**1 Basis of Accounting and Accounting Policies**

1. **Accounting standard**

·The financial statements have been prepared in accordance with SORP(FRS102) as

updated, being the current version of *Accounting and Reporting by Charities: Statement of Recommended Practice.* See also ***v Accounting framework,*** below.

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1. **Public benefit entity**

The Bedfordshire, Essex and Hertfordshire (BEH) District meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

**iii Basis**

These acco1:1nts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year. The accruals basis has been used and trustees present accounts that show a true and fair view of the .District's financial position and activities.

1. **Content**

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £Sterling, rounded to the nearest pound. Rounding differences should be ignored. Where the content of this year's accounts is different from that of the previous year, the comparative year's numbers have been adjusted and restated to be in the same format and on the same basis.

1. **Accounting framework**

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of *Accounting and Reporting by Charities: Statement of* · *Recommended Practice [SORP(FRS102)]* as amended, with the adoption of Section 1A of Financial Reporting Standard 102, in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein . .

1. **Going concern**

To the best of their knowledge and belief the trustees confirm that there are no material uncertainties that would call into question the District's financial viability for at least 12 months from the date of approval of these accounts. ·

1. **Consolidation**

The District oversees the work of ministers (presbyters and deacons) and lay workers in Churches and Circuits with.in the District but has no power to control Circuits or Churches, ministers or lay workers except in extreme circumstances, none of which applied in the year. For this reason, the financial statements of Churches and Circuits within the District are not consolidated into these financial statements.

1. **Income recognition**

Income is brought into acc6unt when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appears in Note 4. A similar figure appears in the Expenditure at Note 8.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in three matters:

* the collection of quarterly assessments from circuits which are paid to the MCF.
* the payment of expenses of delegates from the District to the Methodist Conference
* the collection taken at the Spring Synod on behalf of the Methodist Ministers' Children's Relief Association.

In all these matters the transactions are not reflected in the SOFA because, in acting as agent for the MCF, there is no obligation on the District to make up any shortfall in assessments from Circuits. Sums received as Circuit assessments cannot, therefore, be recognised as income in the District as they are the income of the MCF, not of the District.

The value of time donated by volunteers is not recognised. Further information on this matter is provided in the Trustees' Annual Report.

1. **Expenditure**

This is recognised when incurred, regardless of the date of payment. Liabilities are recognised as soon as there is a legal or constructive obligation committing the District to pay out resources and that payment becomes probable. Until then, any material contingent liabilities are noted.

1. **Grants**

Grants are made annually even when an application is for a recurrent grant over more than one year. A satisfactory report of substance from the individual or grantee body on the previous year's activities and outcomes is critically reviewed by the Grants Committee and is necessary to trigger payment of any further instalment. Grants that are payable in the future and were committed at 31 August 2022 are shown on the Balance Sheet either as a current liability (where the grants are payable by 31 August 2023) or in Long Term Liabilities (if payable after 31 August 2023).

1. **VAT**

Since the District is not VAT registered, expenditure is inclusive of VAT where charged by the supplier.

1. **Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £1000. The freehold property is shown in the accounts at cost in 2006 of which the land component is deemed to be £180k. For the current year the property is shown at its revalued amount. No depreciation is provided because the trustees consider the residual value of the manse building is not less than cost and the depreciation would be immaterial. The property has been reviewed for impairment and none is provided.

Furniture and Fittings has been depreciated at 20% on a straight-line basis.

**xiii Investments**

The investments are in monetary assets and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains/losses arising on investments at the end of the year are shown as income/expenditure in the SOFA and in Note 22 below.

1. **Debtors and Creditors; Bank and Cash**

Debtors are stated at the 13mounts owed to the District or prepaid by the District. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or at the amount advanced to the District. Subsequently, creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

1. **Loans**  .

Where concessionary loans *(i.e.* free of interest) are made to (or received by) the District to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid (or received), with the carrying value adjusted in subsequent years to reflect repayments and any .accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is

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recognised in the SOFA. Subsequent reversals of an impairment loss that objectively relate

to an event occurring after the impairment loss was recognised, are recognised immediately in the SOFA.

1. **Methodist Church Fund**

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a

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Circuit is late in paying its MCF assessment to the District but such sum is received before

the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts. '

1. **Funds**

The trustees have adopted a policy for all unrestricted reserves which is that, over the medium term, there should be a gradual diminution in the balance in each fund. This includes all unrestricted reserves (the General Fund and OAF) but not the restricted funds being The Rock Trust Fun and the Benevolence Fund. There is no Endowment Fund.

**xviii Chair's manse costs**

The District is required to provide residential accommodation for the Chair and his family. The District bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges for the Chair. Note 8 below discloses the aggregate cost to the District of these elements.

**2 Assessments on Circuits**

The District is made up of the following Circuits:

34-1 North Bedfordshire

34-4 South Bedfordshire

* 1. Colchester :
  2. Tendring
  3. Chelmsford
  4. Southend and Leigh 34-11 South Essex '

34-12 Herts and Essex .Border Ecumenical Area 34-13 St Albans and Welwyn

* 1. West Hertfordshire and Borders
  2. North Hertfordshire

34-18 Bishop's Stortford

All Circuits paid their assessments to the District and to the MCF during the year. An assessment on Circuits is annually determined by Districts by reference to the number of staff (both stipendiary and lay workers involved in mission) in the Circuits and the number of Church members but may also take into account a Circuit's ability to pay.

1. **Contributions to the Methodist Church Fund (MCF)**

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totaling £500k (2020-21: £513k) all of which were collected and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

##### Cost of Chair and Trustees

The Chair of District chairs meetings of the District Policy Committee (DPC). The members of the DPC are the trustees of the District. The stipend, employer's NIC and employer's pension contributions of the Chair of District are paid by the Methodist Connexion. The Chair's other costs are met mostly by the District.

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|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| Stipend of Chair of District, Rev Dr David Chapman | 25,824 | 25,524 |
| Employer's National Insurance Contributions | 3,343 | 3,211 |
| Employer's pension contributions | 6,947 | 6,866 |
| District Chair Allowance | 6,456 | 6,381 |
| Com in Mistrv Allow | 171 | 169 |
| *Cash cost 1Jaid bv the Connexion (see SOFA)* | *42,740* | *42 151* |
| Chair's expenses | 6,122 | 6,533 |
| **Total cost** | **48,862** | **48,684** |

Since the stipend-related costs above *(i.e., £42,* 7*40;* 2020-21: £42, 151) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See *Note* 7). The aggregate expenses of the Chair's accommodation were £6, 122 (See *Note 8)* making the total cost of his emoluments £48,862 (2020-21: £48,684). The Chair of District is the sole paid key management person and is supported by members of the DPC.

No accrual is made for the Chair's entitlement to a sabbatical as he would continue to be paid during his sabbatical and there would be little additional cost incurred by those taking on the Chair's responsibilities in the short term.

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BEDFORDSHIRE, ESSEX and HERTFORDSHIRE DISTRICT of the METHODIST CHURCH

Year ended 31August 2022

**Notes to the Accounts**

* 1. Payments to trustees

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

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One member of the trustees is an employee of the District. Travel expenses have been reimbursed to some 5 (20 9-20: six) trustees [members of the District Policy Committee (DPC)] who, in aggregate, have received the cost of travel incurred in attending meetings of the DPC and this amounted to £391 (2019-20: £674).

##### Other Income

The District does not undertake fundraising for its own purposes, other than as noted below.

*Other income* [£3,628 (2020-21: £1,092)] in the SOFA includes:

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| From MCF for costs of delegates from BEH attending the annual Methodist Conference | 1,999 | 525 |
| Northampton Methodist District expenses reimbursement | 1,564 | 0 |
| Bishop Stortford Methodist -Manse EPC Share | 65 | 567 |
| **Total** | **3,628** | **1,092** |

Each year the District Syn6d invites donations from the members of Synod for the Methodist Ministers' Children's Relief Association. The amount donated and paid over in the year was

£0 (2020-21: £0).

##### Grants and Donations and Related Support Costs

Grants and donations of £136, 116 were made during the year (2020-21: £127, 146 in year).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | | 2021-22 | 2020-21 |
| £ | £ |
| From General Fund | Benevolence Ecumenical Projects | 258  0 | 258 | 1,248  11,133 |
| From OAF | : In year grants Increase in liabilities  : Adjusting prior yr accrual | 83,155  49,813  0 | 132,968 | 107.893  -5, 150 |
| From Restricted Funds | , Rock Trust | 2,890 | 2,890 | 1,872 |
| **Total** |  | | **136,116** | **122,146** |

The sum of the grants paid in the year through the OAF was £83, 155 (2020-21: £111,209). Adjusting for increase in grant provision of £49,813 gives us a total figure of £132,968 shown above.

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

This fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the District through relevant grants as assessed by the District Grants Committee. During the year the following grants were made:

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| To Churches | Grants 12,688  Returns 0  Net 12,688 | 56,781 |
| To Circuits | Grants 19,500  Returns 0  Net 19,500 | 30,600 |
| *To Institutions* | *32, 188* | *87,381* |
| To others | Grants · 46,647 Ace Rev  Net 46,647 | 35,500 |
| To individuals | Grants 4,320  Net 0 |  |
| **Total** | **83,155** | **122,881** |

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| .For Projects | 0 | 0 |
| For Ministry | 77,848  Ret 0  PIA 0  Net 77,848 . | 102 881 |
| For equipment | 0 | 0 |
| Other | 5,307 | 20,000 |
|  |  |  |
|  | **83,155** | **122,881** |

The income of the fund was £244,312 (2020-21: £170, 163) during the year. The charge to the SOFA is the sum paid in grants during the year [£83,155; (2020-21: £122,881)] add the uplift in the aggregate liabilities (current and long term) for future instalments of grant [£49,813 (2020-21: £14,988)] to £369,257 (2020-21: £319,432).

An amount of £50,549 (2020-21: £51,549) was used centrally within the District.

The Grants Committee is aware that grant applications must demonstrate public benefit.

The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

1. **Salaries and Associated Costs**

Gross salaries paid to six part time and one full time employees (2020-21: six) were as follows:

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| Gross pay | 129,961 | 110,834 |
| Employer's National lnsurance Contributions | 8,723 | 9,173 |
| Employer's pension contributions to defined contribution schemes and death in service benefit | 10,261 | 4,655 |
| **Total costs of 7 (202021: 6)6xpart time&1xfull time**  **staff** I | **148,945** | **124,662** |
| Cost of Chair (see *Note: 4)* | 42,740 | 42, 151 |
| CFB charities: | 0 | 576 |
| TPT DC Life Assurance' | 246 |  |
| Apprenticeship levies | 632 | 513 |
| **Total staff costs** I | **192,613** | **167,902** |

Total weekly contracted hours for 6 (2020: five) part time staff And one full time staff

148 120

No employee received employee benefits that totalled more than £60,000. There is no

accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are

paid at or above the living wage*.*

Two of the six part time employees were engaged exclusively in safeguarding matters, two provided secretarial assistance at the District office and one dealt with all financial matters. One part staff was recruited midway during the year dealt with property matters in the District.

* 1. Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

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On the other hand, lay employees are contractually employees and have the option of joining the Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). This is a defined benefit scheme and the employing Churches and Circuits contribute as employers to this scheme. All our employees contribute to pensions schemes not administered on behalf of the Methodist Church. The BEH District has received from The Pensions Regulator an acknowledgement of declaration of compliance in connection with the automatic enrolment duties.

The Connexion accounts for both Methodist pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for

removal of the deficit is being implemented. It would be difficult to determine the liability that could fall on the BEH District and no attempt has been made to attempt this valuation.

8 Property Costs

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | | | 2021-22  £ | 2020-21  £ |
| District office, rent and services | | | 21,344 | 18,210 |
| Chair's | manse | | 6,122 | 6,533 |
| Total |  | ' | 27,466 | 24,743 |

. 9 Office Expenses (General fund) and TMCP charges

|  |  |  |
| --- | --- | --- |
| : | 2021-22  £ | . 2020-21  £ |
| Printing, postage and stationery | 2,619 | 1,738 |
| Telephone ! | 3,559 | 2 830 |
| Insurance | 1,437 | 1,404 |
| Safeguarding | 3,301 | 1,431 |
| Independent examination | 990 | 864 |
| Office relocation and partitioning costs | 10,424 |  |
| Other costs | 1,962 | 0 |
| Total charged to General Fund | 24,668 | 8,267 |
| TMCP charges | 2,197 | 1,479 |
| Total | 26,489 | 9,746 |

Included in the other costs: of £1,962 are expenses are website management of £904, bank charges of £89 and miscellaneous expenses of £969.

###### Synods, Committees, Conference

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| Synods& Committees : | 3,053 | 803 |
| The Methodist Conference |  |  |
| Conference expenses reimbursed | 1,999 | 525 |
| Chair's travel | 7,075 | 3,837 |
| District Policy Committee, as charged | 234 | 0 |
| Total | 12,361 | 5,165 |

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###### Other Outgoings

|  |  |  |
| --- | --- | --- |
| I | 2021-22  £ | 2020-21  £ |
| Training | 13,772 | 4,661 |
| Other costs | 3,993 | 1,166 |
| Depreciation I | 657 | 657 |
| Professional services | 4965 | 0 |
| Total | 23,387 | 6,484 |

Professional services relate to all the fees for the new District Offices lease of £3,936 and the break notice fees for the Stansted offices of £1,029.

Included in the other cost of £3,993 are expenses for accounting software expenses (£180), Finance costs (£389), District Discipleship expenses (£1,319), Property Officer expenses (£1,243) and general expenses such as President/Vice President visits to the District and Conference hospitality costs of £774.

##### Investment Management

During the year, the District paid £2, 197 (2020-21: £ 1,480) to TMCP, the custodians of the District's investments (District Advance Fund, the Rock Trust and part of the General Fund). The sum of £2, 197 was levied at 0.2% on the value of the funds at the end of the previous year and is shown as partly allocated to the OAF (£1,352), Rock funds (£469) and General Fund (£376): £1,352 and £469 as Office Expenses in the SOFA. (See *Note 9* above.)

The sum of £8,285(2020-21: £20,455) represents a net unrealised loss on the invested funds of The Rock Trust. More information can be found in Note 21 *Restricted Fund.*

There was an unrealised loss of £7,815 (2020-21: £19,293) on part of the General Fund. The gross unrealised losses of £16, 100 (2020-21: £39,747).

##### Transfers between Funds

The transfer between funds shown on the SOFA represents sums that were transferred from one fund to another under the direction of the trustees.

During the year £50,549 (2019-20: £51,549) was withdrawn from the District Advance Fund to contribute to the funding of the following: ecumenical work, training grants, district discipleship enabler, safeguarding and administrative assistance.

Transfer of £38,549 was done from Designated Fund to General to meet the salary/expenses of the District Discipleship Enabler (£20,549) and the District Properties Officer (£18,000).

##### Tangible Fixed Assets

The value of the District manse, 1 Friars Wood, Bishop's Stortford, is believed to be considerably greater than its historical cost in 2006 shown in the accounts. The Trustees considered it prudent to show the property at its current market value of £850k, and a revaluation reserve has been created within the general fund to account for the increase in value from cost amounting to £350k. As the property has been revalued no depreciation is required. Depreciation of Furniture and Fittings is 20% on straight line basis.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Land  £ | Buildings  £ | Plant and machinery  £ | Cost b/fwd  £ | Revaluation  £ | Depreci ation | Total  £ |
| **Cost or valuation** |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Property | 180,000 | 300,000 | 20,000 | 500,000 | 350,000 |  | 850,000 |
| Furniture &  Fittings | \_ , | - | - | 3,286 | 0 | 1,314 | 1,972 |
| Total | 180.000  ' | 300,000 | 20,000 | 503,286 | 350,000 | 1,314 | 851,972 |

##### Investments with Trustees for Methodist Church Purposes

The funds that support part of the General Fund, the District Advance Fund and The Rock Trust are held by TMCP ir\ the Trustees' Interest Fund or the Managed Mixed Fund on which interest and dividends are: credited to the accounts. These are regarded as medium- and long-term investments and are shown on the Balance Sheet as Fixed assets.

TMCP is the Custodian Trustee of all Methodist Model Trust property and is held for and on behalf of local Managing "trustees (in BEH, the DPC) who are responsible for the day to day management of the property. TMCP ensures that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and polity as determined by the Methodist Conference.

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15.1 Holdings at 31 August 2022 (2021)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | General | | OAF | Rock | Total |
| **Fund** | £ , | | £ | £ | £ |
| Trustees | 10,340 | | 583,476 | 32,721 | 626,517 |
| Investment | (7,63) | | (474,220) | (32,725) | (514,579) |
| Fund | I | |
| Managed | 116,577 | | Nil | 123,598 | 240,175 |
| Mixed Fund | (124,392) | | (Nil) | (131,883) | (256,725) |
| **Total** |  | **126,897** | **583,476** | **156,319** | **866,692** |
| **(132,026) .** | **(474,220)** | **(164,608)** | **(770,854)** |

1. **Debtors and Prepayments**

All sums shown as Debtors on the General Fund at 1 September 2021 were received during the following year. All sums paid in advance at 1 September 2021 were for activities or services related to 2020-21 and were charged to the SOFA in that year. It is expected that payments in advance at 31, August 2022 will be expensed in 2022-23.

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| **Trade debtors** |  |  |
| **Prepayments** |  |  |
| Thorley Church-Synod Hire deposit | 200 | 0 |
| Insurance (104+114) | 218 | 216 |
| Thorley Church-Synod Hire Charges | 567 |  |
| Printing | 0 | 179 |
| **Total prepayments** | **985** | **395** |

|  |  |  |  |
| --- | --- | --- | --- |
| MCF 22 Conference reimbursement | **1,999** |  | |
| Peek deposit-new District Offices | **6,300** |  |  |
| **Total debtors** | **9,284** | **395** | |

1. **Central Finance Board (CFB) Deposits and Cash at Bank**

The District has one current account at HSBC pie, an authorised institution. The sum held on this account is immediately available. In addition, the District has a deposit account at

CFB, a common deposit fund. Interest is earned on this account and is credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. The District

has no other financial instruments. These sums are viewed as being liquid and are shown as Current assets on the Balance Sheet.

##### Creditors

|  |  |  |
| --- | --- | --- |
|  | 2021-22  £ | 2020-21  £ |
| **Creditors** |  |  |
| Expenses reimbursement |  |  |
| Independent examination | 960 | 840 |
| Salaries and consultant fees | 103 | 185 |
| Safeguarding | 2,182 | 904 |
| Ecumenical grant | 7,825 | 9,075 |
| Manse refurbishment | 26 | 134 |
| Other | 82 | *147* |
| Postage & printing | 90 | *25* |
| Telephone | 102 | *85* |
| Synods/Committees | 142 | *96* |
| *Conference* |  |  |
| *DPC* |  |  |
| *Travel-DC* | *733* | *642* |
| *District Discipleship Enabler expenses* | *159* |  |
| *Office expenses* | *49* |  |
| *TPT DC Life Assurance charges* | *93* |  |
| *Property Officer expenses* | *56* |  |
| *Total trade creditors* | *12,602* |  |
| **Accruals/Provision** |  |  |
| Pension contributions | 165 | 1,937 |
| *Taxation and Social Security* | *452* | *452* |
| **Total creditors** | **13,219** | **14,522** |

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

##### Grant Commitments

**Expenditure on charitable activities: District Advance Fund**

Some grants are payable in annual instalments. The District expects to receive a report of the outcomes *of* the first (or subsequent) year's activities funded by the grant. Future instalments are shown as '.Current liabilities (if payable within one year of 31 August 2022) and as Long-term liabilities (where due after one year).

The following analyses are available:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| I | | | 2021-22  £ | 2020-21  £ |
| End of year commitments to pay one off grants or the first instalment in a future year | | | 80,000 | 30,000 |
| Anticipated second or subsequent instalments where the first instalment was paid in 2021-22 or earlier | | | 289,257 | 289,444 |
| **Total anticipated commitment at 31 August 2022** | | | **369,257** | **319,444** |
| '  Grants payable by year . | 2021-22  £ | 2020-21  £ | £ | £ |
| 2021-22 |  | 177,163 |  |  |
| 2022-23 'I |  | 67,281 |  |  |
| 2023-24 | 217,257 | 22,500 |  |  |
| I  2024-25 | 47,000 | 22,500 |  |  |
| 2025-26 | 37,500 | **15,000** |  |  |
| 2026-27 ' | 37,500 | **15,000** |  |  |
| 2027-28 | 30,000 |  |  |  |
| I | **369,257** | **319,444** | **369,257** | **319,444** |
| **Total anticipated commitment at 31 August 2022** |  |  | **369,257** | **319,444** |

After recognising the liabilities for future grants payable through the OAF, there is still a sum of £214k available for future grants. In the following year and subsequent years, further sums are expected to be credited to the OAF from the CMTF levies of those years.

The award of a grant by the District does not create a contractual relationship.

No individual or institution received grants of such a magnitude that they should be separately reported. :

##### Unrestricted Funds

**20.1 General Fund - balance £1, 123,009 at 31 August 2022 (2021: £1, 143,645)**

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. About 75% of this fund is held as a freehold property, the District manse for the Chair of

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District which is based on its revalued amount of £850k (2021: Revalued £850k) included in

the general funds balance above.

**20.2 District Advance Fund - balance £214,219 at 31 August 2022 (2021: £154,776)** The purpose of the fund is to receive monies from investments and to pay grants by annual instalments on applications made.

**21.1 Restricted Funds - balance £156,319 at 31 August 2022 (2021: £164,608)** *i*

The Rock Trust, a restricted fund, exists to support residential and other activities undertaken by young people who currently live in the former London NE District of the Methodist Church. All the fund's assets are managed by TMCP and the net income (after charges) is paid direct to the administrators of the Rock Trust. Grants are awarded by the trustees of the Rock Trust, being the trustees of the District.

Movements during the year were as follows:

|  |  |  |
| --- | --- | --- |
|  | 2021-22 | 2020-21 |
| £ | £ |
| Market value at 01 September 2021 | 164,608 | 144,149 |
| Investment income received during the year | 3,355 |  |
| 2, 165 |
| Net unrealised (loss)gain on the value of investments at the year end | -8,285 | 20,455 |
| Grants paid during the year | -2,890 | -1,873 |
| TMCP administration charge | -469 | -288 |
| Reversal of adjustment to bid price |
| **Market value at 31 August 2022** | **156,319** | **164,608** |

|  |  |  |
| --- | --- | --- |
| This is made up as follows: |  |  |
| CFB Managed Mixed Fund | 123,598 | 131,883 |
| Trustees' Interest Fund | 32,721 | 32,725 |
| **Total** | **156,319** | **164,608** |

Market valuations have been provided by TMCP.

The Benevolence Fund which is now accounted for through the General Fund stands at

£771 (2021: £723) - provides financial support to ministers and lay people in the District in need of support. The Benevolence receipts and payments were processed through the General Fund. (See page 15 on Donations income and *Note 6* above on payments.)

**21.2 Designated Fund**

**Designate Fund- balance £42,549 at 31 August 2022. (2021: £41,098)**

|  |  |  |
| --- | --- | --- |
| This is made up as follows: | 2021-22  £ | 2020-21  £ |
| District Discipleship Enabler | 20,549 | 41,098 |
| District Property Officer | 22,000 | 0 |
| **Total** | **42,549** | **41,098** |

These are designated funds received from Methodist Connexion and District Grants Team for the employment of the' District Discipleship Enabler and from London Mission Fund for the employment of the District Property Officer.

##### Fund Movements

22.1

**Summary of fund movements 2021-22**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Fund** |  | Restated Balance at 01-Sep-21  (Note 1) | Income (Note 2) | Expenditure | Transfers | **Change in Liabilities/** Gains | Balance at 31-Aug-2022 |
|  | | ,£ | £ | £ | £ | £ | £ |
| General | | 1,1.11-3,645 | 178,834 | -280,753 | 89,098 | -7,815 | 1,123,009 |
| District Advance (See Note 1 below) | | 14,776 | 244,312 | -84,507 | -50,549 | -49,813 | 214,219 |
| ***Total unrestricted*** | | ***1,298,421*** | ***423, 146*** | ***-365,260*** | ***38,549*** | ***-57,628*** | ***1,337,228*** |
| Rock Trust | | 164,608 | 3,355 | -3,359 |  | -8,285 | 156,319 |
| District Enabler | | 1,098 | 40,000 |  | -38,549 | **0** | 42,549 |
| ***Total restricted*** | | **205,706** | ***43,355*** | ***-3,359*** | . ***-38,549*** | ***-8,285*** | ***198,868*** |
| **Total Funds** | | **1,504,127** | **466,501** | **-368,619** | **0** | **-65,913** | **1,536,096** |

**Note 1** The OAF balances; brought forward at the beginning of the year and carried forward at the end of the year are after providing for future grants. The liability for future grants at 31 August 2022 was £369,257 being an increase of £49,813 over the provision brought forward.

**Note 2** The amount of £178,835 excludes £7,815 of net unrealised losses; the amount of

£3,355 excludes £8,285 of net unrealised losses; the amount of £466,502 excludes £16, 100 of net unrealised losses.

22.2 Summary of fund movements 2020-21

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Fund** | Balance at 01-Sep-20  (Note 1) | Income (Note 2) | Expenditure | Transfers | **Change in Liabilities/** Gains | Restated Balance at 31-Auo-2021 |
|  | £ | £ | £ | £ | £ | £ |
| General | 956,021 | 195,461 | -229,228 | 72,098 | 149,293 | 1,143,645 |
| District Advance (See Note 1 below) | 145,024 | 170,163 | -108,862 | -51,549 | 0 | 154,776 |
| *Total unrestricted* | *1,101,045* | *365,624* | *-338,090* | *20,549* | *149,293* | *1,298,420* |
| Rock Trust | 144,149 | 2,165 | -2,160 |  | 20,454 | 164,608 |
| District Enabler | 41,098 | 20,549 |  | -20,549 | **0** | 41,098 |
| *Total restricted* | *185,247* | *22,714* | *-2, 160* | *-20,549* | *20,454* | *205,706* |
| **Total Funds** | **1,28,6,292** | **388,338** | **-340,250** | **0** | **169,747** | **1,504,127** |

**Note 1** The OAF balances brought forward at the beginning of the year and carried forward

at the end of the year are after providing for future grants. The liability for future grants at 31 August 2021 was £319,444 being a decrease of\_ £14,988 over the provision brought forward.

**Note 2** The amount of £195,461 excludes £149,293 of net unrealised gains; the amount of

£2, 165 excludes £20,454 of net unrealised gains; the amount of £388,338 excludes

£169,747of net unrealised gain.

##### Analysis of Net Assets among Funds

Fund balances at 31 August 2022 are represented by:

|  |  |  |  |
| --- | --- | --- | --- |
|  | Unrestricted general and designated funds  £ | Restricted funds  £ | Total funds  £ |
| Tangible fixed assets | 851,972 |  | 851,972 |
| Fixed asset investments | 710,373 | 156,319 | 866,692 |
| Current assets | 199;908 |  | 199,908 |
| Current liabilities | (230,476) |  | (230,476) |
| Payables due after one vear | (152,000) |  | (152,000) |
| **Total** | **1,379,777** | **156,319** | **1,536,096** |

**[Note 24 is provided as it improves transparency.]**

##### Related Parties

None of the District trustees made donations direct to the District during the year or in the preceding year. All of the District trustees are members of one or another Church and Circuit within the District and may be trustees in their Churches and/or Circuits.

Related parties include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Fund, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or

directors. The following table shows the receipts from and payments to related parties during 2021-22.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Names of Connected Organisations | 2021-22 | 2021-22 | 2020-21 | 2020-21 |
| Receipts | Payments | Receipts | Payments |
| £ | £ | £ | £ |
| Donee: Methodist Church Fund |  | (499,731) |  | (512,780) |
| Donee: Methodist Church Connexion | 0 |  | 20,549 |  |
| Donee: Methodist Ministers' Children's Fund |  | (0) |  | (0) |
| Donor: Circuits within BEH (assessments) | 626,764 |  | 657,388 |  |
| Donor: Circuits within BEH (levies) | 116,477 |  | 93,036 |  |
| Donor: Churches within BEH | 306 |  | 250 |  |
| Donor: Circuits within BEH-Reimbursement |  | 0 |  | 0 |
| Donee: Circuits within BEH |  | (19,500) |  | (30,600) |
| Donee: Churches within BEH |  | (12,688) |  | (61,781) |
| Donee: Individuals *(re* 3 Generate) |  | 1060 |  | (840) |

Information about payments to trustees appears in Note 4.1.

##### Volunteer Contributions

I

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. At the BEH District the principal contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development, safeguarding. We are grateful to all of them for their help and commitment.

No attempt has been made by this District to value the non-monetary contributions to the District in monetary terms.

##### Capital Commitments and Contingent Liabilities

There were no capital commitments or contingent liabilities at the year-end (2019-20: Nil).

##### 27 Lease Commitments

The District has contracts or obligations for the following: .

* New Office accommodation rent to be reviewed. at the end of the third-year c.£17,000pa fist year rent,:£21,000pa second year rent and £25,000pa third year rent.

In addition, there are short term obligations as follows:

* Reprographic equipment at the District office c.£78/month
* Telephones at the District office and the District manse c.£374/month
* Security alarm system at the manse c.£26/month
* Membership of the Friars Wood Residents' Association c.£55/month The total liability of these is not considered material.

*[As a requirement not mentioned by the SORP, FRS102-20.16 says a lessee “shall [disclose] (a) the total of future minimum lease payments under non-cancellable operating leases [(i) for the next] year, [(ii) for years 2-5] and (iii) later than five years; and (b) lease payments recognised as an expense”.]*

##### Prior year adjustments

The previous year has been restated in respect of the provision of a grant which has now been written back amounting to £5,000 and an unpresented cheque payment and rounding off discrepancies amounting to £151.

##### Independent Examiner

An accrual has been made, for the fee of the independent examiner in the sum of £960 for the year (2020-21: £870). The charge in the SOFA represents the provision for this year's fee.

No additional services have been sought from or provided by the independent examiner during the year.