Consolidated Accounts for the Year Ended 31 August 2013

Contact Name and Details	Mr Andrew M Gibbs Connexional Treasurer and Maureen Sebanakitta, Director of Financial Operations sebanakittam@methodistchurch.org.uk
Status of Paper	Final
Action required	Decision
Draft Resolution	25/1. In accordance with SO 212(1), the Council adopts the consolidated accounts for the year ended 31 August 2013, and directs that a unified statement of connexional finances be presented to the Conference as required by SO 360.

Summary of Content

Subject and Aims	Full consolidated accounts of the Methodist Church in Great Britain for 2012/13 to be adopted by the Methodist Council and presented to the Conference as the unified statement of connexional finances required by Standing Order 360.
Background Context and Relevant Documents	When the Methodist Church in Great Britain was registered with the Charity Commission it was agreed that the accounts of the registered charity would be those of the Methodist Council. The full consolidated accounts are presented to the Council and adopted by the Council under SO 212 (1). Under SO 360 the Council has to present to the Conference a "unified statement of connexional finances.... so as to give an overall view of those moneys and other assets for which the council is responsible". The final report will be submitted to the Conference as the trustee body of the registered charity.

The Methodist Church
in Great Britain

Consolidated Report and Accounts for the year ended 31 August 2013

The **Methodist** Church

Registered Charity no. 1132208

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Welcome from the Revd Dr Martyn Atkins

The Methodist Church in Great Britain has articulated its 'calling' under God "to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission." In particular it does this through Christian worship, learning and caring, service, and evangelism. In recent years this distillation of identity and purpose has been popularly articulated through a focus on discipleship and mission, often by use of the phrase: 'The Methodist Church – a discipleship movement shaped for mission.' All 'strap-lines' are reductionist, as is this one, and the Methodist Church as a connected community of some 5,000 local churches and c230,000 members contains great variety and diversity of Christian life and witness. Nevertheless, these basic foci remain real and owned. The resources of the Methodist Church outlined in these Accounts are, then, together with the considerably greater resources held within the Methodist Church not found in these Accounts, regarded as wherewithal for these essentially Christian and charitable purposes and priorities.

There have been several developmental changes to some of the staff groupings making up the 'Connexional Team'. A newly configured 'Senior Leadership Group' was established in place of an earlier, larger and more complicated model, resulting in 'leadership' and 'management' being brought closer together, to good effect. A new finance database system is already bearing fruit in terms of facilitating more effective management and use of our charitable funds. Following changes made last year, this has been the first year when the new criteria ensuring that property grants are used mainly for new buildings with a clear focus of worship and mission engagement, or for major enhancements to further develop such foci, rather than for routine maintenance have been in place. An updated web map was launched, enabling powerful statistical analysis and research tools to be accessible throughout the whole Methodist Church and others via the internet.

Without doubt the most significant and extensive development in the configuration of Connexional Team staff has been the implementation of the Discipleship and Ministries Learning Network. This network of places and people is designed to deliver excellence in training, learning and development for the whole people of God who identify as Methodist. It will comprise of two centres (Cliff College and the Queen's Foundation) and a team of Network staff based across the Connexion focusing on:

- Discipleship development
- Ministry development (lay and ordained)
- Church and community development
- Scholarship, research and innovation

This includes the development of learning circuits, new pathways for the training and development of local preachers and worship leaders, a strategic and focused investment in scholarship, research and innovation, a focus on the embedding of the learning from the youth participation scheme and resources designed to allow churches to further explore what it means to be a discipleship movement shaped for mission will be early indicators of its success. All pre-ordination training for new Methodist Presbyters and Deacons from September 2013 will be delivered from within the Network.

The Methodist Church has initiated a full past safeguarding cases review – clearly appropriate, in the context of recent highly public cases. It continues to commit itself to an apt Equality, Diversity and Inclusion programme. It has adopted guidelines dealing with ministerial ill-health. Following a routine inspection by the Home Office, the

Methodist Church's 'A' rating in relation to the sponsorship of ministers of religion, religious and charity workers from overseas has been maintained.

The latest report from a team working jointly for the Methodist, United Reformed, Church of Scotland and the Baptist Union, "The Lies we tell ourselves: ending comfortable myths about poverty" received wide acclaim and was employed in both parliament and national media, continuing the long tradition of Methodism speaking sensitively, intelligently and challengingly into the 'public square', particularly in relation to the poorest and marginalised in our society.

In February 2013 the Methodist Church appealed a decision of the Court of Appeal and made submissions to the Supreme Court with a key issue under judgement being the status of Methodist Ministers. The Supreme Court upheld the appeal and concluded that Methodist Ministers were not to be considered as employees and therefore subject to the jurisdiction of Employment Tribunals. The Church is currently reflecting upon and beginning to respond to and implement some of the learning arising from the judgement in the case.

We continue to believe that the actions, ministries, partnerships and commitments arising from our Christian faith and practice offer significant public benefit, to local communities and wider society, in a time when mutual care, social cohesion, support and respect, including the poorest and most disadvantaged, is so very important.

The Revd Dr Martyn Atkins

Secretary of the Methodist Conference and General Secretary of the Methodist Church

30 January 2014

Strategic objectives, aims and purposes of the Methodist Church in Great Britain

The activities covered in these accounts falls 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 – supporting community development and action for justice, especially among the most deprived and poor - in Britain and worldwide; and
4. Evangelism – developing confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved.

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 in Great Britain 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 36 and include:

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

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

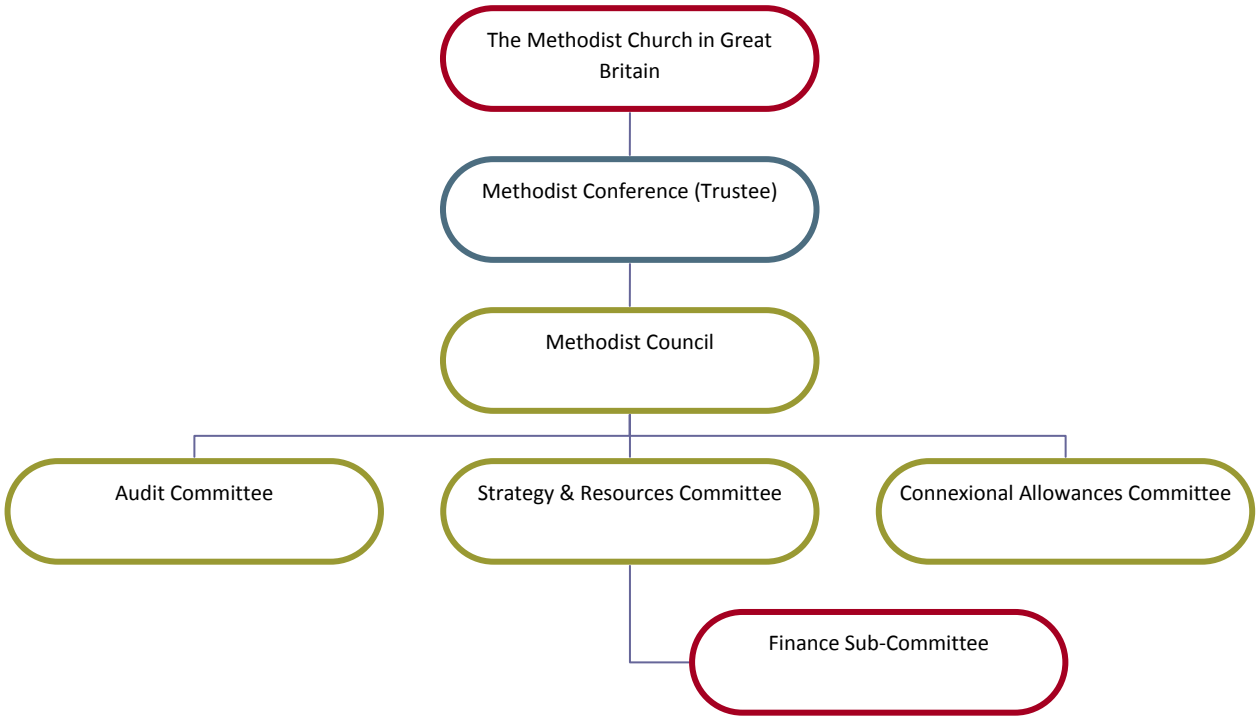
Structure

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 publically 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.



Methodist Conference

The government and discipline of the Methodist Church and the management and administration of its affairs is 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 of Great Britain as well as other bodies of the Church.

The Methodist Council

The Methodist Council consists of 54 members (see page 62 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;
- Protect the assets of the Methodist Church.

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 reserves);
- Employing lay members of the Connexional Team and being the responsible body recommending the stationing of its ordained members;
- Administering the following funds:
  - Methodist Church
  - Connexional Priority
  - World Mission
  - Mission in Britain
  - Fund for Training
  - Fund for Property
  - London Mission
  - Fund for the Support of Presbyters and Deacons
  - Sabbatical
- Making recommendations on expenditure and amounts to be contributed by the Circuits through Districts to fund the next connexional year;
- Recommending minimum stipends for Presbyters, Deacons 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;
- 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

The Constitutional Practice and Discipline of the Methodist Church (2013 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 the 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 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 General Secretary and Connexional Team;

Governance (continued)

- Exercising oversight of the general work of the Connexional Team and report 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;
- 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;
    - to monitor and review the risk register.

  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 Development and Personnel Sub-Committee of the Strategy and Resources Committee whose remit is to:
    - Oversee the personnel of each Methodist Council employing body ;
    - Monitor the governance bodies in terms of their employment and stationing responsibilities;
    - Oversee employment practices;
    - To convene as an appeals panel.

Governance (continued)

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

- The Connexional Grants Committee which is responsible for:
    - All Connexional grants, including the establishment of a clear published application process and award criteria;
    - Monitoring all grants made by sub-committees and grant streams;
    - Operating within annual budget set by Council;
    - Monitoring grants made by Districts;
    - Establishing clear processes for the longer term monitoring and evaluation of grant expenditure.

- The Trustees of the Methodist Relief & Development Fund whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist or, ecumenical or other appropriate oversight primarily overseas;
- Local Governance/Managing Trustee Committees.

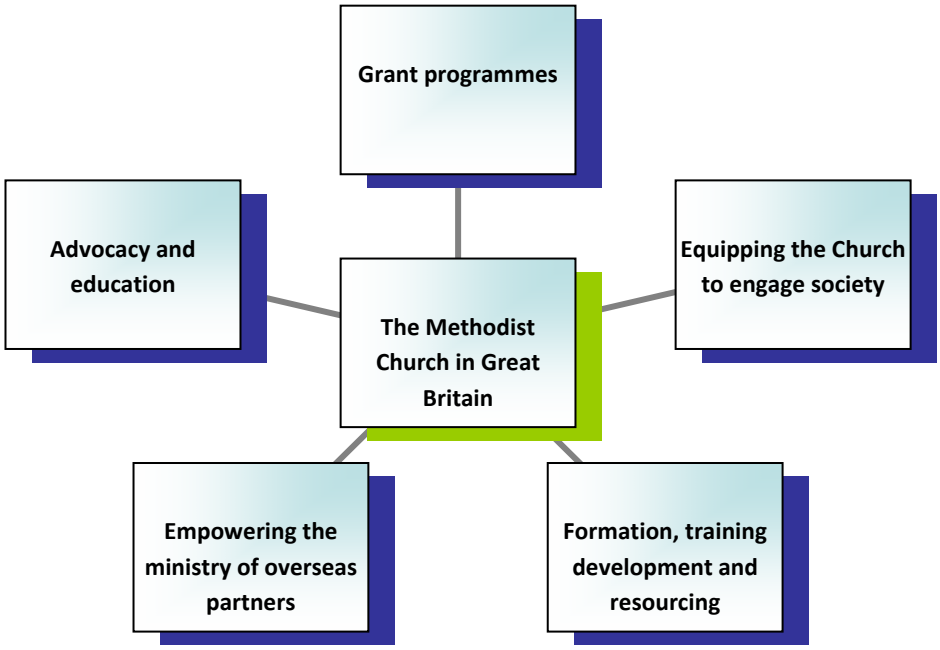
A comprehensive list of the self-accounting entities whose accounts are included in the Methodist Church Consolidated Accounts is provided on page 36. For each of them a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. 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.

Appointments to the various trustee boards are approved by the Methodist Council on the recommendations of the existing board 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.

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 Board members 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.

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. 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.

Mission and Ministry Grants

Mission and Ministry in Britain Grants £8.8m (2012: £7.8m)

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.

Mission & Ministry in the World Church Grants £7.5m (2012: £3.6m)

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.

Key activities (continued)

Personnel Support Grants £1.3m (2012: £1.3m)

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.

Westminster College Oxford Trust (WCOT) Grants £5k (2012: £10k)

Westminster College Oxford Trust holds endowment funds for the benefit of students studying at Oxford Brookes University. Income from these funds is allocated in accordance with the appropriate terms of reference and the restrictions imposed by the donors.

Methodist Relief & Development Fund (MRDF) Grants £1.0m (2012: £1.5m)

MRDF 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 MRDF partners, Methodist Churches, or through Action by Churches Together (ACT).

Property Grants £1.2m (2012: £0.16m)

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.

2. Equipping the Church to engage society

The costs of equipping the church to engage society consist largely of grants given in line with the overall strategy of the Methodist Church in Great Britain: to grow a 'discipleship movement shaped for mission'. In order to pursue this strategy the CGC has changed its way of operating, from making a large number of local grants to an emphasis on making a smaller number of larger grants that support work nationally or across more than one district. This new, more consistent approach means that grants will be only offered to projects that are in line with the stated Priorities of the Methodist Church and the document Our Calling.

Buildings as springboards for mission

Prior to 2012/13, grants for property work were available to any church that applied, with no written criteria against which those plans could be assessed. Large numbers of small grants were approved for repairs and maintenance. Our new, strategic approach is to ask: "which applications will be missional and be able to engage with community beyond its membership?" Where churches are growing, new-builds and major refurbishments have significant missional potential. For example, at a time when there is a lack of government provision, where a church is supported by a Methodist grant to develop a community centre on a council estate in Scunthorpe, out of that new church building creative, community-based and missional activity can often begin to happen very quickly.

Working together to be more effective

The Connexional Grants Committee has instigated a policy of funding new work where that work involves, or has the potential to involve, several districts. Alternatively, like the project to refurbish the Methodist Museum in London (below), it will fund work that can only take place in one location but which has strategic value designed to benefit the wider Connexion or is targeted towards an aspect of society outside church culture.

Key activities (continued)

Modelling a welcome to overseas students

In Middlesbrough and the centre of Newcastle, Chinese congregations have been built up over the past four years to support local families and workers. It is work that is ripe for expansion, modelling mission to the high numbers of students and families travelling to the UK from Mainland China, Hong Kong and Malaysia.

Since 2010 there has been a particular emphasis on a student ministry through the *Stand by Me* mentor programme. Students are welcomed by local Methodist congregations and some of the members act as mentors, welcoming students into their family and helping them to acclimatise in a new country.

The students also receive biblical teaching and training and are welcomed into fellowship of the local congregations, challenging British Methodists with their enthusiasm for evangelism. With large numbers of Chinese students arriving each year in Durham it was felt by both the Darlington and Newcastle Districts that this scheme is one of the most exciting mission opportunities in the region. Help from the Connexional Grants Committee will enable them to support the work of a presbyter and a lay worker to oversee the growing congregations in Middlesbrough and Newcastle as well as the envisaged new church plant in Durham over the next five years.

Inspiring the present by recalling the past

A grant of £100,000 was made to the Museum of Methodism housed in the crypt of Wesley's Chapel in London. The grant has enabled the design and delivery of a centrepiece exhibit for the museum as part of one of the most significant Methodist sites in the world. It is ensuring that it fulfils its mission, to inspire, engage and connect with a range of visitors from regular worshippers, to local workers and residents, through to Methodists from the UK and abroad. The work of the chapel and museum together is not only to be a memorial to a remarkable history but a contemporary inspiration to visitors, helping them to reflect on their own lives and motivations through the story of John Wesley and the Methodist Church.

Alongside communities; meeting needs

"The Mission in Britain Fund really does make a difference: helping Methodists around our country to deliver effective mission in their local communities, and supporting work that is of national significance." (The Revd Dr Mark Wakelin, President of the Methodist Conference 2012/13)

The imperative to grow a 'discipleship movement shaped for mission' was nowhere better seen than in the diverse local projects supported by the Mission in Britain Fund. During 2012/13, the fund has helped to enable:

- community-based events of spiritual reflection in Warrington;
- the Balliol Youth and Community Centre in the Central and East Newcastle Circuit to address antisocial behaviour and portray young people positively;
- Stoke-on-Trent's Family Support Services to provide emotional and practical support for individuals under pressure;
- friendship and support for disadvantaged and vulnerable women on Stockport;
- the appointment of a family cohesion worker for Rosehill Methodist Community Primary School in Ashton-under-Lyne in Lancashire;
- West London Day Centre to assist 20 to 30 homeless people back into accommodation every month;
- London's Pentecost 2012 Festival to attract a quarter of a million attendees to 82 events hosted by 50 Christian organisations.

Key activities (continued)

"It is moving to watch the group develop. The generous grant from the Mission in Britain Fund has enabled us to provide materials for projects such as Easter decorations and literature, silk flowers for Mother's Day baskets. Most of the baskets were taken to put on graves and memorial stones, yet most of the members are only in their thirties. Sometimes, as leaders we are questioned 'why do you do this?', or 'how come we've got this money?' We are able to share with them our faith and beliefs, and assure them of God's love for them and all of us. We recognise that the seeds of faith and belief are there, we have the privilege of nurturing them" (Jenny Went, team leader, Stockport Wellspring Women's Group).

Building relationships through chaplaincy

Traditional industrial chaplaincy has wound down as heavy industry has waned. A lot of chaplains have got involved in the winding up. But as heavy industry has been declining, other areas have opened up. There has been a huge increase in shopping centre chaplaincy, for example. One of our great success stories in 2012/13 was the chaplaincy work developed in Newbury. Parkway, a new 300,000 square feet shopping centre opened in the heart of Newbury town centre, directly opposite the Methodist church. The congregation made an approach to enquire about chaplaincy support. The manager said "Yes", but added: "The old shopping centre will face some hard times as a result of this centre opening up. I think you should talk to them too" which they did.

One of the questions we ask once a chaplaincy has been established is: "What has been the most significant change you have seen as a result of our chaplaincy work?" The answer came back: "The effect the chaplains have had on our security staff. The security officers have watched how the chaplains functioned and, either consciously or unconsciously, have begun to build relationships and make connections, not just police the area."

Engaging with the ninety per cent

Chaplaincy Development Project is a connexional initiative aided by the Mission in Britain Fund that supports two project officers to build chaplaincy opportunities – each one working in a different district for a year.

Three years ago, we aimed to get into five circuits in each district and establish a new chaplaincy in each one. Consistently we are working with more circuits and establishing two or three chaplaincies in each one. In 2012/13 our officers worked in two districts: Wolverhampton and Shrewsbury and Manchester and Stockport. In one we worked in seven circuits; in the other, nine. Once the scheme is up and running in a district, circuits want to be part of it.

Paid chaplaincies are really important – they represent a core of experience and expertise. But we also see that lay volunteers are a way of increasing our coverage as a Church. Because they are 'owned' by local congregations, chaplaincies bring vitality, energy and vision those congregations.

"*Congregations grow where churches are doing something valuable",* says Rob Jones who has watched the scheme evolve. *"But we don't do it to grow congregations. We do it to build the kingdom."*

Planning ahead: 'a discipleship movement shaped for 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;
- Our work will reflect the evolving theme, 'A Generous Life' *(see below).*

Key activities (continued)

3. Formation, training, development and resourcing

The acceptance of the *Fruitful Field* report by the Methodist Conference of 2012 required that its recommendations be implemented by 1 September 2013. This strategic goal dominated the work of the Discipleship and Ministries cluster that also equips the Methodist Church's ministries through its work with chaplaincies *(see* "Building relationships through chaplaincy" *above)*, children and young people, and by enabling evangelism, spirituality and discipleship.

Our plans for 2012/13 included:

- Creating an implementation management team that would form a new learning network by bringing together expertise from inside and outside the existing Discipleship and Ministries team;
- Developing small group leadership;
- Resourcing circuit ministry and leadership by continuing to implement a Ministerial Development review strategy and facilitating and supporting with cultural diversity.

More resources for discipleship at local level

The Discipleship and Ministries Learning Network, the principal element of the Fruitful Field report, is in place and has begun its work. Responding to changing and complex needs, and in the light of more detailed information, the implementation plan responded by adapting the outworking of the report's vision with no change in the £6.03 million overall budget level. Accountability of the Network has been strengthened by drawing it more fully into the Connexional Team structures of governance.

The Network is designed to deliver excellence in training, learning and development for the whole people of God who identify as Methodist. It will focus on discipleship development, church and community development and scholarship, research and innovation. In addition, all pre-ordination training for new Methodist presbyters and deacons will be delivered from the Network.

Early indicators of its success will be:

- the development of 'learning circuits';
- new pathways for the training and development of local preachers and worship leaders;
- a strategic and focused investment in scholarship, research and innovation;
- a focus on embedding what we have learnt from the youth participation scheme;
  resources designed to allow churches to further explore what it means to be a discipleship movement shaped for mission.

Integrated ways of learning

A key element of the implementation of Fruitful Field has been to set up more integrated ways of working between the Connexional Team, The Queen's Foundation in Birmingham and Cliff College in Derbyshire. One consequence of our strengthening relationships has been a new way of delivering part-time initial ministerial learning. It has made it possible, for example, for a ministerial candidate on the small Channel Island of Sark to undertake residential blocks of learning at Queens' in conjunction with other local arrangements.

Key activities (continued)

Small but perfectly formed

Following the successful modelling of 'class meetings' (the iconic small group format of early Methodism) at the 2011 Greenbelt Festival, we aimed to continue demonstrating the potential of 'class meeting'-style and small group initiatives across the Connexion.

On the Methodist website, we made available the materials originally developed for Greenbelt (*A meeting of your own*) and followed this up with *50 days to let your life speak*, a free downloadable resource for the season of Easter. In order to encourage engagement from around the Connexion, we also made space for a range of other tried and tested, locally-produced resources, including a three-part DVD resource, 'Journeying Together: the how and why of small groups'.

Much of the learning around small group development was explored at a two-day Methodist Small Groups Conference held in Northampton in May 2013.

Pursuing their call

During the year 2012/13, 47 men and women were supported in their final training and probationary experiences, prior to ordination at the 2013 Methodist Conference in London. Of these, 38 were presbyters and 9 were deacons. Their journeys towards ordination originated in 27 districts across the Connexion and their formal training was undertaken in a total of 8 training institutions.

Planning ahead: flexibility and availability

In 2013/14, we plan to build upon the progress made in 2012/13 around the Discipleship and Ministries Learning Network (DMLN). Our plans include:

- Establishing DMLN staff teams: developing patterns of working; building relationships with the institutional centres;
- Developing a DMLN Virtual Learning Environment: drawing up the brief and creating an infrastructure;
- 'Learning circuits': clarifying the project brief and identifying initial pilot circuits;
- Developing and launching new Local Preacher and Worship Leader Pathways (a collaboration between the Ministries Committee and the Faith & Order Committee and the Methodist Council);
- Establishing working groups on Local Pastoral Ministry; Practice Based Formation; Pioneer Ministry Pathway.

4. Empowering the ministry of overseas partners

World Church Relationships (WCR) facilitates, maintains and develops the relationships between Partner Churches throughout the world and the Methodist Church in Britain at all levels. In 2012/13, the World Church Team supported 89 mission partners, including the children of families, in 35 different countries, and we worked with 60 Partner Churches worldwide in 4 geographical areas: Africa, Caribbean and The Americas, Asia-Pacific and Europe, as well as with the Methodist Church in Ireland.

These levels of activity remain similar from one year to the next. However, we made a significant change in the way we make rolling grants to Partner Churches. In 2012/13, we moved from a policy of annual awards, which may or may not be renewed, to grants made over three years, thus providing greater stability for forward financial planning. This means that we have been able to help guarantee greater security to initiatives such as those developed by the Gilbert Agricultural and Rural Development (GARD) Centre in Antigua.

Key activities (continued)

The centre was established with the aim of training young people in practical agriculture, and promoting farming as a worthy and viable occupation. It now also offers broader life skills courses for vulnerable young people like Cynrica – a recent graduate from the Office Practice course who then undertook further training before being offered a job in a leading insurance company.

"Before I went to the GARD Centre, I was at home and lost – I didn't feel like I had goals and dreams... I was aimless. I don't have a mother, I don't know my father and I didn't have the means to afford school financially. But I felt comfortable at the GARD – and now I feel equipped because I know for a fact I'm capable of achieving my goals because of the training I received."

Planning ahead: engagement with the Church worldwide

Our plans include:

- Supporting engagement with Partner Churches and other organisational partners around the world in order to facilitate funding programmes in support of our World Church Relationships (in collaboration with Connexional Grants Committee);
- Encouraging increased giving to the World Mission Fund.

Alleviating poverty with overseas partners

MRDF contributes to the sustainable alleviation of poverty primarily among under-served and marginalised people living in some of the poorest countries. It does this by collaborating with individuals and community-based groups to provide finance, organisation development assistance and leadership support, tackling some of the root causes of poverty and injustice through education and advocacy, both in the UK and overseas.

During the year, MRDF has continued to have a genuine and lasting impact on the lives of some of the most disadvantaged people in many of the world's most under-served places.

In 2012/13 we:

- Supported long-term development projects with 38 partner organisations in 16 of the world's poorest countries;
- Through partners, helped over 4,100 families to increase their income through boosting crop production, providing training and access to affordable loans;
- Provided more than 3,800 people with access to safe drinking water, and over 550 schoolchildren and teachers with effective sanitation facilities;
- Enabled over 22,000 vulnerable and elderly people to be part of social and community support groups;
- Provided funding and support in response to eight separate emergency situations in seven countries, including the refugee crisis caused by the conflict in Syria;
- Held a major conference in Uganda that brought together partners from across Africa and Asia, providing opportunities for training, learning and exchange;
- Engaged congregations, church leaders, teachers, parents and pupils in the UK with issues of poverty, development and social responsibility;
- Won awards for our multimedia Iota Course for small groups on Christianity and global development issues.

Key activities (continued)

Planning ahead: a new name, increased impact

During 2013 MRDF undertook a strategic review of its work in order to develop its plans for the future. It has consulted with partners, supporters and other stakeholders and considered current strengths in supporting pioneering local partners, the values and emphases of its Methodist roots which lead us to give priority to the poorest and the most excluded, and the extensive grassroots reach provided by access to church networks and other partnerships.

We aim to increase our impact as we continue to work with partners across the world to enable meaningful, wholesome and lasting change in the lives of people in some of the most challenging parts of our globe. We intend to enter into a new strategic phase starting in 2014, adopting a new name and identity that better reflects our future focus and which will inspire new support.

The aim is to preserve MRDF's core strengths while stimulating progress so that the charity will continue to be:

- An international development agency inspired by Christian principles, and an expression of Methodist support for community improvement and action for justice;
- Focused on supporting local NGO and church partners that bring about sustainable change in under-served places;
- A courageous and prophetic voice speaking out for poor communities.

5. Advocacy and education

The work of advocacy on behalf of the Methodist people is flexible and responsive. Our task is both to meet annual requirements while also offering creative initiatives to meet immediate needs. While always responding to Methodism's governance bodies about the Church's priorities, we identify the gaps in our work plan we need to think about in order to resource the Church in its work.

Speaking truth to power

The Joint Public Issues Team (JPIT), sees the Methodist Church working in cooperation with the Baptist Union of Great Britain and the United Reformed Church. Its key strategic objectives for 2012/13 were to:

- enable people to make links between their faith, their life and politics and demonstrate that social justice is an integral part of mission;
- enable our Churches to speak and act effectively on issues of justice;
- voice the Churches' concerns in the public square;
- make our work more accessible to churches;
- grow partnership relationships with other churches and organisations.

On St David's Day in March 2013, we published a major report: *The lies we tell ourselves: ending comfortable myths about poverty*, produced by JPIT, on this occasion in collaboration with the Church of Scotland (thus meeting its strategic objective 5). It challenged six myths about the lifestyles of poor people that have gained ground, and been perpetuated by politicians, as the coalition government has pursued its austerity programme. Standing in both the biblical and Methodist traditions of pursuing justice, the report argues that just because we hear something said often does not mean that it is true.

Over Easter weekend 2013, the report received high-profile news coverage as well as reaching well over 34,000 people using social media within just the first 3 days of the launch. The response generated from government has led to an important ongoing exchange, not least during the subsequent party conference season.

Key activities (continued)

JPIT's follow up to the 2011 Methodist Conference report on *Poverty and Inequality* offers a helpful example of how it has set out to meet its other 2012/13 strategic objectives. The team responded to Conference resolutions that called upon the Methodist people to consider how best they may play their part in bringing about an end to the scourge of poverty and promoting the welfare of the poorest and most vulnerable, be it by prayer, charity, social action or political action. In particular, the JPIT Conference, *Think Speak Act: Equipping Christians for Mission and Justice*, in February 2013 included workshops for participants on preaching and praying for justice, needs analysis of your local community, campaigning and using the media.

An animated approach to fundraising

During Advent 2012, we responded to an identified need to heighten awareness of the Mission in Britain (MiB) Fund. The need had been highlighted in 2010 by the first fundraising strategy developed following a major Connexional Team restructuring ('Team Focus') and by 2012 resources were in place to develop the Advent Offering campaign. The initiative echoed the long-standing and highly successful Easter Offering campaign that supports the work of the World Mission Fund, and its timing was designed to complement other annual fundraising initiatives by the Methodist Relief & Development Fund, Methodist Homes and Action for Children.

We developed a package fronted by an animated film that captured a range of MiB Fund initiatives and backed this up with posters, an Advent liturgy and an order of service developed in cooperation with the ecumenical Roots resource. The approach, which saw some encouraging signs of first-year take up, was seen as a basis for future campaigns; it has been included in our 2013/14 strategic work plan.

Methodist heritage inspiring contemporary faith

As well as addressing tough issues head on, in 2012/13 we continued to use our heritage to tell a contemporary story about Methodist mission. This was reflected in the four major Methodist heritage sites: Englesea Brook Chapel and Museum near Crewe, Epworth Old Rectory, the New Room in Bristol and Wesley's Chapel in London, where the Museum of Methodism received a major grant to support its refurbishment programme.

The Methodist hymn book, *Singing the Faith*, is also seen by Head of Mission and Advocacy Gareth Hill "as one of the custodians of Methodism heritage, history and growth". The strong uptake of different editions of the book speaks of the positive regard in which it is held and the close attention that Methodists pay to what they sing. 2012/13 saw the publication of Braille, e-book and organ editions (the latter well exceeding initial sales estimates) as well as preparation for the publication of a presentation edition. These editions 'were published because we asked the right questions and listened to what Church members were saying'.

Planning ahead: 'living generously'

Our strategy for 2013/14 will be informed by the evolving theme, A Generous Life, encouraging Methodists to reflect on their potential to be 'generous people' – with their time, passion and money: so fulfilling our desire to be a 'discipleship movement shaped for mission'.

Key activities (continued)

Our plans include:

- Continuing to provide a professional publishing service including editorial, design and print-buying to produce publications for sale, including annual governance documents;
- Continuing to provide free resources to support the annual Methodist Conference; the needs of the President and Vice-President (including the annual prayer card/diary); other Methodist events and conferences; fundraising initiatives;
- Website development, maintenance and support in order to resource the Church and support campaigns: we aim for continued growth in web traffic on the site;
- Providing consultancy and appropriate practical support to regional heritage projects in order that churches and smaller heritage sites may tell their story effectively to engage the public;
- Resourcing on-going long term mission partner programme and key relationships with Partner Churches and organisations around the world: facilitating the work of World Church Relationships;
- Managing close-down of Peterborough operation, the transition to new service provider for Methodist Publishing distribution and ensuring an ongoing cost effective and efficient service.

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 deficit before transfers and revaluations of £3 million (2012: £7.8 million surplus). Total incoming resources for the year were £47.2 million, an increase of 4% compared to the previous year. Total resources expended increased by 33% to £50.3 million (£37.8 million in 2012).

Incoming resources

The main sources of charitable income are voluntary income (donations and legacies) and the district assessment. Together these account for 49% of all incoming resources.

Total income increased by 4%, mainly due to significant gains from the disposal of the freehold properties at Wesley College, Bristol. Income from grants and property levies fell by 33% due in the main to a decline in property sales across the Connexion.

Table 1: Total Income 2013

	2013	2012	% Change
	£m	£m	
District Assessment	12.3	11.9	+3%
Voluntary income	10.8	11.0	-2%
Fundraising trading	6.7	6.5	+3%
Grants and property levies	5.7	8.5	-33%
Investment income and interest	4.9	4.4	+11%
Net gains on the disposal of tangible fixed assets	4.5	1.5	+200%
Other income	2.3	1.7	+35%
Total incoming resources	**47.2**	**45.5**	**+4%**

Financial Review (continued)

Whilst the voluntary income figure is smaller than for the previous year, underlying growth is strong. This is thanks to the generosity of our members in the local churches, circuits and districts, for the first time in three years we have seen increases in donations and legacies as indicated in Table 2 below. Legacy income rose by 320% to £4.2 million and donations increased by 8% to £6.5 million. Further, if we eliminate the impact of the first time consolidation of Southlands Methodist Trust in 2012, then we see a significant increase in voluntary income of 53%.

This year we also included the net assets of The Oxford Institute of Theological Studies worth £0.1m.

Table 2: Voluntary Income 2013

	2013	2012	% change
	£m	£m	
Donations	6.5	6.0	+9%
Legacies	4.2	1.0	+320%
The Oxford Institute of Theological Studies / Southlands Methodist Trust	0.1	4.0	-98%
Total voluntary income	**10.8**	**11.0**	**-2%**

Investment income and interest rose by 13%, a real achievement in tough economic times. The value of our investments increased by £9.7 million compared to an increase of £7.1 million in 2012. We expect market volatility to continue given the current economic environment. However we are currently pursuing a total return policy which seeks growth in both income and capital in the long term rather than focusing on short term gains and losses.

Charitable Expenditure

During the year we spent £50.3 million to pursue the Church's mission, an increase of 33% compared to the previous year. Of this, £41.9 million was spent directly on charitable activities. This includes all amounts spent in furtherance of our mission as summarised in Table 3 below.

Table 3: Charitable Expenditure

	2013	2012	% Change
	£m	£m	
Equipping the church to engage society	12.1	13.9	-13%
Formation, training development and resourcing	13.4	9.7	+38%
Empowering the ministry of overseas partners	15.1	6.6	+129%
Advocacy and education	1.3	1.1	+18%
Total expenditure on charitable activities	**41.9**	**31.3**	**+34%**

- During the year, we spent £12.1 million on "Equipping the Church to engage society", a reduction of 13% compared to 2012. This reduction is due to the new grant making criteria which assess applications for both eligibility and impact.

- We also wrote down the net assets of Methodist Women in Britain worth £0.614 million. This self accounting entity is no longer included in the accounts of the Methodist Church in Great Britain as its trustees are not appointed by the Methodist Conference. If the impact of this write down is isolated, then the reduction in expenditure on "Equipping the church to engage society" is 9%.

Financial Review (continued)

- As a grant making organisation, a significant proportion of our total expenditure budget is set aside for grants. Out of the aforementioned £39.6 million direct charitable expenditure, £19.8 million was either committed or paid during the year as grants.

- We spent £13.4 million on "Formation, training development and resourcing", an increase of 38% from 2012. This includes the transitional costs incurred in setting up the Discipleship and Ministries Learning Network.

- £15.1 million was spent on "Empowering the ministry of overseas partners", an increase of 129% compared to 2012; there are two reasons for this increase. Firstly, our grant making policy for overseas mission grants moved from a one to a three year rolling grants system. Secondly, for the first time, an actuarial assessment of the liabilities of the Superannuation Scheme for Lay Mission Partners has been included in the accounts at a cost £2.26 million. The Scheme, which is unfunded, is now closed to new members.

- Expenditure on Advocacy and Education increased by 18% to £1.3 million. During the year we ran a number of campaigns including the Mission in Britain Advent Appeal as well as the continual supply of key publications such as Mission Matters, World Mission Fund 2013, Mission in Britain Fund 2013 and the Methodist Prayer Handbook which are used locally for fundraising and worship purposes.

Investments

As at 31 August 2013, we held fixed asset investments with a market value of £142 million (2012: £130 million). Our investments reported net gains of £9.7 million in 2013. 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.

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 36. 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 the Connexional Priority Fund. 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;

- Ministerial training (Cliff College, Hartley Victoria, The York Institute and Wesley Study Centre);

- Supporting international and home students studying in London (Methodist International Centre & the Guy Chester Centre);

- 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 (Methodist Relief & Development Fund);

Segmental information (continued)

- Advancement of education, including further and higher education (Westminster College Oxford Trust, Southlands Methodist Trust).

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 4 and 5 below:

Table 4: Aggregate net assets of the entities consolidated in the accounts of The Methodist Church in Great Britain

Entity	Assets	Liabilities	Funds
	£m	£m	£m
The Connexional Funds	170.7	24.9	145.8
Methodist Relief & Development Fund	2.3	0.4	1.9
Cliff College	5.1	0.1	5.0
Southlands Methodist Trust	5.3	0.9	4.4
Westminster College Oxford Trust	3.6	0.0	3.6

Table 5: Income and expenditure of the entities consolidated in the accounts of The Methodist Church in Great Britain

Entity	Income	Expenditure	Surplus / (Deficit)
	£m	£m	£m
The Connexional Funds	42.77	47.42	(4.65)
Methodist Relief & Development Fund	2.01	1.29	0.72
Cliff College	2.04	1.38	0.66
Southlands Methodist Trust	0.44	0.16	0.28
Westminster College Oxford Trust	0.02	0.03	(0.01)

The Methodist Church in Great Britain managed reserves

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. These policies in relation to reserves of material amounts are outlined below.

Methodist Church Fund

The target level of general unrestricted and designated reserves for the Methodist Church Fund operations can be broken down into working capital (£4.5m) and contingencies (£4.5m). As at 31 August 2013 the liquid assets associated with this fund were £8.8m (2012 - £7.3m).

Designated Funds (see note 16 of the accounts for details)

These are funds set aside by the Conference to support the work of the Methodist Church not met through district assessments. The purposes of these funds range from providing training monies, supporting local churches through property grants; funding specific initiatives such as the Youth Participation Scheme (YPS) and Venture FX to setting aside monies to maintain Methodist Church House. Responsibility for setting the most appropriate level of reserves rests with the various committees charged with approving and monitoring outgoings from these funds.

The Methodist Church in Great Britain managed reserves (continued)

The expected level of expenditure is:

- Connexional Priority Fund: £8 million in 2013-14, and also in future years, however this may vary depending on the income generated from property levies;
- Pension Reserve Fund: £1 million per annum, to be reviewed at the next full actuarial valuation as described in Note 10 of the accounts (page 47);
- Epworth Fund: £0.6 million per annum.

Methodist Relief & Development Fund (MRDF) £1m (2012: £0)

The board reviews the charity's reserves annually, balancing the need to hold back sufficient general reserves to protect the charity's charitable activities with the objective of maximising the funding available for those activities. These reserves and funds are invested in accordance with the charity's investment policy.

The board has agreed the policy that general reserves should not fall below the level of £400k, to enable an orderly wind up of the charity in the event of it becoming necessary. Therefore, there is a surplus at 31 August 2013 in general reserves of £662k. This will be allocated to the charity's charitable activities over the coming period.

Cliff College £0.5m

It is the policy of Cliff College that unrestricted funds which have not been designated for a specific use should be maintained at a level of not less than three month's expenditure. The Cliff College Committee considers that reserves at this level will ensure that, in the event of a significant drop in funding, it will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

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;
- 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.

Investment policy and review (continued)

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 £17m vs. £142m (2012: £18m vs. £130m).

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 August 2013		31 August 2012
	£000	% of total	£000	% of total
CFB UK Equity Fund (Charity)	26,806	18.94%	19,132	14.67%
CFB Overseas Fund	19,903	14.06%	6,271	4.81%
CFB Managed Equity Fund (Charity)	29,145	20.59%	24,946	19.13%
CFB Managed Mixed Fund (Charity)	1,545	1.09%	2,831	2.17%
CFB Managed Fixed Interest Fund	3,509	2.48%	3,856	2.96%
CFB Short Fixed Interest Fund	-	0%	5,698	4.37%
CFB Corporate Bond Fund	12,262	8.66%	20,946	16.06%
CFB Property Fund	10,746	7.59%	6,362	4.88%
CFB Deposit Fund	8,952	6.32%	12,563	9.63%
William Leech Investments Ltd	8,665	6.12%	7,981	6.12%
Investment Properties	17,177	12.14%	17,682	13.56%
Other Investments	2,825	2.00%	2,134	1.67%
Total	141,535	100%	130,402	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 31.08.13	5 years to 31.08.13	10 years to 31.08.13
	%	% p.a.	%p.a.
CFB UK Equity Fund	**20.2**	**7.3**	**8.5**
FTSE All Share Index	18.9	7.4	8.9
FTSE All Share Index (ethically adjusted)	20.9	7.4	8.5
CFB Overseas Fund	**19.9**	**8.3**	**8.6**
FTSE All World ex U.K Index	19.6	8.1	8.4
CFB Managed Equity Fund[1]	**20.2**	**7.4**	**8.5**
Managed Equity Fund Composite Index	19	7.5	8.8
Managed Equity Fund Composite Index (ethically adjusted)	20.7	7.5	n/a
CFB Managed Mixed Fund[1]	**13.9**	**7.3**	**7.9**
Managed Mixed Composite Index	12.3	7.2	8
Managed Mixed Composite Index (ethically adjusted)	13.5	7.2	n/a
CFB Managed Fixed Interest Fund[1]	**-2.6**	**6.2**	**5.5**
Managed Fixed Interest Composite	-2.7	5.8	5.2
CFB Short Fixed Interest Fund	**-1.5**	**5.7**	**5.1**
Short Gilt Composite Index (gilt only)	-2.4	5.3	5
Short Fixed Interest Composite Index	-1.1	5.6	5.1
CFB Corporate Bond Fund[1]	**0.8**	**7.8**	**n/a**
iBoxx Non Gilts Index	2.8	7	5.4
Corporate Bond Composite Index	0.7	6.3	5
CFB Property Fund[1,3]	**3.6**	**0.8**	**n/a**
IPD All Balanced Funds Index [2,3]	1.7	-0.4	n/a
CFB Deposit Fund[1]	**1.1**	**1.6**	**3.2**
Higher Rate Bank Deposits (over £10,000)	0.1	0.2	1
1 Week LIBID	0.4	0.7	n/a

[1] Source: CFB

[2] Source: IPD

[3] Performance to 30th June 2013

Risk Management and Internal Controls

Risk Management

The risk management policy is designed to identify and analyse operational and other risks facing the Methodist Church and, where at unacceptable levels, to take steps to mitigate the risks. The Church currently maintains a corporate risk register broken down under the following headings:

- Strategic and reputational risks;
- Financial risks;
- Compliance risks;
- Operational risks.

The SRC, working closely with senior management in the Connexional Team, periodically reviews and updates the Connexional Team's risk register; any proposed changes to the register being agreed by Council. As part of their independent monitoring of the effectiveness of the process, the Audit Committee receives various reports from the Director of Financial Operations and the Director of Development and Personnel. Starting from 1 September 2013 Mazars, the newly appointed internal auditor will be providing the Audit Committee with an independent and objective assessment on governance, risk management and internal controls, and their effectiveness in achieving the Council's agreed objectives.

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 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 £16,920.

Internal Controls

The principal features of the systems of financial control within the Council include:

- An annual planning and budgeting process;
- Written policies and procedures which describe the operational guidelines to be followed by all members of the Connexional Team;
- Segregation of duties wherever possible;
- An audit committee (see above for details of its terms of reference);
- Delegation of authority to spend within clearly defined limits.

For the year under review, the Council are satisfied that the major risks to which the Church is exposed have been assessed and are 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;
- 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.

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 Industrial and Provident Societies Act 1965 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) Other Methodist bodies with which the Connexional Team has regular dealings include the Methodist Ministers' and Lay Employees' Pension Trusts, and the Board of Management for the Methodist Independent Schools.

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

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 un-aware. 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 judgments 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 Baker Tilly UK Audit LLP as auditor to the charity will be put to the Methodist Council.

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

The Reverend David Gamble
Chair of the Council

30 January 2014

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 2013 on pages 31-61. 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 28 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/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx

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 2013 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.

BAKER TILLY UK AUDIT LLP

The Methodist Church in Great Britain

Statutory Auditor

Hartwell House

55 – 61 Victoria Street

Bristol, BS1 6AD

Date:

The Methodist Church in Great Britain

Consolidated Statement of Financial Activities for the year ended 31 August 2013

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
		£000	£000	£000	£000	£000
Incoming resources						
Incoming resources from generated funds						
District Assessment		12,340	-	-	12,340	11,929
Voluntary income	2a	1,248	9,558	-	10,806	11,058
Investment income and interest	3a	1,328	3,604	-	4,932	4,358
Activities for generating funds						
Fundraising trading	4a	832	5,917	-	6,749	6,535
Incoming resources from charitable activities						
Capital levies and grants	5a	5,099	577	-	5,676	8,487
Other income		1,127	1,177	-	2,304	1,743
Other incoming resources						
Gain on the disposal of tangible fixed assets		-	4,470	-	4,470	1,475
Total incoming resources		**21,974**	**25,303**	**-**	**47,277**	**45,585**
Resources expended	6a					
Costs of generating funds						
Costs of generating voluntary income		294	15	-	309	380
Fundraising trading		664	3,385	-	4,049	2,897
Investment management		118	132	12	262	227
Total costs of generating funds		**1,076**	**3,532**	**12**	**4,620**	**3,504**
Charitable activities	6a					
Equipping the church to engage society		7,366	4,700	-	12,066	13,871
Formation, training development and resourcing		8,733	4,717	-	13,450	9,663
Empowering the ministry of overseas partners		1,375	13,701	-	15,076	6,618
Advocacy and education		1,220	78	-	1,298	1,117
Total charitable activities		**18,694**	**23,196**	**-**	**41,890**	**31,269**
Governance costs		2,885	53	-	2,938	3,031
Loss on the disposal of tangible fixed assets		325	510	-	835	-
Total resources expended		**22,980**	**27,291**	**12**	**50,283**	**37,804**
Net incoming / (outgoing) resources before transfers		(1,006)	(1,988)	(12)	(3,006)	7,781
Gross transfers between funds		227	(249)	22	-	-
Net incoming / (outgoing) resources after transfers and before other recognised gains		**(779)**	**(2,237)**	**10**	**(3,006)**	**7,781**
Gains on revaluations and disposals of investment assets		2,356	6,404	977	9,737	7,137
Net movement in funds		1,577	4,167	987	6,731	14,918
Total funds brought forward as at 1 September		44,105	95,887	14,024	154,016	139,098
Total funds carried forward as at 31 August		**45,682**	**100,054**	**15,011**	**160,747**	**154,016**

The Methodist Church in Great Britain

Statement of Financial Activities for the year ended 31 August 2013 - The Connexional Funds

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
		£000	£000	£000	£000	£000
Incoming resources						
Incoming resources from generated funds						
District Assessment		12,340	-	-	12,340	11,929
Voluntary income	2b	1,247	7,122	-	8,369	5,967
Investment income and interest	3b	1,328	3,447	-	4,775	4,223
Activities for generating funds						
Fundraising trading	4b	874	5,150	-	6,024	5,870
Incoming resources from charitable activities						
Capital levies and grants	5b	5,099	196	-	5,295	8,158
Other income		1,127	368	-	1,495	1,112
Other incoming resources						
Gain on the disposal of tangible fixed assets		-	4,471	-	4,471	1,474
Total incoming resources		**22,015**	**20,754**	**-**	**42,769**	**38,733**
Resources expended	6b					
Costs of generating funds						
Costs of generating voluntary income		294	15	-	309	380
Fundraising trading		664	3,109	-	3,773	2,609
Investment management		118	132	12	262	227
Total costs of generating funds		**1,076**	**3,256**	**12**	**4,344**	**3,216**
Charitable activities	6b					
Equipping the church to engage society		7,366	4,700	-	12,066	13,851
Formation, training development and resourcing		9,044	3,820	-	12,864	8,421
Empowering the ministry of overseas partners		1,375	11,698	-	13,073	4,229
Advocacy and education		1,220	78	-	1,298	1,117
Total charitable activities		**19,005**	**20,296**	**-**	**39,301**	**27,618**
Governance costs		2,885	53	-	2,938	3,031
Loss on the disposal of tangible fixed assets		325	510	-	835	-
Total resources expended		**23,291**	**24,115**	**12**	**47,418**	**33,865**
Net incoming / (outgoing) resources before transfers		(1,276)	(3,361)	(12)	(4,649)	4,868
Gross transfers between funds		497	(518)	21	-	-
Net incoming / (outgoing) resources after transfers and before other recognised gains		**(779)**	**(3,879)**	**9**	**(4,649)**	**4,868**
Gains on revaluations and disposals of investment assets		2,356	6,495	978	9,829	7,113
Net movement in funds		1,577	2,616	987	5,180	11,981
Total funds brought forward as at 1 September		44,105	82,524	14,019	140,648	128,667
Total funds carried forward as at 31 August		**45,682**	**85,140**	**15,006**	**145,828**	**140,648**

The Methodist Church in Great Britain
Balance Sheets as at 31 August 2013

		The Methodist Church in Great Britain		The Connexional Funds	
		2013	2012	2013	2012
Fixed assets	**Notes**	**£000**	**£000**	**£000**	**£000**
Tangible assets	**11**	24,429	25,031	21,080	22,342
Investments	**12**	141,535	130,402	131,344	121,450
		165,964	**155,433**	**152,424**	**143,792**
Current assets					
Stocks		128	165	128	164
Asset held for sale	**12**	-	700	-	-
Debtors	**13**	5,475	5,813	5,346	5,461
Short term deposits		12,459	8,607	10,512	7,310
Cash at bank and in hand		2,644	3,609	2,302	2,352
Total current assets		**20,706**	**18,894**	**18,288**	**15,287**
Creditors					
Amounts falling due within 1 year	**14**	(13,195)	(10,942)	(12,800)	(9,920)
Net current assets		**7,511**	**7,952**	**5,488**	**5,367**
Total assets less current liabilities		**173,475**	**163,385**	**157,912**	**149,159**
Creditors					
Amounts falling due after more than 1 year	**15**	(10,468)	(9,369)	(9,824)	(8,511)
Net assets excluding pension liability		**163,007**	**154,016**	**148,088**	**140,648**
Defined benefit pension scheme liability	**10**	(2,260)	-	(2,260)	-
Net assets including pension liability		**160,747**	**154,016**	**145,828**	**140,648**
Funds					
Unrestricted funds	**16**	45,682	44,105	45,682	44,105
Restricted funds	**17**	100,054	95,887	85,140	82,524
Endowment funds	**18**	15,011	14,024	15,006	14,019
Total funds		**160,747**	**154,016**	**145,828**	**140,648**

The notes on pages 35 to 61 form an integral part of these accounts

Approved and authorised for issue by the Board of Trustees on 30 January 2014 and signed on their behalf by:

The Reverend David Gamble
Chair of the Council

Mr Andrew Gibbs
Connexional Treasurer

The Methodist Church in Great Britain

Consolidated cashflow statement as at 31 August	**Notes**	**£000**	**2013 £000**	**£000**	**2012 £000**
Cash (outflow) from operating activities	**(a)**		(4,127)		(3,401)
Returns on investment and servicing of finance					
Deposit interest received and investment income			4,208		3,619
Capital expenditure and financial investments					
Payments to acquire tangible fixed assets		(2,027)		(4,005)	
Receipts from sales of tangible fixed assets		5,946		3,042	
Payments to acquire fixed asset investments		(26,079)		(10,873)	
Receipts from the disposal of investments		17,717		3,174	
Cash outflow from the management of liquid resources			(4,443)		(8,662)
Short term deposits placed / (withdrawn)			3,852		(2,307)
Financing					
New loans		600		3,616	
Repayments of loans		(1,056)		(200)	
			(456)		3,416
Net cash (outflow) in the period			**(966)**		**(7,335)**
Net cash resources at 1 September	**(b)**		**3,609**		**10,944**
Net cash resources at 31 August			**2,643**		**3,609**

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

	2013 £000	**2012 £000**
Net (outgoing) / incoming resources for the period	(3,006)	7,781
Net gain on the disposal of tangible fixed assets	(3,635)	(1,475)
Investment income	(4,932)	(3,670)
Depreciation	368	278
Decrease in stocks	37	2
Decrease in debtors	1,061	2,605
Increase in creditors	3,808	(5,505)
Increase in pension obligation (Lay Mission Partners)	2,260	-
The Oxford Institute of Theological Studies / Southlands Methodist Trust	(88)	(4,037)
Other non cash changes	-	620
Cash flow from operating activities	(4,127)	(3,401)

b Analysis of net funds	01/09/2012	Cashflow 2013	31/08/2013
	£000	**£000**	**£000**
Cash in hand and at bank	3,609	(965)	2,644
Overdrafts	-	(1)	(1)
Short term deposits	8,607	3,852	12,459
Bank loans	(6,300)	456	(5,844)
Total	**5,916**	**3,342**	**9,258**

c Reconciliation of net cash flow to movement in net funds	**2013 £000**
Net funds at 1 September 2012	5,916
Net funds at 31 August 2013	9,258
Movement in funds in this period	3,342
Repayment of bank loan	(456)
Increase in liquid resources	(3,852)
Decrease in cash in the period	**(966)**

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 hotel properties 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 view of the Council of the degree of control which it exercises over the entities concerned, which is frequently under review.

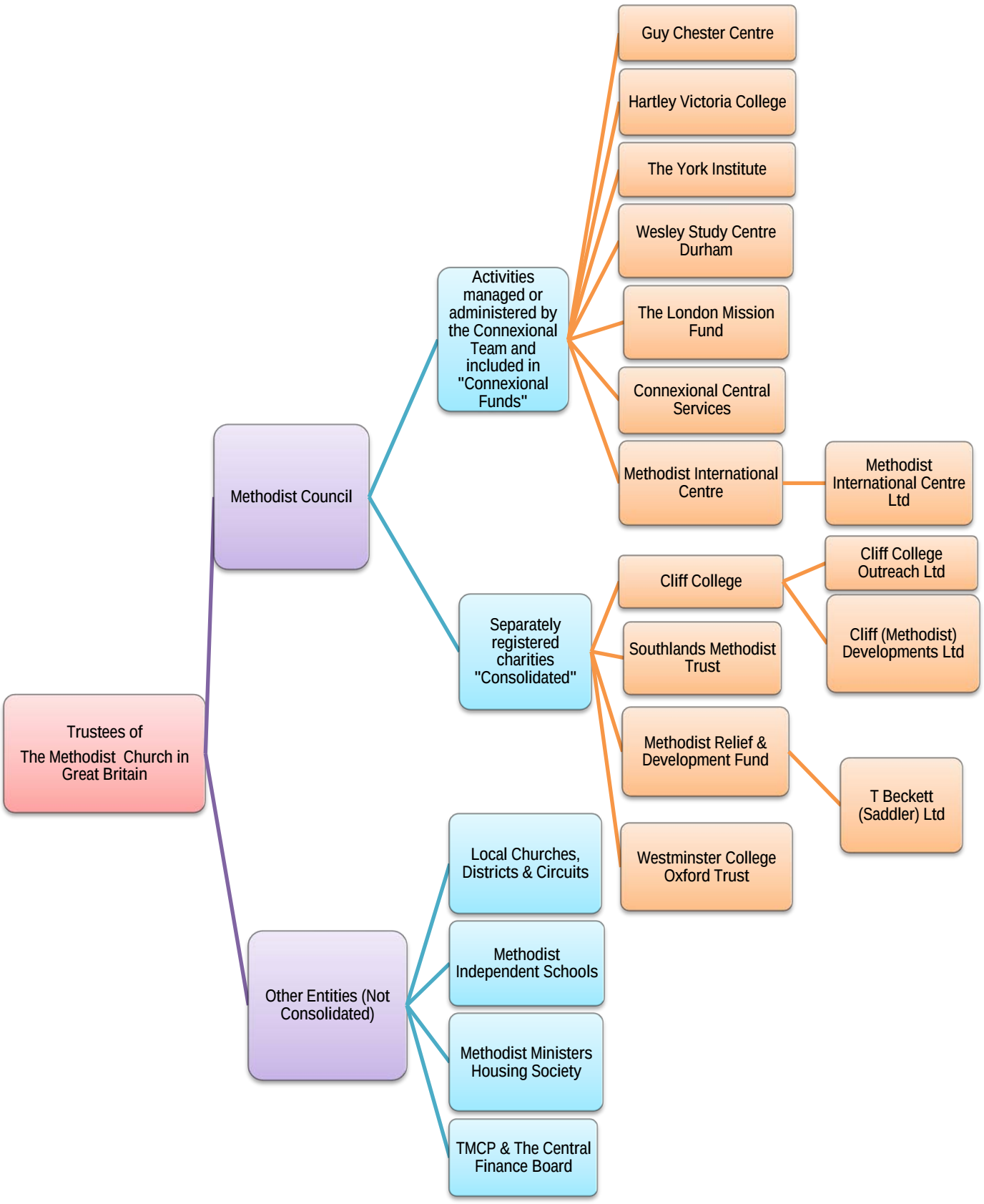
c) Basis of consolidation

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 5 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 separately registered as charities, together with their wholly owned trading subsidiaries, have been consolidated as subsidiaries on a line by line basis in accordance with FRS2 and SORP 2005.

Accounting policies (continued)

d) The accounting / reporting structure



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
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.

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.

Accounting policies (continued)

All other incoming resources

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

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

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 and have been allocated to fundraising, charitable activities and governance in proportion to the directly attributable staff costs of these activities.

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

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.

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 financial statements.

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 financial statements.

Accounting policies (continued)

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.

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
Properties other than hotel properties are stated at cost. 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 the annual depreciation charge and accumulated depreciation is not material. Further, 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. An annual impairment review is undertaken for assets which are not depreciated. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Statement of Financial Activities. Hotel properties are held at valuation. 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. 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.

Assets having an initial cost of £1,000 or less are written off on acquisition. 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 equipment and software are depreciated at the rate of 33 1/3% per annum. Furniture and fittings and motor vehicles are depreciated at the rate of 20% per annum.

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. These assets have not been

Accounting policies (continued)

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.

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.

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 2013, updated by the value of any share acquisitions (at cost) up to 31 August 2013.

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) Operating leases
Annual rentals are charged to the Statement of Financial Activities on a straight line basis over the lease term.

p) Foreign currencies
Monetary assets and liabilities denominated in foreign currencies 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.

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

r) 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. Liquid resources comprise assets held as a readily disposable store of value. They include term deposits and loan stock held as part of the Church's investment policy.

2 a **Voluntary income**	The Methodist Church in Great Britain Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
	£000	**£000**	**£000**	**£000**	**£000**
Donations	651	5,879	-	6,530	5,994
The Oxford Institute of Theological Studies	-	88	-	88	-
Southlands Methodist Trust	-	-	-	-	4,037
Legacies	596	3,592	-	4,188	1,027
Total	**1,248**	**9,558**	**-**	**10,806**	**11,058**

b **Voluntary income**	The Connexional Funds Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
	£000	**£000**	**£000**	**£000**	**£000**
Donations	651	4,556	-	5,207	5,340
The Oxford Institute of Theological Studies	-	88	-	88	-
Legacies	596	2,478	-	3,074	627
Total	**1,247**	**7,122**	**-**	**8,369**	**5,967**

3 a **Investment income**	The Methodist Church in Great Britain Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
	£000	**£000**	**£000**	**£000**	**£000**
Central Finance Board Deposits	1,209	2,825	-	4,034	3,055
Deposits, interest and other investment income	119	169	-	288	615
William Leech (Investments) Ltd	-	610	-	610	688
Total	**1,328**	**3,604**	**-**	**4,932**	**4,358**

b **Investment income**	The Connexional Funds Unrestricted Funds	Restricted Funds	Endowment Funds	2013 Total	2012 Total
	£000	**£000**	**£000**	**£000**	**£000**
Central Finance Board Deposits	1,209	2,759	-	3,968	2,946
Deposits, interest and other investment income	119	78	-	197	589
William Leech (Investments) Ltd	-	610	-	610	688
Total	**1,328**	**3,447**	**-**	**4,775**	**4,223**

4 a		The Methodist Church in Great Britain			2013	2012
	Fundraising trading	**Unrestricted Funds**	**Restricted Funds**	**Endowment Funds**	**Total**	**Total**
		£000	**£000**	**£000**	**£000**	**£000**
	Sales	816	9	-	825	1,599
	Rental income	4	715	-	719	495
	Room and conference hire income	-	5,193	-	5,193	4,428
	Advertising income	12	-	-	12	13
	Total	**832**	**5,917**	**-**	**6,749**	**6,535**

4 b		The Connexional Funds			2013	2012
	Fundraising trading	**Unrestricted Funds**	**Restricted Funds**	**Endowment Funds**	**Total**	**Total**
		£000	**£000**	**£000**	**£000**	**£000**
	Sales	858	8	-	866	1,590
	Rental income	4	314	-	318	495
	Room and conference hire income	-	4,828	-	4,828	3,772
	Advertising income	12	-	-	12	13
	Total	**874**	**5,150**	**-**	**6,024**	**5,870**

5 a		The Methodist Church in Great Britain			2013	2012
	Capital levies / grants receivable	**Unrestricted Funds**	**Restricted Funds**	**Endowment Funds**	**Total**	**Total**
		£000	**£000**	**£000**	**£000**	**£000**
	Capital levies	5,062	-	-	5,062	7,671
	Grants receivable	37	577	-	614	816
	Total	**5,099**	**577**	**-**	**5,676**	**8,487**

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

b		The Connexional Funds			2013	2012
	Capital levies / grants receivable	**Unrestricted Funds**	**Restricted Funds**	**Endowment Funds**	**Total**	**Total**
		£000	**£000**	**£000**	**£000**	**£000**
	Capital levies	5,062	-	-	5,062	7,671
	Grants receivable	37	196	-	233	487
	Total	**5,099**	**196**	**-**	**5,295**	**8,158**

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

6 a Total resources expended		The Methodist Church in Great Britain Grant Costs £000	Direct Costs £000	Support Costs £000	2013 Total £000	2012 Total £000
Costs of generating funds						
Costs of generating voluntary income		-	179	130	309	380
Fundraising trading		-	3,993	56	4,049	2,897
Investment management		-	262	-	262	227
		-	**4,434**	**186**	**4,620**	**3,504**
Charitable activities						
Equipping the church to engage with society	**7a**	6,395	3,710	1,961	12,066	13,871
Formation, training and development & resourcing	**7a**	4,882	6,531	2,037	13,450	9,663
Empowering the ministry of overseas partners	**7a**	8,537	5,972	567	15,076	6,618
Advocacy and education		-	624	674	1,298	1,117
Governance costs		-	2,510	428	2,938	3,031
Loss on the disposal of tangible fixed assets		-	-	835	835	-
Total		**19,814**	**23,781**	**6,688**	**50,283**	**37,804**

6 b Total resources expended (continued)		The Connexional Funds Grant Costs £000	Direct Costs £000	Support Costs £000	2013 Total £000	2012 Total £000
Costs of generating funds						
Costs of generating voluntary income		-	179	130	309	380
Fundraising trading		-	3,717	56	3,773	2,609
Investment management		-	262	-	262	227
		-	**4,158**	**186**	**4,344**	**3,216**
Charitable activities						
Equipping the church to engage with society	**7b**	6,236	3,714	2,116	12,066	13,851
Formation, training and development & resourcing	**7b**	5,190	5,638	2,036	12,864	8,421
Empowering the ministry of overseas partners	**7b**	7,559	4,947	567	13,073	4,229
Advocacy and education		-	624	674	1,298	1,117
Governance costs		-	2,510	428	2,938	3,031
Loss on the disposal of tangible fixed assets		-	-	835	835	-
Total		**18,985**	**21,591**	**6,842**	**47,418**	**33,865**

7 a	Grants payable	The Methodist Church in Great Britain				2013	2012
		Individuals	Institutions	UK	Overseas	Total	Total
		£000	£000	£000	£000	£000	£000
	Resourcing Mission at Home						
	Non property grants						
	Mission and ministry general grants	-	2,098	2,098	-	2,098	994
	Connexional Priority Fund	-	1,391	1,391	-	1,391	3,462
	Ministerial training support	1,259	3,814	5,073	-	5,073	3,090
	Formal relationships	-	159	159	-	159	223
	Chaplaincy	-	46	46	-	46	42
	Total	**1,259**	**7,508**	**8,767**	**-**	**8,767**	**7,811**
	Property Grants						
	Standard property grants	-	1,195	1,195	-	1,195	159
	Total	**-**	**1,195**	**1,195**	**-**	**1,195**	**159**
	Resourcing Mission Overseas						
	General grants	-	6,555	-	6,555	6,555	1,348
	Nationals in mission appointments	-	831	-	831	831	1,510
	Scholarship programme	-	446	-	446	446	365
	World church in Britain	-	62	62	-	62	4
	Lay professional programme*	-	13	-	13	13	(1,137)
	Relief and other sundry grants	-	630	-	630	630	1,486
	Total	**-**	**8,537**	**62**	**8,475**	**8,537**	**3,576**
	Sundry Grants						
	Ministerial support and benefits	1,070	-	1,070	-	1,070	1,008
	Contingency grants	65	-	65	-	65	122
	Sabbatical grants	108	-	108	-	108	92
	Initial and removal grants	52	-	52	-	52	35
	Island travel	15	-	15	-	15	14
	Archives and history	-	-	-	-	-	6
	Other miscellaneous grants	5	-	5	-	5	23
	Total	**1,315**	**-**	**1,315**	**-**	**1,315**	**1,300**
	Total grants payable	**2,574**	**17,240**	**11,339**	**8,475**	**19,814**	**12,846**

* Resourcing mission overseas grants - during 2012 a grant commitment of £1.7m was written back; this is included in the figure of £1.137m.

7 b		The Connexional Funds				2013	2012
		Individuals	Institutions	UK	Overseas	Total	Total
	Grants payable	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
	Resourcing Mission at Home						
	Non property grants						
	Mission and ministry general grants	-	2,098	2,098	-	2,098	994
	Connexional Priority Fund	-	1,391	1,391	-	1,391	3,462
	Ministerial training support	1,259	3,968	5,227	-	5,227	3,010
	Formal relationships	-	159	159	-	159	223
	Chaplaincy	-	46	46	-	46	42
	Total	**1,259**	**7,662**	**8,921**	**-**	**8,921**	**7,731**
	Property Grants						
	Standard property grants	-	1,195	1,195	-	1,195	159
	Total	**-**	**1,195**	**1,195**	**-**	**1,195**	**159**
	Resourcing Mission Overseas						
	General grants	-	5,577	-	5,577	5,577	1,348
	Nationals in mission appointments	-	831	-	831	831	1,510
	Scholarship programme	-	446	-	446	446	365
	World church in Britain	-	62	62	-	62	4
	Lay professional programme*	-	13	-	13	13	(1,137)
	Relief and other sundry grants	-	630	-	630	630	-
	Total	**-**	**7,559**	**62**	**7,497**	**7,559**	**2,090**
	Sundry Grants						
	Ministerial support and benefits	1,070	-	1,070	-	1,070	1,008
	Contingency grants	65	-	65	-	65	122
	Sabbatical grants	108	-	108	-	108	92
	Initial and removal grants	52	-	52	-	52	35
	Island travel	15	-	15	-	15	14
	Archives and history	-	-	-	-	-	6
	Other miscellaneous grants	-	-	-	-	-	13
	Total	**1,310**	**-**	**1,310**	**-**	**1,310**	**1,290**
	Total grants payable	**2,569**	**16,416**	**11,488**	**7,497**	**18,985**	**11,270**

* Resourcing mission overseas grants - during 2012 a grant commitment of £1.7m was written back; this is included in the figure of £1.137m.

8 Net incoming resources before transfers (consolidated)

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

	2013	2012
Audit fees	**£000**	**£000**
The Connexional Funds - payable to Baker Tilly UK Audit LLP	71	66
Other self accounting entities - payable to Baker Tilly UK Audit LLP	12	12
Payable to other auditors - for audit of self accounting entities	11	6
Depreciation	368	278

9 Stipends and salary costs (consolidated)

The Methodist Council appointed or employed an average of 246 (2012 - 241) people during the year, and a further 98 (2012 - 98) people were appointed locally, all of whose costs were chargeable to the Methodist Church consolidated accounts as follows:

	2013 Total £000	2012 Total £000
Stipends and salaries	12,124	11,210
Redundancy costs	475	305
Temporary staff costs	208	141
Social security costs	1,198	1,032
Pension costs (see Note 10)	5,342	1,940
Total	**19,347**	**14,628**

4 employees were paid £60k or more during the year (2012 - 3 employees).

The total aggregate pension contributions for these employees for the year were £48k (2012: 35k).

	2013 Number of employees	2012 Number of employees
£60,001 - £70,000	2	1
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2

10 Pension costs

Methodist Church Pension Arrangements

The Methodist Council operates three 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 2013 (£2012: £nil) in respect of this matter.

The total pension costs for the year to 31 August 2013 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 1,477 ministers who are members of the MMPS. The Methodist Council is responsible for the pension scheme contributions of 59 of them. The actuaries are 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 and accounted for as a defined contribution scheme under FRS 17.

A summary funding statement giving information on the funding and solvency position of the Scheme is issued to all members and beneficiaries annually in accordance with the Pensions Act 2004. The latest statement was issued in April 2013 and showed that the funding level of the scheme had fallen over the year to 1 September 2012 from 83.6% to 77.5% with the shortfall increasing to around £93m. The reason for the increase in shortfall over the year was mainly due to a fall in the yields available on gilts, which is generally felt to be as a result of actions by the authorities with quantitative easing, which has increased the value placed on the liabilities.

The funding update as at 1 September 2012 indicated that the total contributions being paid to the Scheme were not sufficient to meet the shortfall and the cost of benefits accruing, based on the funding position as at 1 September 2012. However, market conditions have changed since 1 September 2012, and the funding level is expected to have improved since that date. Indicative results of the 1 September 2013 annual update show a funding position of around 90%.

A full actuarial valuation is due to be carried out as at 1 September 2014 when the position will be reviewed.

Action taken to meet the shortfall

The 2012 Conference agreed that the existing shortfall contributions of 14% of Stipend being paid further to the 1 September 2008 valuation should be continued for the remainder of the recovery period of 7 years 4 months from 1 September 2012 and additionally Conference also agreed that a contribution of £1m would be payable to the Scheme annually each September from the Pension Reserve Fund in order to eliminate the shortfall. The amount of these agreed shortfall contributions that remain payable at 31 August 2013 is £7.5m. The Pension Reserve Fund was set up following a 2009 Conference decision to establish a fund outside of the Scheme, which could be used to meet future funding deficits. 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 2012 Conference, on the recommendation of the Methodist Council and in agreement with the Trustee of the Scheme, decided that the Church contribution rate be increased from 25.6% to 26.6% of Stipends from 1 September 2012 with a further 1% increase from 1 September 2013. The Conference asked for a consultation with members regarding possible changes to member contributions and linking normal pension date to the future male State Pension Age to assist in the affordability of the extra contribution due from the Church from 1 September 2013.

The 2013 Conference adopted the proposals within the consultation with members to link normal pension date to the future male State Pension Age and to share the balance of the cost equally between the members and the Church. From 1 September 2013 member contributions increased to 9.3% and church contributions to 26.9% of the standard stipend. The Council expects to contribute £1.3m to the scheme which includes £1m from the Pension Reserve Fund in 2013-14.

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 Trustees and the Conference. The actuary certified on 20 September 2013 that the rates of contributions, as set out above and in the schedule of contributions were expected on 1 September 2011 to restore the funding level to 100% by the end of the period specified in the Recovery Plan and also confirmed that the schedule of contributions was consistent with the Statement of Funding Principles agreed by the Trustee on 1 March 2012.

Pension schemes (continued)
Methodist Ministers' Pension Scheme (MMPS) (continued)

The pension charge for the year was £1.315m (2012 £0.338m) and includes a charge against the Pension Reserve Fund of £1m to reduce the deficit (Note 16c).

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 of the scheme were 24.1% and 8% of pensionable pay respectively. The pension charge for the year was £1.577m (2012: £1.392m).

Action to meet the shortfall

The last full actuarial valuation of the scheme as at 1 September 2011 revealed a funding shortfall of £2.156m. In order to eliminate this shortfall the Trustee and the Employers agreed that additional monthly contributions would be paid into the Scheme at the rate of 4.3% per annum of pensionable earnings from 1 July 2012 until 29 February 2020. The amount of these agreed shortfall contributions that remains payable at 31 August 2013 is £2.3m based on a recovery period of 7 years and 6 months.

FRS 17 Disclosures

The fair value of the Scheme's assets as at 31 August 2013 is £45.6m, compared to liabilities of £44.1m.

Consequently, there is a surplus of £1.5m in the scheme at the year end under the FRS 17 basis adopted. The surplus figure does not allow for a related deferred taxation asset / liability. There has been a decrease in the liabilities of £1.6m from the changes in assumptions, in particular the discount rate which has increased from 4.4% to 4.6% pa. The scheme's position also improved by an experience gain on the liabilities and the actual contributions paid being greater than the cost benefits accruing on the FRS 17 basis. The return on the Scheme's assets was greater than expected resulting in a gain of about £3.0m.

The net position was an improvement in the FRS 17 position as at 31 August 2013 of approximately £2.4m resulting in the surplus of £1.5m as at 31 August 2013.

Expected rates of return for 2013/14

a Equities
At 31 August 2013, the Scheme held about 62% of its assets as equity investments. The proposed long term expected rate of return for the "equities" class is 4.0% pa above the yield on the FT20 year All Coupon Gilts Index as at 31 August 2013, rounded to the nearest quarter percent. This gives an expected return of 7.5% pa.

b Gilts
The proposed long term expected return for gilts is 3.4% pa by reference to the FT 20 year All Coupon Gilts index at 31 August 2013.

c Corporate Bonds
The long term expected return on corporate bonds is assumed to be 0.5% pa below the BofA Merrill Lynch 15+ AA Sterling Corporate index as at 31 August 2013. This gives a proposed rate of 3.9% pa as at 31 August 2013.

Pension schemes (continued)

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

d Property

The proposed long term expected return for property is 0.5% pa less than the expected return on equities. This gives an expected return of 7.0% pa.

e Cash / Net Current Assets

For the expected return on the cash (including net current assets) class, a rate of 0.5% pa is proposed having regard to the UK cash deposit rates at 31 August 2013.

The Council expects to contribute £1.7m to the scheme from 1 September 2013 to 31 August 2014.
Contributions will remain at 8% for members and 24.1% for employers of pensionable earnings.

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 68 members in total, 10 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 charge for the year was £2.45m (2012: £0.21m). For the first time an actuarial assessment of the liabilities of the scheme has been made and is included in the accounts at £2.26m.

Estimated pension costs for 2013/14

The amount expected to be charged to the Statement of Financial Activities for 2013/14 is £13k.

FRS 17 Disclosures

The charity has restricted fund investment assets of £2.41m (included in Note 12) available to meet the scheme obligation of £2.26m at 31 August 2013, as valued under FRS17 leaving a positive balance carried forward on the restricted fund (see Note 17) of £0.15m.

Summary of financial assumptions as at 31 August 2013

Discount rate	4.1% pa
Inflation (RPI)	3.2% pa
Increases to all benefit levels	3.1% pa

11 a Tangible fixed assets — **The Methodist Church in Great Britain**

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 September 2012	24,210	1,488	1,168	30	26,896
Additions during the year	1,535	155	331	6	2,027
Transfers	50	-	-	-	50
Disposals	(2,311)	-	-	-	(2,311)
Total	23,484	1,643	1,499	36	26,662
Depreciation					
At 1 September 2012	-	1,179	656	30	1,865
Charge for the year	-	131	236	1	368
Total	-	1,310	892	31	2,233
Net book value as at 31 August 2013	**23,484**	**333**	**607**	**5**	**24,429**
Net book value as at 31 August 2012	**24,210**	**309**	**512**	**-**	**25,031**

The transfer relates to a property at Hartley Victoria College (17 Redshaw) previously held as an investment property.

Included within the group's fixed assets are a number of works of art donated over the years to Westminster College Oxford Trust (a separate registered subsidiary of The Methodist Church in Great Britain). These are on permanent loan to Oxford Brookes University. A valuation by Bonhams, dated 12 September 2013, reduced the market value from £130k to £65k as included above.

11 b Tangible fixed assets — **The Connexional Funds**

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 September 2012	21,596	1,247	996	14	23,853
Additions during the year	868	184	317	5	1,374
Transfers	50	-	-	-	50
Disposals	(2,311)	-	-	-	(2,311)
Total	20,203	1,431	1,313	19	22,966
Depreciation					
At 1 September 2012	-	992	505	14	1,511
Charge for the year	-	140	234	1	375
Total	-	1,132	739	15	1,886
Net book value as at 31 August 2013	**20,203**	**299**	**574**	**4**	**21,080**
Net book value as at 31 August 2012	**21,596**	**255**	**491**	**-**	**22,342**

The transfer relates to a property at Hartley Victoria College (17 Redshaw) previously held as an investment property.

12	**Investments**		**The Methodist Church in Great Britain**		**The Connexional Funds**	
			2013	**2012**	**2013**	**2012**
			£000	**£000**	**£000**	**£000**
	Market value at 1 September		130,402	116,266	121,450	108,084
	Additions	**a**	26,079	10,866	24,312	7,961
	Transfers	**b**	(50)	(700)	(50)	-
	Disposals	**a**	(24,732)	(3,174)	(24,220)	(1,695)
	Revaluation of William Leech (Investments) Ltd		515	97	515	97
	Net unrealised investment gains		9,321	7,047	9,337	7,003
	Market value as at 31 August		**141,535**	**130,402**	**131,344**	**121,450**
	Investments comprise					
	Investment properties		17,176	17,682	10,889	11,395
	Central Finance Board Units		104,166	90,041	101,870	88,525
	Central Finance Board Deposit Fund		8,952	12,563	8,952	12,563
	William Leech (Investments) Ltd		8,665	7,981	8,665	7,981
	Other investments		2,576	2,135	968	986
	Total		**141,535**	**130,402**	**131,344**	**121,450**

Included in the Central Finance Board Units is £19.9m (2012 £6.27m) invested in the CFB Overseas Fund.

12 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 from investments to current assets / freehold land and buildings**	**2013**	**2012**
		£000	**£000**
	T Becket Sadler as a part of Methodist Relief & Development Fund	-	(700)
	17 Redshaw has been reclassified from investment to freehold properties	(50)	-

An investment property held as an asset held for sale at 31 August 2012 valued at £0.7m was sold during 2012/13 and the proceeds were applied towards charitable purposes. We also disposed of Eaglesfield property which had a carrying value of £0.065m.

Included within investment properties are:

i) 81-103 Euston Street, London, which has a mixed use: 60% for charitable purposes included in tangible fixed assets and 40% for investment purposes. The value of this investment is considered annually by the Trustees in accordance with SSAP 19.

The property 81-103 Euston Street, London was revalued by I Thompson MRICS and J Williamson MRICS of GVA Grimley Ltd acting as external valuers as defined in the RICS valuation standards, on 16 October 2012 at £14m. The Trustees have concluded that there is no material change in the valuation of this property that needs to be included in these accounts at 31 August 2013.

ii) Land and buildings that were leased to Oxford Brookes University by Westminster College Oxford Trust (a separately registered subsidiary charity of The Methodist Church in Great Britain). A professional valuation was performed as at 31 August 2012. The reversionary interest was valued by Andrew Lockhart FRICS MCI Arb of VSL and Partners, Kidlington, Oxfordshire at £2.9m on the basis of open market value. The trustees are of the view that this valuation remains reasonable at 31 August 2013.

Investments (continued)

iii) Property at 4 John Wesley Road, Werrington, Peterborough PEZ 6ZP
This property was revalued on 8 August 2013 by M A Hughes BSc (Hons) MRICS at £1m (2011: £1.39m). The valuation was prepared in accordance with the RICS valuation - Professional Standards published by the Royal Institution of Chartered Surveyors on the basis of open market value.

iv) Complete, reliable and accurate details of the historical cost of investment properties are not available and, accordingly, are not provided.

13 Debtors

	The Methodist Church in Great Britain		The Connexional Funds	
	2013	**2012**	**2013**	**2012**
	£000	**£000**	**£000**	**£000**
Prepayments and accrued interest	864	1,345	808	1,129
Loans to related Methodist entities (Note 23)	1,067	741	1,067	741
Other debtors	3,544	3,727	3,471	3,591
Total	**5,475**	**5,813**	**5,346**	**5,461**

14 Creditors: amounts due within one year

	The Methodist Church in Great Britain		The Connexional Funds	
	2013	**2012**	**2013**	**2012**
	£000	**£000**	**£000**	**£000**
Accruals	840	1,455	783	1,363
Loans	814	714	600	500
Overdraft	1	-	1	-
Tax and social security	495	240	502	240
Grant commitments	8,311	5,627	7,979	5,627
Other creditors	2,734	2,906	2,935	2,190
Total	**13,195**	**10,942**	**12,800**	**9,920**

Creditors (continued)

15 Creditors: amounts due after more than one year

	The Methodist Church in Great Britain		The Connexional Funds	
	2013	**2012**	**2013**	**2012**
	£000	**£000**	**£000**	**£000**
Loans	5,030	5,586	4,386	4,728
Grant commitments	5,438	3,783	5,438	3,783
Total	**10,468**	**9,369**	**9,824**	**8,511**

Grant commitment creditors

Grant commitment creditors represent grants approved that are yet to be paid. Some grants agreed in principle via MRDF, 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. As at 31 August 2013, planned future commitments under formal multi-year funding cycle approvals amounted to £0.8m (2012: £0.9m).

Loans

There is a bank loan secured by a mortgage dated 19 October 2004 over the investment property known as Euston House, 81-103 Euston Street, London. The details of this loan are as follows:

Repayment terms: over 5 years
Interest rate: 2.5% over LIBOR
Current quarterly repayment of capital and interest is £150k (2012: £125k).

The 2004 term loan facilities were restructured with a new loan arrangement and Methodist Council (appointed body of the Methodist Church in Great Britain) entered an agreement with HSBC Bank PLC in March 2012 for a term land and property redevelopment facility amounting to £2.885m and £2.800m respectively. The facilities shall be repaid by 12 consecutive quarterly instalments commencing 31 May 2012 to the extent of the redevelopment loan. The quarterly principal repayment for 2012-13 was £0.125m starting on 31 May 2012. The quarterly principal payments will increase to £0.175m in 2015 and £0.2m in 2016. The amount equivalent to the term loan shall be repaid on 31 August 2016.

The proportion of the loan to the value of the asset charged is 36%.

Within six months period of the loan agreement, as a condition for the additional loan, part of the total loan had to be placed under an interest rate swap hedging agreement with HSBC Bank PLC. The details are as follows:

The purpose of the agreement is to hedge 70% of the loan against significant movement in interest rates. The arrangement is for a five year period ending on 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.

16 a Unrestricted funds — **The Methodist Church in Great Britain**

	Balance as at 1 September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains / (losses) on investments	Balance as at 31 August 2013
	£000	£000	£000	£000	£000	£000
Designated	27,873	6,330	(6,719)	(549)	2,787	29,722
General	16,232	15,644	(16,261)	776	(431)	15,960
Total	**44,105**	**21,974**	**(22,980)**	**227**	**2,356**	**45,682**

16 b Unrestricted funds — **The Connexional Funds**

	Balance as at 1 September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains / (losses) on investments	Balance as at 31 August 2013
	£000	£000	£000	£000	£000	£000
Designated	27,873	6,330	(6,719)	(549)	2,787	29,722
General	16,232	15,685	(16,572)	1,046	(431)	15,960
Total	**44,105**	**22,015**	**(23,291)**	**497**	**2,356**	**45,682**

16 c Designated funds — **The Methodist Church in Great Britain and The Connexional Funds**

	Balance as at 1 September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2013
	£000	£000	£000	£000	£000	£000
1 The Connexional Priority Fund	10,357	5,552	(4,246)	(2,823)	1,151	9,991
2 The Epworth Fund	6,159	215	(313)	(4)	405	6,462
3 The Connexional Travel Fund	239	8	(7)	-	4	244
4 The Training Assessment Fund	964	-	(948)	-	-	16
5 The Computers in Ministry Fund	(2)	233	(191)	-	-	40
6 The Pension Reserve Fund	10,156	322	(1,014)	2,278	1,227	12,969
Total	**27,873**	**6,330**	**(6,719)**	**(549)**	**2,787**	**29,722**

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

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 to the Pension Reserve Fund in respect of the liabilities of the Methodist Ministers' Pension Scheme and the Pension and Assurance Scheme for Lay Employees of the Methodist Church.

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 Training Assessment Fund**

This fund was set up in 2001 in order to cover the initial costs of training for both lay and ordained individuals.

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. In the first year, no levies were received from the districts and consequently the fund accumulated a minor deficit in the period leading up to 31 August 2012.

6 **The Pension Reserve Fund**

This fund was set up following a 2009 Conference decision to establish Pension Reserve Fund outside of the Lay Staff and Ministers' Pension Schemes which would be available if required to be used to meet future funding deficits. Currently, £1m is funding the Methodist Ministers' Pension Scheme deficit referred to in Note 10.

17 a Restricted funds — **The Methodist Church in Great Britain**

		Balance as at 1 September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains / (losses) on investments	Balance as at 31 August 2013
		£000	£000	£000	£000	£000	£000
1	The Fund for the Support of Presbyters and Deacons	7,236	450	(635)	(26)	773	7,798
2	Mission in Britain Fund	2,389	2,195	(850)	101	205	4,040
3	Centenary Hall Trust	3,682	252	(42)	(15)	311	4,188
4	Property Fund	4,346	814	(1,142)	385	317	4,720
5	Training Fund	7,693	4,453	(971)	(1)	741	11,915
6	World Mission Fund	21,683	4,918	(9,298)	(793)	2,449	18,959
7	The Superannuation Scheme for Lay Mission Partners	2,537	72	(2,453)	-	(8)	148
8	North Bank Maintenance	2,810	-	(510)	(2,300)	-	-
9	The London Mission Fund	10,251	1,187	(907)	(5)	813	11,339
10	Methodist International Centre	6,010	4,714	(3,575)	-	-	7,149
11	Guy Chester Centre	4,013	758	(1,186)	2,300	275	6,160
12	Cliff College	4,488	2,040	(1,381)	-	(120)	5,027
13	Southlands Methodist Trust	4,037	443	(165)	-	82	4,397
14	Westminster College Oxford Trust	3,643	20	(34)	-	(5)	3,624
Total funds with balances > £2m		**84,818**	**22,316**	**(23,149)**	**(354)**	**5,833**	**89,464**
15	Other - 32 funds with balances < £2m	11,069	2,987	(4,142)	105	571	10,590
Overall total		**95,887**	**25,303**	**(27,291)**	**(249)**	**6,404**	**100,054**

17 b Restricted funds — **The Connexional Funds**

		Balance as at 1 September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains / (losses) on investments	Balance as at 31 August 2013
		£000	£000	£000	£000	£000	£000
1	The Fund for the Support of Presbyters and Deacons	7,236	450	(635)	(26)	773	7,798
2	Mission in Britain Fund	2,389	2,195	(850)	101	205	4,040
3	Centenary Hall Trust	3,682	252	(42)	(15)	311	4,188
4	Property Fund	4,346	814	(1,142)	385	317	4,720
5	Training Fund	7,693	4,453	(971)	(1)	741	11,915
6	World Mission Fund	21,683	4,918	(9,298)	(793)	2,449	18,959
7	The Superannuation Scheme for Lay Mission Partners	2,537	72	(2,453)	-	(8)	148
8	North Bank Maintenance	2,810	-	(510)	(2,300)	-	-
9	The London Mission Fund	10,251	1,187	(907)	(5)	813	11,339
10	Methodist International Centre	6,010	4,714	(3,575)	-	-	7,149
11	Guy Chester Centre	4,013	758	(1,186)	2,300	275	6,160
Total funds with balances > £2m		**72,650**	**19,813**	**(21,569)**	**(354)**	**5,876**	**76,416**
12	Other - 31 funds with balances < £2m	9,874	941	(2,546)	(164)	619	8,724
Overall total		**82,524**	**20,754**	**(24,115)**	**(518)**	**6,495**	**85,140**

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

Included in the The Superannuation Scheme for Lay Mission Partners is a pension reserve liability of £2.26m. Investments totalling £2.41m are included in Note 12.

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 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 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 Property Fund

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 Training Fund

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 boarders; (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 Superannuation Scheme for Lay Mission Partners of the Methodist Church

This fund exists to provide a pension for retired mission partners. The latest funding position is detailed in Note 10 of these accounts.

8 North Bank Maintenance & 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. In the future, the centre is designated to become a key source of funding for the Discipleship and Ministries Learning Network.

9 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.

10 The Methodist International Centre

This is a social enterprise which exists to support international and home students studying in London by providing affordable accommodation in a multi cultural, multi-faith environment. In the future, the centre is designated to become a key source of funding for the Discipleship and Ministries Learning Network.

Notes on the purposes of the main funds (continued)

11 The Guy Chester Centre

Please see 8 above.

12 Cliff College

The College was founded in 1883 to provide training for mission and evangelism to people from diverse backgrounds for mission and evangelism. The college is now part of the Discipleship and Ministries Learning Network as a training provider.

13 Southlands Methodist Trust

As part of the work caried 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.

14 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 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2013
		£000	£000	£000	£000	£000	£000
Permanent							
1	Rank Endowment Fund	3,941	-	(9)	400	304	4,636
2	William Leech Charities Fund	7,981	-	-	168	515	8,664
3	Other - 11 funds with balances <£2m	2,097	-	(3)	(546)	158	1,706
Expendable							
4	Methodist Relief Development Fund	5	-	-	-	-	5
	Total	**14,024**	**-**	**(12)**	**22**	**977**	**15,011**

18 b Endowment funds — **The Connexional Funds**

		Balance as at September 2012	Incoming resources	Outgoing resources	Transfers between funds	Gains on investments	Balance as at 31 August 2013
		£000	£000	£000	£000	£000	£000
Permanent							
1	Rank Endowment Fund	3,941	-	(9)	400	305	4,636
2	William Leech Charities Fund	7,981	-	-	168	515	8,664
3	Other - 11 funds with balances <£ 2m	2,097	-	(3)	(546)	158	1,706
	Total	**14,019**	**-**	**(12)**	**21**	**978**	**15,006**

Transfers between funds include amounts transferred with the approval of the Methodist Council.
and where appropriate, the Charity Commission. The major transfers are described below:
During the year permission was obtained from the Charity Commission to release the Arthur Hampshire and William Tattersal endowment funds. Accordingly, £449k and £50k worth of net assets were transferred to the Property and World Mission Funds respectively. As a result of a detailed review of funds, £400k was reclassified as an endowment fund from unrestricted funds to reflect the appropriate nature of these funds.

18 b Endowment funds **The Connexional Funds (continued)**

£168k was transferred from the World Mission Fund into the William Leech Investments 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 a proportion of their annual donation in the associated company William Leech Investments Ltd.

£55k (Benevolent Fund - Deaconesses) was reclassified as a restricted fund following a detailed review of funds to reflect the appropriate nature of the fund.

The Methodist Church in Great Britain

19 a Analysis of net assets between funds	**Unrestricted Funds £000**	**Restricted Funds £000**	**2013 Endowment Funds £000**	**2013 Total £000**	**2012 Total £000**
Tangible fixed assets	7,274	17,155	-	24,429	25,031
Investments	37,413	89,140	14,982	141,535	130,402
Current assets and liabilities (inc. liabilities >1 year)	995	(6,241)	29	(5,217)	(1,417)
Total	45,682	100,054	15,011	160,747	154,016

The Connexional Funds

19 b Analysis of net assets between funds	**Unrestricted Funds £000**	**Restricted Funds £000**	**2013 Endowment Funds £000**	**2013 Total £000**	**2012 Total £000**
Tangible fixed assets	7,274	13,806	-	21,080	22,342
Investments	37,413	78,949	14,982	131,344	121,450
Current assets and liabilities (inc. liabilities >1 year)	995	(7,615)	24	(6,596)	(3,144)
Total	45,682	85,140	15,006	145,828	140,648

20 Expenses reimbursed to the Trustees of the Methodist Church in Great Britain	**2013 £000**	**2012 £000**
Travel and other expenses reimbursed	74	93
Number of members reimbursed	**No.**	**No.**
	84	85

21 Central Stipends administration

Stipends and allowances paid to presbyters, deacons and lay employees totalling £54m (2012: £51m) and reimbursements from circuits and other funds totaling 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).

The administration costs amounting to £9k (2012: £33k) and interest receivable amounting to £33k (2012: £40k) relating to the central payment of Stipends are included in the Statement of Financial Activities.

22 Trustees' remuneration

The trustees listed below (12) were in the service of the Methodist Church in Great Britain (2012: 12). Their aggregate total emoluments including pension contributions for this work and not in their role as trustees amounted to £0.487m (2012: £0.516m). Their appointment as trustees is in accordance with Standing Order No 210 of the Methodist Church.

	2013	2012
	£000	£000
The Revd Dr Martyn Atkins	37	36
Deacon Sue Culver	-	36
The Revd Anne Brown	36	35
The Revd Dr Keith Davies	-	34
The Revd Dr David Gamble	34	-
The Revd Ruth Gee	36	34
The Revd Ward Jones	36	34
The Revd Loraine Mellor	36	34
The Revd Lionel Osborn	36	34
The Revd Peter Pillinger	36	-
The Revd Gareth Powell	37	33
The Revd Dr Mark Wakelin	37	36
The Revd Stephen Wigley	36	-
Mr Doug Swanney	90	-
Ms Christine Elliott	-	85
Mr John Ellis	-	85
	487	**516**

The total aggregate pension contributions for these trustees for the year were £76k (2012 £82k).

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.

	2013 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	30	-	5
Methodist Ministers Housing Society [(a)]	58	-	640	640
Methodist Ministers Pension Scheme	31	-	-	-
Lesnes Abbey Circuit [(b)]	-	-	90	90
Witney & Farringdon Circuit	-	-	337	337
Queen's Foundation [(c)]	-	563	-	16

[(a)] The loans to Methodist Ministers Housing Society and the Witney & Farringdon Circuit are repayable when the related manses are sold.

[(b)] 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.

[(c)] The loan to Queen's Foundation was repaid in full during the year.

Trustees and connected persons (continued)

2012	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	16	136	-	4
Methodist Ministers Housing Society [(a)]	84	-	640	640
Methodist Ministers Pension Scheme	31	-	-	-
Methodist Schools	37	-	-	-
Queen's Foundation [(b)]	5	-	101	101

[(a)] The loan to Methodist Ministers Society is repayable when the related manse is sold.

[(b)] The loan to Queen's Foundation is repayable over a period of 5 years ending August 2015.

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.

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.

The Methodist Church in Great Britain
Trustees and committee memberships

The membership for 2012/13 and for 2013/14 are listed below. New members in September 2012 are indicated with an asterisk (*), and those who are no longer members in September 2013 are indicated with two asterisks (**). New members in September 2013 are indicated with three asterisks (***).

The Methodist Council

The Revd. Caroline Ainger***
The Revd. Dr. Martyn D Atkins
The Revd. Nigel Barton**
The Revd. J A Jade Bath
Ms Rebecca Belshaw***
The Revd. Rachel J Borgars***
The Revd. Christopher P Briggs*
The Revd. Anne Brown*
Ms Megan Bunce*
Mr Adrian Burton**
The Revd. Richard J Byass***
The Revd. Olufemi R W Cole-Njie*
Mr Stephen Cooper**
Ms Gill M Dascombe***
Mr Gerry Davis
The Revd. Rachel D Deigh
The Revd. Graham M Edwards***
Dr. Martyn Evans*
The Revd. David Gamble (Chair)*
The Revd. Ruth M Gee
Mr Andrew G Gibbs
The Revd. David M Goodall***
The Revd. Ruth Goodland**
The Revd. Graeme J Halls*
Dr. Nigel Hardwick
The Revd. Paul Hill*
The Revd. Graham Horsley
The Revd. Kenneth G Howcroft***
Professor Peter D Howdle*
The Revd. Robert Hufton*
Ms Emma Hunter**
Mr Graham Illingworth
Mrs Alison Jackson**
Mrs Jean Jackson*
The Revd. A Ward Jones
Mr Michael P King
Mr Sandy Laurie*
Mr Tim Layhe
Professor David R Matthews***
The Revd. Loraine N Mellor
Dr. Daleep S Mukarji*
The Revd. Edwin T Myers*
The Revd. Gillian M Newton
Mrs Anita Nicholson***
The Revd. Lionel E Osborn
Mr Andrew Owen**
The Revd. Timothy M Perkins*
Ms Ruth Pickles**
The Revd. Peter Pillinger**
The Revd. Gareth J Powell
Mr Richard Saunders-Hindley**
Mrs Heather Shipman***
The Revd. Paul C Smith
Mr Christopher Stephens
The Revd. Dr. Joseph Basappa Suray
Mr Douglas Swanney* (from 1 November 2012)
Dr. Alan Sykes*
Dr. Valerie Turner***
The Revd. Dr. Mark H Wakelin
The Revd. Dr. Roger Walton***
The Revd. David Warnock**
Mr Eric Watchman***
Mr Ian White*
The Revd. Susan Wigham**
The Revd. Dr. Stephen Wigley*
Mr R Arfon Williams*
Mr Richard Wills**
Mr John Woosey**

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

The Methodist Church in Great Britain
Trustees and committee memberships (continued)

The Strategy and Resources Committee (SRC)

The membership for the current year are listed below:

Voting members

Mr Edward Awty (Connexional Treasurer)
The Revd. Stuart Jordan
The Revd. Susan Keegan Von Allmen (from 1 September 2013)
Dr. Daleep S Mukarji (from 1 September 2012)
Mr Andrew G Gibbs (Connexional Treasurer)
The Revd. David Goodall (from 1 September 2012)
Mr Robert Harrison (from 1 September 2013)
The Revd. Eden Fletcher (resigned 31 August 2013)
Ms Alison Jackson (resigned 31 August 2013)
Mr Adrian Burton
Ms Rachael Fletcher (resigned 31 August 2013)
The Revd. Anne Brown (from 1 September 2012)
Professor Peter D Howdle (Chair) (from 1 September 2012)
Dr. Ian Harrison
Mrs Heather Shipman (from 1 September 2012)

Non-voting members

The Revd. Dr. Martyn D Atkins
Mr Douglas Swanney (from 1 September 2012)
Mr Nick Moore (from 1 September 2012)
The Revd. Gareth J Powell
The Revd. Gareth Hill (from 1 September 2012)

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 M Iain Farquhar
Miss Margaret Faulkner
Mr Andrew G Gibbs (Chair)
Mr Malcolm Pearson

Non-voting members

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

Non-voting members

Mr Edward Awty
Mr Andrew G Gibbs
Mr Nick Moore
Mrs Maureen Sebanakitta

The Methodist Church in Great Britain
Reference and administrative details

Names and addresses

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

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

Executive Officers

The Revd Dr Martyn Atkins
The Revd Gareth J Powell

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

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