066,000

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by James Gilmartin Mrics (RICS registered valuer) of Gilmartin Ley. The valuation was done in April 2016. The property was valued for £23,720,000.

The Property Development Committee has commissioned a review of the development options for the North Bank Estate and we will get an updated valuation as part of that process. As a consequence, a full professional valuation (in line with our policy of five yearly valuations) has not been undertaken at this time. It is believed that the current valuation in the accounts is satisfactory given that minimal investment in the property over the last five years will have created sufficient depreciation to offset any appreciation in underlying asset values.

All the properties were valued at fair value in accordance with FRS 102.

The carrying value that would have been recognised had the assets been carried under the historical cost model is £28.0m (2020: £27.6m) for the Methodist Church in Great Britain and £20.7m (2020: £20.3m) for Connexional Funds.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### 14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2021	2020
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September</b>	53,445	123,385	11,234	1,048	189,112	193,934
Additions	-	121	227	-	348	1,593
Elimination of Westminster College (Note 9)	(11,750)	(3,729)	-	(51)	(15,530)	-
Transfers	(2,250)	(418)	-	-	(2,668)	454
Disposals	-	(382)	-	-	(382)	(1,100)
Investment gains	-	20,969	1,726	-	22,695	(5,769)
<b>Fair value as at 31 August</b>	<b>39,445</b>	<b>139,946</b>	<b>13,187</b>	<b>997</b>	<b>193,575</b>	<b>189,112</b>

### 14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2021	2020
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September</b>	33,428	116,746	11,234	900	162,308	167,451
Additions	-	-	227	-	227	620
Transfers	(2,250)	(418)	-	-	(2,668)	454
Disposals	-	(100)	-	-	(100)	(100)
Investment gains	-	20,498	1,726	-	22,224	(6,117)
<b>Fair value as at 31 August</b>	<b>31,178</b>	<b>136,726</b>	<b>13,187</b>	<b>900</b>	<b>181,991</b>	<b>162,308</b>

#### Investment additions and disposals

During the year, the Finance Sub-Committee reviewed the investment portfolio in line with the current investment policy.

#### William Leech Charities Fund

The Methodist Church holds investments valued at £13.2m (2020: £11.2m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2021. The holding is based on the company's audited accounts to 31 March 2021, updated with management accounts to 31 August 2021. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.



## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

14c. Analysis of movement of investment properties	The Methodist Church in Great Britain		The Connexional Funds	
	2021 £000	2020 £000	2021 £000	2020 £000
Fair value at 1 September	53,446	53,442	33,428	34,114
Additions	-	-	-	-
Elimination of Westminster College	(11,750)	-	-	-
Transfers	(2,250)	-	(2,250)	-
Donated assets	-	454	-	454
Disposals	-	(450)	-	(1,140)
<b>Fair value at 31 August</b>	<b>39,446</b>	<b>53,446</b>	<b>31,178</b>	<b>33,428</b>

Included within investment properties are the following revalued properties:

### i) Westminster College Oxford Trust

Westminster College no longer forms part of the consolidated accounts of the Methodist Church in Great Britain. A property at Harcourt Hill Campus, Harcourt Hill, Oxford OX2 9AT valued at £11.8m last year is included in the accounts at £0m (2020: £11.8m). The property was revalued on 31 July 2020 by Andrew Lockhart BSc FRICS MCI Arb from Venables Sherrott Lockhart and Partners Ltd.

### ii) London Mission Fund

The London Mission property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP on 31 July, 2020.

- a) Hove Residential at 20 Bigwood Avenue with a fair value of £270k (2020: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £550k (2020: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £425k (2020: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,700k (2020: £1,700k)

### iii) Guy Chester Center

A property known as the Hazlehurst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August, 2020 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,620k (2020: £3,620k).

### iv) Camden Town Methodist Church

Managing trusteeship of Camden Town Methodist Church transferred the property to Methodist Council during the financial year 31 August 2020. The property is located at 89 Plender Street, Camden Town, London NW1 0JN. The current market value as at 31 August 2020 was £454K.

### iv) Oxford Place, Leeds

Managing trusteeship transferred from the Yorkshire West District to the Methodist Council during 2018/19. This property is located in Oxford Place, Leeds LS1 3AU. Following the decision to cancel the project to redevelop Oxford Place last year, the Methodist Council agreed to transfer the managing trusteeship back to the Yorkshire West District.

Whilst this transfer took place on 1 September 2021, it is evident that the value to the Council of the property as at 31 August 2021 was £0 (2020: £2.25m). Consequently, the value of Oxford Place is written down in the 2020/21 accounts.

Also included in the investment properties under 'Transfers' is the transfer of £418k from Barratt Trust to Chester & Stoke on Trent District as the purposes of this Trust are principally for the benefit of projects in that district.

Investments in Westminster College are deconsolidated - property valued at £11,750k; CFB and other investments valued at £3,780k.

The Church's policy is normally to revalue the investment properties every three years. For the period under review the trustees do not consider there to have been a change in the fair value of the remaining properties.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

15. Debtors	The Methodist Church in		The Connexional Funds	
	Great Britain			
	2021	2020	2021	2020
	£000	£000	£000	£000
Prepayments and accrued interest	1,637	2,038	932	1,036
Loans to other entities	10	20	796	806
Concessionary loans	477	466	477	466
Other debtors	1,487	1,321	1,137	1,174
<b>Total</b>	<b>3,611</b>	<b>3,845</b>	<b>3,342</b>	<b>3,482</b>

#### Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. The Methodist Council have extended the period of the loan which will now be repaid fully in May 2024.

16a. Creditors: amounts due within one year	The Methodist Church in		The Connexional Funds	
	Great Britain			
	2021	2020	2021	2020
	£000	£000	£000	£000
Accruals	956	2,172	465	1,622
Loans	28	28	-	-
Tax and social security	361	465	224	214
Grant commitments	7,618	8,525	7,513	8,212
Other creditors	5,409	5,968	5,223	4,860
<b>Total</b>	<b>14,372</b>	<b>17,158</b>	<b>13,425</b>	<b>14,908</b>

16b. Creditors: amounts due after more than one year	The Methodist Church in		The Connexional Funds	
	Great Britain			
	2021	2020	2021	2020
	£000	£000	£000	£000
Loans	668	196	-	-
Deferred income	-	3,595	-	-
Grant commitments	3,301	5,169	3,301	4,238
<b>Total</b>	<b>3,969</b>	<b>8,960</b>	<b>3,301</b>	<b>4,238</b>

#### Loans

##### Cliff College - The Methodist Church in Great Britain

At 31.8.21 the balance on the loan is £196K (2020: £224K) which was secured by a legal charge over the property known as 26 Ashenurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

##### Methodist International Centre - The Methodist Church in Great Britain and The Connexional Funds

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 16c. Deferred Income

Deferred Income relates to a lease premium received by Westminster College Trust from Oxford Brookes University. The 100 year lease commenced on 1 August, 2017. A premium of £3.75m was paid and this is being spread over the life of the lease as per FRS 102 requirements.

	The Methodist Church in Great Britain		The Connexional Funds	
	2021 £000	2020 £000	2021 £000	2020 £000
Operating lease income receivable no later than 1 year	-	420	-	-
Operating lease income receivable later than 1 year but no later than 5 years	-	1,680	-	-
Operating lease income receivable later than 5 years	-	38,185	-	-
	-	<b>40,285</b>	-	-

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
Finished goods and goods for resale	54	60	36	41
<b>Total</b>	<b>54</b>	<b>60</b>	<b>36</b>	<b>41</b>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2021	2020	2021	2020
	£000	£000	£000	£000
<b>Financial assets at fair value through profit or loss</b>				
Listed investments	139,946	123,385	136,726	116,746
William Leech Charities Fund and other investments	14,184	12,282	14,087	12,133
<b>Total</b>	<b>154,130</b>	<b>135,667</b>	<b>150,813</b>	<b>128,879</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Debtors	1,487	1,321	1,137	1,174
<b>Total</b>	<b>1,487</b>	<b>1,321</b>	<b>1,137</b>	<b>1,174</b>
<b>Financial liabilities measured at amortised cost</b>				
Loans	696	224	-	-
Accruals	956	2,172	465	1,622
Other creditors	5,409	5,968	5,223	4,860
<b>Total</b>	<b>7,061</b>	<b>8,364</b>	<b>5,688</b>	<b>6,482</b>
<b>Concessionary loans (at cost plus accrued interest less impairment)</b>				
Loans to ministers	477	446	477	446
Loan to Lesnes Abbey Circuit	10	20	10	20
<b>Total</b>	<b>487</b>	<b>466</b>	<b>487</b>	<b>466</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>19a. Unrestricted funds</b>							
General	54,139	16,899	(19,764)	-	365	1,575	53,214
Designated 19c	52,193	11,343	(6,020)	-	9,205	(629)	66,092
Defined Benefit Pension Scheme	(13,890)	-	347	12,213	-	-	(1,330)
<b>Total</b>	<b>92,442</b>	<b>28,242</b>	<b>(25,437)</b>	<b>12,213</b>	<b>9,570</b>	<b>946</b>	<b>117,976</b>

### The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>19b. Unrestricted funds</b>							
General	52,904	15,966	(18,296)	-	365	1,575	52,514
Designated 19d	51,096	11,342	(6,030)	-	9,205	(629)	64,984
Defined Benefit Pension Scheme	(13,890)	-	-	12,213	-	-	(1,677)
<b>Total</b>	<b>90,110</b>	<b>27,308</b>	<b>(24,326)</b>	<b>12,213</b>	<b>9,570</b>	<b>946</b>	<b>115,821</b>

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £1.6m to the general fund principally comprise the net balance of the management levy received (£1.7m) and payment to the Long-term Renewal Fund (£0.1m) Note 22 page 88.

### The Methodist Church in Great Britain

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>19c. Designated funds</b>							
1) The Connexional Priority Fund	9,153	10,458	(4,220)	-	1,204	(5,259)	11,336
2) The Epworth Fund	6,633	137	(235)	-	1,223	(20)	7,738
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	1,086	-	(340)	-	-	350	1,096
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
<b>Total</b>	<b>52,193</b>	<b>11,343</b>	<b>(6,020)</b>	<b>-</b>	<b>9,205</b>	<b>(629)</b>	<b>66,092</b>

### The Connexional Funds

	Balance at 1 September 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>19d. Designated funds</b>							
1) The Connexional Priority Fund	9,145	10,457	(4,220)	-	1,204	(5,259)	11,327
2) The Epworth Fund	6,625	137	(235)	-	1,223	(20)	7,730
3) The Connexional Travel Fund	244	1	(10)	-	8	(243)	-
4) The Designated Training Fund	5	-	(350)	-	-	350	5
5) The Pension Reserve Fund	35,077	747	(1,215)	-	6,770	4,543	45,922
<b>Total</b>	<b>51,096</b>	<b>11,342</b>	<b>(6,030)</b>	<b>-</b>	<b>9,205</b>	<b>(629)</b>	<b>64,984</b>

The transfers to the designated training fund is the contribution from the income generating centre (Guy Chester) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.6m to the Pension Reserve Fund (PRF). See Note 22 page 88.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>19e. Unrestricted funds</b>							
General	54,813	22,885	(22,167)	-	(1,447)	55	54,139
Designated 19c	50,388	8,452	(5,923)	-	(1,623)	899	52,193
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
<b>Total</b>	<b>99,967</b>	<b>31,337</b>	<b>(27,654)</b>	<b>(9,092)</b>	<b>(3,070)</b>	<b>954</b>	<b>92,442</b>

### The Connexional Funds

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>19f. Unrestricted funds</b>							
General	53,626	18,115	(17,506)	-	(1,386)	55	52,904
Designated 19d	49,715	8,452	(6,346)	-	(1,624)	899	51,096
Defined Benefit Pension Scheme	(5,234)	-	436	(9,092)	-	-	(13,890)
<b>Total</b>	<b>98,107</b>	<b>26,567</b>	<b>(23,416)</b>	<b>(9,092)</b>	<b>(3,010)</b>	<b>954</b>	<b>90,110</b>

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.1m to the general fund principally comprise the net balance of the management levy received (£1.3m), payment to the Long-term Renewal Fund (£0.1m) and an MIC payment of £1.2m towards Learning Network. Note 22 page 88.

### The Methodist Church in Great Britain

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>19g. Designated funds</b>							
1) The Connexional Priority Fund	8,712	7,576	(3,311)	-	(277)	(3,547)	9,153
2) The Epworth Fund	7,137	145	(413)	-	(217)	(19)	6,633
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	660	-	(994)	-	-	1,420	1,086
5) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
<b>Total</b>	<b>50,388</b>	<b>8,452</b>	<b>(5,923)</b>	<b>-</b>	<b>(1,623)</b>	<b>899</b>	<b>52,193</b>

### The Connexional Funds

	Balance at 1 September 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>19h. Designated funds</b>							
1) The Connexional Priority Fund	8,705	7,576	(3,311)	-	(278)	(3,547)	9,145
2) The Epworth Fund	7,129	145	(413)	-	(217)	(19)	6,625
3) The Connexional Travel Fund	256	4	(12)	-	(4)	-	244
4) The Designated Training Fund	2	-	(1,417)	-	-	1,420	5
6) The Pension Reserve Fund	33,623	727	(1,193)	-	(1,125)	3,045	35,077
<b>Total</b>	<b>49,715</b>	<b>8,452</b>	<b>(6,346)</b>	<b>-</b>	<b>(1,624)</b>	<b>899</b>	<b>51,096</b>

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester and MIC Ltd) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.4m management levy paid to the general fund and £3.1m to the Pension Reserve Fund (PRF). See Note 22 page 88.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 1) The Connexional Priority Fund (CPF)

The main source of income into this fund is primarily the levies charged on all capital proceeds from the disposal of Methodist land and buildings held for local, circuit or district purposes and any income arising therefrom is available for the purpose of (a) making grants to circuits and distribution to districts; (b) making an allocation by way of transfer between funds, to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Learning Network.

#### 2) The Epworth Fund

This fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. The income from the fund is used to support innovative initiatives within The Methodist Church.

#### 3) The Connexional Travel Fund

This fund has two purposes: (a) to award grants to ministers on long-term sick leave to compensate them for the absence of business reimbursements and (b) to make grants for island and long mainland journeys. However, the Council agreed to transfer this fund to the MCF as its value significantly exceeded the likely call upon it.

#### 4) The Designated Training Fund

The main source of funding for the Designated Training Fund comes from the Methodist International and Guy Chester Centres respectively for the purpose of furthering the work of the Learning Network.

#### 5) The Pension Reserve Fund

This fund was set up following a 2009 Conference decision to establish a Pension Reserve Fund outside of the Pension and Assurance Scheme for Lay Employees of the Methodist Church and Methodist Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>20a. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,727	592	(935)	-	1,485	(45)	10,824
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,311	39	(75)	-	-	(26)	25,249
4) The Fund for Property	1,025	362	(52)	-	276	(68)	1,543
5) The Fund for Training	6,817	299	(186)	-	121	(15)	7,036
6) The World Mission Fund	23,522	2,622	(4,177)	-	2,597	(729)	23,835
7) The London Mission Fund	18,770	464	(465)	-	1,914	-	20,683
8) The Guy Chester Centre	29,230	1,232	(860)	-	376	-	29,978
9) Cliff College	7,392	1,433	(2,495)	-	18	-	6,348
10) Southlands Methodist Trust	10,196	473	(609)	-	358	-	10,418
11) Westminster College Oxford Trust	10,757	-	-	-	-	-	10,757
12) The Methodist Medical Benevolent Fund	2,202	46	(92)	-	424	-	2,580
<b>Total funds with balances &gt; £2m</b>	<b>150,098</b>	<b>8,278</b>	<b>(9,841)</b>	<b>-</b>	<b>8,167</b>	<b>(931)</b>	<b>155,772</b>
Other - 28 funds with balances < £2m	2,021	4,188	(3,962)	80	2,262	(272)	4,317
<b>Sub-total</b>	<b>152,119</b>	<b>12,466</b>	<b>(13,803)</b>	<b>80</b>	<b>10,429</b>	<b>(1,203)</b>	<b>160,088</b>
De-consolidation of Westminster College						(10,757)	(10,757)
<b>Total</b>	<b>152,119</b>	<b>12,466</b>	<b>(13,803)</b>	<b>80</b>	<b>10,429</b>	<b>(11,960)</b>	<b>149,331</b>

### The Connexional Funds

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>20b. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,713	592	(935)	-	1,485	(45)	10,810
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,471	39	(75)	-	-	(25)	25,410
4) The Fund for Property	1,025	361	(52)	-	276	(68)	1,542
5) The Fund for Training	6,774	298	(186)	-	121	(15)	6,992
6) The World Mission Fund	22,902	2,622	(4,548)	-	2,597	(729)	22,844
7) The London Mission Fund	18,772	463	(465)	-	1,914	-	20,684
8) The Guy Chester Centre	28,950	1,232	(860)	-	376	-	29,698
<b>Total funds with balances &gt; £2m</b>	<b>118,757</b>	<b>6,323</b>	<b>(7,016)</b>	<b>-</b>	<b>7,367</b>	<b>(930)</b>	<b>124,501</b>
Other - 27 funds with balances < £2m	4,505	673	(1,072)	80	1,645	(273)	5,557
<b>Total</b>	<b>123,261</b>	<b>6,996</b>	<b>(8,088)</b>	<b>80</b>	<b>9,012</b>	<b>(1,203)</b>	<b>130,058</b>

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.



## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

	Balance at 31 August 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>20c. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,950	581	(442)	-	(296)	(66)	9,727
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,369	75	(108)	-	-	(25)	25,311
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,798	325	(245)	-	(22)	(39)	6,817
6) The World Mission Fund	27,406	2,778	(5,377)	-	(541)	(744)	23,522
7) The London Mission Fund	19,473	437	(374)	-	(766)	-	18,770
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	-	29,230
9) Cliff College	8,503	1,602	(2,713)	-	-	-	7,392
10) Southlands Methodist Trust	10,478	458	(589)	-	(151)	-	10,196
11) Westminster College Oxford Trust	10,311	567	(728)	-	606	-	10,756
12) The Methodist Medical Benevolent Fu	2,271	47	(43)	-	(71)	(2)	2,202
<b>Total funds with balances &gt; £2m</b>	<b>156,033</b>	<b>9,437</b>	<b>(12,661)</b>	<b>-</b>	<b>(1,721)</b>	<b>(990)</b>	<b>150,098</b>
Other - 28 funds with balances < £2m	7,807	3,590	(4,021)	(29)	(5,129)	(197)	2,021
<b>Total</b>	<b>163,840</b>	<b>13,027</b>	<b>(16,682)</b>	<b>(29)</b>	<b>(6,850)</b>	<b>(1,187)</b>	<b>152,119</b>

### The Connexional Funds

	Balance at 31 August 2019	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2020
	£000	£000	£000	£000	£000	£000	£000
<b>20d. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,936	581	(442)	-	(296)	(66)	9,713
2) Mission in Britain Fund	4,893	925	(392)	-	(216)	(60)	5,150
3) Centenary Hall Trust	25,469	135	(108)	-	-	(25)	25,471
4) The Fund for Property	1,435	452	(765)	-	(43)	(54)	1,025
5) The Fund for Training	6,758	325	(248)	-	(22)	(39)	6,774
6) The World Mission Fund	27,201	2,778	(5,792)	-	(541)	(744)	22,902
7) The London Mission Fund	19,475	437	(374)	-	(766)	-	18,772
8) The Guy Chester Centre	29,146	1,190	(885)	-	(221)	(280)	28,950
<b>Total funds with balances &gt; £2m</b>	<b>124,313</b>	<b>6,823</b>	<b>(9,006)</b>	<b>-</b>	<b>(2,105)</b>	<b>(1,268)</b>	<b>118,757</b>
Other - 27 funds with balances < £2m	10,188	560	(1,143)	(29)	(5,153)	81	4,504
<b>Total</b>	<b>134,501</b>	<b>7,383</b>	<b>(10,149)</b>	<b>(29)</b>	<b>(7,258)</b>	<b>(1,187)</b>	<b>123,261</b>

Transfers out of the World Mission Fund principally relate to £0.5m management levy paid to the general fund and £0.2m to William Leech for investment purposes.

# The Methodist Church in Great Britain

## Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### Notes on the purposes of the main funds

#### 1) Fund for the Support of Presbyters and Deacons

This fund exists to provide additional assistance to supernumeraries; individuals who have been permitted or directed to become supernumerary; ministers, deacons, probationers, widows or widowers and their dependent children who are in need; ministers and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.

#### 2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian

Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

#### 3) Centenary Hall Trust

This trust exists to manage Church House at 25 Marylebone Road.

#### 4) The Fund for Property

This fund exists to support various mission property development projects around the Connexion by making grants and loans for property purposes to trustees of Methodist Properties in the districts.

#### 5) The Fund for Training

The fund has three main purposes: (a) to provide initial and further training for presbyters, deacons, lay employees and other lay persons; (b) the provision of maintenance grants for persons undergoing such training and their dependants; (c) the maintenance, management and staffing of the Learning Network, and the Methodist contribution to the cost of joint theological colleges.

#### 6) The World Mission Fund

This fund has five main purposes: (a) to initiate, maintain and encourage Christian mission in other countries; (b) to encourage the establishment of churches overseas which will themselves undertake that mission within and beyond their own borders; (c) to engage in a continuing relationship of mutual help and enrichment with churches (including united churches) in the life of which Methodist missions have played a part; (d) to foster and take part in ecumenical relationships in the field of world mission, including the work of the World Council of Churches and the Churches' Commission on Mission; (e) in furtherance of these purposes, to engage in education, advocacy recruitment and fundraising.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

#### 7) The London Mission Fund

The London Mission Fund derives from historic funds used to support ministry and property schemes in London. Since the reconfiguration of the London Districts in 2006, the Fund no longer makes individual grants, but rather allocates block grants to the qualifying districts which in turn dispense the fund for the support of ministry, mission and property projects as part of their own grant-making functions.

#### 8) The Guy Chester Centre

The Guy Chester Centre manages the buildings and grounds of the North Bank Estate. The Centre works within the ethos and values of the Methodist Church as set out in Our Calling. The Centre provides funding for the Learning Network.

#### 9) Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds. The college now offers degrees validated by the University of Manchester in the areas of theology and mission as well as providing a wide variety of short courses and training events. The College is used as training centre in the Learning Network.

#### 10) Southlands Methodist Trust

As part of the work carried out through the Learning Network, the Trust exists: (a) to support in association with the College and University the development of Christian, and specifically Methodist, scholarship, research and innovation of local, national and global significance and to facilitate the public dissemination of such developments; (b) to enable the members of the Methodist Community and wider public in Britain and internationally to benefit from the academic and other expertise and experience within the College and University and the facilities available within them.

#### 11) Westminster College Oxford Trust

This Trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education.

#### 12) The Methodist Medical Benevolent Fund (MMBF)

The purpose of this fund is to provide financial assistance to ministers suffering from stress and exhaustion to enable them to pay for appropriate recuperative treatment to facilitate recovery. This fund also helps ministers to pay for initial medical consultation, if it is not immediately available through the NHS, to facilitate speedy diagnosis and periodic health screening.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

21a. Endowment funds	Balance at 1 September	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August
	2020			£000		£000
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 7 funds with balances <£2m	2,063	-	(15)	416	6	2,470
<b>Total</b>	<b>19,480</b>	<b>-</b>	<b>(27)</b>	<b>3,125</b>	<b>257</b>	<b>22,835</b>

### The Connexional Funds

21b. Endowment funds	Balance at 1 September	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August
	2020			£000		£000
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 7 funds with balances <£2m	2,063	-	(15)	416	6	2,470
<b>Total</b>	<b>19,480</b>	<b>-</b>	<b>(27)</b>	<b>3,125</b>	<b>257</b>	<b>22,835</b>

Transfers of £0.2m to William Leech are principally for investment purposes.

### The Methodist Church in Great Britain

21c. Endowment funds	Balance at 1 September	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August
	2019			£000		£000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
<b>Total</b>	<b>20,113</b>	<b>-</b>	<b>(17)</b>	<b>(849)</b>	<b>233</b>	<b>(19,480)</b>

### The Connexional Funds

21d. Endowment funds	Balance at 1 September	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August
	2019			£000		£000
Rank Endowment Fund	6,398	-	(13)	(208)	6	6,183
William Leech Charities Fund	11,580	-	-	(566)	220	11,234
Other - 7 funds with balances <£2m	2,135	-	(4)	(75)	7	2,063
<b>Total</b>	<b>20,113</b>	<b>-</b>	<b>(17)</b>	<b>(849)</b>	<b>233</b>	<b>(19,480)</b>

Transfers of £0.2m to William Leech are principally for investment purposes.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain and The Connexional Funds

#### 22. Fund Transfers

		2021			2020		
		Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
<b>Unrestricted</b>							
Connexional Priority Fund	(Note 19)	-	(5,258)	(5,258)	-	(3,547)	(3,547)
Pension Reserve Fund	(Note 19)	4,622	(80)	4,542	3,112	(67)	3,045
General Fund	(Note 19)	1,728	(100)	1,628	1,322	(100)	1,222
Designated Training Fund		350	-	350	1,420	-	1,420
Methodist International Centre		-	(46)	(46)	-	(1,166)	(1,166)
Others		-	(270)	(270)	-	(20)	(20)
<b>Total</b>		<b>6,700</b>	<b>(5,754)</b>	<b>946</b>	<b>5,854</b>	<b>(4,900)</b>	<b>954</b>
<b>Restricted</b>							
Long-term Renewal Fund		100	-	100	100	-	100
World Mission Fund	(Note 20b)	-	(729)	(729)	-	(744)	(744)
Guy Chester Centre		-	(350)	(350)	-	(280)	(280)
Fund for Training		-	(15)	(15)	-	(39)	(39)
Mission in Britain		-	(48)	(48)	-	(60)	(60)
Fund for Support of Presbyters & Deacons		6	(59)	(53)	-	(66)	(66)
Fund for property		42	(96)	(54)	-	(54)	(54)
Centenary Hall Trust		-	(27)	(27)	-	(25)	(25)
Others		-	(27)	(27)	-	(19)	(19)
<b>Total</b>		<b>148</b>	<b>(1,351)</b>	<b>(1,203)</b>	<b>100</b>	<b>(1,287)</b>	<b>(1,187)</b>
<b>Endowments</b>							
William Leech Charities Fund		239	(11)	228	232	(12)	220
Rank Endowment		57	(49)	8	13	(6)	7
Others		29	(8)	21	8	(2)	6
<b>Total</b>		<b>325</b>	<b>(68)</b>	<b>257</b>	<b>253</b>	<b>(20)</b>	<b>233</b>
<b>Grand Total</b>		<b>7,173</b>	<b>(7,173)</b>	<b>-</b>	<b>6,207</b>	<b>(6,207)</b>	<b>-</b>

# The Methodist Church in Great Britain

## Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

### The Methodist Church in Great Britain

<b>23a. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2021 Total £000</b>
Intangible fixed assets	64	12	-	76
Tangible fixed assets	16,219	75,593	4,135	95,947
Investments	94,600	79,321	19,654	193,575
Current assets	14,679	7,190	92	21,961
Creditors due within one year	(5,036)	(8,290)	(1,046)	(14,372)
Creditors due after more than one year	(1,220)	(2,749)	-	(3,969)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
<b>Total</b>	<b>117,976</b>	<b>149,331</b>	<b>22,835</b>	<b>290,142</b>

### The Connexional Funds

<b>23b. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2021 Total £000</b>
Intangible fixed assets	63	-	-	63
Tangible fixed assets	16,061	67,170	4,135	87,366
Investments	94,600	67,737	19,654	181,991
Current assets	14,878	4,125	93	19,096
Creditors due within one year	(7,730)	(4,648)	(1,047)	(13,425)
Creditors due after more than one year	(721)	(2,580)	-	(3,301)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
<b>Total</b>	<b>115,821</b>	<b>130,058</b>	<b>22,835</b>	<b>268,714</b>

### The Methodist Church in Great Britain

<b>23c. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2020 Total £000</b>
Intangible fixed assets	83	16	-	99
Tangible fixed assets	18,857	75,374	-	94,231
Investments	81,196	88,603	19,313	189,112
Current assets	12,610	9,745	147	22,502
Creditors due within one year	(5,307)	(11,871)	20	(17,158)
Creditors due after more than one year	(1,107)	(7,853)	-	(8,960)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
<b>Total</b>	<b>92,442</b>	<b>152,119</b>	<b>19,480</b>	<b>264,041</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

23d. Analysis of net assets between funds	Unrestricted	Restricted	Endowment	2020
	Funds	Funds	Funds	Total
	£000	£000	£000	£000
Intangible fixed assets	83	-	-	83
Tangible fixed assets	18,535	67,780	-	86,315
Investments	81,196	61,799	19,313	162,308
Current assets	12,290	6,639	147	19,076
Creditors due within one year	(6,992)	(7,936)	20	(14,908)
Creditors due after more than one year	(1,112)	(3,126)	-	(4,238)
Defined benefit pension scheme liability	(13,890)	(1,895)	-	(15,785)
<b>Total</b>	<b>90,110</b>	<b>123,261</b>	<b>19,480</b>	<b>232,851</b>

#### 24. Revaluation reserves

The revaluation reserves balances included in the restricted and unrestricted reserves are analysed as follows:

##### The Methodist Church in Great Britain

24a. Revaluation reserve	1 September	Movement	31 August
	2020		2021
	£000	£000	£000
Unrestricted	7,594	(354)	7,240
Restricted	54,282	783	55,065
<b>Total</b>	<b>61,876</b>	<b>429</b>	<b>62,305</b>

##### The Connexional Funds

24b. Revaluation reserve	1 September	Movement	31 August
	2020		2021
	£000	£000	£000
Unrestricted	7,591	(354)	7,237
Restricted	52,346	(163)	52,183
<b>Total</b>	<b>59,937</b>	<b>(517)</b>	<b>59,420</b>

##### The Methodist Church in Great Britain

24c. Revaluation reserve	1 September	Movement	31 August
	2019		2020
	£000	£000	£000
Unrestricted	7,594	-	7,594
Restricted	59,282	(5,000)	54,282
<b>Total</b>	<b>66,876</b>	<b>(5,000)</b>	<b>61,876</b>

##### The Connexional Funds

24d. Revaluation reserve	1 September	Movement	31 August
	2019		2020
	£000	£000	£000
Unrestricted	7,591	-	7,591
Restricted	57,346	(5,000)	52,346
<b>Total</b>	<b>64,937</b>	<b>(5,000)</b>	<b>59,937</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

25. Expenses reimbursed to the trustees	2021		2020	
	Number of trustees	£000	Number of trustees	£000
Travel and other expenses reimbursed	26	16	55	36

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2021	2020	2021	2020
	£000	£000	£000	£000
Mr Doug Swanney	17	17	135	135
The Revd Dr Jonathan R Hustler	7	7	43	42
Deacon Karen McBride	7	7	42	41
The Revd Gillian M Newton	7	7	42	41
The Revd Leslie M Newton	7	7	42	41
The Revd Michaela A Youngson	7	7	42	41
The Revd Dr Jongikaya Zihle	7	7	42	41
The Revd Ruth Gee	6	7	40	42
The Revd Dr Barbara Glasson	3	7	20	42
The Revd Rachel Parkinson	-	7	-	41
The Revd Dr Jennifer Hurd	-	7	-	40
The Revd Richard J Teal	-	7	-	37
Mrs Louise C Wilkins	-	5	-	37
<b>Total</b>	<b>68</b>	<b>99</b>	<b>448</b>	<b>621</b>

Of the trustees listed above, 9 were in the Connexional team or District Chairs (2020: 13). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.4m (2019: £0.6m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

### 27. Trustees, related parties and connected organisations

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body. Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	2021			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	16	190	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	-	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	66	-	-	-
Lesnes Abbey Circuit (d)	-	-	-	10
The Queen's Foundation for Ecumenical & Theological Education (e)	120	1,042	-	-
Methodist International Centre Ltd (f)	-	1	-	786



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements For the year ended 31 August 2021 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A loan advanced to the Lesnes Abbey Circuit in order to purchase the London Mission Fund's interest in a manse at 11 Eaglesfield Road, London. The loan is repayable in equal instalments over 9 years (refer to note 16).
- (e) A payment of £1.04m (2020: £1.05m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2020-21 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 20 to Aug 21.
- (f) No income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds due to Covid-19 related lockdown and restrictions (2020: £149k). The £1k relates to accommodation expenses (2020: £8k). In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to be repaid in May 2024.

	2020			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	9	185	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	38	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	85	-	-	-
Lesnes Abbey Circuit (d)	-	-	-	20
The Queen's Foundation for Ecumenical & Theological Education (e)	120	1,046	-	-
Methodist International Centre Ltd (f)	149	8	-	786

In addition to this, as set out in Note 28, the PASLEMC has been treated as a group plan with the Methodist Council as the sponsoring employer with legal responsibility for the plan. Participation in a group pension plan is a related party transaction. In the absence of a contractual agreement or policy for charging the net defined benefit cost of the plan as a whole to individual group entities, the Council treats the contributions paid to the Scheme by other group employers as a credit in its Statement of Financial Activities.

There are also related party transactions included in the management of the Church's investment portfolio by the Central Finance Board (CFB). Further, numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches. In theory the Methodist Council could have dealings with any part of the wider Methodist Church. The main activities being:

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.8m in 2020/21. (2020: £13.7m)
- The awarding and distribution of grants to other Methodist entities amounts to £7m in 2020/21 (2020: £7m)
- Investment charges (TMCP & CFB) amounts to £232k in 2020/21 (2020: £262k)

## The Methodist Church in Great Britain

### Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

#### 28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members

who were active when the Scheme closed ("closure members") are entitled to a retirement pension based on the better of:

- Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and

- Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

The FRS 102 calculations have been carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd. The scheme assets are stated at the fair values at the respective balance sheet dates.

The assets and liabilities of the schemes for both The Methodist Church in Great Britain and The Connexional Funds at 31 August are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
Fair value of scheme assets	95,103	-	95,103	81,507
Present value of scheme liabilities	(96,433)	(1,746)	(98,179)	(97,292)
<b>Sub Total</b>	<b>(1,330)</b>	<b>(1,746)</b>	<b>(3,076)</b>	<b>(15,785)</b>
Unrecognised assets	-	-	-	-
<b>Net defined benefit liability</b>	<b>(1,330)</b>	<b>(1,746)</b>	<b>(3,076)</b>	<b>(15,785)</b>

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The Connexional Funds in respect of the two schemes are:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
<b>Service cost (before contributions from other group employers)</b>	<b>144</b>	<b>-</b>	<b>144</b>	<b>179</b>
Interest cost on scheme liabilities	1,511	28	1,539	1,641
Interest income on plan assets	(1,297)	(31)	(1,328)	(1,562)
<b>Net finance costs</b>	<b>214</b>	<b>(3)</b>	<b>211</b>	<b>79</b>
<b>Total</b>	<b>358</b>	<b>(3)</b>	<b>355</b>	<b>258</b>

## The Methodist Church in Great Britain

### Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

#### 28. Defined benefit pension scheme commitments (continued)

The amounts recognised as other gains/(losses) in The Methodist Church in Great Britain and Connexional Funds statement of financial activities:

	Unrestricted PASLEMC £000	Restricted SSMP £000	2021 Total £000	2020 Total £000
Actual return on scheme assets	14,832	106	14,938	(2,475)
Amounts included in net interest on the net defined liability	(1,297)	(31)	(1,328)	(1,562)
Other actuarial gains/losses	(1,322)	80	(1,242)	(5,119)
Movement in unrecognised assets	-	-	-	-
<b>Re-measurement gains and losses recognised in SoFA</b>	<b>12,213</b>	<b>155</b>	<b>12,368</b>	<b>(9,156)</b>

The changes in present value of defined benefit pension obligations for both The Methodist Church in Great Britain and The Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September	95,397	90,303	1,895	1,934	97,292	92,237
Service cost	144	179	-	-	144	179
Interest on obligation	1,511	1,609	28	32	1,539	1,641
Contributions by members	-	-	-	-	-	-
Benefits paid	(1,941)	(1,783)	(97)	(101)	(2,038)	(1,884)
Actuarial gains/losses	1,322	5,089	(80)	30	1,242	5,119
<b>At 31 August</b>	<b>96,433</b>	<b>95,397</b>	<b>1,746</b>	<b>1,895</b>	<b>98,179</b>	<b>97,292</b>

The changes in the fair value of the plan assets during the year for both The Methodist Church in Great Britain and the Connexional Funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
At 1 September	81,507	85,069	-	-	81,507	85,069
Interest on assets	1,297	1,525	-	-	1,297	1,525
Contributions by employers	1,097	1,097	-	-	1,097	1,097
Contributions by members	-	-	-	-	-	-
Administration expenses	(392)	(398)	-	-	(392)	(398)
Benefits paid	(1,941)	(1,783)	-	-	(1,941)	(1,783)
Actuarial return less interest income on plan assets	13,535	(4,003)	-	-	13,535	(4,003)
<b>At 31 August</b>	<b>95,103</b>	<b>81,507</b>	<b>-</b>	<b>-</b>	<b>95,103</b>	<b>81,507</b>
Unrecognised assets	-	-	-	-	-	-
<b>Net Defined Benefit Liability</b>	<b>1,330</b>	<b>13,890</b>	<b>1,746</b>	<b>1,895</b>	<b>3,076</b>	<b>15,785</b>

## The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

### 28. Defined benefit pension scheme commitments (continued)

Principal actuarial assumptions at the balance sheet date in respect of the two schemes were:

	PASLEMC		SSMP	
	2021	2020	2021	2020
	% pa	% pa	% pa	% pa
Discount rate at end of year	1.7	1.6	1.6	1.5
Discount rate at start of year	1.6	1.8	1.5	1.7
RPI Inflation	3.5	3.1	3.6	3.3
CPI Inflation	2.8	2.2	-	-
Rate of increase in Pensionable earnings	2.8	2.2	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.8	2.2	3.5	3.2
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.2	3.5	3.2
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.3	3.0	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.3	2.1	-	-

#### Mortality assumptions for the two schemes:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements.

PASLEMC - The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 50 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

SSMP - The assumptions are that a member aged 65 will live on average until age 87 if they are male and until age 89 if female. For a member currently aged 60 the assumptions are that if they attain age 65 they will live on average until age 87 if they are male and until age 90 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2021	2020	2021	2020
Equities	44.3	52.2	22.6	19.6
Gilts	-	-	55.8	58.6
Corporate Bonds	4.9	4.8	12.2	12.8
Property	8.4	9.1	5.4	5.1
Cash	7.6	8.6	4	3.9
Liability Driven Investment	30.4	20.0	-	-
Annuities	4.4	5.3	-	-

## The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

### 28. Defined benefit pension scheme commitments (continued)

#### The Methodist Ministers' Pensions Scheme (MMPS)

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme position in respect of the MMPS that would have been charged to these financial statements had the scheme been included are set out below. The FRS102 Calculations were carried out by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

a. The amounts that would have been charged to the Statement of Financial Activities are as follows:

	2021 £000	2020 £000
<b>Service cost</b>	<b>8,507</b>	<b>8,327</b>
Interest cost on scheme liabilities	7,472	8,260
Interest Income on plan assets	(7,254)	(8,704)
Interest on unrecognised assets	-	343
<b>Net Finance Costs</b>	<b>218</b>	<b>(101)</b>

b. The amounts that would have been charged to the Statement of Financial Activities as recognised gains and losses are as follows:

	2021 £000	2020 £000
Actual Return on Scheme assets	96,072	(19,395)
Amounts included in net interest on the net defined liability	(7,254)	(8,704)
Other Actuarial gains/losses	(33,879)	(11,991)
Movement in unrecognised assets	(32,967)	20,524
<b>Re-measurement gains and losses recognised in SOFA</b>	<b>21,972</b>	<b>(19,566)</b>

c. The changes in the present value of the defined benefit obligation were:

	2021 £000	2020 £000
<b>Opening defined benefit obligation</b>	<b>508,047</b>	<b>495,683</b>
Service cost	8,507	8,327
Interest cost	7,472	8,260
Cost of benefit Changes	-	-
Contributions by members	3,487	3,402
Benefits paid	(19,849)	(19,617)
Actuarial (gains)/losses	33,879	11,992
<b>Closing defined benefit obligation</b>	<b>541,543</b>	<b>508,047</b>

The weighted average duration of the liabilities of the Scheme was 15 years as at 31 August 2021.

## The Methodist Church in Great Britain

Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

### 28. Defined benefit pension scheme commitments (continued)

d. The changes in the fair value of the plan assets during the year were:

	2021 £000	2020 £000
<b>Opening fair value of scheme assets</b>	<b>487,526</b>	<b>515,864</b>
Interest income on plan assets	7,254	8,704
Contributions by employers	8,448	8,472
Contributions by members	3,487	3,402
Benefits paid	(19,849)	(19,617)
Administration expenses	(1,174)	(1,200)
Actual return less interest income on plan assets	88,818	(28,099)
<b>Closing fair value of scheme assets</b>	<b>574,510</b>	<b>487,526</b>

The total assets and liabilities of the MMPS at 31 August were:

	2021 £000	2020 £000
Closing defined benefit obligation	(541,543)	(508,047)
Closing fair value of scheme assets	574,510	487,526
<b>Net defined benefit scheme (liability)/asset</b>	<b>32,967</b>	<b>(20,521)</b>
Assets that would not have been recognised had the scheme been included	(32,967)	-
<b>Net defined benefit (liability)/asset</b>	<b>-</b>	<b>(20,521)</b>

The principal actuarial assumptions at the balance sheet date in respect of the Scheme were:

	2021 % pa	2020 % pa
Discount rate at end of year	1.6	1.5
Discount rate at start of year	1.5	1.7
Inflation	3.5	3.2
Rate of increase in pensionable earnings	3.7	2.8
Rate of increase in deferred pensions pre 2009	3.2	2.3
Rate of increase in deferred pension post 2009	2.5	2.3
Rate of increase in pension in payment main benefits CPI LPI 5%	3.1	2.3
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.2	1.8
Rate of increase in pension in payment AVCs RPI LPI 5%	3.4	3.1
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.2

## The Methodist Church in Great Britain

### Notes to the consolidated accounts For the year ended 31 August 2021 (continued)

#### 28. Defined benefit pension scheme commitments (continued)

The mortality assumptions for the Methodist Ministers' Pension Scheme were:

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 89 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 89 if they are male and until age 90 if female.

The major categories of plan assets as percentage of total plan assets for the Scheme were:

	2021	2020
	%	%
Equities	44.1	56.6
Gilts	0.1	0.1
Corporate Bonds	15.3	15.6
Index linked Bonds	-	-
Property	8.5	9.3
Cash	10.0	4.9
Liability driven Investment	19.2	12.1
Impact investing	2.8	1.4

#### 29. Non-adjusting events after the end of the reporting period

In January 2022 the group entered into an agreement to sell Methodist Church House (the registered office and headquarters of the Methodist Church in Great Britain), which is expected to complete in June 2022. Additionally in January 2022, the group has entered into an agreement to purchase replacement premises. An estimate of the financial impact cannot be made at the point of signing the financial statements for the year ended 31 August 2021.

## Trustee and Committee Memberships

The membership for 2020/2021 and 2021/2022 are listed below.

Methodist Council:

2020 / 2021	New Members from 1 September 2020 are marked with one asterisk (*)	
Mrs Joanne Anderton*	The Revd Sonia M Hicks*	Mr Keith Norman*
Mrs E Jill Baker (Chair)	The Revd Beverly Hollings	Mrs Helen Norton
Mr Timothy J Baker	Mrs Beti W T Holmes*	The Revd Michael D Parker
The Revd Paul H Booth	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
The Revd Dr Adrian Burdon	The Revd Carmel Ieraci*	Mr Michael Pryke
Mr David Burton	The Revd Ermal B Kirby	Mr Graham Russell
The Revd Dr Joanne Cox-Darling*	Mr Joe Lambert*	The Revd S Mark Slaney*
The Revd Mark Dunn-Wilson	Mrs Carolyn J Lawrence	The Revd Billy Slatter
Mrs Barbara Easton*	Mrs Heather Lovelady	Ms Sandie Smith*
Mr Carl Fairclough*	Mr Andrew Lowe	The Revd Kate Strange*
The Revd Dr Andrew M Fox	Professor David Matthews	The Revd O Mark Street*
The Revd Ruth G S Fry*	Mrs Val Mayers*	Mr Douglas Swanney
The Revd Ruth M Gee	Deacon Karen McBride	The Revd Timothy A Swindell
The Revd Dr Barbara C Glasson	Mr Alister McClure	The Revd Richard J Teal
Mr Bala Gnanapragasam	Professor Clive Marsh	The Revd Alison E Walker*
Mr Peter Gregson*	Professor Ken Mortimer	Mrs Margaret Webber
The Revd Jeremy H A Hackett	Dr Daleep S Mukarji	Mr Richard Wills
Ms Charlotte Hambly*	The Revd Gillian M Newton	The Revd Michaela A Youngson
The Revd Novette Headley	The Revd Leslie M Newton	The Revd Dr Jongikaya Zihle

2021 / 2022	New Members from 1 September 2021 are marked with two asterisks (**)	
Mrs Joanne Anderton	Mrs Beti W T Holmes	The Revd Michael D Parker
Mr Stephen Arnold**	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
Mrs E Jill Baker (Chair)	The Revd Ermal B Kirby	Mr Graham Russell
The Revd Karen Beecham**	The Revd Helen R Kirk**	The Revd S Mark Slaney
Mr Anthony Boateng **	Mr Joe Lambert	The Revd Billy Slatter
The Revd Paul H Booth	Mrs Carolyn J Lawrence	Ms Sandie Smith
Mr Mark Braithwaite**	The Revd Angela Long**	The Revd Kate Strange
The Revd Dr Adrian Burdon	Mr Andrew Lowe	The Revd O Mark Street
Mr David Burton	Professor David Matthews	Mr Douglas Swanney
The Revd Dr Joanne Cox-Darling	Mrs Val Mayers	The Revd Timothy A Swindell
Mrs Barbara Easton	Deacon Karen McBride	The Revd Rebekah Stennett**
The Revd Simon C Edwards**	Mr Alister McClure	Mrs Jenny Taylor **
Mr Carl Fairclough	Dr Daleep S Mukarji	The Revd Richard J Teal
The Revd Ruth G S Fry	The Revd Gillian M Newton	The Revd Graham Thompson**
Mr Bala Gnanapragasam	The Revd Leslie M Newton	The Revd Alison E Walker
Mr Peter Gregson	Mr Keith Norman	Mrs Margaret Webber
The Revd Jeremy H A Hackett	Mrs Helen Norton	Ms Verity Wild**
Ms Charlotte Hambly	The Revd Nick Oborski**	The Revd Michaela A Youngson
The Revd Sonia M Hicks	Dr Hellen Okello**	The Revd Dr Jongikaya Zihle

A full list of the trustees, being the members of the Methodist Conference, is available on request from the registered office and on the Charity Commission website.



## **The Strategy and Resources Committee**

The membership for 2020/2021 and current year are listed below:

### *Voting Members*

Ms Janet Arthur [to 31 August 2021]  
Mr Edward Awty [to 31 August 2021]  
Mrs Anne Bolton  
Professor David Matthews  
The Revd Loraine N Mellor  
The Revd Ruth Midcalf  
Mrs Shelagh Morgan

Dr Daleep S Mukarji (Chair)  
The Revd Gillian M Newton  
The Revd Michael D Parker  
The Revd Timothy A Swindell  
The Revd Marcus Torchon  
Ms Helen Woodall [to 31 August 2021]

### *Non-voting members*

Mrs Joanne Anderton  
The Revd Ruth M Gee [to 31 August 2021]  
The Revd Dr Jonathan R Hustler  
Mr Douglas Swanney  
The Revd Michaela A Youngson [from 1 September 2021]

Other members of the senior management group may attend by invitation as the business shall require.

Induction of new SRC members normally includes: conversations with the chair of SRC and the senior staff of the Connexional Team; a mentoring relationship with an experienced member of SRC; and invitations to share in the induction sessions for Council members.

## **The Finance Sub-Committee (FSC) of the Strategy and Resources Committee (SRC)**

The membership of the committee is:

### *Voting Members*

Mr Edward Awty [to 31 August 2021]  
Mrs Helen Blair [from 1 September 2020]  
Mrs Sue Haworth

Mr Malcolm Pearson  
The Revd Stephen J Radford  
The Revd Timothy A Swindell (Chair)

Members of the senior management group may attend by invitation as the business shall require.

## **The Audit and Risk Assurance Committee**

The membership of the committee is:

### *Voting Members*

Mrs Sarah Atwell-King  
Mr Adrian Burton  
Mr Alan Kershaw (Chair)

Mrs Susan M Mortimer  
Mr Michael Rickard

### *Non-voting members*

Mr Edward Awty [to 31 August 2021]  
The Revd Timothy A Swindell

Members of the senior management group may attend by invitation as the business shall require.

## **Reference and Administrative Details**

### **Names and addresses**

The address of the Office of the Conference for the purposes of the Methodist Church Act 1976 and any other legislation is:

The Methodist Church  
Methodist Church House  
25 Marylebone Road  
London NW1 5JR  
Tel: 020 7486 5502  
Web: [www.methodist.org.uk](http://www.methodist.org.uk)

### **Executive Officers**

The Revd Dr Jonathan R Hustler  
The Revd Michaela A Youngson  
Mr Douglas Swanney  
Mrs Joanne Anderton

### **Custodian Trustee:**

Trustees for Methodist Church Purposes  
Central Buildings  
Oldham Street  
Manchester M1 1JQ

Methodist Missionary Trust Association  
Methodist Church House  
25 Marylebone Road  
London NW1 5JR

### **Investment Managers:**

Central Finance Board of the Methodist Church  
9 Bonhill Street  
London EC2A 4PE

### **Bankers:**

HSBC plc  
Westminster Branch  
4-8 Victoria Street  
London SW1H 0NJ

### **Independent Auditor:**

RSM UK Audit LLP  
Statutory Auditor, Chartered Accountants  
St Philips Point  
Temple Row, Birmingham  
West Midlands, B2 5AF

### **Solicitors:**

Farrer & Co  
66 Lincoln's Inn Fields  
London WC2A 3LH