

Consolidated
Report and Accounts
for the year ended
31 August **2015**



The Methodist Church in Great Britain
Consolidated Report and Accounts for the year ended 31 August 2015

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The Methodist Church in Great Britain
Secretary of the Conference's report

Welcome from the Revd Gareth Powell

This report sets out some of the work of The Methodist Church in Great Britain in the year to 31 August 2015. It is an account of how as the church of Jesus Christ we have sought to be confident and imaginative in the task to which God has called us.

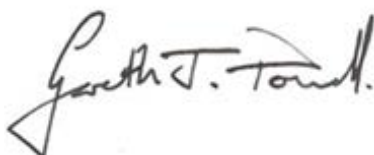
There are many positive and enriching stories to tell about Methodism in Britain today and I hope you will find in this report not only the information required of a financial statement, important as that is, but also the much wider picture of the Methodist people celebrating the ongoing story of God's good creation. For this, and all the work which this report represents, we give thanks.

Methodists seek to respond to the outpouring of God's love in a variety of ways and what follows tells something of how that is done. A range of stories accompany these accounts in order to illustrate how we experience and respond to God's constant grace. Reading the stories and the accounts as part of a whole enables us to understand how we are called by God and how we respond.

Without the generous donations of the Methodist people we could not be part of God's mission in the world today. I am grateful for the generosity of Methodists past and present, for that generosity enables us to lay foundations for long term pieces of work and to respond in times of particular need as we seek to serve our communities. This report will, I am sure, enable a range of people and partners to understand how The Methodist Church is taking care of the resources for which it has responsibility. In the coming year we will need to pay ever closer attention to how we use the resources of the whole connexion to ensure that our mission is effective and that our ministry is faithful. The development of a legacies pack, which sets out how individuals can contribute to the future of The Methodist Church by leaving a legacy, is part of that work.

At the heart of what you are about to read is the response of a community of thankful Christians seeking to worship God and proclaim God's goodness in the world through diverse ways. I hope that it encourages you and challenges you.

The Revd Gareth J Powell



Secretary of the Conference

27 January 2016

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 accounts fall within the work of The Methodist Church. The strategic objectives of The Methodist Church in Great Britain ("The Methodist Church") are directly linked to its aims. They are:

1. Worship – to increase awareness of God's presence and to celebrate God's love;
2. Learning and Caring – to help people to learn and grow as Christians, through mutual support and care;
3. Service – to be a good neighbour to people in need and to challenge injustice; and
4. Evangelism – to make more followers of Jesus Christ.

Public Benefit Requirement

The trustees of The Methodist Church had 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 to 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 and Governance

The entities included in this report are not a record of all the financial activities of The Methodist Church as they do not include local church, circuit and district accounts. The names of the entities included in this report are listed in 'Note 1' of the accounts on page 45 and include:

Activities managed or administered by the Connexional Team (hereafter referred to as the "Connexional Funds"), and 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 (Methodist Relief & Development Fund)	(a separately registered charity)
Southlands Methodist Trust	(a separately registered charity)
Methodist International Centre Limited	(a separately registered company)
Westminster College Oxford Trust Limited	(a separately registered company)
Westminster College Oxford Trust	(a separately registered charity)

For the purposes of these accounts these entities are referred to as The Methodist Church in Great Britain.

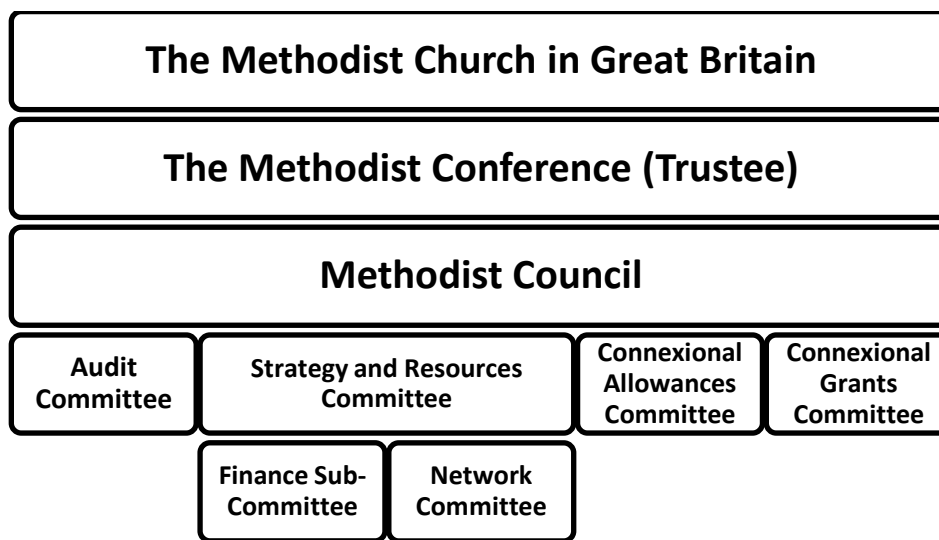
Structure

The Methodist Church applied and became a registered charity on 20 October 2009 (1132208 – "The Methodist Church in Great Britain"). 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. Amongst other functions it is responsible for the adoption annually of a unified statement of

Structure (continued)

connexional finances, clearly distinguishing between restricted and unrestricted funds and conforming to the law and accounting regulations so as to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting that unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these accounts.

The basic governance structure so far as these Consolidated Accounts are concerned is presented in the diagram below.



The Methodist Conference

The government and discipline of The Methodist Church and the management and administration of its affairs are vested in the Conference. The Conference meets annually in Representative Session and Presbyteral Session (and there is in addition a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 31 districts of The Methodist Church as well as other bodies of the Church.

The Methodist Council

The Methodist Council consists of 54 members (see page 76 for members) most of whom hold office for four years. It meets at least three times a year and 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 the notice of the Conference matters to which it believes the Conference ought to give urgent attention; and
- protect the assets of The Methodist Church.

The Methodist Church in Great Britain

Trustees' report continued

Structure (continued)

In addition to the above it is particularly 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 funds);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of its ordained members;
- 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
 - Fund for the Support of Presbyters and Deacons
 - The Sabbatical 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.

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2015 edition) contains 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, the Model Trusts and the standing orders set out the governance and discipline of the church and they may be changed on the authority of the Conference according to prescribed procedures.

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 for matters relating to the objectives of the Connexional Team and to local trustees in the case of the training institutions and residential centres. These local trustees report to the Methodist Council.

The following committees have an oversight / governance role in relation 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 from non-voting members. The Committee, which met four times in the year, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual financial statements of Connexional finances and budgets;
- recommendation to the Methodist Council of the three year Connexional finance budgets;
- supervision of the work of the Secretary of the Conference and Connexional Team;

The Methodist Church in Great Britain

Trustees' report continued

Governance and Oversight (continued)

- exercising oversight of 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;
- review and presentation to the Methodist Council of the Annual Trustees' Report and consolidated accounts; and
- identification and management of risks.

The Audit 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 Committee has responsibility for:

- advising the Council on the appointment of external auditors;
- reviewing the accounts of The Methodist Church;
- reviewing, with the auditors, the consolidated accounts;
- 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;
- submitting an annual report to the Council; and
- reviewing the effectiveness of procedures relating to risks.

Oversight Committees

To assist the 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;
 - represent as the employer in discussions with the Trustees of Connexional Pension Funds;

In addition the Connexional Treasurers and some members of the Connexional Team meet regularly to consider matters of investment management, with particular concerns for:

- monitoring the performance of the Council's investment managers (CFB);
- deciding, on the basis of the requirements of the various funds (under Connexional Team management), the most appropriate investment strategy.

- The Connexional Allowances Committee which is responsible for recommending allowances for ministers and awarding grants from the following funds:
 - The Fund for Support of Presbyters and Deacons;
 - The Methodist Medical Benevolent Fund;
 - The Methodist Ministers' Children's Relief Association; and
 - The Connexional Travel Fund.

Governance and oversight (continued)

- The Connexional Grants Committee which is responsible for:
 - all Connexional grants;
 - monitoring all grants made by sub-committees and grant streams;
 - operating within annual budget set by Council;
 - monitoring the use of District Advance Funds (DAFs); and
 - establishing clear processes for the longer term monitoring and evaluation of grant expenditure.

- The Network Committee which is responsible for:
 - developing and maintaining the learning and training of lay people and ministers and the pursuit of scholarship, research and innovation throughout the Connexion;
 - ensuring the generation of income from those centres for which the committee has managing trustee responsibilities and the appropriate use of the resources so generated;
 - reviewing and monitoring of the fulfilment of the terms of all agreements reached between the council and any training institutions with which the council has agreements; and
 - working collaboratively with the Ministries Committee to ensure the implementation of connexional policy as respects learning, training, scholarship, research and innovation.

- The Trustees of All We Can, (formerly 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 which report to the Council but are not administered by the Connexional Team ('self accounting entities').

A comprehensive list of the self-accounting entities whose accounts are included in The Methodist Church Consolidated Accounts is provided on page 45. For each of them, with the exception of Westminster College Oxford Trust Ltd, 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. In the case of Westminster College Oxford Trust Ltd the Conference appoints the trustees, subject to the approval of the Methodist Council and they in turn report to the Conference. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities, which are accountable to the Council and the Conference.

Appointments to the various trustee boards are approved by the Methodist Council on the recommendations of the existing members, following 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 are confirmed annually.

All new trustees 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 also receive regular updates and are made aware of relevant events and training opportunities.

The Methodist Church in Great Britain

Trustees' report continued

Past Cases Review 2013-2015

Courage, Cost & Hope

The Methodist Church published on 28th May 2015 the report of an independent review of past safeguarding cases related to the Church and covering the period from 1950 to 2014. The review, which took three years to complete, was set up in accordance with proposals agreed by the Methodist Conference in 2011 and 2012. It was led by former Deputy Chief Executive of Barnardo's Jane Stacey, who brought to this immensely difficult task the experience of a long career in senior management of organisations in the child welfare field.

The report was given the title "Courage, Cost & Hope" and was dedicated "to survivors/victims of abuse that has occurred within The Methodist Church with the hope that its findings and subsequent actions will contribute to making the church a safer place for all in the future".

The Past Cases Review considered all safeguarding cases for which there were written records and those recalled from memory by ministers and members of the Church going back to 1950. These included cases that occurred within a church context as well as those which were reported to the Church as a matter of pastoral concern but which occurred away from the Church.

The review identified 1,885 past cases, which included sexual, physical, emotional and domestic abuse as well as cases of neglect. In approximately one quarter of these cases, church ministers or lay employees were identified as the perpetrators or alleged perpetrators. In each identified case, the Church's response was reviewed on whether it had been safe, pastorally appropriate and compliant with current legislation and policy. Where possible and appropriate, cases were referred to the police or other remedial action was taken.

Speaking on behalf of the Church at the time of the report's publication, the Secretary of the Methodist Conference and General Secretary the Revd Dr Martyn Atkins issued this full and unreserved apology to survivors and victims of abuse:

"On behalf of The Methodist Church in Great Britain I want to express an unreserved apology for the failure of its current and earlier processes fully to protect children, young people and adults from physical and sexual abuse inflicted by some ministers in Full Connexion and members of The Methodist Church. That abuse has been inflicted by some Methodists on children, young people and adults is and will remain a deep source of grief and shame to the Church.

"We have not always listened properly to those abused or cared for them, and this is deeply regrettable. In respect of these things we have, as a Christian Church, clearly failed to live in ways that glorify God and honour Christ.

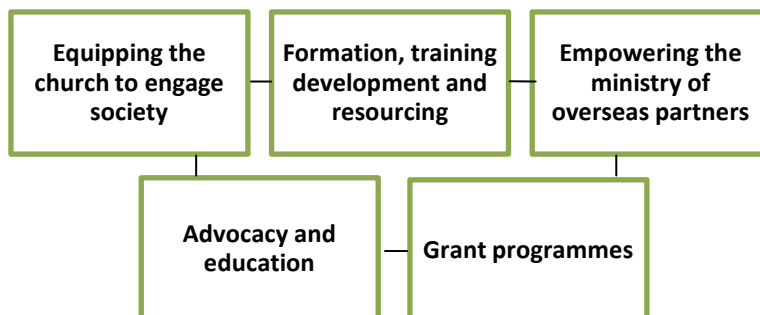
"I am certain that the Methodist Conference will want to resolve to do all in its power to improve its systems to protect children, young people and adults from abuse within the life of the Church and on Church premises, and to review them diligently on a regular basis."

The report was received by the Methodist Conference meeting in Southport from 25th June to 2nd July 2015, where The Methodist Church's apology was reiterated from the platform. The Conference went on to appoint a Past Cases Review Implementation Group to take forward all the recommendations contained in the report.

The Methodist Church in Great Britain Trustees' report continued

Key activities

In responding to The Methodist Church's Calling, The Methodist Church in Great Britain organises its work in the following five key areas:



1. Equipping the church to engage society

The missional work of The Methodist Church in Great Britain is enabled in part by grants administered by the Connexional Grants Committee. This committee distributes money held by five funds: the Mission in Britain, World Mission, Property, Epworth and Connexional Priority Funds. It looks to support well organised and costed project and building initiatives that it is believed can make a real difference to the work of Christian mission, with an impact that is 'larger than local'. Larger than local is defined variously as crossing district boundaries, demonstrating innovative or far reaching forms of mission, working ecumenically, or as being of strategic importance for the connexion. (See <http://www.methodist.org.uk/mission/connexional-grants/what-do-we-fund/mission-and-ministry-including-heritage> for criteria in detail.)

The Fijian connection

If anyone can claim to have inherited John Wesley's mantle as pastor to a worldwide parish it's the Revd Jimione Kaci, pastor to the Fijian community throughout the United Kingdom.

Jimione describes himself as a "father figure" to over 260 Fijian families, living as far apart as Southampton, Inverness and in Northern Ireland. Though there is a small community centred on Stoke-on-Trent, near to where Jimione lives, the great majority of Fijians have connections with the armed forces and live on bases across the country. Jimione's task is to help them settle and adapt to life far from their original homes. "Often they feel raw and out of place when they arrive. I support their pastoral needs, which involves a lot of travel."

At the same time, 50 per cent of Jimione's time is spent in the Trent and Dove Valley Circuit whose superintendent, Mike Redshaw, appreciates the way in which Jimione is able to help Fijian and British Methodists make connections with each other. In fact this task of making connections is the other key element of Jimione's role, which has been extended to 2018 thanks to the Mission in Britain Fund. "I am helping Fijians, many of whom settle here after they leave the military, feel part of the wider Methodist community" – so modelling mutual understanding and respect that is at the heart of all long-lasting mission work.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Equipping the church to engage society (continued)

Casino conversations

The Revd Jenny Spouge was surprised to find herself considered an asset when her local casino asked whether they could mention her in their application for a Gaming Licence. Jenny works as chaplain to Grosvenor G Casino in Luton. It was a pioneering initiative established with the support of the Methodist Workplace Chaplains Forum and one that, as Jenny says, has had mixed reviews from some Methodists. But though part of her role is to understand the complexities of life as a dealer or bar attendant or manager, she says that, "for me, it often means watching television in the staff room." It's the conversations that make her think "that's why I am here... The young woman feeling guilty at the excitement of her forthcoming first child while her husband was preoccupied with his mother dying on the other side of Europe; another harassed by a neighbour who has caused previous tenants to leave; a young man involved in a racist attack..."

Chaplaincy, like mission in general, takes many forms. Being a smiling face in the staff room is important, Jenny says. "I am not good at 'being', but it is often what this job needs."

Band for Life

'Band for Life' is a music group inspired by the belief that music brings people together, regardless of age, health, background, social situation, gender or ethnicity. Up to twenty people meet every Friday in Bow Row Methodist Church in Tower Hamlets where they play and share music together as a band, playing a variety of styles from 1930s hits to Rock n Roll. It is a dynamic and inclusive musical community, open to all and particularly welcoming to those experiencing mental health problems and those who are socially isolated.

One man had become so used to never stepping out from his front door that he had to be escorted to the church under a special social services scheme. When funding for that service eventually dried up, he had grown so much in courage and independence that he continued to come every Friday without support. "As he got older, he gained *more* independence," says project leader Sarah Wilson. "He is living more, and doing more, despite the fact that, 10 to 15 years ago, he was predominantly housebound."

Tower Hamlets, in the heart of London's East End, is typically known for being one of the most deprived areas in the UK. The area also has a hospital admission rate for mental health problems that is 1.4 times higher than the national average. Against this backdrop, Band for Life is bringing about profound healing. Sarah says: "It can be such a transforming experience. The members are a big support to each other. Some have started to meet together outside of the group. It's hard to say what music means to us, but its therapeutic effects are plain."

A safe space on Sark

The benefits of renovating the small Methodist Church on Sark will have an effect on the local population far in excess of the relatively modest building plans being supported by The Methodist Church's Fund for Property. The church is striving to be an active presence on an island where there is no National Health Service or Social Security system, and where islanders can't access the mainstream services on the neighbouring islands of Guernsey or Jersey without paying as private clients.

The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Equipping the church to engage society (continued)

The proposed Sanctuary Centre has the potential to provide 18 months' worth of work for residents and help to boost the economy. "There is so much potential for this new build," says the Revd Karen le Mouton, the probationer presbyter with pastoral responsibility. "The health visitor, who currently comes once a month, would have a safe space to run her clinics. And at the moment, there's nowhere for young people on the island to meet together that doesn't have alcohol."

After hearing about the church's funding application, a group of young people wrote to Karen, saying: "We really want this to happen ... somewhere to spend time with friends where we aren't cold or wet, or an annoyance to other people. We could help to run it and even fundraise for new things, which could be used and kept there. Giving us this sense of responsibility makes it even more important to us."

Mission in the broadest sense

The Methodist congregation of Wicken Ely in Cambridgeshire is desperate to flex its missional muscle – to connect more widely with others working in their rural community and to invite people in to a more usable, welcoming physical space.

"The 'Come on In' project has been developed to redress the mismatch between our church building and our vision to be an active Christian presence in the community and beyond. We have only 20 members, yet week by week we find ourselves working around the constraints of the existing building infrastructure rather than being enabled by it."

Plans such as the removal of pews, the carpeting of the sanctuary, and the refurbishment of the schoolroom to make it a more practical space for young people and groups, sit alongside evolving initiatives: a Monday morning tea and toast event for older people, for example, with access to services such as a Parish Nursing project. A free-of-charge home will be offered to local charities, including Cruse Bereavement and Cambridge Women's Resource Centre, who cannot afford to hire premises but who provide valuable support to people in our community. In addition, church members and others intend to undertake disabilities awareness training delivered by The Torch Trust, Cambridgeshire Hearing Help and The Spinal Injuries Association.

Taken as a whole, the 'Come on In' vision is about improving accessibility for all; being warm, welcoming and transparent; and about meeting needs in the community – now and in the future.

Planning ahead: broadening mission

In order to ensure the greatest breadth and impact of Christian mission, we will continue to tell stories of the Methodist people in action in local communities, supporting creative mission in collaboration with the Connexional Grants Committee.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

2. Formation, training, development and resourcing

One of The Methodist Church's major goals is to equip its ministries through its work with chaplaincies, children and young people, and by enabling evangelism, spirituality and discipleship.

We were successful in meeting our objectives for 2014-15, which included:

- establishing an initial framework for an evangelism community of practice;
- overseeing the roll-out of the Local Preachers and Worship Leaders (LPWL) pilot and preparing for the launch of the new modules in September 2015;
- developing a Circuit Based Learning Programme: A Practice-based Pathway for Ministry, supporting initial ministerial learning;
- supporting the development of the pioneer pathway across two pilot regions, establishing key learning for the roll-out of the pathway across the connexion from September 2015;
- committing to working with districts to set up and support a review of city centre ministries;
- building an initial network of contacts and points of connection with key Fellowship groups and culturally and linguistically distinctive congregations (see 'The Fijian connection' above); and
- collaborating with ecumenical partners, Cliff College and the University of Durham in the creation of a HE pathway within the Common Awards for workers and ministries with children and young people.

Scholarship, Research and Innovation (SRI)

The vision of Methodism as a 'learning Church' took an important step forward when the Revd Dr Stephen Skuce was appointed Director of Scholarship, Research and Innovation (SRI) in September 2014. His work, supported by a Strategic Research Team, draws together work old and new. Work previously held elsewhere includes the financing of higher education awards for presbyters and deacons, and planning for the next Oxford Institute for Methodist Theological Studies in 2018. Other aspects involve establishing new work to support scholarship and learning within the Methodist ministry and people, for example through Holiness, the new journal of Wesley House, Cambridge.

Schools at the heart of mission



Work progressed in 2014-15 on the development of a new Methodist/Church of England school, to be located at Alconbury Weald where 5,000 houses are being developed on a former RAF airfield. "Our response to such a project is: How are we going to have church there?" says Director of Education Barbara Easton. "One way is to build schools."

<Image: available at

<http://www.ahmm.co.uk/projectDetails/157/Alconbury-Weald-Primary-School-?sub=news>>

The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Formation, training, development and resourcing (continued)

Since her appointment in January 2014, Barbara has been overseeing around 80 schools established by The Methodist Church, often in collaboration with the Church of England. With 25,000 children taught in these schools, representing every kind of social community “and a reach that goes much further”, Barbara sees the schools as an integral part of the Church’s wider mission. Built on behalf of government, with public money, these schools are engaging with local communities and offering spaces where Methodist values are at the heart of every activity. At the same time, regional networks are being developed amongst Methodist schools in order to build closer relationships between schools with like-minded values; while conferences have been organised to support head teachers, district school officers and, most recently, schools workers.

Generating enthusiasm

3Generate is one of The Methodist Church’s great success stories. The annual weekend for young people aged 8 to 23 was sold out in double quick time in 2014 and so in 2015 is moving to a venue that is double the size. It will also incorporate the parallel event for youth workers, The Well. Described by one young person as “a great way to meet God and other people in whatever way you do best”, the event is planned by children and young people for the participants who, in turn, have opportunities to shape the next 3Generate event.

The weekend is streamed for three age groups (the ‘3 generations’ of the title), each with their own huge range of talk-and-do activities. In 2014, as well as new initiatives including 3Generate TV and local events running parallel with the sold-out main event, for the first time the 8-11 year-olds were appointed ‘3Generators’. Their task was to choose three challenges to take back to their local communities and to make a difference.

One of the big attractions of 3Generate, says former Youth President Megan Thomas, is that this is “a place where young people can get their voice heard by the wider Methodist Church”. So at the 2015 Methodist Conference, the priority topics brought forward by 3Generate delegates for further reflection included Transgender, Alcohol and Club Culture and Authentic Worship for all ages: one way in which the commitment of young people stimulates the development of Methodist thinking across Britain.

The Discipleship and Ministries Learning Network (DMLN) in the regions

Eleven (DMLN) regions, serving the whole connexion, are involved in, or responsible for, connexional and more region-specific initiatives. Amongst them, staff and volunteers in 2014-15 have:

- piloted new programmes, e.g. *Encounter* (4 regions);
- engaged with developing regional Fresh Ways Hubs as part of the Fresh Expressions (every region);
- supported ministry development through Continuing Development in Ministry events (7 regions);
- delivered courses, e.g. *Chaplaincy Everywhere* (North East);
- facilitated “larger than circuit” consultations (5 regions);
- developed innovative sessions e.g. Lego Serious Play (Cymru, Wales); and
- provided support and training on subjects ranging from domestic abuse and personal safety to obtaining grant funding.

Two examples from Scotland and Birmingham offer a flavour of some of the local imagination at work.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Formation, training, development and resourcing (continued)

a. Bring soul to Perthshire



The Solas Festival is often referred to as ‘The Greenbelt of Scotland’. By comparison, it is tiny – perhaps 1,500 people on a beautiful Perthshire site, but certainly a space where everyone is well aware of the Methodist presence.

Inspired by the Northern Soul music movement, the popular and inclusive 2015 Methodist tent was full of people chatting, reflectively thinking, drawing and painting, sewing, and planting pots for the future. Volunteers and supporters of all ages included young people from Livingston Ecumenical Parish who created a photo booth to capture people’s views about the world to feed back into 3Generate. Running parallel were workshops for lay employees in The Methodist Church and for those who were exploring next steps in their discipleship.

“For me, Solas really is a rich broth of belief and spiritual expression,” says Terry Wright, a minister from the Strathclyde Circuit, “Over the weekend, music, smiles and hugs intertwine as people of all ages find a space to relax or reflect on the deeper things of life. We brought along a group of folks on the fringe of our church community and they came away feeling they were part of something very positive on which we can build”.

One person said, ‘I knew God was there even though no one Bible bashed me! Thanks.’”

b. Getting the habit



‘Holy Habits’ is a holistic, engaging two year programme that is helping church members to reflect on their Christian discipleship and to put those reflections into action. And it came about because one Methodist circuit asked itself an important question.

Reviewing its life after three years of existence, the Birmingham Circuit identified the task of intentional discipleship development as an area where it felt weak. How could this be addressed? A strategy group was formed that reflected a real partnership between the circuit, network and district (the District Evangelism Enabler is on board) – and out of this ‘Holy Habits’ grew.

Based on the life of the early Christian communities, as recorded in Acts chapter 2, the programme explores ten ‘healthy habits’ – ways of being; each one launched in Sunday worship every six to eight weeks, and each theme supported by a brochure full of worship, study, and children’s and youth group ideas, plus suggestions for how to

The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Formation, training, development and resourcing (continued)

live out the habit on a day to day basis. The fact that teams have been created to prepare each brochure means that between 50 and 100 people are involved in producing the Holy Habits resources. They, as well as all the programme participants, now have a real sense of ownership for this initiative.

This 'living this, doing this' model of deepening discipleship is attracting a lot of interest from beyond the Birmingham Circuit: People within the circuit are saying: 'We are enthused'; people elsewhere are asking: 'Can we use this too?'

Planning ahead: making learning local

Our 2015-16 priorities will focus on four areas: missional leadership, growing participation, healthy Methodist communities and enhanced visibility. There will be a rolling out of new programmes across the Network regions and work to build local opportunities for discipleship and learning by:

- launching the new Local Preachers and Worship Leaders training modules and both the new Pioneering Pathways and also the Encounter programme across all regions;
- building on the success of 3Generate with more local 'satellite' events;
- encouraging further circuit-based learning and the coordinated training of stewards at church and circuit level;
- developing partnerships for ministry through a new Local Ministry Development Framework;
- growing and diversifying the ONE programme, including the pilot of an overseas experience or encounter programme; and
- researching the impact of the DMLN programmes. We will focus first on developing a theory of change for the superintendent training programme. This will help establish a link between resources or inputs and the programme's main outcomes. It is hoped that this will be the lead to a rolling programme of impact measurement.

3. Empowering the ministry of overseas partners

The past year has seen significant work towards a refreshed strategy for managing relationships with partners across the world, in light of the One Mission vision statement passed by the Methodist Conference. We have asked how we define our partners and how we then express that partnership through our relationships and programmes. Much useful feedback was obtained from a workshop at the 2015 Conference and a final strategy document will be submitted to the Methodist Council later this year.

Our relationships with partners do not necessarily involve financial support but we do help a significant number with grants or by sending mission partners. At the end of the year, we had 39 active mission partners of whom 29 were lay and the remainder ordained. In all, we work alongside some 60 partner churches and around 120 partner organisations in well over a hundred countries around the world.

Tackling trafficking in Palermo

Churches from around the globe could coordinate their efforts to help support and rehabilitate victims of human trafficking, according to Olubunmi Olayisade, Africa Partnership Coordinator for The Methodist Church in Great Britain.

The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Empowering the ministry of overseas partners (continued)

In June 2014, she visited Palermo in Sicily and found out more about the Pilgrims of the Earth programme, an initiative of The Methodist Church in Italy (OPCEMI) with support from the World Mission Fund and Methodist Women in Britain. Founded by Vivian Wiwoloku, a Methodist lay preacher, the programme offers retraining to women brought from Nigeria with promises of fulfilling jobs but who have subsequently become enslaved in the sex trade.

Winning the trust of the women takes time. Vivian's car has been vandalised and he has been threatened and blackmailed; women have backed out of the opportunity to retrain due to threats, while some have had their siblings killed in Nigeria in retaliation for disclosing their circumstances. Nevertheless, to date, over 300 women have completed the Pilgrims rehabilitation programme.

But more needs to be done and partnership is the way to do it, believes Olubunmi. The ultimate plan, she says, is to repatriate those women willing to go back to Nigeria, paying for their return journey and offering a basic start-up business package. However, Olubunmi plans, also, to link up with The Methodist Church in Nigeria in order to encourage education programmes that expose the real dangers of responding to work offers from overseas and so prevent young Nigerian women from being trafficked in the first place.

An exciting circuit partnership

One Methodist circuit has been modelling new ways of building understanding between churches by developing a mission partnership with The Methodist Church of Italy (OPCEMI).

The link was made through World Church Relationships, and in February 2015 a small group of Italian Methodists came to the circuit for a week. There were numerous opportunities for sharing information and personal faith journeys, and for the Italian Methodists to talk about their experience of migration. One of the main highlights, though, was the visit to the Methodist junior and infant school in Wakefield where the children had made a number of special preparations to welcome their Italian guests. The school, too, is now looking at ways in which it can develop a partnership with Italian Methodists.

The growing partnership is helping the circuit look outward, not least at a time when the World Church team is active in supporting the Mediterranean Hope project run by OPCEMI in response to the continuing flows of refugees from North Africa to Italy. The next part of the partnership will be a visit to Italy by circuit members and staff and it is hoped that this will be just the start of longer term relationships with Methodists and Waldensians in Italy.

Street Child World Cup and the John Wesley Cup

Sport is a transnational language which everyone can be a part of and enjoy, it can also be a force for change. In 2014, 230 former street children from 19 countries came together in Rio de Janeiro, Brazil to play football and stand united for the rights of street children.

The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Empowering the ministry of overseas partners (continued)

The Street Child World Cup is a global campaign for street children to receive the protection and opportunities that all children deserve. The negative perceptions and treatment of children are challenged through football, art and an international street child conference.

As part of Methodist support for the Street Child World Cup, a general grant was sent to The Methodist Church in Brazil towards youth participation in the event and street child advocacy work. They organised the 'John Wesley Cup' football tournament involving Methodist young people from all over Brazil.

The young people were challenged to take a prophetic stand to change the reality for children living on the streets and implement sports projects combining evangelism and social action.

As part of our ongoing work to support the Nicaraguan Methodist Church, street children in Nicaragua were also given the chance to compete in the Street Child World Cup in Rio with the support of The Methodist Church in Great Britain where Methodist children and young people encouraged local churches to help raise £30,000 to pay for the girl's and boy's teams to travel from Nicaragua to Brazil.

The cost of security

Between 2009 and 2012, 893 schools were attacked across Pakistan, making educational facilities the most targeted building type in the country.

Though the right to education is a fundamental human right, according to the Church of Pakistan, the majority of these attacks were carried out with the aim of destroying the educational facilities and discouraging children from getting an education. Over 140 students and school personnel were killed and hundreds injured when the Army Public School in Peshawar, Pakistan was attacked in December 2014.

Following this attack, Pakistan's government closed all educational institutions temporarily. The government of Pakistan has now given strict orders that public and private schools must meet minimum requirements for school security set by security agencies, or else face being closed for good.

Thanks to donors of the World Mission Fund, The Methodist Church in Great Britain was able to send a £30,000 grant to the Raiwind and Multan Dioceses of the Church of Pakistan. This money will allow them to assist 22 schools in making the required security arrangements, so that classes can resume as soon as possible.

Planning ahead: new options for more diverse mission

In order to strengthen our ability to be responsive and flexible in mission, we will:

- conclude work on the World Church Relationships strategy, giving a strong platform for our future activities;
- explore diverse new ways of engaging with our partners in addition to current programmes - e.g. by recruiting volunteers through our Encounter Worldwide programme; attracting lay professionals, work teams and individuals with special skills; and encouraging district links (*see above*) and group visits;

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Empowering the ministry of overseas partners (continued)

- develop new ways of consulting with our mission partners: thematically, across regions, through multi-partner conversations;
- improve our grant processes and MELD (Monitoring, Evaluation, Learning and Dissemination), working closely with the Connexional Grants Committee; and
- step up efforts to raise funds for the World Mission Fund, to ensure programmes can continue for years to come.

All We Can: Solutions to Poverty

All We Can, known until April 2014 as Methodist Relief & Development Fund (MRDF), is a pioneering international development, relief and advocacy organisation that believes in the power of partnership. It has its roots in the British Methodist Church and is inspired by Christian principles to focus on those in greatest need. It helps people to find solutions to poverty and become all that they can, by investing in partnerships that improve quality of life and create positive, long-term change in some of the world's poorest communities. In 2014-15, *All We Can*...

- supported 27 partner organisations in 11 countries to fulfil their mission to improve the quality of life of poor and marginalised people in resource limited places;
- through its development partnerships, helped more than 343,000 people to access education, training, loans and business support, agricultural inputs, healthcare, water, sanitation, employment, and support to claim their rights;
- enabled nine partner organisations in eight countries to provide humanitarian relief in response to disasters; and
- piloted a new programme to help two national Methodist Churches in poor countries to effectively meet the needs of their neighbours.

Fulfilling potential in Burundi

All We Can's local partner in Burundi, AHD, is helping young people in one of the world's poorest places to reach their full potential. In Burundi, 49 young people have been trained to start work as mechanics, welders, tailors or carpenters. These included Bodine Nwimana, who explains: "My mother and I were badly treated by my father. He threw us out of the house. We went to seek refuge with a neighbour. I couldn't go to school because of that. To get food, we had to get a job. I had never thought of motor vehicle engineering. I'm particularly interested in tyres. When I am working, I am going to help my brothers and sisters because I know they are in trouble and I want their situation to change. I am going to find a job and earn a bit of money to help them out."

Responding to earthquakes in Nepal

Nepal was hit by two devastating earthquakes in April and May 2015, which took the lives of thousands of people and made hundreds of thousands more homeless. *All We Can* responded immediately through its trusted long-term partners on the ground, which were able to reach some of the most affected areas. Many immediate needs were addressed with the provision of shelter, the distribution of food, and trauma

Key activities (continued)

Empowering the ministry of overseas partners (continued)

counselling. *All We Can* also supported Nepal's long-term recovery through providing funding to organisations with expertise in rebuilding communities in the wake of disaster.

Jit Bahadur Gurung, 28, is a teacher from Barpak, a village in Western Nepal. When the first earthquake hit, he lost one of his daughters, his family was made homeless and the local school was destroyed. He was left mourning for his daughter and fearful about the future. Kopila, *All We Can's* long-standing local partner, was the first organisation with a team in the village, helping the community come together to support survivors of the earthquake. Jit Bahadur Gurung recalls: "I was in shock and confused about my role in my village. With support from Kopila's team, I gathered people together and we helped distribute food, tents and clothes to people affected by the earthquake."

Kopila provided a school tent and sports materials for the children in the village. Kopila also provided counselling to help people overcome the traumatic effects of the earthquakes. Jit Bahadur Gurung says: "We were very happy with the support from Kopila. They were the first organisation to visit us. I forgot my pain and started to focus on the welfare of my community. I would like to give my sincere thanks to Kopila for its generous and immediate intervention."

Planning ahead: increasing impact through strong partnerships

In the period ahead, *All We Can's* new strategic plan sets out to increase the scale and impact of its activities, not for growth's sake, but so that more people can benefit. *We will* work to:

- enable local partners to fulfil their mission to sustainably improve the quality of life of poor, disadvantaged and marginalised people;
- help local partners to prepare for disasters and enable local and global partners to respond effectively to humanitarian crises;
- challenge the causes of poverty, inequality and injustice and promote solutions through engaging in education and advocacy; and
- have a prominent and instrumental role across the global Methodist community in international relief and development.

4. Advocacy and education

The work of advocacy on behalf of, and with, the Methodist people aims to help Methodists specifically and society in general to be better informed about, and engaged with, social and political issues of the day while always responding to Methodism's governance bodies regarding the Church's priorities.

Supported by the publications, media and creative professionals based at Church House, we offer expert leadership through our paid and volunteer heritage specialists and from the ecumenical Joint Public Issues Team (JPIT), which this year trialled an additional partnership with the Church of Scotland.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

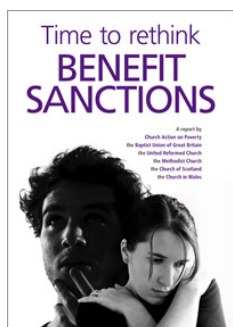
Advocacy and education (continued)

We were successful in meeting our objectives for 2014-15, which included:

- preparing campaign resources ahead of the 2015 General Election and highlighting the injustices and impact of benefit sanctions upon the poorest in our society;
- in partnership with the Church of England, publishing a new discussion, activity and worship resource, *Seasons of my Soul*, for people in the second half of life;
- with the Discipleship and Ministries Learning Network, piloting training modules – *Worship: Leading & Preaching*; the first modules went live on Moodle; and
- increasing awareness and use of our historic archives and artefacts, and launching a new website that recognises the 200th anniversary of the founding of the Bible Christians (see 'Who do we think we are?' below).

Campaigning on benefit sanctions

In 2014, the JPIT team, supported by Methodist communications (see below), ran a campaign that questioned the policy of benefit sanctions and highlighted its impact. "The sanctions regime disproportionately affects young people, homeless people, young people leaving care, single parents, those with long term illness and mental health problems," JPIT said, and calculated that during 2014 one million benefit sanctions were imposed on people.

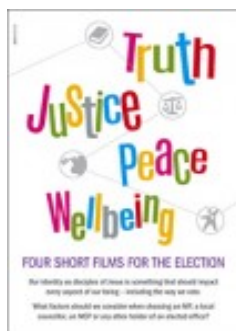


Resources were developed in order to help Methodist members to raise questions locally. JPIT supporter Martyn Evans was one of hundreds of individuals encouraged to write to their MPs, and he found being able to provide his MP with a link to the *Time to Rethink...* was one way of opening up a conversation with her. As a volunteer with his local Citizen's Advice Bureau, Martyn regularly meets individuals living with the impact of benefit sanctions, and says that "this was a very timely report".

JPIT also published the arguments most used in support of the sanctions regime together with appropriate responses. Another JPIT supporter wrote: "I have received a reply from my MP which makes many of the spurious claims you highlight. Many thanks for the succinct, quotable, information/data which now allows me to respond in a constructive manner."

Election thinking – a coordinated approach

In a variety of ways, JPIT worked to ensure that the "Christian vote" was an informed one, reflecting shared Christian values. Coordinating across the denominations represented by JPIT, a pre-election *Think, Pray, Vote* pack was produced for use in churches and small groups. Launched at a day conference, 'Love your Neighbour: Think, Pray, Vote', attended by 400 people from across the UK, the pack explored four themes – Truth, Justice, Peace and Wellbeing – through short films, postcards, prayers and Bible Studies. The videos were made as a resource "for those who know to tell those who don't know", says the Revd Phil Jump.



The Methodist Church in Great Britain

Trustees' report continued

Key activities (continued)

Advocacy and education (continued)

One church in Southend that engages with many marginalised people said that, after seeing the videos, “many people who would never have voted were empowered to do so”. Phil adds: “We wanted people to enter the polling station aware first and foremost of being a Christian.”

The conference itself focused on how Christians might take the opportunity of the General Election to help create a society that better reflects God’s kingdom of truth and justice. As one participant put it: “Our vote puts the common good into society.”

JPIT also offered the ability to download ‘Love Your Neighbour’ logos to use on church notice boards or on social media; the Methodist Lead media Officer wrote articles; and a new hymn by the Revd Andrew Pratt was published on the Singing the Faith Plus website, with commentary by Andrew Bradstock of the United Reformed Church.

Women’s heritage celebrated

A partnership with Methodist Women in Britain (MWiB) is behind the development of a new exhibition in Epworth Old Rectory, tracking the story of the women’s movement in Methodism. “Women have always been proactive in the Methodist story,” says Sarah Braidell, who was appointed MWiB Researcher. “Susanna Wesley was a major influence on the faith and social responsibility of her family. Three hundred years after Susanna, women make up approximately 67 per cent of the membership of The Methodist Church in Great Britain.”

Using MWiB’s own rich archive of objects as its foundation, a specific ‘Methodist Women’ collection is being established within the Old Rectory’s accredited museum collection, and is already attracting many donations, some of which will be displayed in the rear kitchen of the Rectory. The exhibition will aim to tell the story of the established women's movements in Methodism, from the very first organisation formed in 1858, which became known as Women's Work, and will open at Epworth Old Rectory on 19 March 2016.

Sharing expertise

A number of strategic new volunteer appointments to the Heritage Committee are allowing Methodist expertise to be harnessed by the committee in order to support churches and members throughout the connexion. Coordinators for publications and e-communications have been joined by a Liaison Officer for Methodist Historic Objects, Alison Butler. Her role is to help local churches care for, catalogue and use historic objects to tell their story. With a plan to identify ‘heritage ambassadors’ in each district, the committee hopes to encourage more churches to use their heritage to share the love of Christ with others and to share sensitive ways of disposing of objects where appropriate.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Advocacy and education (continued)

Meanwhile, the Liaison Officer for Methodist Archives, Mr Philip Thornborow, has been instrumental, and practically engaged in, securing the future of the historic collections of the former Wesley College Bristol: including at the John Rylands Library and the New Room's library and archive, which will be part of their major building project starting in November 2015.

Who do we think we are?

To celebrate the 200th anniversary of the Bible Christian movement, the Methodist Heritage Committee established a fourth new community archive managed by volunteer editors: www.mybiblechristians.org.uk. The historic emigration of mostly Cornish Methodist miners in the 19th century is attracting family historians from Canada and Australia to the site seeking British ancestors, while descendants explore the journeys that their relations made. The site was launched at the 'Who Do You Think You Are? Live' show at the NEC Birmingham where Methodist volunteers engaged with an estimated 1,000 visitors.



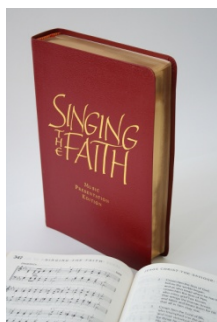
Image: <http://www.mybiblechristians.org.uk/>>

Making Connexions

Last year saw the production of the first two issues of *the connexion* magazine, a new venture to highlight work undertaken across the Connexion in Methodist churches and communities of all sizes.

With a print run of 90,000, this was the biggest magazine distribution undertaken by the Publishing Team. Some feedback queried the need for a print production in these times of escalating electronic communications, but it was also clear that *the connexion* was reaching many who appreciated having stories in their hand. One correspondent responded: "I can see now where God has been leading me. A chaplain in my own village and the surrounding five villages perhaps? I can do all things through Christ who strengthens me!" A third edition of the magazine was distributed in September 2015, and a decision taken to produce three more issues in the year 2015-16, with a new editor appointed to oversee this work.

A good year for singing



Sales of the Methodist hymn book *Singing the Faith* in 2014-15 exceeded those in the previous year, with now more than 150,000 copies of the publication's various editions in circulation. In addition, a decision was made to order a second run of the popular Piano Accompaniment CDs. Interest in the various editions was supported by marketing initiatives, which included a dedicated prayer card, and the complementary website, *Singing the Faith Plus (StF+)*. After the main website, StF+ is the most visited of The Methodist Church's websites, with last year seeing its viewing figures topping one million since the site's inception in September 2012.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Advocacy and education (continued)

This reflects in part the re-launch of the StF+ Facebook page (August 2014) and the introduction of the Lectionary/StF+ link feature on the Methodist app the previous year.

Getting the story out

Two stories dominated the work of liaising with the media in 2014-15: the **Rethink Sanctions Campaign** and **The Report on Past Cases Review 2013-2015**.

The task of putting "Courage, Cost & Hope: The Report on the Past Cases Review, 2013-2015" into the public domain required careful planning well ahead of time. A deliberate decision was made to be as open and transparent as possible about the reviews findings. It was important that the findings didn't get 'lost' and that an opportunity was taken to make the Church a safer space for all. With this in mind, an exclusive story was offered to the BBC through trusted contacts with whom good relations have been built over many years.

The decisions to apologise to survivors and victims of abuse, and to share the report so openly, were well received and have facilitated some very positive conversations about the wider safeguarding picture.

Planning ahead: asking questions, empowering engagement

During 2014-15, proposals were announced to reorganise the Publishing and Fundraising, Communications and Campaigns, and Methodist Heritage teams. Across these areas, in the next year we will:

- complete the restructure into two new teams: **Engagement** (combining Marketing, Heritage and Fundraising) and **Publishing & Communications**;
- within the Engagement team, develop a closer dialogue with the wider connexion and use that to ensure that the work of the cluster is closely aligned with the needs of the Church;
- build on recent achievements in Heritage, working to support more local heritage sites (including Cornwall, as agreed by the Conference) and running a major 'Asbury 2016' event in the West Midlands;
- launch new legacy fundraising materials, being piloted this autumn;
- in Publishing & Communications, continue to develop *the connexion* magazine, publishing three more issues in the year, and the recently refreshed *One Mission Matters*;
- work with colleagues in this and other clusters on new publications, including a Marriage and Relationships special issue of *Roots*, children's booklets for the heritage sites, and further modules of *Worship: Leading & Preaching*; and
- begin a major refresh of www.methodist.org.uk, and seek new ways to communicate our messages through all media.

The Methodist Church in Great Britain Trustees' report continued

Key activities (continued)

Advocacy and education (continued)

Our JPIT plans include:

- offering a distinctive Christian perspective on the foremost social issues of the day, including the present refugee crisis; the impact of welfare reform legislation; and the proposed repeal of the Human Rights Act;
- preparing resources to encourage discussion around the Europe Referendum;
- helping the growing number of local and varied regional JPIT groups; and
- assessing, and making a long-term decision about, JPIT's trial partnership with the Church of Scotland.

5. Grant programmes

The following types of grants are available at a connexional level: grants to support personnel of the Church; grants to support mission and ministry of "*connexional significance*", grants to resource mission through property projects and student grants.

Resourcing mission at home grants £5.6m (2014: £6.2m)

The Connexional Grants Committee (CGC) receives applications for funding for Mission and Ministry projects. The CGC assesses these applications against criteria for eligibility and impact. The first allows the committee to assess whether the project should be funded from its resources; the second enables the committee to prioritise competing applications on the basis of potential impact.

Property Grants £0.9m (2014: £1.4m)

The CGC assesses applications for funding by circuits and churches for property projects which have mission aims. Grants are drawn from the Fund for Property, the Connexional Priority Fund and a number of endowment funds.

Mission & Ministry in the World Church Grants £1.6m (2014: £2.3m)

The CGC also administers the Church's international grants. These are given to Partner Churches and organisations overseas to support mission and ministry in their communities. These grants are made from the World Mission Fund and the entire cost of a multi-year grant, where there is no break clause, is committed in the year it is approved.

All We Can – Methodist Relief & Development Grants £1.4m (2014: £1.5m)

All We Can awards grants through local partners in their priority countries which are registered non-governmental organisations (NGOs), community based organisations (CBOs) or development offices of Methodist Churches. Humanitarian aid is only allocated through organisations which are existing All We Can partners, Methodist Churches, or through Action by Churches Together (ACT).

Personnel Support Grants £1.0m (2014: £1.0m)

Small grants are made to Methodist presbyters, deacons, lay employees and local preachers and their families towards the education of their children, during times of ill health and for one-off financial support. Giving for this purpose draws on a variety of funds including the Fund for the Support of Presbyters and Deacons, Trinity Hall Trust and several benevolent funds.

The Methodist Church in Great Britain Trustees' report continued

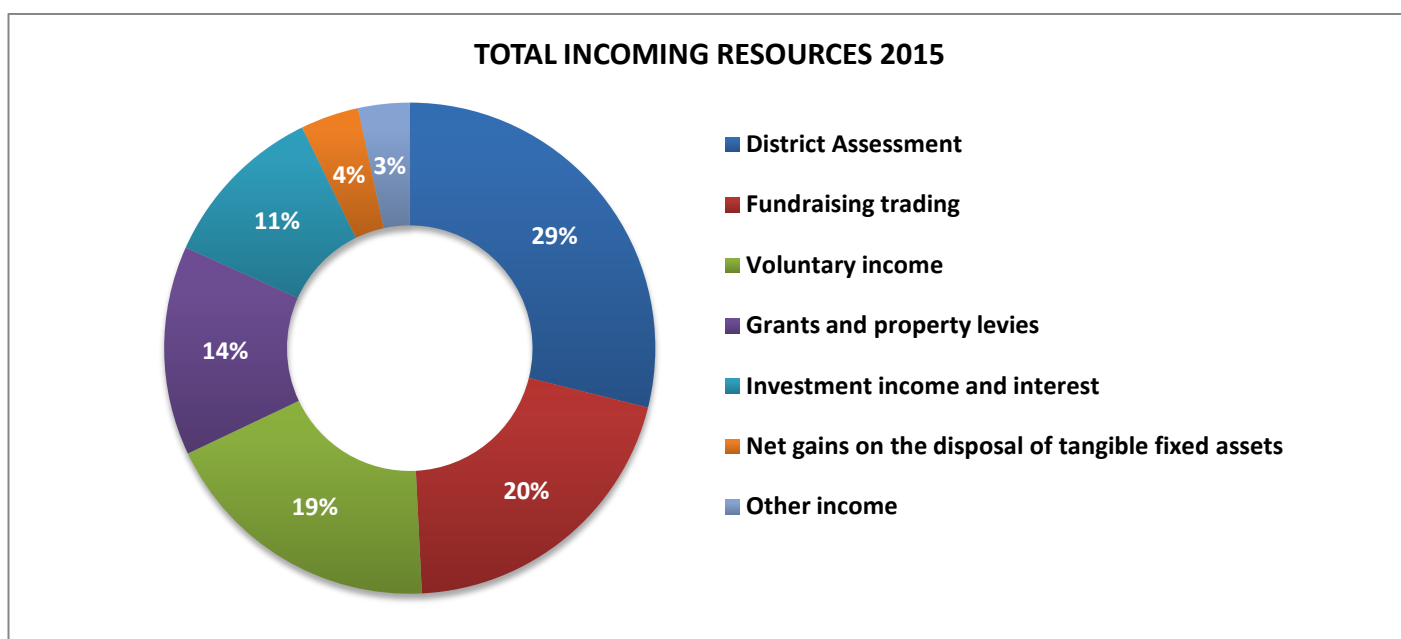
Financial Review

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

At the end of the year, the Church recorded a net surplus before transfers and revaluations of £5.9 million (2014: £2.1 million). Total incoming resources for the year were £44.3 million, an increase of 7% compared to the previous year (2014: £41.5 million). Total resources expended fell by 3% to £38.5 million (2014: £39.5 million).

Incoming resources

Total income grew by 7% bolstered by a growth in income from fundraising trading, legacies and property levies. The sale of a number of our properties injected a disposal surplus of £1.7 million.



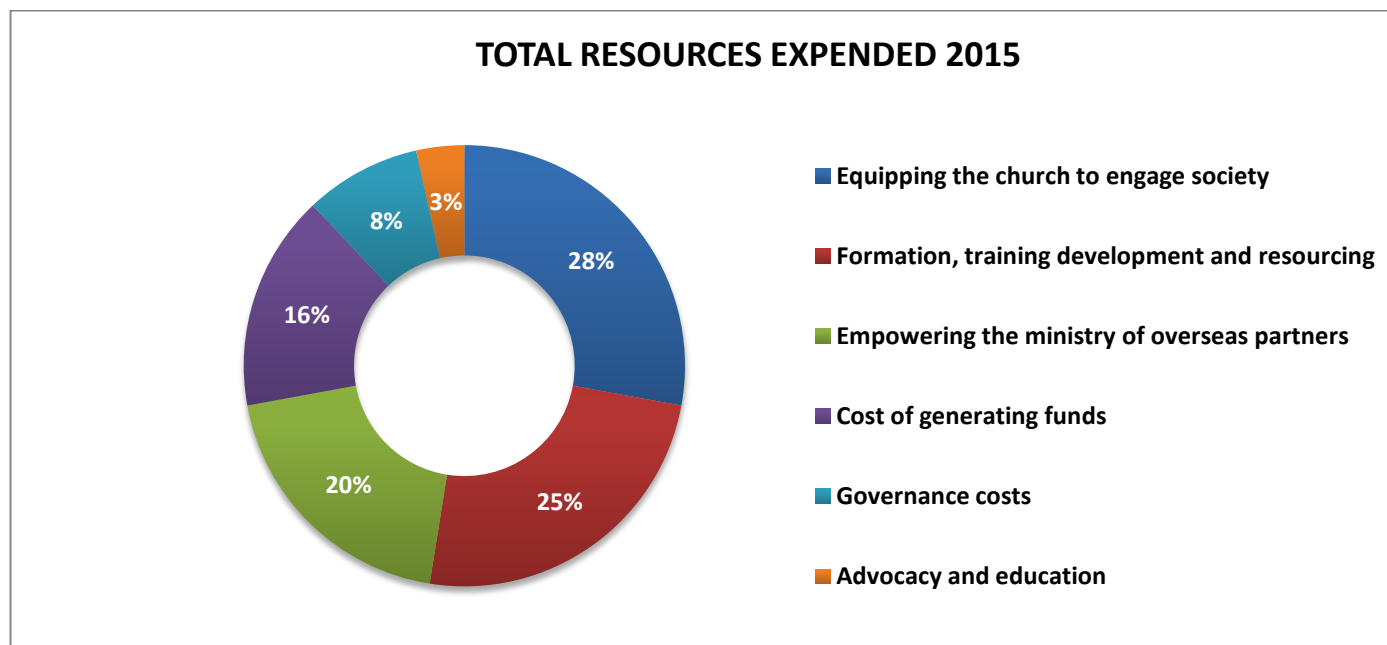
Resources expended

Total resources expended were £38.5 million, a decrease of 3% compared to the previous year. Of this, £28.2 million was spent directly on charitable activities. This includes all amounts spent in furtherance of our mission including grants, direct programme activity and support costs.

A detailed analysis of the income is provided in Notes 2 - 5 (pages 51-52) and analysis of expenditure by activity is presented in Notes 6 - 7 (pages 53-55).

The balance sheet for the charity shows net assets of £185 million (2014: 175 million), representing the operational working capital and reserves necessary to deliver the Church's Mission.

Financial Review (continued)



Investments

As at 31 August 2015, we held fixed asset investments with a market value of £165 million (2014: £160 million). The Investment Committee regularly reviews our investment portfolio and performs an annual review of our investment policy. Our investment objective is to seek an optimal return from income and capital combined. The Investment Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

The Methodist Church in Great Britain managed reserves

The total value of reserves held at 31 August 2015 was £185 million (2014: £175million). There are restricted reserves of £116 million (2014: £109 million); unrestricted reserves of £53 million (2014: £50 million) and endowment reserves of £16 million (2014: £16 million). A detailed breakdown of the funds is set out in Notes 16, 17 and 18 on pages 67-72.

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 accounts are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council. There are four main unrestricted funds:

- The Methodist Church Fund (also the general fund);
- The Connexional Priority Fund;
- The Pension Reserve Fund; and
- The Epworth Fund.

The Methodist Church in Great Britain managed reserves (continued)

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 aims of The Methodist Church which are:

- Worship – to increase awareness of God's presence and to celebrate God's love;
- Learning and Caring – to help people to learn and grow as Christians, through mutual support and care;
- Service – supporting community development and action for justice, especially among the most deprived and poor - in Britain and worldwide; and
- Evangelism – developing confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved.

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 unforeseen rise in demand for grants;
- an unforeseen increase in the actuarial shortfall on the pension funds for which the Council could be deemed responsible;
- an unforeseen increase in the requirement for additional connexional manses; and
- a sustained fall in the value of investments and property held by the Council and appearing in the balance sheet.

The MCF Assessment is one of the main sources 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 Discipleship and Ministries Learning Network and major aspects of the governance processes such as the Methodist Council and Conference.

The assessment is a charge upon circuit receipts. The impact of a reduction in membership and a turbulent economic environment has left a number of circuits expressing doubts about their ability to meet the assessment. If these trends continue there is a risk that the annual increases in the assessment will not be sustainable and in a few years we could see a decline. If this decline were to happen it would be gradual, and with the three year planning processes in place, the Council would have time to adjust.

Other sources of income available to the Council are in the form of voluntary income (donations and legacies) and investment income. Legacy income, when received, is lumpy, and prone to fluctuation. Unrestricted donations have been mainly from a single donor, whose support is provided on a year by year basis. In recent years the Council has seen an increase in investment income. However, there could be a reduction if a proportion of the investment assets were realised to fund the continuing activities of the Church.

The Methodist Church in Great Britain Trustees' report continued

The Methodist Church in Great Britain managed reserves (continued)

Financial risks (continued)

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

General funds

At 31 August 2015 the balance of The Methodist Church Fund was £17.5 million (2014: £16.7 million). Of this, £10.3 million is invested in tangible fixed assets, equipment and furniture used in the day to day running of the Council's activities and therefore not available for use as a reserve. In line with best practice, the trustees have approved a reserves balance of £7.5 million to be held, which is equivalent to approximately 6 months of expenditure. 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 lumpily or are delayed or accelerated. At 31 August 2015 the free general reserves balance was £7.2 million. The trustees do not regard this a material difference.

Designated funds

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

At 31 August 2015 Designated Funds totalled £35.9 million, (2014: £33.6 million) of which there were three main designated funds with balances as follows:

• The Pension Reserve Fund	£17.7 million
• The Connexional Priority Fund (CPF)	£11.2 million
• Epworth Fund	<u>£6.6 million</u>
	£35.5 million

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. This happens via District Advance Funds (27.5% of the net levies). It has been used to promote the establishment of new church communities via VentureFX and Fresh Expressions and more recently to contribute to the general expenses of the Church through funding of the Pension Reserve Fund (45% of net levies) and a contribution of £1 million pa towards the work of the Discipleship and Ministries Learning Network (DMLN). Whilst the fund is overseen by the Connexional Grants Committee (CGC), it has not been available for new grant commitments over the last three years as a precaution to prevent its balance being eroded without any formal reserves policy having been agreed.

The Methodist Council has now determined that from 2015, the long-term uncommitted reserves level of the CPF should be £5m. Around £3m of this will cover the potential claims for levy refunds as applications can be made regarding replacement projects for up to five years under SO 973. The remaining £2 million will cover year-to-year fluctuations in levy income and investment values. Without this planned reduction of £6.2 million, the forecast closing balance of the fund would be £12 million at 31 August 2017.

The Methodist Church in Great Britain

Trustees' report continued

The Methodist Church in Great Britain managed reserves (continued)

Designated funds (continued)

A key financial risk faced by the Council is the level of the deficit of the Methodist Ministers' Pension Scheme (MMPS) and the Pension & Assurance Scheme for Lay Employees of The Methodist Church (PASLEMC). In order to mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference to establish a fund outside of 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 would a more conservative policy. The fund is currently making annual contributions of £1 million for 10 years (ending in 2021) to the MMPS in order to help eliminate the existing deficit. The accumulating level of reserves expected to be held in this fund forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered to be appropriate. This fund is defined by SO 974(iA); decisions regarding its use can only be taken by the Conference.

The Epworth Fund was set up following the sale of Epworth House, City Road, London in 1987 as a designated fund. 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 designated an amount of £5 million for this purpose. It receives approximately £0.2 million annually from investments and has the potential for some capital appreciation. The current expenditure policy is in line with the reserves policy and serves to ensure that the fund balance does not fall below £5 million.

At 31 August 2015 the reserves position exceeds the requirements of the policy by £8.3 million. £6.2 million of this excess is in the Connexional Priority Fund and the plan is for it to be eliminated from August 2015. A further £1.6 million of this excess is in the Epworth Fund and the planned use of the Fund, with expenditure exceeding income, should eliminate this excess in the coming years; the balance is held in the smaller designated funds detailed in Note 16 (page 67) in the notes to the accounts.

Going concern

The preceding paragraphs set out a comprehensive review of The Methodist Church in Great Britain's financial performance and general reserves position. Evidently, The Church has adequate financial resources and is able to manage the business risks. The planning processes, including financial projections, have taken into consideration the current economic climate and its potential impact on the various sources of income and planned expenditure. The trustees are satisfied that the Church has adequate resources to continue in operational existence for the foreseeable future.

The trustees believe that there are no material uncertainties that call into doubt The Church's ability to continue in operation. Accordingly, the accounts have been prepared on the basis that The Methodist Church in Great Britain is a going concern.

The Methodist Church in Great Britain
Trustees' report continued

Investment policy and review

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 which 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 Investment 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 to be either 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 £33m vs. £165m (2014: £28m vs. £160m).

Performance and holdings

The investments (under the management of The Methodist Church in Great Britain) as at 31 August are as follows:

CFB Managed Funds	31-Aug-15		31-Aug-14	
	£000	% of total	£000	% of total
Investment Properties	33,480	20.32%	28,106	17.60%
CFB Managed Equity Fund (Charity)	26,263	15.94%	30,156	18.89%
CFB UK Equity Fund (Charity)	25,268	15.34%	27,984	17.53%
CFB Overseas Fund	24,650	14.96%	23,470	14.70%
CFB Property Fund	14,459	8.78%	12,535	7.85%
CFB Corporate Bond Fund	12,047	7.31%	12,374	7.75%
CFB Deposit Fund	11,747	7.13%	9,102	5.70%
William Leech (Investments) Ltd	9,190	5.58%	9,050	5.67%
CFB Managed Fixed Interest Fund	3,621	2.20%	3,609	2.26%
Other Investments	2,894	1.76%	2,143	1.34%
CFB Managed Mixed Fund (Charity)	1,124	0.68%	1,145	0.72%
Total	164,743	100%	159,674	100%

Investment policy and review (continued)

The total returns as at 31 August for CFB managed funds are summarised as follows:

Index	1 year to 31.08.15	5 years to 31.08.15	10 years to 31.08.15
	%	% p.a.	%p.a.
CFB Property Fund^{1,2}	17.6	9.5	n/a
CFB Managed Equity Fund¹	-0.6	9.2	6.5
Managed Equity Fund Composite Index	-1.6	8.9	6.5
Managed Equity Fund Composite Index (using traditional UK ethical adjustment)	-1.9	8.7	6.1
CFB UK Equity Fund	-1.7	8.9	6.2
FTSE All Share Index	-2.3	8.7	6.2
FTSE All Share Index (traditional ethical adjustment)	-2.7	8.4	5.8
CFB Overseas Fund	4.4	10.9	8.2
FTSE All World ex U.K Index	2.3	10.3	7.9
CFB Corporate Bond Fund¹	4.1	5.3	5.7
Corporate Bond Composite Index	4.3	5.4	4.8
CFB Deposit Fund¹	0.5	1	2.4
Higher Rate Bank Deposits (over £10,000)	0.1	0.1	0.7
1 Week LIBID	0.4	0.4	n/a
CFB Managed Fixed Interest Fund¹	4.2	3.9	5
Managed Fixed Interest Composite	4.7	4.1	5
CFB Managed Mixed Fund¹	2.4	8.4	6.5
Managed Mixed Composite Index	1	8	6.4
Managed Mixed Composite Index (using traditional UK ethical adjustment)	0.8	7.8	6.1

¹ Source: CFB

² Performance to 30th June 2015

Segmental information

The accounts of The Methodist Church in Great Britain are composed of different entities as set out in note 1 (d) on page 45. These entities are engaged in different activities as follows:

- the “Funds administered by the Connexional Team” include The Methodist Church Fund, the main restricted funds (Mission in Britain Fund, Property Fund, World Mission Fund, the Fund for the Support of Presbyters and Deacons) as well as designated funds such as the Epworth and Connexional Priority funds. These funds are applied towards a number of activities including the grants programme, Discipleship and Ministries work, governance, key projects of The Methodist Church (such as Venture FX and The One Programme) and mission and advocacy work;
- supporting international and home students studying in London (the Guy Chester Centre) which is included in the Connexional Funds;
- ministerial training (Cliff College, Hartley Victoria and The York Institute);

The Methodist Church in Great Britain
Trustees' report continued

Segmental information (continued)

- advancement of education, including further and higher education (Westminster College Oxford Trust Ltd, Southlands Methodist Trust);
- empowering people to change structures that are oppressive and unjust, supporting long term development, disaster relief, building the capacity of its local partners, education and advocacy (All We Can – Methodist Relief and Development); and
- furthering the work of the Discipleship and Ministries Learning Network (the Guy Chester Centre / North Bank Estate; Methodist International Centre and Methodist International Centre Ltd).

The aggregate amount of assets / liabilities and funds and summary income, expenditure and surplus / (deficit) for these entities for the year are set out in the Tables 1 and 2 below:

Table 1: Aggregate net assets of the entities consolidated in the accounts of The Methodist Church in Great Britain

Entity	Assets £m	Liabilities £m	Funds £m
The Connexional Funds	184.7	18.1	166.6
Cliff College	7.0	0.2	6.8
Southlands Methodist Trust	5.9	0.5	5.4
Westminster College Oxford Trust Ltd	4.7	-	4.7
All We Can - Methodist Relief & Development	2.4	0.4	2.0
Methodist International Centre Ltd	0.9	0.9	-

Table 2: Income and expenditure of the entities consolidated in the accounts of The Methodist Church in Great Britain

Entity	Income £m	Expenditure £m	Surplus / (Deficit) £m
The Connexional Funds	35.0	30.6	4.4
Methodist International Centre Ltd	4.5	4.5	-
Southlands Methodist Trust	0.4	0.3	0.1
Westminster College Oxford Trust	0.02	0.03	(0.01)
Cliff College	1.4	0.1	1.3
All We Can - Methodist Relief & Development	3.1	3.0	0.1

Risk Management and Internal Controls

Risk management

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 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 positive or negative impact on the Church's ability to fulfil 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

Risk Management and Internal Controls (continued)

Risk management (continued)

about risks and also 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.

In 2014/15, we identified the most significant risks as follows:

- inability to create new Methodist disciples results in further decline, ultimately resulting in The Methodist Church ceasing to exist;
- lack of coherent strategy and an inability to identify priorities contributes to decline, ultimately resulting in The Methodist Church ceasing to exist;
- circuits decide to leave the Connexional framework resulting in reduction or break up of the Methodist Connexion;
- changes in government policy result in loss of favourable charitable status in law;
- ineffective recruitment and training of those who fulfil ministerial/lay roles results in shortage/surplus of ministers or decline in membership due to poor standard/allocation of ministers/lay workers;
- reputational damage hinders engagement with society and church growth, or results in litigation;
- ineffective stewardship of resources which would increase the financial risks and damage the church's reputation;
- dependency on limited income sources (The Methodist Church Fund Assessment, investment income and donations);
- the impact of economic fluctuations on our assets, liabilities and our ability to raise funds to enable us to continue our work;
- an unforeseen increase in the actuarial shortfall on the pension funds for which the Council could be deemed responsible; and
- loss of key personnel.

These risks are likely to remain equally relevant throughout 2016.

Risk appetite

Risk appetite is the amount of risk that 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.

During the year we developed our risk tolerance framework against which opportunities and critical decisions can be weighed and assessed.

Derivative arrangements have been entered into by Methodist International Centre (MIC) to hedge 70% of a major loan transaction against significant movement in interest rates. The arrangement is for a 5 year period ending on 31

The Methodist Church in Great Britain

Trustees' report continued

Risk Management and Internal Controls (continued)

Risk management (continued)

August 2016. The interest rate swap is 0.92% on 3 month BBA LIBOR. During the year the LIBOR rates remained below 0.92% and the cost to MIC was £10.3k.

Internal controls

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.

These elements include:

- **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.
- **Reporting:** the Senior Leadership Group, the Council and its committees (Audit Committee and 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 Leadership 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 register:** registers exist for both the corporate and programme dimensions of the life of the Church. These documents will be formally appraised annually but emerging risks are added as required and improvement actions and risk indicators are monitored regularly.
- **Team risk management:** all members of the Lead Staff Team 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 Committee:** in its report to the Council on internal controls, the Audit Committee alerts the Council to any emerging issues. In addition, the Committee oversees internal audit, external audit and management as required in its review of the internal controls. The Committee is therefore well-placed to provide advice to the Council on the effectiveness of the internal control system, including the Team's system for the management of risk.
- **Internal audit programme:** internal audit is an important element of the internal control process. Apart from the normal programme of work, the internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the organisation.
- **External audit:** 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.

The Methodist Church in Great Britain

Trustees' report continued

Risk Management and Internal Controls (continued)

Risk strategy and responsibilities

The Council's role in the oversight of risk is to set 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, including:

- determining the risk appetite for key drivers of the organisation; which types of risk are acceptable and which are not; setting of 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;
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively; and
- annually reviewing the 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.

Monitoring and review of the policy

The risk management policy is reviewed by the Senior Leadership Group Risk Management Group annually, which will report to the Audit Committee and make recommendations to the Strategy and Resources Committee and/or 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.

The Environment

The Methodist Church takes its responsibility towards the environment seriously (as detailed in *Hope in God's Future*) and has established a Carbon Reduction project, whose management group works with ecumenical partners to lead the church's policy and action in this area. The Methodist Church has set itself an ambitious target of an 80% reduction of carbon emissions by 2050. Interim targets will need to be reviewed annually against a carbon management plan and budgets.

Our environmental goals

- 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 could be made available to support circuits' adaptation of buildings;
- further financial resources identified to support reduction in carbon emissions; and
- better equip staff and Ministers to make informed choices to reduce their carbon footprint.

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.

a) The Trustees for Methodist Church Purposes (TMCP) are the custodian trustees of all property held on the model trust of The Methodist Church Act 1976, except for that in the Channel Islands or the Isle of Man which is held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes or the Trustees for Manx Methodist Church Purposes.

The Methodist Church in Great Britain
Trustees' report continued

Related parties (continued)

b) The Central Finance Board of The Methodist Church (CFB) set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The Board has its own fund management department enabling it to provide professional investment management for the Connexional Team as well as other organisations within Methodism.

c) The Methodist Ministers' Housing Society - set up under the Community and Co-operative Benefit Societies Act 2014 and operating from Methodist Church House in London, the Housing Society 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.

d) The Queen's Foundation for Ecumenical and Theological Education which offers training pathways for student ministers to prepare for ordained ministry in The Methodist Church.

e) Other Methodist bodies with which the Connexional Team has regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts and the Methodist Independent Schools Trust.

Full details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 23 of the accounts.

The Methodist Church in Great Britain
Trustees' report continued

Provision of information to the auditor

So far as the Trustees are aware, there is no relevant audit information of which the Charity's auditor is unaware. The Trustees have taken all the steps that we ought to have taken as Trustees in order to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Statement of trustees' responsibilities

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP;
- c) make judgements and estimates that are reasonable and prudent;
- d) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- e) 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 re-appointment of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) as auditor to the charity will be put to the Methodist Council.

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) has indicated its willingness to continue in office.



The Reverend Ruth M Gee
Chair of the Council

27 January 2016

The Methodist Church in Great Britain

Independent Auditor's Report to the Trustees of The Methodist Church in Great Britain

We have audited the financial statements of The Methodist Church in Great Britain for the year ended 31 August 2015 on pages 40-78. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 38 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

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 2015 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.

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 Trustees' Report is inconsistent in any material respect with the financial statements; or
- the parent charity has not kept sufficient accounting records; 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.

RSM UK Audit LLP

RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP) Statutory Auditor
Chartered Accountants
Hartwell House
55 – 61 Victoria Street
Bristol, BS1 6AD

Date: 3rd February 2016

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

The Methodist Church in Great Britain

Consolidated Statement of Financial Activities for the year ended 31 August 2015

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2015 Total £000	2014 Total £000
Incoming resources						
Incoming resources from generated funds						
District Assessment		12,810	-	-	12,810	12,582
Voluntary income	2a	642	7,674	-	8,316	7,474
Investment income and interest	3a	1,251	3,629	-	4,880	4,975
Activities for generating funds						
Fundraising trading	4a	663	8,293	-	8,956	8,223
Incoming resources from charitable activities						
Capital levies and grants	5a	5,538	606	-	6,144	5,588
Other income		546	924	-	1,470	2,705
Other incoming resources						
Gain on the disposal of tangible fixed assets		-	1,764	-	1,764	-
Total incoming resources		21,450	22,890	-	44,340	41,547
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		271	26	-	297	327
Fundraising trading		457	5,778	-	6,235	5,474
Investment management		105	256	25	386	309
Total costs of generating funds		833	6,060	25	6,918	6,110
Charitable activities						
Equipping the church to engage society	6a	7,210	3,313	-	10,523	11,130
Formation, training development and resourcing		5,190	4,019	2	9,211	9,747
Empowering the ministry of overseas partners		1,626	5,385	-	7,011	7,832
Advocacy and education		1,270	155	-	1,425	1,404
Total charitable activities		15,296	12,872	2	28,170	30,113
Governance costs		3,050	333	-	3,383	3,217
Loss on the disposal of tangible fixed assets		-	-	-	-	33
Total resources expended		19,179	19,265	27	38,471	39,473
Net incoming / (outgoing) resources before transfers						
Gross transfers between funds	16a,17a, 18a	765	(949)	184	-	-
Net incoming resources after transfers and before other recognised gains and losses		3,036	2,676	157	5,869	2,074
Gains on revaluations and disposals of investment assets		68	4,285	74	4,427	12,441
Actuarial gains/(losses) on defined benefit pension schemes	10	-	7	-	7	(44)
Net movement in funds		3,104	6,968	231	10,303	14,471
Total funds brought forward as at 1 September		50,284	109,329	15,605	175,218	160,747
Total funds carried forward as at 31 August		53,388	116,297	15,836	185,521	175,218

The Methodist Church in Great Britain

Statement of Financial Activities for the year ended 31 August 2015 - The Connexional Funds


	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2015 Total £000	2014 Total £000
Incoming resources						
Incoming resources from generated funds						
District Assessment		12,810	-	-	12,810	12,582
Voluntary income	2b	642	4,951	-	5,593	4,936
Investment income and interest	3b	1,251	3,516	-	4,767	4,870
Gift aid received from MIC Ltd	3c	-	1,386	-	1,386	1,254
Activities for generating funds						
Fundraising trading	4b	663	1,631	-	2,294	2,233
Incoming resources from charitable activities						
Capital levies and grants	5b	5,538	181	-	5,719	5,187
Other income	15	594	82	-	676	1,344
Other incoming resources						
Gain on the disposal of tangible fixed assets		-	1,763	-	1,763	-
Total incoming resources		21,498	13,510	-	35,008	32,406
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		271	26	-	297	327
Fundraising trading		457	514	-	971	1,161
Investment management		105	254	25	384	283
Total costs of generating funds		833	794	25	1,652	1,771
Charitable activities						
Equipping the church to engage society	6b	7,231	3,420	-	10,651	11,130
Formation, training development and resourcing		5,454	3,536	2	8,992	8,924
Empowering the ministry of overseas partners		1,626	2,994	-	4,620	5,191
Advocacy and education		1,270	155	-	1,425	1,404
Total charitable activities		15,581	10,105	2	25,688	26,649
Governance costs		3,050	234	-	3,284	3,188
Loss on the disposal of tangible fixed assets		-	-	-	-	33
Total resources expended		19,464	11,133	27	30,624	31,641
Net incoming / (outgoing) resources before transfers		2,034	2,377	(27)	4,384	765
Gross transfers between funds	16b,17b, 18b	1,002	(1,186)	184	-	-
Net incoming resources after transfers and before other recognised gains and losses		3,036	1,191	157	4,384	765
Gains on revaluations and disposals of investment assets		68	3,225	74	3,367	12,291
Actuarial gains/(losses) on defined benefit pension schemes	10	-	7	-	7	(44)
Net movement in funds		3,104	4,423	231	7,758	13,012
Total funds brought forward as at 1 September		50,284	92,951	15,605	158,840	145,828
Total funds carried forward as at 31 August		53,388	97,374	15,836	166,598	158,840

The Methodist Church in Great Britain
Balance Sheets as at 31 August 2015

	Notes	The Methodist Church in Great Britain		The Connexional Funds	
		2015 £000	2014 £000	2015 £000	2014 £000
Fixed assets					
Tangible assets	11	25,540	21,038	20,360	17,071
Investments	12	164,743	159,674	152,567	149,131
		<u>190,283</u>	<u>180,712</u>	<u>172,927</u>	<u>166,202</u>
Current assets					
Stocks		189	210	178	196
Asset held for sale	12b	-	220	-	220
Debtors	13	5,797	4,878	5,353	4,738
Short term deposits		5,764	7,399	3,709	5,670
Cash at bank and in hand		3,430	3,718	2,519	1,928
Total current assets		<u>15,180</u>	<u>16,425</u>	<u>11,759</u>	<u>12,752</u>
Creditors					
Amounts falling due within 1 year	14	(10,948)	(12,049)	(9,308)	(10,674)
Net current assets		<u>4,232</u>	<u>4,376</u>	<u>2,451</u>	<u>2,078</u>
Total assets less current liabilities		<u>194,515</u>	<u>185,088</u>	<u>175,378</u>	<u>168,280</u>
Creditors					
Amounts falling due after more than 1 year	15	(6,899)	(7,674)	(6,685)	(7,244)
Net assets excluding pension liability		<u>187,616</u>	<u>177,414</u>	<u>168,693</u>	<u>161,036</u>
Defined benefit pension scheme liability	10	(2,095)	(2,196)	(2,095)	(2,196)
Net assets including pension liability		<u>185,521</u>	<u>175,218</u>	<u>166,598</u>	<u>158,840</u>
Funds					
Unrestricted funds	16	53,388	50,284	53,388	50,284
Restricted funds	17	116,297	109,329	97,374	92,951
Endowment funds	18	15,836	15,605	15,836	15,605
Total funds		<u>185,521</u>	<u>175,218</u>	<u>166,598</u>	<u>158,840</u>

The notes on pages 44 to 78 form an integral part of these accounts

Approved and authorised for issue by the Board of Trustees on 27 January 2016 and signed on their behalf by:



The Reverend Ruth M Gee
Chair of the Council



The Reverend Timothy Swindell
Connexional Treasurer

The Methodist Church in Great Britain

Consolidated cashflow statement for the year ended 31 August

		2015		2014	
	Notes	£000	£000	£000	£000
Cash outflow from operating activities	(a) below		(2,452)		(5,130)
Returns on investment and servicing of finance					
Deposit interest received and investment income			4,876		4,951
Capital expenditure and financial investments					
Payments to acquire tangible fixed assets		(5,782)		(3,452)	
Receipts from sales of tangible fixed assets		2,553		610	
Payments to acquire fixed asset investments		(7,431)		(5,189)	
Cash received from asset held for sale		228		-	
Receipts from the disposal of investments		6,999		5,040	
			(3,433)		(2,991)
Cash outflow from the management of liquid resources					
Short term deposits withdrawn			1,635		5,060
Financing					
New loans		-		100	
Repayments of loans		(914)		(915)	
			(914)		(815)
Net cash (outflow) / inflow in the period			(288)		1,075
Net cash resources at 1 September	(b) below		3,718		2,643
Net cash resources at 31 August			3,430		3,718

a) Reconciliation of net incoming resources to net cashflow from operating activities

	2015	2014
	£000	£000
Net incoming resources for the period	5,869	2,074
Net (gain) / loss on the disposal of tangible fixed assets	(1,764)	33
Investment income	(4,880)	(4,975)
Depreciation	487	458
Decrease/(increase) in stocks	21	(82)
(Increase)/Decrease in debtors	(1,129)	597
Decrease in creditors	(962)	(3,125)
Difference between pension costs charged and paid	(94)	(110)
Cash flow from operating activities	(2,452)	(5,130)

b) Analysis of net funds

	Cashflow		
	01/09/2014	2015	31/08/2015
	£000	£000	£000
Cash in hand and at bank	3,718	(288)	3,430
Short term deposits	7,399	(1,635)	5,764
Bank loans	(5,029)	914	(4,115)
Total	6,088	(1,009)	5,079

c) Reconciliation of net cash flow to movement in net funds

	2015	2014
	£000	£000
Net funds at 1 September	6,088	9,258
Net funds at 31 August	5,079	6,088
Movement in funds in this period	(1,009)	(3,170)
Repayment of bank loans	(914)	(815)
Decrease in liquid resources	1,635	5,060
(Decrease) / Increase in cash in the period	(288)	1,075

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015

1 Accounting policies

a) Basis of accounting

The consolidated accounts of the Methodist Church in Great Britain have been prepared under the historical cost convention, except for investments which are stated at market value and works of art which are held at valuation, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005), UK Accounting Standards and the Charities Act 2011.

b) Basis of preparation

The entities included in these accounts have been consolidated based on the degree of control which the Council exercises over the entities concerned and which is frequently under review.

c) Basis of consolidation

The consolidation principles applied are based on Financial Reporting Standard (FRS) 2 and SORP 2005 which require consolidation of subsidiary undertakings as identified by the measure of control exercised. Control can be determined in the context of voting rights and / or the exercise of dominant influence over the Board or activities of the subsidiary undertaking. All of the entities listed on page 4 are consolidated on the grounds that the Methodist Conference has the right to exercise dominant influence, and this influence is demonstrated in a number of ways, but mainly through the selection of the trustee boards of these entities.

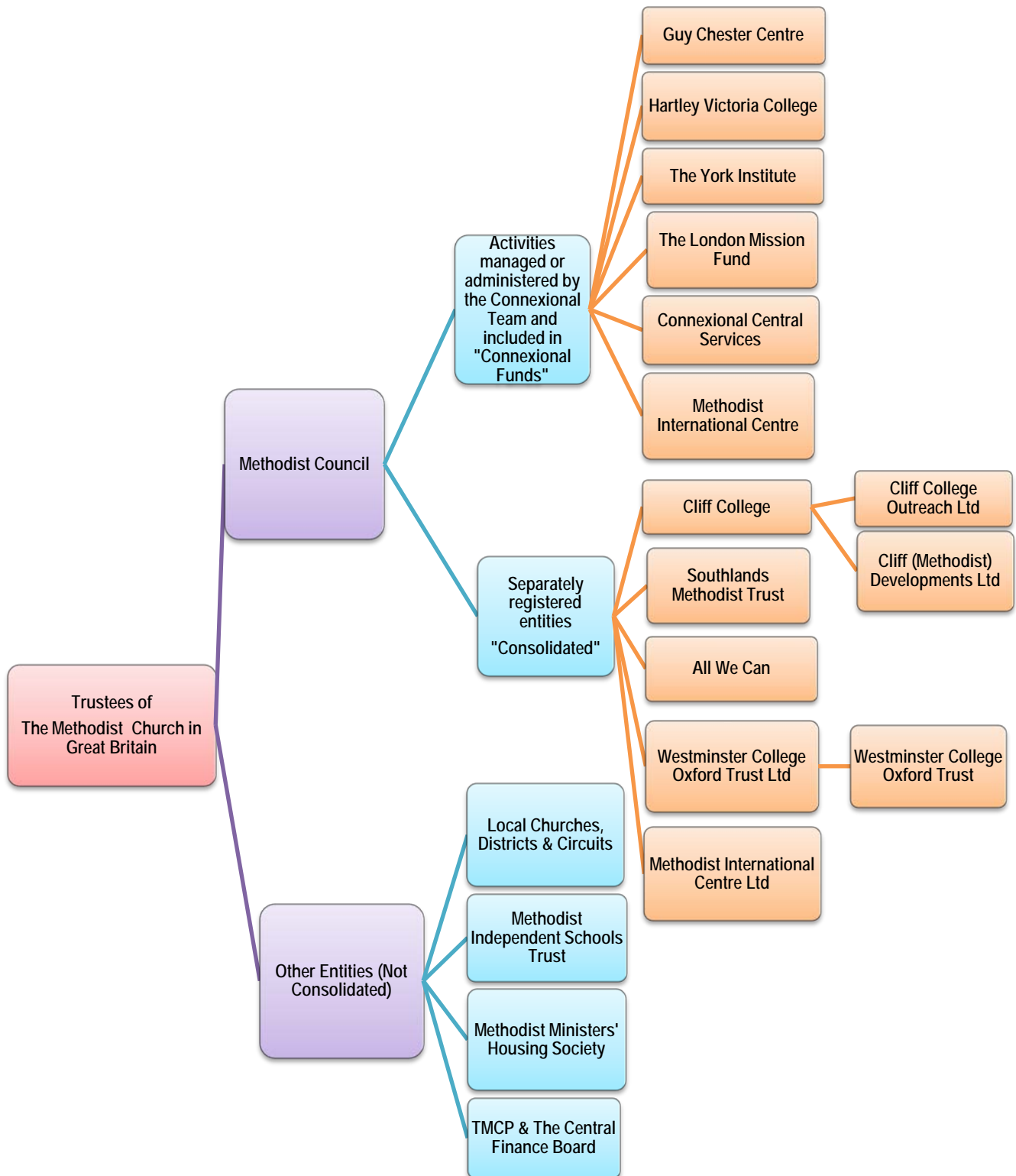
All the entities which are separate entities, together with their wholly owned trading subsidiaries, have been consolidated as subsidiaries on a line by line basis in accordance with FRS 2 and SORP 2005.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

d) The accounting / reporting structure



The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

e) Excluded entities - grounds for exclusion under paragraph 384 of SORP 2005

A number of entities have been excluded from consolidation. These are:

Local churches, circuits and districts

Methodist Independent Schools Trust

Trustees for the Methodist Church Purposes (TMCP)

The Central Finance Board (CFB)

The Methodist Ministers' Housing Society

Whilst these entities might form part of the overall picture of the Methodist Church, the Methodist Council does not control their activities.

f) Incoming resources

District Assessment

The District Assessment is accounted for on a receivable basis.

Voluntary income

Donations, contributions and legacies are accounted for when entitlement has been confirmed, the amount can be measured accurately and receipt is certain. In accordance with this policy, legacies are included when advice has been received from the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified with reasonable certainty.

Capital (property) levies

Capital levies are due on the disposal of property by churches, circuits and districts under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church and are accounted for on a receipts basis. Capital levies are disclosed net of refunds.

Grants receivable

Grants receivable are included when the relevant grant conditions have been met.

Rental income

Rental income is accounted for on a receivable basis. In the Statement of Financial Activities, rental income from investment properties is included within investment income; income from functional properties is included in fundraising trading income.

All other incoming resources

All other incoming resources are accounted for on an accruals basis.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

g) Resources expended

All resources expended are accounted for on an accruals basis. Any ensuing liabilities are recognised as soon as a legal or constructive obligation arises.

Costs of generating funds

Costs of generating funds include the direct costs of fundraising trading, investment management, custody fees and a proportion of support costs.

Charitable activities

These include the direct costs of the activities. Where such costs relate to more than one functional cost category, they have been apportioned based on the proportion of the direct costs of the relevant service units.

Support costs

Support costs include the central functions such as finance, information technology, human resource management and facilities and have been allocated to fundraising, charitable activities and governance in proportion to the directly attributable staff costs of these activities.

Grants payable

These have been accounted for in full to the extent that past events have created a legal and constructive expectation in other parties that the Church will honour commitments, both legal and implied and any attaching conditions are outside the Church's control.

Governance costs

These are the costs associated with the constitutional and statutory requirements and include external and internal audit, legal advice on governance issues, district chairs, trustees' expenses and a proportion of shared indirect support costs.

h) Funds

Unrestricted funds are funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trustees for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of the major restricted funds is set out in the notes to the accounts.

Endowment funds represent monies received from donors where there is some restriction on the use of the initial capital.

Investment income is allocated to the appropriate fund in the case of restricted funds and in accordance with the terms of the endowment in case of endowment funds.

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

i) Gains / (losses) on investments

Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities in the year in which they arise.

j) Pension costs

As explained in note 10, two of the Church's defined benefit schemes are treated for accounting purposes as though they are defined contribution schemes on the grounds that both are multi-employer schemes and the Church is unable to identify its share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis. There is a further unfunded defined benefit scheme for which full provision has been made in these accounts. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year.

k) Tangible fixed assets

Functional assets are included under the historical cost basis, plus the cost of any additions or improvements. Assets having an initial cost of £1,000 or less are written off on acquisition. Work to existing properties which is capable of extending the useful life or otherwise add to the value of the property is capitalised.

Assets under construction are stated at cost and transferred to completed properties when ready for use.

Donated land and buildings

Any donated land and buildings are capitalised at the market value of the land at the time of donation and treated as income for the corresponding accounting period.

General repairs

All other expenditure incurred in respect of general repairs to functional assets is charged to the Statement of Financial Activities in the year it is incurred.

Depreciation

The trustees consider that the lives of the properties are so long and their residual values so high based on the prices prevailing at the time of acquisition that an annual depreciation charge and accumulated depreciation is not material.

Under Standing Order 952, all Methodist properties must have a quinquennial inspection which involves a thorough survey of all aspects of the building's fabric and are intended to identify problems which have developed since the last time it was inspected and to establish priorities for repair to ensure the preservation of the fabric. As a result, the buildings are kept in a state of good repair. Accordingly, no depreciation is provided for on freehold properties used for charitable activities. In line with SORP Para 276 requirements, the managing trustees of the various entities have considered that given the location of the properties, the market value of the existing land and buildings significantly exceeds the book value of the assets.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

Depreciation (continued)

A full valuation of all the buildings is not available, apart from Methodist Church House which had an options valuation undertaken in April 2012 valuing it at £18.2 million, which is significantly in excess of the historical cost carrying value of £3.4 million.

Other tangible fixed assets

Furniture and fittings, computer equipment and software and motor vehicles having an initial cost greater than £1,000 are stated at cost less depreciation which is charged on a straight line basis.

Computer hardware and software are depreciated at the rate of 33 1/3% per annum.

Furniture and equipment and motor vehicles are depreciated at the rate of 20% per annum.

Depreciation is calculated on a straight line basis on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives.

Impairment

Assets which are not depreciated are subject to an annual impairment review and any event or change in circumstances that could give rise to impairment. If any asset is found to have a carrying value materially higher than its recoverable amount, it is written down accordingly and charged to the Statement of Financial Activities.

l) Heritage assets

Heritage assets are defined as assets which have historical, artistic, scientific, technological, geographical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture in addition to the underlying mission of the Methodist Church. Where the church has information on the cost or value of a heritage asset then it will account for it at that cost or valuation.

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 accounts of the Methodist Church in Great Britain because they belong to trustee bodies within the Methodist Church which are excluded from the consolidated accounts.

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Accounting policies (continued)

m) Investments

Investment properties are revalued by firms of professional valuers triennially, and in between by the trustees. The market value of quoted securities is based on the middle market quotation on the relevant Stock Exchange. Investments, which are held in units in the Central Finance Board are stated at the Board's published valuations. 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 2015, updated by the value of any share acquisitions (at cost) up to 31 August 2015.

n) Stocks

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

o) 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 Statement of Financial Activities.

p) Irrecoverable VAT

Irrecoverable VAT has been charged to the expenditure to which it relates within the Statement of Financial Activities.

q) Cashflows and liquid resources

Cashflows comprise increases or decreases in cash. "Cash" includes cash in hand, deposits repayable on demand and overdrafts. No investments, however liquid, are included as cash.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

	The Methodist Church in Great Britain			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
2 a Voluntary income	£000	£000	£000	£000	£000
Donations	633	5,046	-	5,679	5,865
Legacies	9	2,628	-	2,637	1,609
Total	642	7,674	-	8,316	7,474

	The Connexional Funds			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
b Voluntary income	£000	£000	£000	£000	£000
Donations	633	3,409	-	4,042	4,157
Legacies	9	1,542	-	1,551	779
Total	642	4,951	-	5,593	4,936

	The Methodist Church in Great Britain			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
3 a Investment income	£000	£000	£000	£000	£000
Central Finance Board	1,203	2,718	-	3,921	3,814
Interest and other investment income	48	117	-	165	533
William Leech (Investments) Ltd	-	794	-	794	628
Total	1,251	3,629	-	4,880	4,975

	The Connexional Funds			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
b Investment income	£000	£000	£000	£000	£000
Central Finance Board	1,203	2,655	-	3,858	3,748
Interest and other investment income	48	67	-	115	494
William Leech (Investments) Ltd	-	794	-	794	628
Total	1,251	3,516	-	4,767	4,870

	2015		2014	
	Total	Total	Total	Total
	£000	£000	£000	£000
c Methodist International Centre Ltd				
Turnover	5,837	5,295		
Cost of sales	(3,138)	(3,043)		
Gross profit	2,699	2,252		
Total expenses	(1,313)	(998)		
Profit for the year	1,386	1,254		
Profit and Loss Account brought forward	-	-		
Distribution under Gift Aid	(1,386)	(1,254)		
Profit and Loss Account carried forward	-	-		

Methodist International Centre Limited, a company registered in England and Wales, is a wholly owned subsidiary of the Methodist Church in Great Britain, directly controlled through the Methodist International Centre (MIC). Any taxable profit is distributed by means of Gift Aid to MIC.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

	The Methodist Church in Great Britain			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds		
4 a Fundraising trading	£000	£000	£000	£000	£000
Sales	524	61	-	585	569
Rental income	130	867	-	997	976
Room and conference hire income	-	7,365	-	7,365	6,671
Advertising income	9	-	-	9	7
Total	663	8,293	-	8,956	8,223

	The Connexional Funds			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds		
4 b Fundraising trading	£000	£000	£000	£000	£000
Sales	524	8	-	532	568
Rental income	130	507	-	637	619
Room and conference hire income	-	1,116	-	1,116	1,039
Advertising income	9	-	-	9	7
Total	663	1,631	-	2,294	2,233

	The Methodist Church in Great Britain			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds		
5 a Capital levies / grants receivable	£000	£000	£000	£000	£000
Capital levies	5,515	-	-	5,515	4,882
Grants receivable	23	606	-	629	706
Total	5,538	606	-	6,144	5,588

	The Connexional Funds			2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds		
b Capital levies / grants receivable	£000	£000	£000	£000	£000
Capital levies	5,515	-	-	5,515	4,882
Grants receivable	23	181	-	204	305
Total	5,538	181	-	5,719	5,187

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.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

The Methodist Church in Great Britain				2015	2014
	Grant Costs £000	Direct Costs £000	Support Costs £000	Total £000	Total £000
6 a Total resources expended					
Costs of generating funds					
Costs of generating voluntary income	-	151	146	297	327
Fundraising trading	-	6,160	75	6,235	5,474
Investment management	-	386	-	386	309
	-	6,697	221	6,918	6,110
Charitable activities					
Equipping the church to engage with society	4,992	2,546	2,985	10,523	11,130
Formation, training development and resourcing	2,477	6,006	728	9,211	9,747
Empowering the ministry of overseas partners	2,992	3,218	801	7,011	7,832
Advocacy and education	-	551	874	1,425	1,404
Governance costs	-	2,728	655	3,383	3,217
Loss on the disposal of tangible fixed assets	-	-	-	-	33
Total	7a	10,461	21,746	6,264	38,471

The Connexional Funds				2015	2014
	Grant Costs £000	Direct Costs £000	Support Costs £000	Total £000	Total £000
b Total resources expended					
Costs of generating funds					
Costs of generating voluntary income	-	151	146	297	327
Fundraising trading	-	896	75	971	1,161
Investment management	-	384	-	384	283
	-	1,431	221	1,652	1,771
Charitable activities					
Equipping the church to engage with society	5,196	2,470	2,985	10,651	11,130
Formation, training development and resourcing	3,374	4,890	728	8,992	8,924
Empowering the ministry of overseas partners	1,644	2,175	801	4,620	5,191
Advocacy and education	-	551	874	1,425	1,404
Governance costs	28	2,601	655	3,284	3,188
Loss on the disposal of tangible fixed assets	-	-	-	-	33
Total	7b	10,242	14,118	6,264	30,624

For a detailed analysis of grant expenditure see notes 7(a) and (b)

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

7 a Grants payable	The Methodist Church in Great Britain				2015	2014
	Individuals	Institutions	UK	Overseas	Total	Total
	£000	£000	£000	£000	£000	£000
Resourcing Mission at Home						
<i>Non property grants</i>						
Mission and ministry general grants	-	2,470	2,470	-	2,470	1,398
District advance grants	-	1,340	1,340	-	1,340	1,368
Ministerial training grants ¹	768	750	1,518	-	1,518	3,149
Formal relationships	-	227	227	-	227	288
Chaplaincy	-	34	34	-	34	16
Total	768	4,821	5,589	-	5,589	6,219
Property Grants						
Standard property grants	-	860	860	-	860	1,398
Total	-	860	860	-	860	1,398
Resourcing Mission Overseas						
General grants	-	189	-	189	189	605
Nationals in mission appointments	-	735	-	735	735	(17)
Scholarship programme	-	511	-	511	511	1,290
World church in Britain	-	52	52	-	52	200
Relief and other sundry grants	-	1,505	-	1,505	1,505	1,740
Total	-	2,992	52	2,940	2,992	3,818
Sundry Grants						
Ministerial support and benefits	702	-	702	-	702	750
Contingency grants	-	35	35	-	35	38
Sabbatical grants	99	-	99	-	99	112
Initial and removal grants	179	-	179	-	179	113
Island travel	-	5	5	-	5	27
Other miscellaneous grants	-	-	-	-	-	5
Total	980	40	1,020	-	1,020	1,045
Total grants payable	1,748	8,713	7,521	2,940	10,461	12,480

¹Included in the 2014 ministerial training grants figure is two years' worth of student grant commitments.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

	The Connexional Funds				2015	2014
	Individuals	Institutions	UK	Overseas	Total	Total
7 b Grants payable	£000	£000	£000	£000	£000	£000
Resourcing Mission at Home						
<i>Non property grants</i>						
Mission and ministry general grants	-	2,470	2,470	-	2,470	1,398
District advance grants	-	1,340	1,340	-	1,340	1,368
Ministerial training support ¹	768	1,879	2,647	-	2,647	3,568
Formal relationships	-	227	227	-	227	288
Chaplaincy	-	34	34	-	34	16
Total	768	5,950	6,718	-	6,718	6,638
Property Grants						
Standard property grants	-	860	860	-	860	1,398
Total	-	860	860	-	860	1,398
Resourcing Mission Overseas						
General grants	-	251	-	251	251	605
Nationals in mission appointments	-	735	-	735	735	(17)
Scholarship programme	-	511	-	511	511	1,290
World church in Britain	-	52	52	-	52	200
Relief and other sundry grants	-	95	-	95	95	150
Total	-	1,644	52	1,592	1,644	2,228
Sundry Grants						
Ministerial support and benefits	702	-	702	-	702	750
Contingency grants	-	35	35	-	35	38
Sabbatical grants	99	-	99	-	99	112
Initial and removal grants	179	-	179	-	179	113
Island travel	-	5	5	-	5	27
Other miscellaneous grants	-	-	-	-	-	1
Total	980	40	1,020	-	1,020	1,041
Total grants payable	1,748	8,494	8,650	1,592	10,242	11,305

¹Included in the 2014 ministerial training grants figure is two years' worth of student grant commitments.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

8 Net incoming resources before transfers (consolidated)

This is stated after charging for the year ended 31 August as follows:

	2015	2014
	£000	£000
Audit and consultancy fees		
The Connexional Funds - payable to RSM UK Audit LLP	60	70
Other self accounting entities - payable to RSM UK Audit LLP	21	12
Payable to other auditors - for audit of self accounting entities	10	11
Payable to RSM UK Tax & Accounting Ltd for financial advice	-	6
Payable to RSM UK Tax & Accounting Ltd for taxation advice	3	13
Depreciation	487	458

9 Stipends and salary costs (consolidated)

The Methodist Council appointed or employed an average of 397 (2014 - 370) people during the year, and the costs were charged to the Methodist Church consolidated accounts as follows:

	2015	2014
	Total	Total
	£000	£000
Stipends and salaries	12,038	11,511
Redundancy costs	79	151
Temporary staff costs	392	197
Social security costs	1,110	1,062
Pension costs (see Note 10)	2,964	2,971
Total	16,583	15,892

7 employees were paid £60k or more during the year (2014 - 6 employees).

The total aggregate pension contributions for these employees for the year were £80k (2014: 60k).

	2015	2014
	Number of employees	Number of employees
£60,001 - £70,000	3	2
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1

Full time equivalent (FTE) staff by activity	2015	2014
Governance (including 28 District Chairs)	41.6	38.5
Fundraising trading	81.4	85.3
Administration and support	94.5	96.9
Equipping the church to engage society	36.8	52.3
Formation, training development and resourcing	72.3	57.9
Empowering the ministry of overseas partners	61.2	29.1
Advocacy and education	9.2	10.0
	397.0	370.0

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

10 Pension costs

Methodist Church Pension Arrangements

The Methodist Council operates three main pension schemes - the Methodist Ministers' Pension Scheme for ministers; the Pensions and Assurance Scheme for Lay Employees of the Methodist Church and the Superannuation Scheme for Lay Mission Partners of the Methodist Church. The assets of the first two schemes are held separately from the Methodist Church consolidated accounts in independently administered funds. The Superannuation Scheme for Lay Mission Partners is an unfunded scheme.

Contributions to the Methodist Ministers' Pension Scheme and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church schemes are charged to the Statement of Financial Activities in the year in which they are payable.

Under the rules of the Methodist Church pension schemes for ministers and lay employees, the Methodist Council has an undertaking to indemnify the trustees against any liabilities that might arise in the proper discharge of their duties as pension trustees. No provision has been made in the financial statements to 31 August 2015 (2014: £nil) in respect of this matter.

The total pension costs for the year to 31 August 2015 as set out in Note 9 above reflect the costs to the Council of the three pensions arrangements. There are no outstanding or prepaid contributions at the balance sheet date.

Methodist Ministers' Pension Scheme (MMPS)

There are 1,526 ministers who are members of the MMPS. The Methodist Council is responsible for the pension scheme contributions of 67 of them. The majority of members' contributions come from the circuits which, as shown on page 45, are not included in these accounts. The actuary is of the opinion that it is not possible to identify, on a consistent and reasonable basis, the underlying assets and liabilities of the Methodist Church in Great Britain and accordingly this scheme is treated as a multi employer scheme and accounted for as a defined contribution scheme under FRS 17.

An actuarial valuation of the scheme was carried out on 1 September 2014. This revealed a shortfall of the assets relative to the technical provisions (liabilities) of £40 million which corresponded to a funding ratio of 90.6%.

Analysis of the change for the scheme from 2011-14

	£m
Funding Shortfall at 1 September 2011	(58,407)
Interest on deficit	(9,256)
Investment return	59,008
Change in yields	(46,442)
Change in mortality assumptions	(2,593)
Change in performance premiums	(4,572)
Change in AVC bonus rates	(526)
Stipend increases	3,106
Change in assumed proportion married	1,331
Pension and deferred pension increases	(2,016)
Deficit contributions	17,141
Membership movements	3,001
All other items	212
Funding shortfall at 1 September 2014	(40,013)

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Pension costs (continued)

Methodist Ministers' Pension Scheme (MMPS) (continued)

Action taken to meet the shortfall

The Trustee and the Conference have agreed that the shortfall relative to the technical provisions should be eliminated over a period of 6 years 4 months from 1 September 2014 by Church contributions of 9.8% per annum of stipends plus continuation of the fixed lump sum contributions of £1 million per annum from the Pension Reserve Fund. This has been confirmed in the Recovery Plan which has been agreed by the Trustee and the Conference. The current shortfall contributions stipend are 14% pa of stipend. The Pension Reserve Fund was set up following a 2009 Conference decision to establish a Scheme, fund outside of the Scheme, which could be used to meet future funding deficits.

Ongoing contribution rate

A recovery plan and schedule of contributions to satisfy the requirements of Sections 226 and 227 respectively of the Pensions Act 2004 have been agreed by the Trustee and the Conference. The actuary certified on 1 September 2014 that the rates of contributions, as set out above and in the Schedule of Contributions were expected on 1 September 2014 to restore the funding level to around 95% by 1 September 2017 and also confirmed that the Schedule of Contributions was consistent with the Statement of Funding Principles agreed by the Trustee on 5 March 2015.

The Trustee of the Scheme has confirmed that the Pension Reserve Fund strengthens the Church's financial covenant of the Scheme (see Note 16c).

The pension charge for the year was £1.485m (2014 £1.388m) and includes a charge against the Pension Reserve Fund of £1m to reduce the deficit (Note 16c).

The Council expects to contribute £1.8m to the scheme which includes £1m from the Pension Reserve Fund in 2015-16.

Pension and Assurance Scheme for Lay Employees of the Methodist Church

The Methodist Council is the principal employer of this multi employer defined benefit scheme for lay employees. Its employees both past and present account for more than 80% of the current scheme members.

The scheme has not been accounted for as a defined benefit scheme, but as a defined contribution scheme in accordance with FRS17 (but this disclosure has been included to add clarity), as the actuaries are of the opinion that it is not possible to identify, on a consistent and reasonable basis, the share of the underlying assets and liabilities of the individual schemes attributable to the Methodist Church consolidated accounts.

The contributions by the employers and the scheme members' contributions were 24.1% and 8% of pensionable pay respectively. The pension charge for the year was £1.23m (2014: £1.26m).

A full actuarial valuation was carried out as at 1 September 2014 by a qualified independent actuary. The results revealed a shortfall of £311k relative to the technical provisions (the level of assets agreed by the Trustee and the Employers as being appropriate to meet members' benefits, assuming the Scheme continues as a going concern) which corresponds to a funding ratio of 99.4%.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Pension costs (continued)

Pension and Assurance Scheme for Lay Employees of the Methodist Church (continued)

Analysis of the change for the scheme from 2011-14

	£m
Funding Shortfall at 1 September 2011	(2,156)
Interest on deficit	(353)
Investment return	7,279
Change in yields	(8,422)
Change in commutation assumptions	1,532
Change in other assumptions	(531)
Pensionable earnings increases	485
Pension and deferred pension increases	(79)
Deficit contributions	898
Membership movements	711
All other items	325
Funding shortfall at 1 September 2014	(311)

Action to meet the shortfall

The Trustee and the Employers, with the agreement of Conference, agreed that the shortfall relative to the technical provisions should be eliminated by a lump sum payment of £448k from the Pension Reserve Fund to the Scheme on 1 September 2015. The lump sum payment represents the shortfall as at 1 September 2014 together with interest to 31 August 2015 and the additional shortfall that was expected to arise in 2014/15 due to contributions being paid below the future service rate. This payment was confirmed in the Recovery Plan and recorded in the Schedule of Contributions which was agreed by the Trustee and the Employers on 31 March 2015.

The next formal valuation of the Scheme is due as at 1 September 2017. If the lump sum contribution is paid to the Scheme as set out above and the experience over the period is in line with technical provisions assumptions then in the actuary's opinion the funding level as at 1 September 2017 should be around 100%.

FRS17 Disclosures

The fair value of the Scheme's assets as at 31 August 2015 is £53m, compared to liabilities of £57m.

The FRS 17 funding position as at 31 August 2015 is a deficit of £4m compared to a deficit of £3m in 2014. This is mainly due to the actual return on the Scheme assets being less than expected. The change in assumptions has also increased the value placed on the liabilities. However, the increase in the value of the liabilities has also been more than offset by gains from membership movements.

The Council expects to contribute £2.1m to the scheme from 1 September 2015 to 31 August 2016. Contributions will remain at 8% for members and 24.1% for employers of pensionable earnings.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Pension costs (continued)

The Superannuation Scheme for Lay Mission Partners

The Methodist Council is the principal employer of this defined benefit scheme for retired Mission Partners. There are 55 members in total, 5 of whom are deferred pensioners.

The scheme has been accounted for as a defined benefit scheme in accordance with FRS 17. The Scheme is unfunded and is now closed. The pension interest charge for the year was £73k.

The scheme provides a pension of £150.93 per year of qualifying service to a single retired mission partner or widow / widower, £201.29 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 £101 (single) / £134 (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.

Estimated pension costs for 2015/16

The amount expected to be charged to the Statement of Financial Activities for 2015/16 is £NIL (2014/15: £13k).

FRS 17 Disclosures

The charity has restricted fund investment assets of £2.3m (included in Note 12) available to meet the scheme obligation of £2.09m at 31 August 2015, as valued under FRS17 leaving a positive balance carried forward on the restricted fund (see Note 17) of £0.21m.

The changes in the value of the defined benefit obligation are as follows:

	2015
	£000
Opening defined benefit obligation	2,196
Interest cost	73
Actuarial gains	(7)
Benefits paid	<u>(167)</u>
Closing defined benefit obligation	<u>2,095</u>

3 year summary of the present value of liabilities and experience adjustments

	31 August	2015	2014	2013
		£000	£000	£000
Defined benefit obligation		2,095	2,196	2,259
Scheme assets		2,360	2,338	2,408
Surplus / (deficit)		265	142	149
Experience gains / (losses) on scheme assets		2	50	2,408
Experience gains / (losses) on scheme liabilities		(22)	42	-
Change in assumptions underlying the present value of scheme liabilities		29	(86)	(2,260)
Total experience gains / (losses) on scheme liabilities		7	(44)	(2,260)

The actuarial gains and losses for the current year are recognised in the SOFA. The cumulative amount of actuarial losses recognised in the SOFA since the adoption of FRS 17 is £37k (2014: £44).

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Pension costs (continued)

The Superannuation Scheme for Lay Mission Partners (continued)

The interest cost of £0.07m (2014: £0.09m) is included in "Empowering the ministry of overseas partners" on the SOFA and under direct costs in notes 6a and 6b.

Summary of FRS 17 financial assumptions as at 31 August	2015	2014
Discount rate	3.4% pa	3.5% pa
Inflation (RPI)	2.9% pa	3.1% pa
Increases to all benefit levels	2.8% pa	3.0% pa

Other pension schemes

The Methodist Church in Great Britain also participates in a number of smaller pension schemes. The members are mission partners currently working overseas. The schemes are: The Pensions Trust, The Scottish Public Pensions Agency (SPPA) and The Retirement Benefit Scheme (Ireland).

The Pensions Trust

There are 27 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 £0.2m (2014: £0.3m).

The Scottish Public Pensions Agency (SPPA)

The Scheme is an unfunded multi employer defined benefit scheme. The scheme has not been accounted for as a defined benefit scheme but as a defined contribution scheme in accordance with FRS17. There is currently one member in this scheme. The pension charge for the year was £3k (2014: 3k).

Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There is currently one member in this scheme. The pension charge for the year was £17k (2014: 20k).

Further disclosures are deemed unnecessary on the grounds of immateriality.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

11 a Tangible fixed assets

The Methodist Church in Great Britain

	Asset Under Construction	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost	£000	£000	£000	£000	£000	£000
At 1 September 2014	-	20,145	1,888	1,660	36	23,729
Additions during the year	2,013	3,572	132	65	-	5,782
Transfers out	-	(150)	-	-	-	(150)
Disposals	-	(634)	-	(9)	-	(643)
Total	2,013	22,933	2,020	1,716	36	28,718
Depreciation						
At 1 September 2014	-	-	1,449	1,210	32	2,691
Charge for the year	-	-	151	335	1	487
Total	-	-	1,600	1,545	33	3,178
Net book value as at 31 August 2015	2,013	22,933	420	171	3	25,540
Net book value as at 31 August 2014	-	20,145	439	450	4	21,038

b Tangible fixed assets

The Connexional Funds

	Asset Under Construction	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost	£000	£000	£000	£000	£000	£000
At 1 September 2014	-	16,353	1,560	1,435	19	19,367
Additions during the year	2,013	2,318	127	41	-	4,499
Transfers out	-	(150)	-	-	-	(150)
Disposals	-	(634)	-	-	-	(634)
Total	2,013	17,887	1,687	1,476	19	23,082
Depreciation						
At 1 September 2014	-	-	1,246	1,034	16	2,296
Charge for the year	-	-	114	311	1	426
Total	-	-	1,360	1,345	17	2,722
Net book value as at 31 August 2015	2,013	17,887	327	131	2	20,360
Net book value as at 31 August 2014	-	16,353	314	401	3	17,071

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

12 Investments	The Methodist Church in Great Britain		The Connexional Funds	
	2015 £000	2014 £000	2015 £000	2014 £000
Market value at 1 September 2014	159,674	141,535	149,131	131,344
Additions a	7,431	5,189	6,776	4,724
Transfers b	210	5,522	210	5,522
Disposals a	(6,999)	(5,013)	(6,917)	(4,750)
Revaluation of William Leech (Investments) Ltd	(33)	218	(33)	218
Investment gains	4,460	12,223	3,400	12,073
Market value as at 31 August 2015	164,743	159,674	152,567	149,131
Investments comprise:				
Investment properties c	33,480	28,106	25,970	21,725
Central Finance Board Units	107,433	111,273	104,805	108,421
Central Finance Board Deposit Fund William Leech (Investments)	11,747	9,102	11,652	9,007
Ltd d	9,190	9,050	9,190	9,050
Other investments	2,893	2,143	950	928
Total	164,743	159,674	152,567	149,131

Included in the Central Finance Board Units is £24.6m (2014: £23.5m) invested in the CFB Overseas Fund.

a Investment additions and disposals

During the year the Investment Committee reviewed the investment portfolio in line with the current investment policy. This resulted in the disposal of, and subsequent purchase of units in, a number of Central Finance Board investment funds.

b Transfer of assets to / (from) investment properties

	2015 £000	2014 £000
24, Long Acre Murton, Murton Swansea SA3 from investment to current assets	-	(220)
81-103 Euston Street, London, NW1 2EZ from freehold to investment properties	-	5,742
Equity share in three properties jointly owned with the Methodist Ministers' Housing Society	210	-
	<u>210</u>	<u>5,522</u>

24 Long Acre Murton property which was transferred to current assets during financial year 2013-14, was sold during 2014-15.

The Methodist Ministers' Housing Society received funding from the Fund For the Support of Presbyters and Deacons (FSPD) to enable the purchase of the following properties:

6 Comet Close, Littlesea, Weymouth Dorset DT4 9ER: equity share of 26.4% based on the original purchase price of £227k.

The current market value of this property is £245k (revaluation date 24/08/2015).

215 Long Lane, Holbury, Hampshire SO45 2PD: equity share of 47.3% based on the original purchase price of £296k.

The current market value of this property is £320k (revaluation date 24/8/2015).

97 Main Road, Morton, Alfreton DE55 6HL: equity share of 6.7% based on the original purchase price of £150k.

The current market value of this property is £150k (revaluation date 28/8/2015).

The properties were revalued by Emma Eaglestone BSc Hons MRICS from Jones Lang LaSalle Limited.

These properties were previously disclosed as related party transactions and accounted for as loans receivable.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

c Analysis of movement of investment properties

	The Methodist Church in Great Britain		The Connexional Funds	
	2015	2014	2015	2014
	£000	£000	£000	£000
Market value at the beginning of the year	28,106	17,176	21,725	10,889
Additions to investment properties at cost	803	1,158	774	1,064
Transfers in / (out)	210	5,522	210	5,522
Disposals at carrying value	-	(25)	-	(25)
Net gain on revaluation	<u>4,361</u>	<u>4,275</u>	<u>3,261</u>	<u>4,275</u>
Market value at the end of the year	<u>33,480</u>	<u>28,106</u>	<u>25,970</u>	<u>21,725</u>

Included within investment properties are:

- i) The property 81-103 Euston Street, London was revalued by G Brent MRICS, C Dallison FRICS and C Ready MRICS of GVA Grimley Ltd acting as external valuers as defined in the RICS valuation standards, on 4 September, 2015 at £19.5m. A revaluation gain of £3.24m has been included in the accounts to 31 August 2015.

- ii) The property at Westminster College Oxford Trust was revalued by Andrew Lockhart Bsc FRICS MCI Arb of Venables Sherrott Lockhart and Partners Ltd, on 31st August 2015 at £4m, in accordance with the Royal Institution of Chartered Surveyors - Professional Standards January 2014 Incorporating the IVSC International Valuation Standards. A revaluation gain of £1.1m has been included in the accounts to 31 August 2015.

- iii) A complete, reliable and accurate record of the historical cost of the investment properties is not available and, accordingly, is not provided.

d William Leech (Investments) Ltd

The Methodist Church holds investments valued at £9.2m (2014: £9m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2015. The holding is based on the company's audited accounts to 31 March 2015, updated with management accounts to 31 August 2015. The Methodist Church has a representative on the company board of the company but cannot exert significant influence over it.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

13 Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2015	2014	2015	2014
	£000	£000	£000	£000
Prepayments and accrued interest	1,457	883	1,260	818
Loan to another entity (note 23)	82	1,127	82	1,127
Other debtors	4,258	2,868	4,011	2,793
Total	5,797	4,878	5,353	4,738

14 Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2015	2014	2015	2014
	£000	£000	£000	£000
Accruals	712	585	351	352
Loans	1,014	914	800	700
Tax and social security	511	458	252	388
Grant commitments	6,452	8,042	6,098	7,695
Other creditors	2,259	2,050	1,807	1,539
Total	10,948	12,049	9,308	10,674

15 Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2015	2014	2015	2014
	£000	£000	£000	£000
Loans	3,101	4,115	2,885	3,685
Grant commitments	3,798	3,559	3,800	3,559
Total	6,899	7,674	6,685	7,244

Grant commitment creditors

Grant commitment creditors represent grants approved that are yet to be paid. Some grants agreed in principle via All We Can - Methodist relief and development, a separately registered subsidiary charity of The Methodist Church in Great Britain, are for grants to project delivery partners for two, three or five years. These subsequent grants represent planned future commitments, but are not recognised as a liability when they are approved, as payment is conditional upon certain performance and financial milestones.

Loans

Methodist International Centre

There are two bank loans ('term' and 'development') secured by a mortgage dated 19 October 2004 over the property known as Euston House, 81-103 Euston Street, London. The details of the loans are as follows:

Repayment terms:

Interest rate:

Current quarterly repayment of capital is £175k (2014:190k)

The 2004 term loan facility was restructured with a new loan arrangement and the Methodist Council entered an agreement with HSBC Bank PLC in March 2012 for a term loan amounting to £2.885m and land and property redevelopment facility of £2.8m. The facilities are to be repaid by 12 consecutive quarterly instalments commencing 31 May 2012 for the property development loan. The quarterly principal repayment amount due in 2015-16 is £200k, with a final bullet payment of £2.885m due on 9 March 2017.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Creditors (continued)

Loans (continued)

As a condition of the loan agreement part of the total loan had to be placed under an interest swap hedging agreement with HSBC Bank PLC and this was entered into in October 2012.

The purpose of the agreement was to hedge 70% of the loan against significant movement in interest rates.

The arrangement was set for 5 years to 31 August 2016. The interest rate swap is 0.92% on a 3 month BBA LIBOR. Interest is charged quarterly on the last calendar day of August, November, February and May.

Loan balances as at 31 August	2015	2014
	£000	£000
Development loan	1,930	2,270
Term loan	1,755	2,115
Total	3,685	4,385

The proportion of the loan to the value of the asset charged is 19% (2014: 30%).

Southlands Methodist Trust

At the balance sheet date there is a loan of £430k (2014: £644k) secured by a mortgage over freehold property known as Mount Clare House and the Temple, Minstead Gardens, Roehampton, London SW15; freehold land and buildings on the west side of Minstead Gardens, Roehampton, London SW15; freehold property known as land on the west side of Roehampton Lane adjoining Digby Stuart College, Roehampton, London SW15. The interest charged is 2% above base rate.

The current quarterly repayment of capital is £53.5k (2014:£53.5k). The proportion of the loan to the value of the asset charged is 13% (2014: 21%).

Current annual interest is £14.4k (2014:£19.7k).

Other income - compensation from HSBC Bank PLC

In 2014 MIC and Southlands Methodist Trust were successful in two misselling complaints against HSBC Bank PLC and received £423k and £643k respectively in compensation. This is included in the Statement of Financial Activities under "Other Income".

Contingent liabilities

The Trustees have received notification of a civil claim against the Church based on vicarious liability. The claim is currently at an early stage of assessment with both the claimant and respondent's legal advisors gathering and assessing evidence. In accordance with Paragraph 97 of FRS 12, the Trustees are of the view that any detailed disclosures regarding the cost and nature of the claim would seriously prejudice the Church's position and for that reason, no further disclosures can be made at this point.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

16 a Unrestricted funds

The Methodist Church in Great Britain

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
Designated	33,569	6,931	(4,460)	(204)	63	35,899
General	16,715	14,519	(14,719)	969	5	17,489
Total	50,284	21,450	(19,179)	765	68	53,388

16 b Unrestricted funds

The Connexional Funds

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
Designated	33,569	6,931	(4,460)	(204)	63	35,899
General	16,715	14,567	(15,004)	1,206	5	17,489
Total	50,284	21,498	(19,464)	1,002	68	53,388

16 c Designated funds

The Methodist Church in Great Britain and The Connexional Funds

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
1 The Connexional Priority Fund	10,861	5,963	(2,559)	(3,083)	(4)	11,178
2 The Epworth Fund	6,681	207	(307)	1	(12)	6,570
3 The Connexional Travel Fund	251	10	(6)	-	3	258
4 The Designated Training Fund	-	55	(441)	400	-	14
5 The Computers in Ministry Fund	133	214	(117)	-	-	230
6 The Pension Reserve Fund	15,643	482	(1,030)	2,478	76	17,649
Total	33,569	6,931	(4,460)	(204)	63	35,899

Transfers between funds include amounts transferred with the approval of the Methodist Council.

Transfer of £250k and £150k from the Methodist International and the Guy Chester Centres respectively to the Designated Training Fund to further the work of the Discipleship and Ministries Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Designated funds (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 Methodist Scheme for Lay Employees of the Methodist Church and (c) funding the work of the Discipleship and Ministries 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.

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 Discipleship and Learning Network.

5 The Computers in Ministry Fund

This fund was set up following a decision by Conference to create a fund from which ministers and deacons would be able to purchase a computer for their work. Ministers and deacons are eligible to claim every 4 years.

6 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. Currently, £1m per annum is funding the Methodist Ministers' Pension Scheme deficit referred to in Note 10.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

17 a Restricted funds

The Methodist Church in Great Britain

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Recognised gains and (losses)	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
1 The Fund for the Support of Presbyters and Deacons	8,247	544	(537)	(33)	(116)	8,105
2 Mission in Britain Fund	4,655	1,243	(1,054)	(105)	1,200	5,939
3 Centenary Hall Trust	4,465	248	(452)	-	76	4,337
4 The Fund for Property	4,590	809	(877)	(51)	8	4,479
5 The Fund for Training	10,275	296	(2,374)	(157)	732	8,772
6 The World Mission Fund	20,017	4,308	(3,013)	(563)	83	20,832
7 The London Mission Fund	12,116	512	(463)	-	(168)	11,997
8 The Methodist International Centre	11,566	1,827	(236)	(250)	3,245	16,152
9 The Guy Chester Centre	7,424	1,360	(1,220)	(150)	(73)	7,341
10 Cliff College	5,478	3,025	(1,737)	-	7	6,773
11 Southlands Methodist Trust	5,389	438	(341)	-	(21)	5,465
12 Westminster College Oxford Trust	3,657	21	(29)	-	1,089	4,738
Total funds with balances > £2m	97,879	14,631	(12,333)	(1,309)	6,062	104,930
13 Other - 30 funds with balances < £2m	11,450	8,259	(6,932)	360	(1,770)	11,367
Overall total	109,329	22,890	(19,265)	(949)	4,292	116,297

17 b Restricted funds

The Connexional Funds

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Recognised gains and (losses)	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
1 The Fund for the Support of Presbyters and Deacons	8,247	544	(537)	(33)	(116)	8,105
2 Mission in Britain Fund	4,655	1,243	(1,054)	(105)	1,200	5,939
3 Centenary Hall Trust	4,465	248	(452)	-	76	4,337
4 The Fund for Property	4,590	809	(877)	(51)	8	4,479
5 The Fund for Training	10,275	296	(2,374)	(157)	732	8,772
6 The World Mission Fund	20,017	4,308	(3,013)	(563)	83	20,832
7 The London Mission Fund	12,116	512	(463)	-	(168)	11,997
8 The Methodist International Centre	11,566	1,827	(236)	(250)	3,245	16,152
9 The Guy Chester Centre	7,424	1,360	(1,220)	(150)	(73)	7,341
Total funds with balances > £2m	83,355	11,147	(10,226)	(1,309)	4,987	87,954
10 Other - 26 funds with balances < £2m	9,596	2,363	(907)	123	(1,755)	9,420
Overall total	92,951	13,510	(11,133)	(1,186)	3,232	97,374

Transfers between funds include amounts transferred with the approval of the Methodist Council such as the fund administration charges. The major transfers are described below:

Transfers of £250k and £150k from the Methodist International Centre and the Guy Chester Centres respectively to the Designated Training Fund to further the work of the Discipleship and Ministries Learning Network (see note 16c)

Transfers from the World Mission Fund (£563k) may be analysed as follows:

£108k to the Lay Missionaries Superannuation Scheme as part of the deficit funding;

£184k to William Leech Investments as described in Note 18(b);

£438k to the Methodist Church Fund being the administration charge for the year;

£160k received from The Fund for training for reimbursement of a grant that should have been paid from that fund;

£7k received from the custodian, Trustees for Methodist Church Purposes, this being in compensation for losses incurred as a result of a delay in carrying out the Investment Committee's instructions.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (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 the 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 Discipleship and Ministries 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.

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 Methodist International Centre ("MIC")

The purpose of the Methodist International Centre is to further the work of the Discipleship and Ministries Learning Network (as set out in the report entitled "the Fruitful Field Project" presented to and accepted by the 2012 Conference and subject to the oversight of the Methodist Council) in accordance with the arrangements determined by the Methodist Council from time to time (or such other person or body or bodies as the Conference or the Methodist Council may determine to constitute that network).

9 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. As with MIC, the centre is designated to become a key source of funding for the Discipleship and Ministries Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Notes on the purposes of the main funds (continued)

10 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. Since 2012 the College has been used as a training centre within the Discipleship Ministries and Learning Network.

11 Southlands Methodist Trust

As part of the work carried out through the Discipleship and Ministries 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.

12 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.

18 a Endowment funds

The Methodist Church in Great Britain

	Balance as at 1 September 2014	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
Permanent						
1 Rank Endowment Fund	4,938	-	(6)	4	85	5,021
2 William Leech Charities' Fund	9,049	-	(10)	184	(33)	9,190
3 Other - 7 funds with balances <£2m	1,618	-	(11)	(4)	22	1,625
Total	15,605	-	(27)	184	74	15,836

18 b Endowment funds

The Connexional Funds

	Balance as at September 2014	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2015
	£000	£000	£000	£000	£000	£000
Permanent						
1 Rank Endowment Fund	4,938	-	(6)	4	85	5,021
2 William Leech Charities' Fund	9,049	-	(10)	184	(33)	9,190
3 Other - 7 funds with balances <£2m	1,618	-	(11)	(4)	22	1,625
Total	15,605	-	(27)	184	74	15,836

Transfers between funds include amounts transferred with the approval of the Methodist Council and where appropriate, the Charity Commission.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

18 b Endowment funds

The Connexional Funds (continued)

The major transfers are described below:

£184k was transferred from the World Mission Fund into William Leech (Investments) Ltd as an investment in accordance with the expressed wishes of the donor for the beneficiary charities, of which the Methodist Church in Great Britain is one, to reinvest a proportion of their annual donation in William Leech (Investments) Ltd.

The Methodist Church in Great Britain

			2015	2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
19 a Analysis of net assets between funds	£000	£000	£000	£000	£000
Tangible fixed assets	10,342	15,198	-	25,540	21,038
Investments	40,997	108,184	15,562	164,743	159,674
Current Assets	5,452	9,454	274	15,180	16,425
Creditors due within one year	(3,328)	(7,620)	-	(10,948)	(12,049)
Creditors due after more than one year	(75)	(6,824)	-	(6,899)	(7,674)
Defined benefit pension scheme liability	-	(2,095)	-	(2,095)	(2,196)
Total	53,388	116,297	15,836	185,521	175,218

The Connexional Funds

			2015	2015	2014
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£000	£000
19 b Analysis of net assets between funds	£000	£000	£000	£000	£000
Tangible fixed assets	10,342	10,018	-	20,360	17,071
Investments	40,997	96,008	15,562	152,567	149,131
Current Assets	5,452	6,033	274	11,759	12,752
Creditors due within one year	(3,328)	(5,980)	-	(9,308)	(10,674)
Creditors due after more than one year	(75)	(6,610)	-	(6,685)	(7,244)
Defined benefit pension scheme liability	-	(2,095)	-	(2,095)	(2,196)
Total	53,388	97,374	15,836	166,598	158,840

20 Expenses reimbursed to the Trustees of the Methodist Church in Great Britain	2015	2014
	£000	£000
Travel and other expenses reimbursed	82	75
Number of members reimbursed	No.	No.
	75	75

21 Central stipends administration

Stipends and allowances paid to presbyters, deacons and lay employees totalling £54m (2014: £47m) and reimbursements from circuits and other funds totalling the same amount are not included in the Statement of Financial Activities other than in respect of the administration costs relating to the stipends and allowances of those appointed to serve the Methodist Council (see Note 9). At the end of the year there was a balance held of £3.4m for the payment of stipends on 1 September 2015 which has been excluded from these accounts. The administration costs amounting to £104k (2014: £86k) and interest receivable amounting to £8k (2014: £11k) relating to the central payment of stipends are included in the Statement of Financial Activities.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

22 Trustees' remuneration

The trustees listed below (10) were in the service of the Methodist Church in Great Britain (2014: 18). Their aggregate total emoluments including pension contributions for this work and not in their role as trustees amounted to £0.4m (2014: £0.7m). Their appointment as trustees is in accordance with Standing Order No 210 of the Methodist Church.

	2015	2014
	£000	£000
The Revd Dr Martyn Atkins	39	38
The Revd Anne Brown	-	36
Deacon Sue Culver	-	36
The Revd Dr Keith Davies	-	36
The Revd Dr David Gamble (dec'd)	-	35
The Revd Ruth Gee	37	36
The Revd Ward Jones	-	37
The Revd Loraine Mellor	37	36
The Revd Gillian M Newton	-	32
The Revd Lionel Osborn	37	36
The Revd Peter Pillinger	-	36
The Revd Gareth Powell	39	38
Mr Doug Swanney	98	96
The Revd Dr Mark Wakelin	-	35
The Revd Dr Roger L Walton	37	37
The Revd Stephen Wigley	37	36
The Revd Stephen Wild	37	36
The Revd Michaela A Youngson	37	36
	436	708

The total aggregate pension contributions for these trustees for the year were £71k (2014: 112K).

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

23 Trustees and connected persons

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. The charity has taken advantage of the exemption within FRS 8 not to disclose transactions with fellow group undertakings, which are eliminated on consolidation.

	2015			
	Income from related party	Payments to related party	Loans to related party	Amount owed by related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes ^(a)	3	148	-	-
Methodist Ministers' Housing Society	73	8	-	-
Methodist Ministers Pension Scheme	111	-	-	-
Lesnes Abbey Circuit ^(b)	10	-	70	70
The Queen's Foundation for Ecumenical & Theological Education ^(c)	-	1,024	-	-
Interhealth ^(d)	-	22	12	12

^(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) 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.

^(c) A payment of £750k to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2014-15 academic year.

^(d) A loan of £20k advanced to Interhealth to assist in their office relocation repayable over 5 years. The balance on the loan as at 31st August 2015 was £12k. The payments during the year were for staff health screening services.

	2014			
	Income from related party	Payments to related party	Loans to related party	Amount owed by related party
	£000	£000	£000	£000
Trustees for Methodist Church Purposes	3	129	-	3
Methodist Ministers' Housing Society ^(a)	62	-	710	710
Methodist Ministers' Pension Scheme ^(b)	105	-	-	-
Lesnes Abbey Circuit ^(c)	-	-	80	80
Witney & Farringdon Circuit ^(a)	-	-	337	337
The Queen's Foundation for Ecumenical & Theological Education	-	1,275	-	-

^(a) The loans to Methodist Ministers Housing Society (MMHS) and the Witney & Farringdon Circuit were repaid in full during the year 2014-15 and were interest free. The income received from MMHS was for rent and service charges.

^(b) Income received from the Methodist Ministers' Pension Scheme was for rent and accountancy services.

^(c) A loan advanced to the 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.

In addition to this, there are 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.

The Methodist Church in Great Britain

Notes to the consolidated accounts for the year ended 31 August 2015 (continued)

Trustees and connected persons (continued)

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);
- The awarding and distribution of grants to other Methodist entities;
- Investment charges (TMCP & CFB);
- The operation of the Gift Aid Bureau Service to claim gift aid on the behalf of local churches and circuits;
- The operation of Central Stipends Bureau for the payment of ministerial and local staff stipends and salaries;
- The maintenance of the accounting records for various Methodist entities.

Trustees and committee memberships

The membership for 2014-5 and for 2015-16 are listed below.

The Methodist Council

2014-15 New Members from 1 September 2014 are marked with an asterisk (*)

The Revd Caroline R Ainger	The Revd David Gamble (Chair)	The Revd Lionel E Osborn
The Revd Dr Martyn D Atkins	The Revd Ruth M Gee	Mrs Idy Osibodu*
Dr B Jill Barber*	Mr Andrew G Gibbs	The Revd Gareth J Powell
The Revd J A Jade Bath	The Revd David M Goodall	Mrs Heather Shipman
Ms Rebecca Belshaw	The Revd Graeme J Halls	The Revd D Paul C Smith
Mrs Joy Blake	Dr Nigel Hardwick	Mr Christopher Stephens
The Revd Rachel J Borgars	The Revd Paul Hill	The Revd Dr Joseph B Suray
The Revd Christopher P Briggs	The Revd Jacqueline A Horton*	Mr Douglas Swanney
Deacon Andrew Carter*	The Revd Kenneth G Howcroft	Dr Alan Sykes
The Revd Olufemi R W Cole-Njie	Professor Peter D Howdle	The Revd Kerry W Tankard*
The Revd Nigel Cowgill*	Mrs Jean Jackson	Dr Valerie Turner
Ms Gillian M Dascombe	Mr Sandy Laurie	The Revd Dr Roger L Walton
The Revd Rachel D Deigh	Mr Tim Layhe	Mr Eric Watchman
Mr Jack Delbridge*	Professor David R Matthews	Mr Ian White
The Revd Graham M Edwards	The Revd Loraine N Mellor	The Revd Dr Stephen D Wigley
Dr Martyn Evans	Dr Daleep S Mukarji	The Revd Steven J Wild*
Mr Andrew Fairlamb*	The Revd Edwin T Myers	Mr R Arfon Williams
The Revd Catherine Gale*	Mrs Anita Nicholson	The Revd Michaela A Youngson*

2015-16 New Members from 1 September 2015 are marked with two asterisks (**)

The Revd Caroline R Ainger	The Revd Graeme J Halls	The Revd Gareth J Powell
Mr Michael Anderson**	The Revd Paul Hill	The Revd Keith S Reed**
Ms Janet Baker**	The Revd Jacqueline A Horton	The Revd Peter D Sheasby**
Dr B Jill Barber	The Revd Kenneth G Howcroft	The Revd David Shirtliff**
The Revd J A Jade Bath	Professor Peter D Howdle	The Revd Dr Joseph B Suray
Mrs Carole Burgess**	The Revd Eleanor G Jackson**	Mr Douglas Swanney
The Revd Helen D Cameron**	Ms Rachel J Lampard**	The Revd Timothy A Swindell**
Deacon Andrew Carter	Mr Sandy Laurie	Dr Alan Sykes
The Revd Olufemi R W Cole-Njie	Mrs Carolyn Lawrence**	Dr Valerie Turner
Ms Gillian M Dascombe	Mr Dean Lawson**	The Revd Dr Roger L Walton
The Revd Linda Day**	The Revd Henry J Lewis**	Mr Eric Watchman
Mr Jack Delbridge	Professor David R Matthews	Mr Ian White
The Revd Graham M Edwards	Dr Daleep S Mukarji	The Revd Dr Stephen D Wigley
Dr Martyn Evans	The Revd Edwin T Myers	The Revd Steven J Wild
Mr Andrew Fairlamb	Mrs Anita Nicholson	Mr R Arfon Williams
The Revd Catherine Gale	The Revd Lionel E Osborn	The Revd Andrew D Wood**
The Revd Ruth M Gee (Chair)	Mrs Idy Osibodu	Ms Helen Woodall**
The Revd David M Goodall	The Revd Gareth P Phillips**	The Revd Michaela A Youngson

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.

Trustees and committee memberships (continued)

The Strategy and Resources Committee (SRC)

The membership for the current year are listed below:

Voting members

Ms Janet Arthur [from 1 September 2015]	The Revd Stuart Jordan [to 31 August 2015]
Mr Edward Awty (Connexional Treasurer)	The Revd Susan Keegan Von Allmen
The Revd Anne E Brown [to 31 August 2015]	The Revd Loraine N Mellor [from 1 September 2015]
Mr Adrian Burton	Dr Daleep S Mukarji
The Revd Eden J Fletcher [to 31 August 2015]	Mrs Heather Shipman
Mr Andrew G Gibbs (Connexional Treasurer) [to 31 August 2015]	The Revd Timothy A Swindell [from 1 September 2015]
The Revd David M Goodall	The Revd Dr Andrew D Wood [from 1 September 2015]
Mr Robert J Harrison	Ms Helen Woodall [from 1 September 2014]
Professor Peter D Howdle (Chair)	

Non-voting members

The Revd Dr Martyn D Atkins [to 31 August 2015]	The Revd Gareth J Powell
Mr Martin Ashford [from 27 November 2015]	Mr Douglas Swanney
The Revd Helen D Cameron [from 1 September 2015]	Mr Nick Moore
Ms Jude Levermore	

The 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 the 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
Mr Roger Davies [from 1 September 2015]
Mr Iain E M Farquhar
Miss Margaret Faulkner [to 31 August 2015]
Mr Andrew G Gibbs (Chair) [to 31 August 2015]
Mr Malcolm Pearson
The Revd Stephen J Radford
The Revd Timothy A Swindell (Chair) [from 1 September 2015]

Invitees

Mr Nick Moore
Mrs Maureen Sebanakitta

The Audit Committee

The membership of the committee is:

Voting members

Mr Rodney Betts
Mr John Chastney (Chair)
Mr Peter A Mills
Mr Andrew Whitley
(plus one vacancy)

Invitees

Mr Edward Awty
Mr Andrew G Gibbs [to 31 August 2015]
Mr Nick Moore
Mrs Maureen Sebanakitta
The Revd Timothy A Swindell [from 1 September 2015]

Reference and administrative details

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

Names and addresses

The Methodist Church
Methodist Church House
25 Marylebone Road
London NW1 5JR
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Gareth J Powell
Mr Douglas Swanney
The Revd Helen D Cameron

Custodian Trustees

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 0JN

Solicitors

Pothecary Witham Weld
70 St George's Square
London SW1V 3RD

Independent Auditor

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol BS1 6AD