

**The Methodist Church in Great Britain**  
**Consolidated Report and Financial Statements**  
**for the year ended 31 August 2022**

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## Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

It is a privilege to introduce this annual report, which documents the many and varied ways in which the Methodist Church in Great Britain has faced the challenges of the times and lives out its mission to be an inclusive, evangelistic, growing, justice-seeking church. It highlights the work being done by a number of connexional bodies. The Connexional Team is there to support Local Churches, Circuits and Districts to ensure that our resources are used to fulfil the calling of the Methodist Church. The report points out the work being carried out by the Joint Public Issues Team that guide conversations around complex issues, through to the work being done to make the church net zero and caring for our environment, in which we are entrusted with the responsibility of looking after.

There is a vast range of activity reported here but can I draw attention particularly to the last item, our commitment to become a net-zero Church by 2030. Without doubt, climate change is the biggest issue facing the world today and the greatest threat to the future life, health and prosperity of millions. Our response has three aspects – activities, wisdom and lifestyles. Those three aspects are to be found throughout the report, as we review how we have acted in God's name, how we have learned more of God's will for the Church and the world, and how individual Methodists have lived out Our Calling in daily life. I commend the report to you.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2023

# The Methodist Church in Great Britain Trustees' Report

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

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

## Public Benefit Requirement

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

This guidance sets out two key principles:

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

The Church exists, *inter alia*, to:

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

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

## Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church in Great Britain (MCiGB), as they do not include local church, circuit and district financial statements. The names of the entities included in this report, are listed on the group structure diagram in 'Note 1' of the financial statements on page 47 and include:

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

On the 1 September 2021, All We Can entered into a partnership agreement with Y Care International. Y Care is a charitable company and the relief and development agency of the Young Men's Christian Association (YMCA) movement in the UK and Ireland. Whilst remaining a separate charitable body, all of Y Care's services are now provided by All We Can through a joint staff team. The Trustees of All We Can now form the majority of the trustee body of Y Care and as such, All We Can effectively controls Y Care. In line with Section 139 of the Charities Act 2011, it is not necessary for a charity to produce consolidated accounts when it is itself a subsidiary of another charity. This means that All We Can will not prepare consolidated accounts that include Y

Care International. Consequently, the accounts of Y Care International are included in the consolidated accounts of the Methodist Church in Great Britain in their own right.

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. During 2021/22 the Council undertook a review of the entities under its control. This review confirmed that the above-named organisations have at least 50% of their trustees appointed by the Council, thus demonstrating a level of control. The Methodist Church registered as a charity on 20 October 2009 (charity number 1132208 – ‘The Methodist Church in Great Britain’) when it became necessary for excepted charities with a gross annual income over £100,000 to register.

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

#### Governance and Oversight

*The Constitutional Practice and Discipline of The Methodist Church* (2022 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

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

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



## The Methodist Conference

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

## The Methodist Council

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

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

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

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

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

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering the following funds:
  - The Methodist Church Fund
  - The Connexional Priority Fund
  - The World Mission Fund
  - The Mission in Britain Fund
  - The Fund for Training
  - The Fund for Property
  - The Epworth Fund
  - The Fund for the Support of Presbyters and Deacons
  - The Sabbatical Fund
  - The Pension Reserve Fund;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;

- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council (on the recommendation of the Heritage Committee) are historically significant are scrutinised before going ahead.

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

### The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2021/2022, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three-year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- overseeing the general work of the Connexional Team and reporting to the Council and the Conference;
- encouraging a collaborative style of working to be adopted throughout the Connexional Team; and
- overseeing risk management within the Connexional Team.

### The Audit and Risk Assurance Committee

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

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

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

## Oversight Committees

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

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

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

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

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

**The Ministries Committee**, which reports to the Methodist Council, exists to enable the Church to develop and maintain a strategic vision for the use of ordained, accredited, commissioned and informal ministries and offices, and is accountable for developing and supporting programmes and processes for candidacy, training, oversight and related matters.

**The Mission Committee**, which reports to the Methodist Council, exists to ensure the mission and activities of the Church are in keeping with the response to Our Calling and agreed priorities. It enables the Church to take up various aspects of Mission as expressed in Part 10 of Standing Orders. It explores the challenges and opportunities faced by the Church for mission, local and global, in the multi-ethnic, multi-cultural and multi-faith context that is the society today.

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

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

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



## Other Oversight Bodies

These include:

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

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 61. 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 that are accountable to the Council and the Conference.

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

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

## Proposed Governance and Oversight changes

Following an extensive review of its governance structure, The Methodist Church is proposing changes to its constitution which will move charity trusteeship from the Methodist Conference to a smaller charity trustee body called the Connexional Council. The Conference would remain the governing body of the Methodist Church. The Church has received counsel's advice on the constitutional amendments required to effect the changes and has notified the Charity Commission of the proposals. The Church's prescribed consultation and approval process is currently underway. Once approved, it is anticipated that the changes would be implemented on or around 1 September 2024.

The purpose of the proposals is to enable the Church to better fulfil its calling in the 21st century to respond to the Gospel of God's love in Christ and to live out its discipleship in worship and mission, whilst ensuring that it complies with regulatory requirements and adheres to charity governance good practice. The new Connexional Council would replace the existing Methodist Council and the Strategy and Resources Committee, and other changes to the committee structure are also proposed. The creation of a new Nominations Committee should ensure a transparent and fair process for making committee appointments.

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

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

- 3,850 places of worship, with around 156,710 members;
- the work of around 1,221 active Methodist ministers;
- pupils enrolled in 85 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 1092 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

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

## Key Activities

### The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting held in Telford, in June 2022:

- 19 presbyters and 3 deacons were received into Full Connexion on Sunday 26 June, along with 7 presbyters by transfer. Later that day, ordination services took place in the vicinity of Telford.
- The Conference considered the Oversight and Trusteeship proposals. The Revd Dr Jonathan Hustler opened the presentations, emphasising that not all the discussions have resulted in agreement and that while changing structures will not in itself make the Church more effective in mission, it should free it from what holds it back. The wide-ranging proposals were put before the Conference to reflect more accurately the size of the Church and to reduce the burden of administration on Districts, Circuits and churches. The Conference agreed to reduce the size and duration of the Conference, with effect from 2024. It also agreed to establish a new charity trustee body, the Connexional Council, which will replace both the Methodist Council and the Strategy and Resources Committee;
- The Conference endorsed the establishment of a single new Synod for Wales, in place of the Wales Synod and Synod Cymru. The new Wales Synod Cymru, which is bilingual, came into being on 1 September 2022.
- The Conference adopted Standing Orders to establish the new Justice, Dignity and Solidarity Committee in place of the Equality, Diversity and Inclusion Committee.

## Organisation of the work

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

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

Each of these is reviewed below.

### 1. Building Communities

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

One of the features that will remain with us from the time of lock-down, is the ability to meet remotely. National ecumenical officers continue to participate in regular virtual meetings hosted jointly by Churches Together in Britain and Ireland and Churches Together in England (CTE), where information is shared, and we can pray together. On these occasions the CTE and CTBI programmes and resources are shared. Another group was formed as a spin off from this meeting to plan and act together in solidarity with Ukraine.

Representatives from the Methodist Church in Britain attended the 11<sup>th</sup> Assembly of the World Council of Churches, in Karlsruhe, Germany. In the context of challenging and changing international relationships, our ecumenical relationships in Europe and through the World Council of Churches are opportunities for wider engagement and enrichment.

The Methodist Church in Britain continues to work with our concordat partners, the United Methodist Church (UMC), identifying areas of work where we are stronger together, such as our response to climate change. Together with the World Methodist Council and Global partners the Methodist Church in Britain was able to have a team present at COP26. There were opportunities in that initiative for young people and others to engage and contribute.

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

The Methodist URC Liaison Group continues to meet and seek ways in which the ecumenical relationship can deepen. The 50<sup>th</sup> Anniversary of the URC is to be celebrated at the Westminster Methodist Central Hall. The group continues to work with the United Ecumenical Areas to identify and implement structural support for their ecumenical relationship. This has been made more difficult by the Charity Commission's changes in relation to policies regarding the composition of trustees' bodies. The United Ecumenical Areas continue to share in mission and ministry whilst efforts are made to clarify the structures they operate under.

Fellowship Groups are an expression of the global community present in and under the Methodist Church in Britain. The Assistant Ecumenical Officer continues to work with the Fellowship Groups and diverse languages congregations. They are present throughout the Connexion and are an integral part of the life of the Methodist Church in Britain. With the end of the quinquennium grants for some of the Chaplaincies to the Fellowships, a strategic review is necessary to see how the Fellowship Groups that have received support for their ministry for many years move forward to a different model of operating without losing their connectivity. This work will be now overseeing by the Mission Committee. Another aspect of this ministry is the arrival of people coming from Hong Kong in significant numbers. That has opened an opportunity for new mission initiatives. Work that started in the Northeast Region has grown connexionally and involves many from our churches offering to welcome and support the new arrivals. New groups have been formed, for example in Southwest London a congregation of Hong Kong people has gathered, and numbers are at around 200 people. King's Cross Methodist Church registered a significant increase in its participants with the arrival of the HK people. We seek to put in place coordinating structures for this work of welcoming HK people and offering them a sense of belonging in our churches and communities. The President and Vice-President of the Conference attended and addressed the Fellowships' Residential in September 2022. As well as the Assistant Secretary of the Conference. A Festival of Music, Fellowship and Food took place at the end of October in London.

The Assistant Ecumenical Officer oversees our Inter-Faith work. The desk continues to represent Methodism at Inter-religious events and committees, not least the Inter-Faith Network UK that relates to the Government, trying to influence public policies. Inter-religious work also happens through CTBI, its inter-religious activities and theological reflection group. The Inter-faith work is partnering with the Religion Media Centre to deliver a project for encounter opportunities for church and other faiths leaders with media people. This is to happen in five cities. Two have already taken place.

The Joint Public Issues Team (JPIT) has continued to support the Methodist Church to speak and act on issues of justice and peace.

Amplifying the voice of local churches, JPIT has coordinated cross sector campaigning on the cost-of-living crisis. They have worked with other faith groups, charity leaders and grassroots church projects to call on the government to ensure everyone has enough to live through the winter, particularly urging support for the poorest households in communities across the UK. In doing so, they have connected the vital work of service Methodist churches do across the country to provide foodbanks and other services, with a call for justice for the poorest and most marginalised in our communities.

JPIT have also coordinated interfaith support for welcoming refugees, including bringing together over 1000 faith leaders from across the UK to write to the Prime Minister about the Nationality and Borders Bill. They have supported churches to speak and act on the climate crisis, through the launch of the Net-Zero in my Neighbourhood resources, inviting churches to work with their Local Authorities for change for creation.

Continuing work to resource and equip local leaders, they gathered online and in person for their national conference in June, as well as providing Lent and Advent resources exploring themes of poverty and inequality in the UK and around the world.

The restructuring of Publishing Services continued in 2021/2022. We have reduced the in-house staff team and increased the pool of freelance editors and designers we can draw on. This will allow us to be more responsive and to engage an appropriate editor or designer according to the user and product in question. It also means that costs can be more easily tracked by product and production bottlenecks can be avoided by flexing capacity.

As we build on the strategic move to 'digital first' production, we are working closely with the Communications team to ensure programmes consider electronic outputs as their primary publications, but that electronic and any print resources are developed together and we have consistency between online messaging and printed resources in tone and visual identity as defined by our 'brand book' – a major output from Publishing Services and the Communications team, completed for the Connexional Team's use in August.

Each year we publish many routine but essential publications, such as diaries, *CPD* and *Minutes*, *Stewards'* and *Superintendents' Handbooks*, and safeguarding training resources. In addition, we create a number of recurrent and staple resources, such as *the connexion* magazine (four issues per year), and the *Methodist Prayer Handbook*, but which we are continually aiming to iteratively develop and improve. During the pandemic, we reduced circulation of *the connexion* to one copy per subscriber, but in June resumed printing up to 65,000 copies to meet large volume orders for onward distribution via local churches.

We also published a wide range of one-off resources to support key themes across the Church. These included *Six Steps to Net Zero* and the *Inclusive Language Guide*. For core areas of Our Calling, one-off publications for worship included *Hymns as Prayers* and a new record book and cards for recognising marriages; for mission, Festivals resources; and for ministry, the *Guide to Ministerial Development Review*; as well as publications to support communities establishing new places for new people, and seeking pathways for evangelism and discipleship, such as *Intergenerational Prayer Cards*.

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

In Connexional year 2021/22 we worked with nineteen local projects across the Connexion in the development of placements for Young Adult Leaders for the One Programme Leadership roles (OPL). Starting in Connexional year 2022/23 we have seven OPL placements (One Programme Leadership for Young Adults) they are based in a diverse selection of Projects. There are currently five fulltime placements and two part time. The programme invests intensively in young leaders in a placement context providing support, mentoring, and training over a year. The project makes an impact on the placement and the person in the role. The intentionality is to grow and develop confident Skilled Leaders at the same time enabling the Young adults to shape and influence the project they are based in.

This year's roles are;

- Football and Faith Worker
- Chaplaincy Worker
- Early Years and Family Engagement Worker
- Pioneer Worker with Mother House
- LGBTQI+ Community Link Worker
- Community Faith and Sports Worker
- Children and Families Worker/ Youth and Young Adults Worker

The Current OPL Development Officer Role is vacant as the previous incumbent has moved to a new role at Cliff College. We are suspending recruitment for Connexional Year 2023/2024 while we review the Role and how it sits in a wider strategy of supporting and Developing Young Adult Ministry.

### **The Leadership Year**

This programme is now in its third year, and we have launched this out across the Connexion and have encouraged Circuits and Districts to sponsor Young Adults to attend. We currently have a cohort of 20 Young adults on this Year long programme that provides Training on the Christian Characteristics of Leadership and Mentoring of Young Adults in a Leadership Role. This year's cohort are made up from: Six Young Leaders from across the Connexion, including One Global Fellow; four young leaders from the Chinese Methodist Church in Brunswick; seven OPLs; five Cliff Year Students; the Youth President, and the Cliff College Student President.

### **Youth Mental Health First Aid Training**

As an investment in our volunteers across the Connexion we continue to provide three training sessions per connexional year offering spaces at a subsidised rate. We also offer free related training on topics such as understanding Trauma.

### **3Generate Children and Youth Assembly**

We exceeded our target for bookings for the 2022 event and have grown the event in size since 2021 at our new venue NEC was launched. With over 1200 children and Young people, 456 group leaders and 252 volunteers attending this year. There was a vibrant atmosphere with a diverse and engaging programme and a feeling of God moving in the church. After the 2021 event Caravan and Camping Magazine asked us to enter an article about our indoor camping villages at 3Generate. They were interested in the innovation of indoor camping and that we are using recycled tents from Festivals.

As groups registered and entered the venue there were gasps from children, young people, and leaders on the size of the event and the joy of gathering with so many Methodist groups. We continue to develop the 4-7-year-olds intergenerational section of 3Generate expanding the day event into the main venue and this also grew in numbers this year with 100 participants.

The Theme of 3Generate is to Tune into God. We had a varied and diverse programme at the event that included a wide variety of topics to explore. One of the NEC security guards asked, "what is God saying?" to which we responded, "there is hope".

We invest in our group leaders (those that give their time to bring Young people to the event) at 3Generate by not charging a fee to leaders to attend and the provision of The Well relaxation and resourcing space at the event.

We also invest in our volunteer team who give of their time freely and ensure that we cover travel costs. As a part of equipping the volunteer team we continue to provide Unconscious Bias and Accessibility Training to all. We also brief on Safeguarding and Youth Mental Health First Aid.

We have strategically worked on accessibility and diversity at the event and have seen an increase in engagement at the event that covers the different EDI categories. Our accessibility team work hard to ensure that there are no barriers to attending or participating in the event. And we also offer support during the event we have sign interpreters, a dedicated accessibility team, and we hire in specialist equipment to enable access to the event.

### **Development of Training Resources for Youth, Children and Family**

In the autumn of connexional year 2022/2023 we will be Launching Ministry Essentials for Youth Work in partnership with Youthscape and providing training for trainers of this Course. The Course is based on Leadership Characteristics, insights and Skills for this Ministry and encourages the building of personal Faith development and reflective practice of leaders and Confidence in talking about Faith.

We are also currently developing a training Pathway for Children, Family, and Intergenerational Ministry with an ecumenical Children's Ministry network and in partnership with Cliff College. This

will be hosted on Theology X platform and will initially be trainer facilitated. The Pathway includes insights into the Childs world and life, Skills, and Reflective practice and personal Faith development. This will be launched in autumn 2023.

### 3. Evangelism and Growth

It has been two years since *God for All: The Connexional Strategy for Evangelism and Growth* launched in September 2020. Overall engagement has deepened in the past year: participation in the key programmes has increased; every district is formally in the process of planning new Christian communities (New Places for New People); focused attention has been given to accompanying superintendents as missional leaders; and the Evangelism & Growth Team has visited more than 100 circuits for online or onsite meetings.

Some key highlights:

- **A Methodist Way of Life:** At Conference, at Superintendents' Conferences, and at different District Synods, the interactive, flexible and adventurous nature of this discipleship framework has been exceedingly well received. Work is now underway to journey with several pilot churches, the Learning Network and District Missioners to create a 'toolkit' to support local churches in utilising the framework in their churches for the benefit of flourishing cultures of deep discipleship.
- **Evangelistic engagement:** We're equipping churches to become more evangelistic by actually doing evangelism. We've led Connexion-wide teams at The Fringe and Greenbelt, Cliff Festival and 3Gen. We're thrilled that churches are using Connexional E&G resources to plan their own evangelism at agricultural fairs, arts and music festivals, Pride, and other events.
- **Church at the Margins:** New Church at the Margins advocates and practitioner online networks for Coastal, Rural, and Urban contexts have been set up, building upon the past year's consultative work. Three Introductory courses on the core practices of Community Organising are planned onsite at Cliff college. A renewed partnership with Fresh Expressions has been set up and includes supporting coaching and online ecumenical gatherings exploring fresh expressions of Church at the economic margins.
- **Rural mission and ministry:** The new Rural Hope network continues to grow and strategically shape the rural content of all work, from initial ministerial formation to ongoing support to lay and ordained leaders.

As we begin the third year of God for All, the Evangelism and Growth Team has begun a review and evaluation of the impact of the Church's engagement of the strategy thus far, with two goals: (1) to gather feedback – celebrations, challenges, and big questions – from across the Church, in order to embed learning; and (2) to prepare for a potential second major season of God For All (2025-2032) – not a simple extension of the current strategy but, if Conference welcomes it, an integration of the evaluation and energy of the first five years towards a refreshed and refocussed strategy through to the centenary of the Deed of Union in 2032.

### 4. Global relations

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

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



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

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

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

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the global Church. These short-term Programmes were suspended because of the pandemic, but we now have begun to re-open them with the caveat that sending any Volunteers for a 3–12-month period on the Encounter Worldwide programme or supporting a Minister to spend their sabbatical with a Partner Church or Organisation, must be led by any needs of the Partner that could be served rather than by the desire of the person offering to serve abroad.

We have one Global Mission Fellow (GMF) serving MCIgB from the USA, and one British Methodist serving the Methodist Church in Ireland (MCI). We had been running a pilot project with the Council of Evangelical Latin American Churches (CIEMAL) to have an Evangelist work for three years in MCIgB; sadly, the evangelist curtailed his appointment after two years and we are reviewing the programme.

We hope to resume supporting short-term group visits to learn from and interact with a Partner Church or Organisation, through our Encounter Together programme from early 2023.

The World Mission Fund supported five out of the six COP26 Workers, in a programme which was embraced by the World Methodist Council. The team met at COP26 in Glasgow, having built momentum for their campaign, 'We believe in Climate Justice 4 All', online. The team produced eight short films ([here](#)), along with Worship Resources from around the world, and built up a network of climate activist volunteers in over 20 countries. They prepared a Global Declaration, signed by Church Leaders, representing different countries and regions, and by the World Methodist Council, the Pacific Conference of Churches, the United Methodist Church globally and the European Methodist Council; this called on governments, especially of the nations which are responsible for higher use of fossil fuels, to reduce carbon emissions, and for nations to contribute to support poorer nations cope with the effects of climate change and move towards cleaner energy.

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

With MCI we have jointly hosted online conversations with all our Partner Churches and Organisations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts. The final report has been presented to the Global Relationships Committee which will now make recommendations for implementation.

During the 2019-20 and 2020-21 Connexional years, we increased the (£250,000) budget for Solidarity grants to help Partners in their response to the requests for assistance due to the



social, economic, psychological and physiological effects of COVID-19. This last Connexional year we have stayed within the Solidarity Grant budget; however, we have still given grants towards providing food, medication, school equipment and Church staff wages to 7 Partners responding to the ongoing impact of the pandemic. Other Solidarity grants this year have been for support in such things as floods in India and Pakistan, petrol tank fires in Sierra Leone and Haiti, the volcano in Tonga and the cholera outbreak in Cameroon.

In November 2021, we offered Essential Assistance Grants to over 30 Partners who had been receiving Annual Grants from the Church for many years. This was to help Partners in extreme cases, where external support was essential for the Partner in the year ahead to operate at a minimal level. This was intended to tide Partners over to this new Church Year when we hope to begin to support our Partners with one off Capacity-building Grants as we use grant-giving to take the World Mission Fund to its reserve level in just under 2 years' time. This could be financial capacity through income-generating schemes, IT capacity, or leadership capacity. These could be large grants, especially targeted to where we can help vulnerable Partners, targeted to areas when we can have the greatest impact, or to Partners working together over a project for mutual benefit.

Throughout, we recognise that there is much lacking in the Church's capacity too. Decisions on Grant-giving are now all made by the new World Mission Fund Grants Committee, formed 12 months ago, chaired by a member of MCiGB with one other MCiGB member, plus someone from MCI, with whom we do much global work jointly, and then 2 persons from each of the regions as we relate to them: i.e., Someone from Fiji, Hong Kong, Ghana, Rwanda, Germany, Portugal, Peru and Panama. Working online, this has proven a good way to genuinely involve representatives from our Partners in significant decision-making.

We have held Joint Appeals with All We Can for Ukraine and Pakistan. We have also run an MCiGB only Appeal for Sri Lanka as it endures economic crisis, as this did not meet All We Can's criteria for a Joint Appeal but is a country where we have a strong historic link with the Methodist Church, Sri Lanka (MCSL). This Appeal gives members of MCiGB the opportunity to support the MCSL's Samaritan Journey Programme, to which we have given a Solidarity grant, but which attends to needs which far outstrip what a Solidarity grant from us can do. This as a pilot and will need to review how it has gone.

British Charity Commission regulations on Safeguarding have meant that, as well as requiring our Partners to sign the International Principles which we jointly drafted and which have been signed by MCiGB, we now also need each Partner to have a Safeguarding, or, at least, Child protection Policy, before we can release any grants. We have appointed one of our Mission Partners, based in Togo, to spend 80% of his time supporting any Partners who request help with this, or who request any support in Safeguarding training. We continue to gather accounts of good practice in Safeguarding from our Partners for mutual learning.

We are continuing to encourage British Districts to twin with Partner Churches or parts thereof. We have produced online training to supplement our guidance.

We received representatives from several of our Partner Churches at this year's in-person Methodist Conference and had fruitful discussions at a 2-day Pre-Conference Consultation around topics chosen by our Partners.

We produce worship resources for Churches to explore the Presidential theme from the perspective of our global Partners.

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

All We Can, the relief and development charity of the Methodist Church in Britain, helped transform the lives of more than three hundred and fifty thousand\* people between 1 September 2021 and 31 August 2022. By working in partnership with our global neighbours most impacted by disasters, poverty and injustice, All We Can seeks to enable flourishing and resilient communities and unleash potential.

In the 2021/22 financial year, All We Can partnered with 24 local partners in 8 countries. All We Can works together with talented local organisations who are rooted in their local communities – helping them not only respond to the needs they are facing, but also supporting them with capacity development, training and resourcing. All We Can works in partnership with these local organisations for many years, often over a decade, leaving a legacy of thriving and robust organisations. While no partners have graduated partnership this year, an Indian partner is in its final year of partnership, approaching graduation in November 2022– equipped with the skills they need to thrive and continue to work sustainably with their communities.

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

Our major focus of our advocacy work has been focused on the importance of decolonising the aid sector, and modelling and influencing others to adapt a locally led partnership approach to development. All We Can was a pivotal partner in the development of research and working groups through the BOND network (the UK network for organisations working in international development), working to develop a comprehensive framework and guidelines for organisations willing to change their way of working. The approach puts local organisations and communities, in low- and middle-income countries, in the lead, to address poverty more sustainably and responsibly. This work will result in new and measurable sector commitments, transformative change that acknowledges the intersectionality between racism and colonial models of aid, and a toolkit that will guide organisations through the process of developing a tangible action plan to change the way support is given around the globe.

Through the joint Emergency Ukraine Appeal, All We Can and the Methodist Church in Britain launched our most successful appeal to date, raising over one million pounds. This supported several organisations providing vital housing, medicine, mental health and psychosocial support. This support will continue pertaining to winterisation over the coming months (including insulation materials, solid fuels, electronic stoves, coats and blankets) and we have agreed to ring-fence a significant proportion for the longer-term recovery interventions.

We also responded to the impact of Cyclone Ana in Malawi which caused widespread flooding in January this year and supported responses to the Haiti earthquake which occurred in August 2021. The devastating floods in the summer of 2022 in Pakistan also required response and an ongoing appeal is active for this humanitarian emergency.

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

\*Final impact figures are contained in the All We Can's 21/22 Trustees Report and Accounts and the Annual Review. Figures given indicate direct, individual impact only.

## **5. Learning network**

The last year has continued to see the successful development of a joined-up delivery programme of online learning and development across the Learning Network team. This programme offers a range of options for local church leaders, lay and ordained, to engage with learning and development consistently across the connexion. The programme includes: Biblical and Theological Literacy, Circuit Stewards training, Exploring your calling, Line Management and Lay Employees, Leadership, Positive Working Together courses, Supervisors and Supervisees, Supporting Rural Churches, Unconscious Bias and Worship Leading and Preaching support. The programme will continue to be developed during 2022-23.

Work continues developing our online learning platform, MCBX, which is based on the Theology X platform, including the development of a new mandatory JDS module, Unconscious Bias, Church and Circuit Stewards training, introduction to Methodism training, ongoing Safeguarding Advanced Module training.

Learning Network staff continue to work closely with colleagues in both the Mission and Ministries team in supporting and resourcing learning and development in all aspects of the church's life including working closely with the Evangelism and Growth team on the development and delivery of the God for All strategy, Children Youth and Families, Chaplaincy, Supervision and Worship Leading and Preaching including the successful development of the online Explore session programme and Summer and Spring schools. A rolling programme of eight modules, has been established, for ongoing professional development for those accredited as Supervisors. Work with the Conference Office has enabled the ongoing support and development of training for both Safeguarding and the delivery of the strategy for Justice, Dignity and Solidarity. Work on the mandatory JDS training has been a key aspect of this work.

The Reconciliation and Mediation Team (RMT) pilot project, in the Eastern region, London region and North West and Mann region, has continued to develop successfully. Working closely with Place for Hope in delivering this project is already resulting in positive outcomes in the areas where the project is offered with a range of referrals in all three regions. The project is delivering on all the aims and objectives that were set and a formal review of the project is planned for 2022-23 with a decision on extending the RMT project across the Connexion.

Working with our team of MHFA trainers we have developed a programme of Mental Health First Aid training delivery this year. The 11 trained trainers have continued working towards their final accreditation during this year. Further regular training is being planned for 2022/23.

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

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

The following are just a few of the actions that the Council carried out during 2021/2022 in accordance with its governance responsibilities.

- It adopted the corporate risk register.
- It adopted the updated anti-fraud policy and fraud response action plan.

- The Council received reports from many committees, revised their terms of reference, and made appointments and nominations to various bodies and committees.
- It approved amended memoranda of understanding with linked organisations.
- It oversaw, on behalf of the Conference, the purchase of a new building for Methodist Church House and the sale of the existing premises.

### **Safeguarding**

The Church remains fully committed to ensuring best safeguarding practice is followed throughout the organisation. The Church participated in the Independent Inquiry into Child Sex Abuse (IICSA) and responded positively to IICSA's interim recommendations relating to child protection in religious organisations and settings when they were published in September 2021. IICSA's final report was published in October 2022 and the Church has taken careful note of the recommendations made.

### **7. Ministries**

The ministries team have been working to begin the implementation of the Candidating Review. This includes delivery of an Explore phase which will enable people to reflect deeply on their vocation and calling to ministry and will involve the production of new vocational exploration materials, recruitment and training of accompanists. This is both needful and the thorough going change which will both widen access and shorten the candidating period.

We are designing a reading guide to "The Covenant Relationship between the Church and its Ministers: Commitments and Expectations", agreed at Conference. This will encourage intentional conversation between ordained and lay that will lead to mutual support and up building in ministry.

New competencies for Local Lay Pastors, again agreed at Conference, will embed this significant new office in the life of the church.

There is ongoing work in the ministries team around a "voices of identity" project which has gathered the voices of ministers in specific contexts and situations, to reflect on learning for the church. The Ministries Committee received a report, which will lead to further thinking, reflection and action, on the experience of British born people of colour within the candidating process.

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

Queen's leads the Church's responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen's Connexional Course), and circuit-based learning (CBLP). In the year 2021/22, the Foundation worked with 65 student presbyters and deacons and 40 probationer ministers, along with 14 ministers continuing to work towards degrees after ordination. These groups combined represent around 40% of Queen's learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen's offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT. It is striking and gratifying to note that all probationers who left Queen's in 2020 and 2021 sought permission to fulfil the studies element of their probation at least in part through Queen's, whether on accredited or non-accredited routes.

Queen's continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world's best. Queen's continues also to cherish its

connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period, especially through projects and initiatives funded through the Methodist Church's Global Relationships work. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation's life, offering courses at undergraduate and postgraduate levels to students across Britain.

Under the leadership of Professor Clive Marsh, the Foundation has weathered the very challenging pandemic period, and a large staff turnover, and is well-positioned to advance its offer in online learning, theological exploration and ministerial development. Further work is being undertaken at present to implement new systems for the review of Methodist tutorial staff appointments, to oversee workload, and to deepen the working relationship between the two Network Centres at Queen's and Cliff College.

### **Cliff College**

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

The Cliff Committee continued to pursue the business plan formulated through Vision 21 and move the work of the college forward to meet future needs. The difficulties of the Covid-19 pandemic have found Cliff well placed to respond with creativity and flexibility, especially when there was a need quickly to move courses online. The Connexion had now finalised an ongoing business plan for the use of a new dedicated Virtual Learning Environment, housed within TheologyX, Cliff's online learning tool. This has already enabled the use of digital training resources for the needs of the Church, something which we now anticipate will grow significantly across a range of skills and areas. As the Church implements the Conference's decisions around new patterns of ministry, the College will be key to rolling out a new programme of training for Local Lay-Pastors, and in resourcing Connexional priorities. The Cliff Festival returned to an in-person format in May/June, with a theme focussed on the late Queen's Platinum Jubilee and involving cross-Connexional engagement.

During 2022, a thorough-going review of the College's work and alignment with Connexional priorities and wider concerns led to a systematic and strategic restructuring of the staff team, including extending Connexional Team membership to the Senior Management Group, and the creation of key roles in leadership. It is intended that this will lead to a clearer working relationship, building on the Shared Mission Plan, a stronger sense of shared priorities, an intentional Methodist 'offer' through Cliff to the wider Church, and a more dynamic and joined-up joint mission in theological education and vocational formation.

### **Southlands Methodist Trust**

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

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

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

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. In this a tribute and debt of gratitude is owed to Stuart Brenner, the Archivist, who died earlier in the year.

A particular highlight of 2022 was the celebration of Southlands' 150<sup>th</sup> anniversary, marking its significant contribution to the teaching profession and to educational progress. A range of events took place in February and June, including a Gala Lunch, addressed by the Vice President of the Conference, a visit from overseas guests, and a service and lunch gathering which included many former alumni, and was addressed by the President of the Conference.

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

## **8. Property**

During the year, the Connexional Property Team (CPT) has continued to build upon relationships established during the early days of the pandemic in 2020. This has included working closely and supporting colleagues across the Connexion and promoting the team's availability for support to churches, circuits and districts in the use of their property assets.

As with last year, the team continued to provide guidance for the use of church property under the government's Covid-19 restrictions on the main property page of the Methodist Church website. It was reviewed, and updated as required, weekly. With the removal of all restrictions during 2022, this is now available on the general guidance page on the property website. Support to Managing Trustees and Ministers for church development projects has increased during the year, benefitting from hybrid forms of meeting and communication developed during the pandemic. This has reduced travelling and increased the time available and offer of support to a wider geographic area. By year end, property development support could be broken down proportionately into the following areas:

- 3% support to districts
- 8% support to circuits
- 22% support on connexional properties



- 33% support to churches looking at mission and development or reordering
- 14% support to churches looking at larger mission and redevelopment projects
- 3% support to churches looking at property sales
- 6% support to churches looking at new churches' buildings
- 3% support to churches with building alterations and technical issues
- 8% support to churches looking at broader future plans in relation to property

Two key pieces of guidance for churches were launched this year:

- Property Development Pathways - [Property Development Pathways \(methodist.org.uk\)](https://www.methodist.org.uk/property-development-pathways), which provides a full set of guidance for those undertaking a property project from initial Mission Planning through to Project Completion; and
- Get Your Building Down to Net Zero - [Net Zero Carbon \(methodist.org.uk\)](https://www.methodist.org.uk/net-zero-carbon), which is a development of the Action for Hope work and focussed on the practical building options for churches looking to lower their energy usage and carbon footprint.

The CPT were also part of the wider Connexional group, with TMCP, who brought together the guidance for those wishing to take part in the Homes for Ukraine scheme.

Several pieces of work were progressed on Connexional property projects including:

- Completion of RIBA Stages 1 and 2 of the refurbishment project for the Connexional Team's new offices at 25 Tavistock Place, following its purchase in 2022;
- Work commenced to secure temporary accommodation for the Connexional team at Church House Westminster following the sale of MCH 25 Marylebone Road;
- The conversion and fit out of Camden Town Methodist Church as the new Wesley Camden hotel has progressed and has an expected completion in October 2022.

We are pleased to report that the project funded through the government's £2 billion Culture Recovery Fund, and enabled by the property team, led by the Connexional Conservation officer, and supported by TMCP is now complete. It saw Historic England grant £420,000 in funding for major repairs at St Saviourgate in York, a Grade II\* Methodist chapel and school rooms, which will enable them to continue and expand their mission work in the city centre.

The CPT continue to provide support and input into a wide number of working areas of the Connexion including Central Hall Manchester Management Committee and its current feasibility study; the Superintendents' Conferences; LBAC; PDC; CMT; the Housing and Homelessness Working Group/Citizens UK; Trustees Legal and Governance Committee; Probationer Minister training at Queens Foundation and presentation at a TMCP Trustee day.

The CPT benefit hugely from the collaborative work with the District Property Secretary network and the CPT have been able to building on this through organising three online training events for DPS's in November 2021 and March & July 2022 with a mixture of speakers.

In terms of connexional resources, the Feasibility Fund, by the end of this year had distributed £56,777 to those who applied; this provided funding to churches at the early stages of exploring future uses of their property for mission (60% of the total costs up to max. £10,000).

## Grants

As agreed by the Council the connexional grant-giving processes have been redesigned, in particular those grants which were made from the Mission in Britain Fund, the Fund for Property, and the World Mission Fund. These changes have enabled streamlined and efficient processes in respect of the three funds which were previously under the oversight of the Connexional Grants Committee. Legacy grants previously agreed by the Connexional Grants Committee continue to be honoured and the monitoring of their impact and gathering of learning from them being undertaken by the relevant part of the Connexional Team and reported to the Strategy and Resources Committee.

### World Mission Fund grants £568k (2021-22)

2021-22 is a period of transition for the Methodist Church in Britain's relationships with our global partners, and in particular for the World Mission Fund.

The Annual/NMA/SALT grants are no longer given from the World Mission Fund, although existing NMA and SALT grants are being honoured for the agreed duration.

From September 2021, the grants we made were:

- *Solidarity Grants*, a grant offered to show our support to a Partner in a crisis. This grant now continues the work of those grants previously called General Grants
- *Essential Assistance Grants*, a grant given to Partners only in extreme cases of longer-term organisational need

Thirty-three applicants qualified for £567,550 for the Essential Assistance grant. In addition to that, there was a downward trend in the number and amount of Solidarity grants given in 2021-22. It decreased from 31 General grants totalling £371k to 21 Solidarity grant totalling £239k, with seven (£88.6k) of the grants awarded specifically for Covid-19 related work.

### Plans for the future

The Methodist Church's amended governance and oversight proposals are outlined at the start of the report on page 8.

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

1. Proclaiming the gospel through worship/ the ministry of the whole people of God in the life of the world.  
Continuing to reflect on the impact and effectiveness of online worship including online communion.
2. A Church for all people / The Inclusive Church.  
Implementing the action plans of the Justice, Diversity and Solidarity Strategy to ensure the Church as a whole becomes a more welcoming, diverse, and tolerant organisation. Continuing to ensure our churches are places of safety for all people.
3. God's Church in God's world / Striving for justice and peace.  
Starting to implement the Church's net zero carbon emission targets whilst enabling the Conference to make decisions about the priorities for Methodist engagement in justice seeking,
4. Evangelism / God for all.  
Working with Districts in the year ahead to increase our engagement in sharing the gospel in new ways, striving to work with those in the most marginalised communities in our world.
5. Resources for the Church: the use of God's gifts.  
Updating the Guidance for the use and disposal of redundant property ensuring mission is considered, taking forward the proposals to create new Committee structures as directed by the Conference.
6. Responding to the gospel in partnership.  
Working with the wider Methodist family to strengthen our impact in communities together. Linking the work of Methodist schools together. Working together with ecumenical partners.



## The Environment

### Action for Hope: care for creation

The Methodist Church has set an aspirational target of becoming a net zero carbon emissions church by 2030. Many districts, circuits and churches have already begun to work towards net zero goals, an Eco District award, or other aims in caring for creation. We call this work [Action for Hope](#).

The Methodist Church has decided to initially focus on three key areas:

- Faith-consistent use of assets – including investments, purchasing power, buildings and land.
- Wisdom – including theology, liturgies and prayer.
- Lifestyles – including traditions of simple living.

### Assets

We have committed that by 2030 all travel, electricity and gas directly funded by the Church will have net zero emissions.

Much has already been achieved in recent years, notably in our investment policies and our support for [EcoChurch](#) and [EcoCongregation](#).

There is property guidance online for churches seeking to reduce the carbon emissions of their buildings, including guidance for listed and historic buildings, and new building projects.

### Wisdom

The main resource available is [Hope in God's Future](#). The report offers not just a statement on our approach to climate change but resources for small group reflection and whole-church conversation.

The resource highlights the goodness and interconnectedness of all God has made and this, together with the theology and practice of good stewardship, informs much of the work of the Connexion – from Oversight and Trusteeship, to the emphasis of the JDS strategy on the need for a fairer approach to Christian life together.

In addition, [God's World, Our Home](#) is a resource specifically tailored for children and young people, encouraging and equipping them to take climate action.

### Lifestyles

Several resources will be released in the coming months and years to support Methodist members and adherents to reduce their carbon footprints, particularly via the three key areas of energy, travel and diet (the biggest contributors to individual emissions).

Some resources are already available from the Joint Public Issues Team, including advice on ethical shopping and the Living Lent programme.

## Remuneration of Key Management Personnel

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

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus

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

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

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

## Fundraising Activities

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

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

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

The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means. It also acknowledges the generous support of the Benefact Trust which has provided grants of £1.28m during the 2021/22 financial year.

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

## Financial Review

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

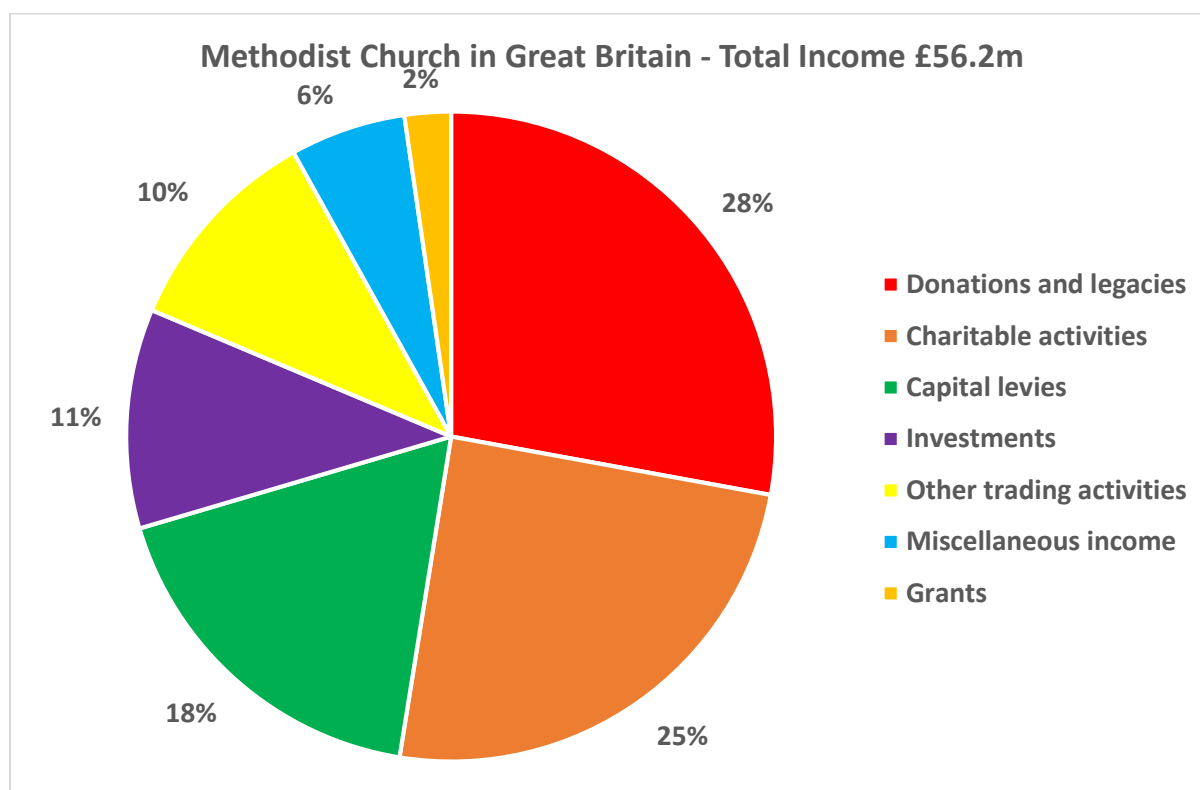
The net income for the year was a deficit of £2.6m (2021: £23.6m surplus), including net investment losses of £12.0m (2021: £22.7m gain). This investment loss largely reflected the deterioration in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These reductions reflected the unstable market conditions in year as the country suffered a further Covid-19 lockdown and war in Ukraine disrupted the energy market and supply chains.

Other recognised losses for the year were £8.4m (2021: £13.2m gain). A £1.9m loss (2021: £12.3m gain) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 88). A £6.6m loss resulted from the revaluation of the Church's charitable property. This was primarily due to a change in the valuation assumptions for the North Bank Estate.

### Income

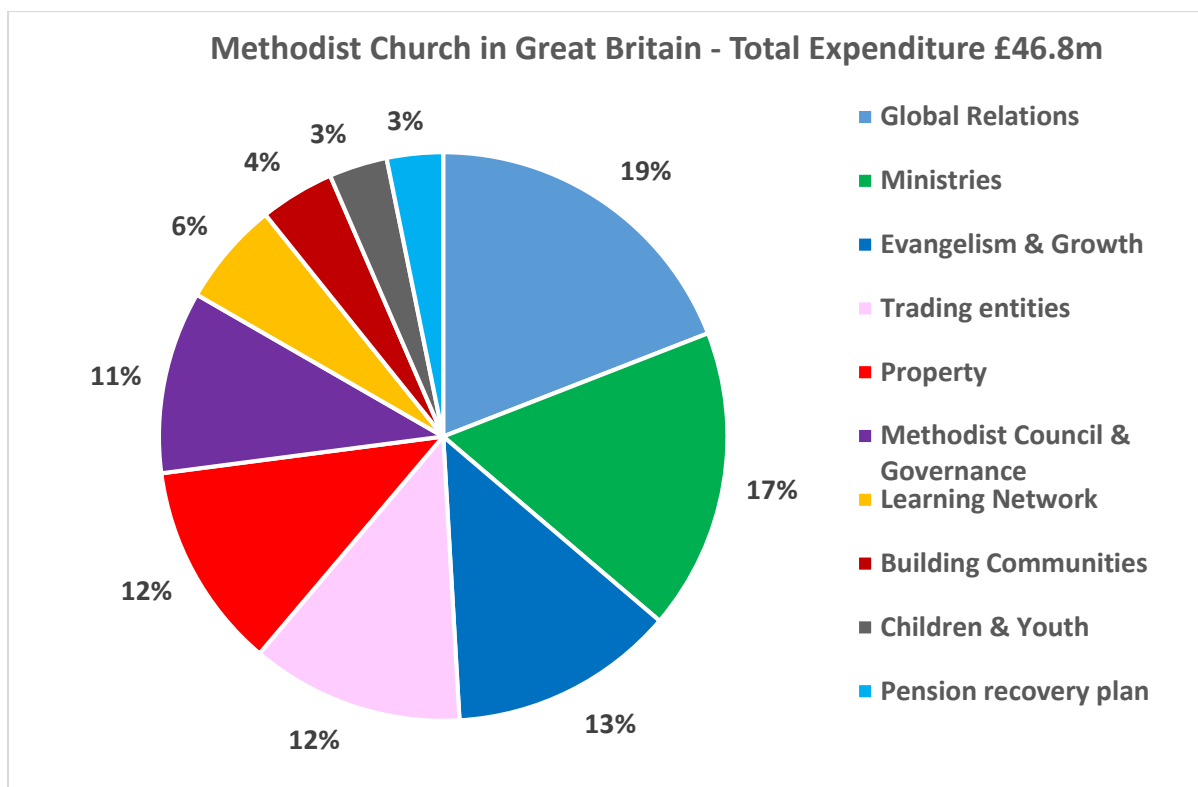
The total income for the year was £56.2m (2021: £40.3m) an increase of 40% compared to the previous year. This was mainly due to the following:

1. A £0.5m increase in legacy income.
2. Donations to the Pension Reserve Fund of £7.2m in response to an appeal made by the Methodist Conference.
3. Increases in investment income despite the difficult market conditions.
4. An increase in trading income as the activities at MICL (increasing hotel occupancy) and Cliff College (courses and events) recover following the pandemic restrictions in the previous year.
5. A £2m gain from the sale of Methodist Church House.
6. Additional income as a result of consolidating Y Care international into the accounts.



### Expenditure

Total expenditure increased to £46.8m (2021: £39.4m). Of this, £41.2m was spent on direct charitable activities (2021: £35.4m). The increase in expenditure was largely due to payments to the pension schemes agreed as part of the 2020 Valuation. The other notable expenditure increase was the consolidation of Y Care International into the accounts and additional grants being made by All We Can.



## Reserves Policy

The total value of funds held at 31 August 2022 was £279m (2021: £290m). There are restricted reserves of £138m (2021: £149m), unrestricted reserves of £122m (2021: £118m), and endowment reserves of £20m (2021: £23m).

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council.

### General funds

There are five main unrestricted funds:

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

At 31 August 2022, the balance of the unrestricted general funds was £53m (2021: £53m). Of this £50m (2021: £41m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £27.3m of tangible fixed assets and £22.7m of investment properties. The trustees approved a reserves balance of £7.5 million. This would ensure that there is always sufficient cash or near cash at hand to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur

irregularly or are delayed or accelerated. At 31 August 2022 the free reserves balance was £10.7m (2021: £12.3m).

### Designated funds

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

At 31 August 2022, the designated funds totalled £69 million (2021: £66 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£11 million
• Epworth Fund	£7 million
• The Pension Reserve Fund	£50 million
• Others	<u>£1 million</u>
<b>Total:</b>	<b>£69 million</b>

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

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and they designated an amount of £5 million for this purpose. In 2021 the Methodist Council amended the reserves policy to £1m to allow the capital balance of the fund to be used for missional purposes. This amount allows for one year of existing commitments to be maintained (allowing sufficient time for arrangements to cease funding to be put in place).

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

At 31 August 2022 the reserves position on the designated funds is above the policy by £15.2m (2021: £16.5m). Excess balances have been allocated to the delivery of *Our Calling* and the God For All Strategy over the coming three years and investments in Information Technology. The balance held in the smaller designated funds is detailed in Note 19c (page 80) in the notes to the financial statements.

### Financial risks

The Council's general reserves enable it to make long-term commitments to projects, and to protect its work against adverse financial events. A formal review of the reserve levels takes place every three years. In the intervening years the Strategy and Resources Committee (SRC) considers the impact of the financial risks associated with the income and expenditure streams and balance sheet items and assesses the appropriateness of the reserve range. This allows time for fundamental restructuring, in the event of a major downturn, and to protect the current programme of work from unexpected demands. The goal is to plan for the effective deployment of the available financial resources to achieve the strategic objectives of The Methodist Church (see page 3).

The Council is faced with the following financial risks:

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

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

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left several circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference reduced the Assessment by 1% in 2021/22 and a further 2% in 2022/23. Given the current level of inflation and economic turbulence, the Methodist Conference indicated that an intended cut of 3% in 2023/24 is no longer likely.

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

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

A key financial risk faced by the Church is the level of the deficit within the defined benefit pension schemes. To mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference as a fund outside the schemes, which could be used to meet future funding deficits. At the 2020 Valuation recovery plans were agreed to eliminate the deficits in both schemes as follows:

- MMPS: annual payments (conditional on interim valuations) of between £0m and £2.6m for the six years from 2021 to 2026.
- PASLEMC: annual payments of £2.4m plus annual payments (conditional on interim valuations) of between £0m and £0.5m, for the six years from 2021 to 2026.

Due to the interim positions, no conditional payments were paid to either scheme during 2021/22.

The Methodist Council closed the PASLEMC to new entrants with effect from 31 May 2019. Existing members benefit from the scheme arrangements up until this date but are no longer able to make further member contributions, and members therefore do not build up any further benefits in the Scheme. The pension that members have already built up is retained in the Scheme and paid upon retirement (note 28 to the accounts provides more detail).

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long-term funding objective, a remedy mechanism should funding deviate from the long-term goal, and a contingent asset that provides

the trustees security over Connexional properties should the Council or Conference ever default on payments due.

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

## Investments

As at 31 August 2022, the Church held fixed asset investments with a fair value of £182 million (2021: £194 million). The Finance Sub-Committee regularly review the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

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

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

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

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

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £38m vs £182m (2021: £39m vs £194m).

## Performance and holdings

Losses on investments in year were £12.0m (2021: £22.7m gain on investments). This performance was linked to the global market conditions that were materially impacted by the war in Ukraine and the ongoing impact of the Covid-19 pandemic. The total returns as at 31 August 2022 for CFB managed funds are summarised as follows:

	1 year to 31.08.22	3 years to 31.08.22 (p.a.)	11.07.16 to 31.08.22 (p.a.)
Managed LT Methodist Council Fund	-4.1%	5.0%	7.2%
Managed MT Methodist Council Fund	-6.4%	1.8%	4.2%
	1 year	3 years (pa)	10 years (pa)

CFB UK Equity Fund	-8.1%	2.4%	6.7%
FTSE All Share	1.0%	3.9%	6.8%
CFB Global Equity Fund	-7.3%	8.4%	12.4%
Benchmark	0.0%	10.6%	13.2%
CFB Short Fixed Interest Fund	-9.0%	-2.9%	0.4%
Benchmark	-8.7%	-2.9%	0.5%
CFB Corporate Bond Fund	-15.6%	-4.6%	1.8%
Benchmark	-18.2%	-4.3%	2.1%
CFB Deposit Fund	0.4%	0.4%	0.6%
Composite index	0.6%	0.3%	0.3%

#### Property benchmarks

	<b>1 year to 30.06.22</b>	<b>3 years to 30.06.22 (p.a.)</b>	<b>11.07.16 to 31.06.22 (p.a.)</b>
Managed LT Methodist Council Fund	-3.0%	4.5%	7.0%
Benchmark	0.3%	5.2%	7.1%
Ethical Benchmark	-1.8%	4.5%	6.8%
Managed MT Methodist Council Fund	-4.3%	2.2%	4.2%
Benchmark	-2.8%	2.5%	4.1%
Ethical benchmark	-3.9%	2.1%	4.0%
	<b>1 year</b>	<b>3 years (pa)</b>	<b>10 years (pa)</b>
CFB UK Equity Fund	-5.3%	1.7%	7.0%
FTSE All Share	1.6%	2.4%	6.9%
Ethical benchmark	-4.3%	0.4%	6.6%
CFB Property Fund	22.9%	9.8%	9.8%
IPD All Balanced Funds Index	23.3%	9.2%	8.5%

## Risk Management

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

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

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk-taking is inherent within the task of communicating the gospel; John



Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church’s purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

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

Risk	Current mitigations
Failure to make new disciples means the membership of the Church continues to decline. The Methodist Church in Britain ceases to exist.	God For All strategy linked with the Justice, Dignity and Solidarity Strategy is signalling a desire to grow in new places.
Failure to engage with Environmental, Social, and Governance (ESG) issues results in failure to comply with legal obligations, and/or reputational damage due to failing to fulfil responsibilities and commitments.	Action for Hope project looking inwardly to work towards net zero carbon emissions. The Methodist Council is a Living Wage employer and Methodist Church adopted Living Wage policy. Work on Oversight & Trusteeship to ensure accountability, transparency, diversity, and effective governance processes.
Complexity in District and Circuit lay employment could lead to legal challenges or reputational risk	Consultation with District Chairs and District Lay Employment Secretaries to identify issues.
Ineffective governance and organisational structure meaning the Conference fails to function properly as the Church’s governing body and the Conference trustees cannot fulfil their legal responsibilities.	In practice the Council and other delegated bodies (SRC; Audit and Risk Assurance) are carrying out some significant trustee oversight activities. Conference has now accepted recommendations on the changes to the Trustee body and work will now ensure the likelihood of governance failure has been reduced.

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

### **Risk appetite**

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

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

### **Risk strategy and responsibilities**

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

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;

- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit & Risk Assurance Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

The Council annually reviews the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether the Team has complied with expected risk management practice. The following safeguards are in place:

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit & Risk Assurance Committee and the Strategy and Resources Committee) receive several key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any issues of concern. A summary of the terms of reference of the committee can be found on page 6.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external auditor provides a report to the Audit & Risk Assurance Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

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

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

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

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

## Data Protection

In respect of enhancing our Data Protection Governance during 2021/2022, we have updated our Data Protection Policies to be fully audit compliant and have implemented a brand-new Privacy Notice to satisfy and improve our UK GDPR and Data Protection obligations. Connexional team internal policies have been reviewed and updated where required and we are in the process of replacing our IT data security policies and introducing a Bring Your Own Device to Work Policy. Data Protection refresher training has been rolled out to all members and updates have increased data protection awareness throughout the Connexional team and to Church members.

We have also drafted a Serious Incident Policy which is awaiting a final sign off, together with finalising a Record of Processing to enable us to track what data we process and the legal basis of the same.

## Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and can manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has considered the on-going impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure linked to pandemic lockdowns. Conversely, income increased due to additional property levy income. Looking forward, the budget for 2022/23 has been set based on no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£13.4m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£100m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

## Related Parties

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

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

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 86) of the financial statements.

## Statement of Trustees' Responsibilities

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

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

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

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

### Auditor

A resolution proposing a procurement process for the appointment of the external auditor to the charity will be put to the Methodist Council.



**The Revd Sonia Hicks**  
Chair of the Council

January 2023

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE METHODIST CHURCH IN GREAT BRITAIN**

### **Opinion**

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Connexional Statement of Financial Activities, the Consolidated and Connexional Balance Sheets, the Consolidated and Connexional Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 August 2022 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

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

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

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 36 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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



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

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

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

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

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

### **Use of our report**

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

*RSM UK Audit LLP*

RSM UK Audit LLP  
 Statutory Auditor  
 Chartered Accountants  
 103 Colmore Row  
 Birmingham  
 West Midlands, B3 3AG

Date: 2 February 2023

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



**Consolidated statement of financial activities for  
the year ended 31 August 2022**

The Methodist Church in Great Britain  
**Consolidated statement of financial activities**  
For the year ended 31 August 2022

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
<b>Income and endowments from:</b>									
Donations and legacies	3a	8,173	7,502	-	15,675	1,079	5,620	-	6,699
Charitable activities	3e	13,532	335	-	13,867	13,680	306	-	13,986
<b>Investments</b>	<b>4a</b>	<b>2,032</b>	<b>4,109</b>	<b>-</b>	<b>6,141</b>	<b>1,312</b>	<b>3,539</b>	<b>-</b>	<b>4,851</b>
Other trading activities	5a	4,566	1,384	-	5,950	851	1,235	-	2,086
Other									
Capital levies	6a	10,061	-	-	10,061	10,272	-	-	10,272
Grants	6b	15	1,282	-	1,297	416	954	-	1,370
Miscellaneous income	3c	826	384	-	1,210	426	590	-	1,016
Net gains/(losses) on the disposal of tangible fixed assets		(57)	2,083	-	2,026	-	-	-	-
<b>Total income</b>	<b>19a, 20a</b>	<b>39,148</b>	<b>17,079</b>	<b>-</b>	<b>56,227</b>	<b>28,036</b>	<b>12,244</b>	<b>-</b>	<b>40,280</b>
<b>Expenditure on:</b>									
Raising funds		4,682	964	19	5,665	2,988	966	17	3,971
Charitable activities									
Building communities	7a	1,229	759	-	1,988	1,023	817	-	1,840
Children & Youth	7a	1,520	33	-	1,553	1,266	7	-	1,273
Evangelism & Growth	7a	5,510	512	-	6,022	5,561	394	10	5,965
Global relations	7a	977	7,961	-	8,938	972	7,188	-	8,160
Learning Network	7a	2,719	59	-	2,778	2,654	13	-	2,667
Methodist Council & Governance	7a	4,777	85	-	4,862	4,221	18	-	4,239
Ministry	7a	3,356	4,674	-	8,030	5,152	4,260	-	9,412
Property	7a	655	4,850	-	5,505	801	140	-	941
Others - Pensions	7a	1,496	-	-	1,496	799	-	-	799
Net loss on the disposal of tangible fixed assets	7a	-	-	-	-	148	(59)	-	89
<b>Total expenditure</b>	<b>19a, 20a, 21a</b>	<b>26,921</b>	<b>19,897</b>	<b>19</b>	<b>46,837</b>	<b>25,585</b>	<b>13,744</b>	<b>27</b>	<b>39,356</b>
Net gains/(losses) on investments	14a	(7,304)	(1,046)	(3,603)	(11,953)	9,924	9,646	3,125	22,695
<b>Net income</b>		<b>4,923</b>	<b>(3,864)</b>	<b>(3,622)</b>	<b>(2,563)</b>	<b>12,375</b>	<b>8,146</b>	<b>3,098</b>	<b>23,619</b>
Transfers between funds	22	934	(1,305)	371	-	946	(1,203)	257	-
<b>Net income after transfers</b>		<b>5,857</b>	<b>(5,169)</b>	<b>(3,251)</b>	<b>(2,563)</b>	<b>13,321</b>	<b>6,943</b>	<b>3,355</b>	<b>23,619</b>
<b>Other recognised gains and losses:</b>									
Remeasurement of net defined benefit pension scheme liability	28	(2,201)	311	-	(1,890)	12,213	80	-	12,293
Gains(losses) on revaluation of charitable properties		-	(6,564)	-	(6,564)	-	946	-	946
<b>Net movement in funds</b>		<b>3,656</b>	<b>(11,422)</b>	<b>(3,251)</b>	<b>(11,017)</b>	<b>25,534</b>	<b>7,969</b>	<b>3,355</b>	<b>36,858</b>
<b>Total funds at 1 September</b>		<b>117,976</b>	<b>149,331</b>	<b>22,835</b>	<b>290,142</b>	<b>92,442</b>	<b>152,119</b>	<b>19,480</b>	<b>264,041</b>
Elimination of Westminster College from consolidation		-	-	-	-	-	(10,756)	-	(10,756)
<b>Total funds at 31 August</b>		<b>121,632</b>	<b>137,909</b>	<b>19,584</b>	<b>279,125</b>	<b>117,976</b>	<b>149,331</b>	<b>22,835</b>	<b>290,142</b>

The Methodist Church in Great Britain  
**Statement of financial activities – The Connexional Funds**  
For the year ended 31 August 2022

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
<b>Income and endowments from:</b>									
Donations and legacies	3b	8,173	2,532	-	10,705	1,079	2,267	-	3,346
Charitable activities	3f	13,532	335	-	13,867	13,680	306	-	13,986
<b>Investments</b>	<b>4b</b>	2,348	3,559	-	5,907	1,312	2,975	-	4,287
Other trading activities	5b	356	933	-	1,289	304	942	-	1,246
<b>Other</b>									
Capital levies	6a	10,061	-	-	10,061	10,272	-	-	10,272
Grants	6c	2	99	-	101	-	266	-	266
Miscellaneous income	3d	874	60	-	934	455	18	-	473
Net gains on the disposal of tangible fixed assets		(57)	2,083	-	2,026	-	-	-	-
<b>Total income</b>	<b>19b, 20b</b>	<b>35,289</b>	<b>9,601</b>	<b>-</b>	<b>44,890</b>	<b>27,102</b>	<b>6,774</b>	<b>-</b>	<b>33,876</b>
<b>Expenditure on:</b>									
Raising funds		1,443	964	19	2,426	1,175	966	17	2,158
<b>Charitable activities</b>									
Building communities	7b	1,229	759	-	1,988	1,023	817	-	1,840
Children & Youth	7b	1,520	33	-	1,553	1,264	9	-	1,273
Evangelism & Growth	7b	5,511	511	-	6,022	5,561	395	10	5,966
Global relations	7b	977	3,405	-	4,382	972	4,476	-	5,448
Learning Network	7b	2,719	59	-	2,778	2,654	13	-	2,667
Methodist Council & Governance	7b	4,777	85	-	4,862	4,220	19	-	4,239
Ministry	7b	3,918	1,616	-	5,534	5,858	1,252	-	7,110
Property	7b	655	4,850	-	5,505	800	141	-	941
Others - Pensions	7b	1,496	-	-	1,496	799	-	-	799
Net loss on the disposal of tangible fixed assets	7b	-	-	-	-	148	(59)	-	89
<b>Total expenditure</b>	<b>19b, 20b, 21a</b>	<b>24,245</b>	<b>12,282</b>	<b>19</b>	<b>36,546</b>	<b>24,474</b>	<b>8,029</b>	<b>27</b>	<b>32,530</b>
Net gains/(losses) on investments	14b	(7,304)	(4,485)	(3,603)	(15,392)	9,924	9,175	3,125	22,224
<b>Net income</b>		<b>3,740</b>	<b>(7,166)</b>	<b>(3,622)</b>	<b>(7,048)</b>	<b>12,552</b>	<b>7,920</b>	<b>3,098</b>	<b>23,570</b>
Transfers between funds	22	934	(1,305)	371	-	946	(1,203)	257	-
<b>Net income after transfers</b>		<b>4,674</b>	<b>(8,471)</b>	<b>(3,251)</b>	<b>(7,048)</b>	<b>13,498</b>	<b>6,717</b>	<b>3,355</b>	<b>23,570</b>
<b>Other recognised gains and losses:</b>									
Remeasurement of net defined benefit pension scheme liability	28	(2,201)	311	-	(1,890)	12,213	80	-	12,293
Gains on revaluation of charitable properties		-	(8,836)	-	(8,836)	-	-	-	-
<b>Net movement in funds</b>		<b>2,473</b>	<b>(16,996)</b>	<b>(3,251)</b>	<b>(17,774)</b>	<b>25,711</b>	<b>6,797</b>	<b>3,355</b>	<b>35,863</b>
<b>Total funds at 1 September</b>		<b>115,821</b>	<b>130,058</b>	<b>22,835</b>	<b>268,714</b>	<b>90,110</b>	<b>123,261</b>	<b>19,480</b>	<b>232,851</b>
<b>Total funds at 31 August</b>		<b>118,294</b>	<b>113,062</b>	<b>19,584</b>	<b>250,940</b>	<b>115,821</b>	<b>130,058</b>	<b>22,835</b>	<b>268,714</b>

**The Methodist Church in Great Britain**  
**Balance Sheets as at 31 August 2022**

		The Methodist Church in Great Britain		The Connexional Funds	
	Notes	2022	2021	2022	2021
		£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible assets	13c	62	76	43	63
Tangible fixed assets	13a&b	80,051	95,947	69,228	87,366
Investments	14a&b	182,267	193,575	167,766	181,991
		<b>262,380</b>	<b>289,598</b>	<b>237,037</b>	<b>269,420</b>
<b>Current assets</b>					
Stocks	17	44	54	29	36
Debtors	15	5,664	3,611	4,393	3,342
Short-term deposits		25,513	13,326	23,605	11,539
Cash at bank and in hand		5,022	4,970	3,012	4,179
<b>Total current assets</b>		<b>36,243</b>	<b>21,961</b>	<b>31,039</b>	<b>19,096</b>
<b>Creditors</b>					
Amounts falling due within one year	16a	(15,774)	(14,372)	(13,975)	(13,425)
<b>Net current assets</b>		<b>20,469</b>	<b>7,589</b>	<b>17,064</b>	<b>5,671</b>
<b>Total assets less current liabilities</b>		<b>282,849</b>	<b>297,187</b>	<b>254,101</b>	<b>275,091</b>
<b>Creditors</b>					
Amounts falling due after more than one year	16b	(2,356)	(3,969)	(1,792)	(3,301)
<b>Net assets excluding pension liability</b>		<b>280,493</b>	<b>293,218</b>	<b>252,309</b>	<b>271,790</b>
Defined benefit pension scheme liability	28	(1,368)	(3,076)	(1,368)	(3,076)
<b>Net assets including pension liability</b>	23	<b>279,125</b>	<b>290,142</b>	<b>250,941</b>	<b>268,714</b>
<b>The funds of the charity</b>					
Unrestricted funds					
General funds		52,706	53,214	50,531	52,514
Designated funds		68,926	66,092	67,763	64,984
Defined benefit pension scheme liability	28	-	(1,330)	-	(1,677)
<b>Total unrestricted funds</b>	19	<b>121,632</b>	<b>117,976</b>	<b>118,294</b>	<b>115,821</b>
Restricted funds	20	137,909	149,331	113,062	130,058
Endowment funds	21	19,584	22,835	19,584	22,835
<b>Total funds</b>		<b>279,125</b>	<b>290,142</b>	<b>250,940</b>	<b>268,714</b>

Total unrestricted funds include revaluation reserve of £7.2m (2021: £7.2m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £46.2m (2021: £54.1m) for The Methodist Church in Great Britain and £43.3m (2021: £52.2m) for The Connexional Funds. (Note 24 Page 90)

The notes on pages 46 to 96 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 26<sup>th</sup> January 2023 and signed on their behalf by:



The Revd. Sonia Hicks  
 Chair of the Council



The Revd. Timothy Swindell  
 Connexional Treasurer

## The Methodist Church in Great Britain

### Cash flow statements for the year ended 31 August 2022

Statement of cash flows	The Methodist Church in Great Britain		The Connexional Funds		
	Note	2022 £000	2021 £000	2022 £000	2021 £000
<b>Cash flows from operating activities</b>					
Net cash generated used in operating activities		488	(3,672)	(324)	(2,813)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		6,141	4,851	5,907	4,287
Proceeds from the sale of property, plant and equipment		30,289	1,893	30,289	1,893
Purchase of property, plant and equipment	13a, 13b	(23,970)	(3,104)	(23,806)	(3,069)
Purchase of intangible assets	13c	(16)	(6)	-	(6)
Proceeds from the sale of investments	14a	642	382	75	100
Purchase of investments	14a, 14b	(1,287)	(348)	(1,242)	(227)
<b>Net cash provided by investing activities</b>		<b>11,799</b>	<b>3,668</b>	<b>11,223</b>	<b>2,978</b>
<b>Cash flows from financing activities</b>					
Repayment of loans		(48)	472	-	-
<b>Net cash from/(used in) financing activities</b>		<b>(48)</b>	<b>472</b>	<b>-</b>	<b>-</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>12,239</b>	<b>468</b>	<b>10,899</b>	<b>165</b>
Cash and cash equivalents at the beginning of the reporting period		18,296	18,597	15,718	15,553
Non-consolidated entity - Westminster College, Oxford		-	(769)	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>30,535</b>	<b>18,296</b>	<b>26,617</b>	<b>15,718</b>
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Net income for the year</b>		(2,563)	23,619	(7,048)	23,570
<b>Adjustments for:</b>					
Depreciation and amortisation charges	13a	283	382	80	62
Loss on revaluation of fixed asset		4,785	-	4,785	-
Realised loss on the sale of fixed assets		(2,026)	89	(2,026)	89
Property transferred back to District		-	2,250	-	2,250
CFB investment units transferred to District		-	418	-	418
Net (gains)/ losses on investments	14	11,953	(22,695)	15,392	(22,224)
Investment income		(6,141)	(4,851)	(5,907)	(4,287)
Decrease in stocks	17	10	6	7	5
Decrease/(increase) in debtors	15	(2,053)	209	(1,051)	140
(Decrease)/increase in creditors	16	(163)	(2,681)	(959)	(2,420)
Pension costs/difference between pension costs charged and paid		(3,597)	(418)	(3,597)	(416)
<b>Net cash generated used in operating activities</b>		<b>488</b>	<b>(3,672)</b>	<b>(324)</b>	<b>(2,813)</b>
		<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Analysis of cash and cash equivalents</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash in hand and at bank		5,022	4,970	3,012	4,179
Short-term deposits (less than 3 months)		25,513	13,326	23,605	11,539
<b>Total cash and cash equivalents</b>		<b>30,535</b>	<b>18,296</b>	<b>26,617</b>	<b>15,718</b>

## The Methodist Church in Great Britain

### Cash flow statements for the year ended 31 August 2022 (continued)

#### Analysis of changes in net debt

##### The Methodist Church in Great Britain

	01-Sep 2021	Cash flows	Non-cash changes	31-Aug 2022
	£000	£000	£000	£000
<b>Cash and cash equivalents</b>				
Short-term deposits	13,326	12,187	-	25,513
Cash at bank and in hand	4,970	52	-	5,022
	<b>18,296</b>	<b>12,239</b>	-	<b>30,535</b>
<b>Borrowings</b>				
Debt due within one year	(28)	(229)	-	(257)
Debt due after one year	(668)	277	-	(391)
	<b>(696)</b>	<b>48</b>	-	<b>(648)</b>

<b>Total</b>	<b>17,600</b>	<b>12,287</b>	-	<b>29,887</b>
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##### The Connexional Funds

	01-Sep 2021	Cash flows	Non-cash changes	31-Aug 2022
	£000	£000	£000	£000
<b>Cash and cash equivalents</b>				
Short-term deposits	11,539	12,067	-	23,606
Cash at bank and in hand	4,179	(1,168)	-	3,011
	<b>15,718</b>	<b>10,899</b>	-	<b>26,617</b>
<b>Borrowings</b>				
Debt due within one year	-	-	-	-
	-	-	-	-

<b>Total</b>	<b>15,718</b>	<b>10,899</b>	-	<b>26,617</b>
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## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022

#### 1. Accounting policies

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

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

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 53.

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

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. This review has taken into account the on-going impact of the Covid-19 pandemic. In-year financial performance was favourable to plan due to reductions in expenditure linked to pandemic lockdowns. Conversely, income increased due to additional property levy income. Looking forward, the budget for 2022/23 has been set on the basis of no gift aided profits being received from MIC Ltd. However, over the medium term it is anticipated that the hotel will return to trading profits. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£13.4m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£100m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

##### c) Group financial statements

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

The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove



## The Methodist Church in Great Britain

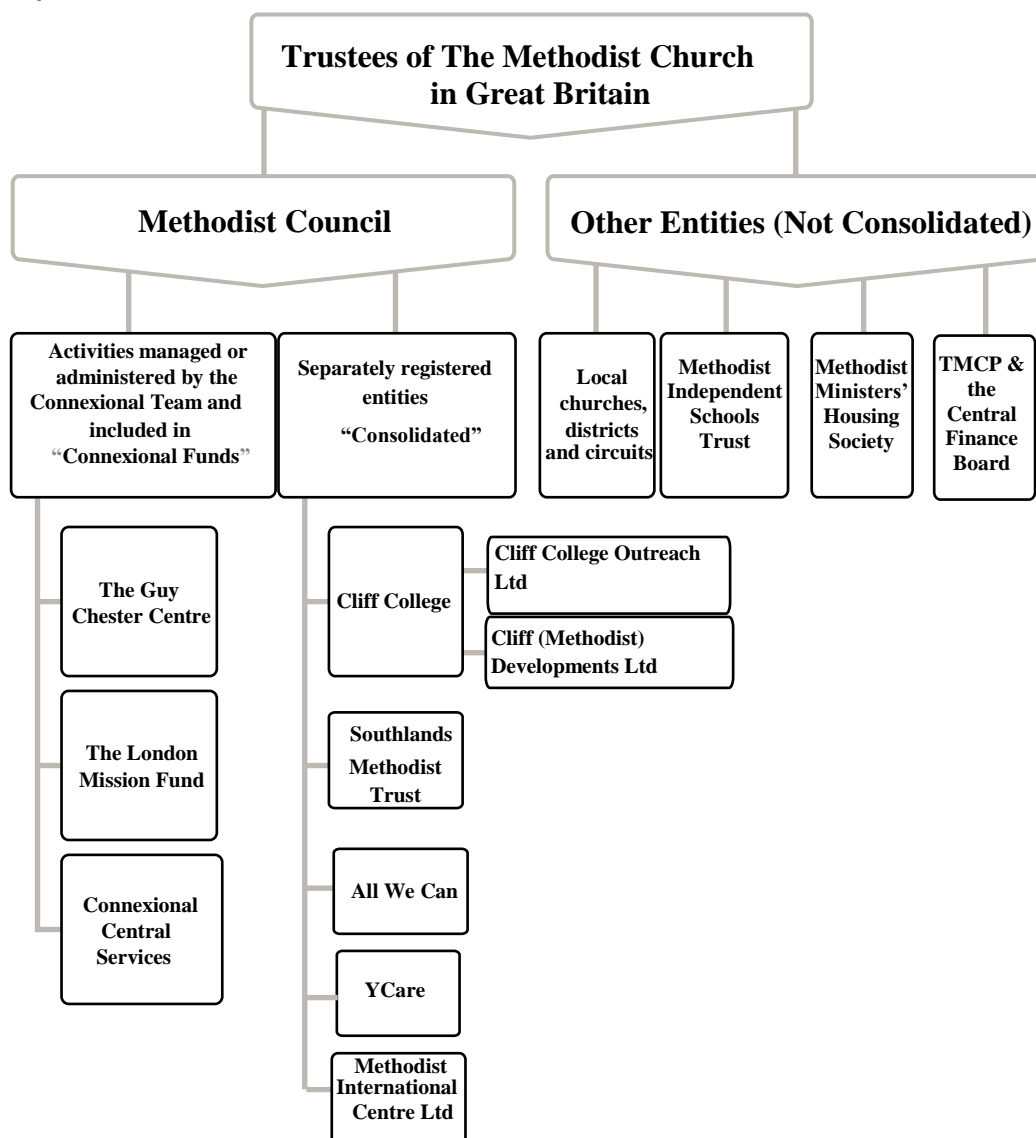
### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities. Westminster College Oxford Trust does not have more than 50% of its trustees appointed by the Council (they are appointed by the Methodist Conference) and therefore the Methodist Council does not have sufficient control to govern the financial and operating policies of the entity. Consequently, the Council has approved that the accounts of Westminster College will no longer form part of the consolidated accounts of the Methodist Church in Great Britain. For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

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

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

#### d) The group structure



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### e) Excluded entities

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

Methodist churches, circuits and districts  
Methodist Independent Schools Trust  
Trustees for Methodist Church Purposes (TMCP)  
The Central Finance Board (CFB)  
The Methodist Ministers' Housing Society  
Westminster College Oxford Trust Ltd  
Westminster College Oxford Trust

#### f) Recognition of income and endowments

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

All income is reported gross.

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

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

#### District Assessment

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

#### Donations

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

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

#### Legacies

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

#### Capital (property) levies

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

#### Grants

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

#### g) Accounting for leases

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

#### h) Recognition of expenditure

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

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

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

#### Grant commitments

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### i) Fund accounting

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

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

#### j) Pension costs

##### Defined benefit pension schemes

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

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

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 54-55.

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

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

pages 54-55. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

#### Defined contribution pension schemes

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

#### k) Stocks

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

#### l) Foreign currencies

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

#### m) Tangible fixed assets

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

#### n) Depreciation

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

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

#### o) Impairment

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### p) Intangible fixed assets and amortisation

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

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

#### q) Heritage assets

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

#### r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2022, updated by the value of any share acquisitions (at cost) up to 31 August 2022. The assets are held at fair value.

#### s) Irrecoverable VAT

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

#### t) Cash and cash equivalents

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

#### u) Financial instruments

The Church has basic financial instruments and financial assets. Basic financial instruments are



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

#### v) Concessionary loans made

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

#### w) Termination benefits and payments

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

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

Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

## 2. Accounting estimates and judgments

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

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

### Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church



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

### **Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)**

has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

#### **Cost allocation**

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

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

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

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

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

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

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

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

- a) There are approximately 1,124 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 69, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.5 million compared to £7.9m million paid by the circuits.
- b) The diagram on page 51 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

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

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council finally agreed a recovery plan and long term funding objective for the Scheme in April 2022. The Recovery Plan consists of conditional payments (determined by the Scheme Actuary each year having regard to scheme experience) of between £0 and £2.64m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. A framework agreement has been signed that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory, and Connexional properties are to be charged to provide funding of last resort should remedy payments not be made. Material increases in long term interest rates have significantly reduced pension liabilities as at 31 August 2022 meaning no recovery plan conditional payments have been required. It has also led to a significant de-risking of the Pension Scheme's investment portfolio.

As stated in the reserves policy section of the Trustees' Report on page 27, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

#### Useful economic lives

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

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

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

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

### **Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)**

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

#### **Leases**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Donations	8,063	5,107	13,170	1,070	3,580	4,650
Legacies	110	2,395	2,505	9	2,040	2,049
<b>Total</b>	<b>8,173</b>	<b>7,502</b>	<b>15,675</b>	<b>1,079</b>	<b>5,620</b>	<b>6,699</b>

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Donations	8,063	1,990	10,053	1,070	1,807	2,877
Legacies	110	542	652	9	460	469
<b>Total</b>	<b>8,173</b>	<b>2,532</b>	<b>10,705</b>	<b>1,079</b>	<b>2,267</b>	<b>3,346</b>

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	132	132	-	545	545
Seminars and events	131	-	131	17	-	17
Conference income	18	-	18	6	-	6
Administration & IT services	20	-	20	23	-	23
Bureau & Accountancy services	84	-	84	355	-	355
Others	573	252	825	25	45	70
<b>Total</b>	<b>826</b>	<b>384</b>	<b>1,210</b>	<b>426</b>	<b>590</b>	<b>1,016</b>

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	131	-	131	17	-	17
Conference income	18	-	18	6	-	6
Administration & IT services	20	-	20	23	-	23
Bureau & Accountancy services	548	-	548	355	-	355
Others	157	60	217	54	18	72
<b>Total</b>	<b>874</b>	<b>60</b>	<b>934</b>	<b>455</b>	<b>18</b>	<b>473</b>

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,532	125	13,657	13,661	133	13,794
Rental Income	-	210	210	19	173	192
<b>Total</b>	<b>13,532</b>	<b>335</b>	<b>13,867</b>	<b>13,680</b>	<b>306</b>	<b>13,986</b>

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,532	125	13,657	13,661	133	13,794
Rental Income	-	210	210	173	19	192
<b>Total</b>	<b>13,532</b>	<b>335</b>	<b>13,867</b>	<b>13,834</b>	<b>152</b>	<b>13,986</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,863	1,568	3,431	1,176	1,349	2,525
Interest and other investment income	4	12	16	1	7	8
Rental Income	165	870	1,035	135	895	1,030
William Leech Charities Fund	-	1,659	1,659	-	1,288	1,288
<b>Total</b>	<b>2,032</b>	<b>4,109</b>	<b>6,141</b>	<b>1,312</b>	<b>3,539</b>	<b>4,851</b>

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	1,863	1,492	3,355	1,176	1,270	2,446
Interest and other investment income	4	-	4	1	-	1
Rental Income	481	408	889	135	417	552
William Leech Charities Fund	-	1,659	1,659	-	1,288	1,288
<b>Total</b>	<b>2,348</b>	<b>3,559</b>	<b>5,907</b>	<b>1,312</b>	<b>2,975</b>	<b>4,287</b>

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Publishing	347	-	347	293	-	293
Room and conference hire	4,210	1,384	5,594	547	1,235	1,782
Advertising and fees	9	-	9	11	-	11
<b>Total</b>	<b>4,566</b>	<b>1,384</b>	<b>5,950</b>	<b>851</b>	<b>1,235</b>	<b>2,086</b>

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Publishing	347	-	347	293	-	293
Room and conference hire	-	933	933	-	942	942
Advertising and fees	9	-	9	11	-	11
<b>Total</b>	<b>356</b>	<b>933</b>	<b>1,289</b>	<b>304</b>	<b>942</b>	<b>1,246</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 6a Capital levies

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

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	253	253	-	198	198
The Aldershot Military Trust	-	75	75	-	250	250
Other*	15	954	969	416	506	922
<b>Total</b>	<b>15</b>	<b>1,282</b>	<b>1,297</b>	<b>416</b>	<b>954</b>	<b>1,370</b>

\* MIC Ltd (£7k) and Cliff College (£24k) have undertaken the government furlough scheme of which £31k has been included in other incoming grants, (2021: £593k). There are no unfulfilled conditions or contingencies attached to the grants. Both entities have also received other forms of government assistance of which they have benefitted in 2021/22. Cliff College received £39k (2021: £51k) from the Office of Students and Derbyshire County Council and MIC Ltd received £6k from Camden Council Business support (2021: £44k).

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2022 Total	Unrestricted	Restricted	2021 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	75	75	-	250	250
Other	2	24	26	-	16	16
<b>Total</b>	<b>2</b>	<b>99</b>	<b>101</b>	<b>-</b>	<b>266</b>	<b>266</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000
<b>Raising funds</b>	-	5,375	290	<b>5,665</b>	-	3,729	242	<b>3,971</b>
<b>Charitable activities</b>								
Building communities	522	1,122	344	<b>1,988</b>	418	1,141	281	<b>1,840</b>
Children & Youth	95	1,086	372	<b>1,553</b>	116	853	304	<b>1,273</b>
Evangelism & Growth	4,006	1,434	582	<b>6,022</b>	4,043	1,434	488	<b>5,965</b>
Global relations	2,798	5,372	768	<b>8,938</b>	3,429	4,088	643	<b>8,160</b>
Learning Network	113	2,014	651	<b>2,778</b>	106	2,031	530	<b>2,667</b>
Methodist Council & Governance	97	3,779	986	<b>4,862</b>	31	3,402	806	<b>4,239</b>
Ministry	3,245	4,251	534	<b>8,030</b>	4,928	4,039	445	<b>9,412</b>
Property	-	5,365	140	<b>5,505</b>	120	705	116	<b>941</b>
Others - Pensions	-	1,496	-	<b>1,496</b>	-	799	-	<b>799</b>
Net loss on the disposal of tangible fixed assets	-	-	-	-	-	89	-	<b>89</b>
	<b>10,876</b>	<b>25,919</b>	<b>4,377</b>	<b>41,172</b>	<b>13,191</b>	<b>18,581</b>	<b>3,613</b>	<b>35,385</b>
<b>Total</b>	<b>10,876</b>	<b>31,294</b>	<b>4,667</b>	<b>46,837</b>	<b>13,191</b>	<b>22,310</b>	<b>3,855</b>	<b>39,356</b>

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

7b. Expenditure - The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2022 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2021 Total £000
<b>Raising funds</b>	-	2,136	290	<b>2,426</b>	-	1,916	242	<b>2,158</b>
<b>Charitable activities</b>								
Building communities	522	1,122	344	<b>1,988</b>	418	1,141	281	<b>1,840</b>
Children & Youth	95	1,086	372	<b>1,553</b>	116	853	304	<b>1,273</b>
Evangelism & Growth	4,006	1,434	582	<b>6,022</b>	4,043	1,435	488	<b>5,966</b>
Global relations	976	2,638	768	<b>4,382</b>	2,396	2,409	643	<b>5,448</b>
Learning Network	113	2,014	651	<b>2,778</b>	106	2,031	530	<b>2,667</b>
Methodist Council & Governance	97	3,779	986	<b>4,862</b>	31	3,402	806	<b>4,239</b>
Ministry	3,220	1,780	534	<b>5,534</b>	5,295	1,370	445	<b>7,110</b>
Property	-	5,365	140	<b>5,505</b>	120	705	116	<b>941</b>
Others - Pensions	-	1,496	-	<b>1,496</b>	-	799	-	<b>799</b>
Net loss on the disposal of tangible fixed assets	-	-	-	-	-	89	-	<b>89</b>
	<b>9,029</b>	<b>20,714</b>	<b>4,377</b>	<b>34,120</b>	<b>12,525</b>	<b>14,234</b>	<b>3,613</b>	<b>30,372</b>
<b>Total</b>	<b>9,029</b>	<b>22,850</b>	<b>4,667</b>	<b>36,546</b>	<b>12,525</b>	<b>16,150</b>	<b>3,855</b>	<b>32,530</b>

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

Note \* The expenditure incurred in raising funds for the Methodist Church in Great Britain - £5.7m (2021: £4.0m) and for the Connexion - £2.4m (2021: £2.2m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
Cost of raising voluntary income	£0.3m	£0.2m	£0.3m	£0.2m
Cost of investment management	£0.4m	£0.2m	£0.4m	£0.2m
Cost of other trading activities	£5.0m	£3.6m	£1.7m	£1.8m



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2022 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	91	72	109	163	81	27	235	45	904
Development & Personnel	Per capita	89	98	79	118	177	89	30	256	49	985
Financial Services	Per capita	95	95	360	436	152	284	57	265	152	1,895
Information Technology	Per capita	79	88	71	105	159	80	26	230	44	883
<b>Total</b>		<b>344</b>	<b>372</b>	<b>582</b>	<b>768</b>	<b>651</b>	<b>534</b>	<b>140</b>	<b>986</b>	<b>290</b>	<b>4,667</b>

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

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

#### 9. Subsidiaries

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

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International
2022	2022	2022	2022	2022	2022
	£000	£000	£000	£000	£000
<b>Income from:</b>					
Donations and legacies	147	-	3,396	-	1,031
Investments	103	457	19	-	1
Other trading activities	508	10	-	4,229	-
Other:	-	-	-	-	-
Grants	799	50	934	13	54
Miscellaneous income	709	-	-	-	-
<b>Total income</b>	<b>2,266</b>	<b>517</b>	<b>4,349</b>	<b>4,242</b>	<b>1,086</b>
<b>Expenditure on:</b>					
Raising funds	220	54	539	3,556	158
<b>Charitable activities</b>					
Ministry	2,551	325	-	-	-
Global relations	-	482	3,449	-	588
<b>Total expenditure on charitable activities</b>	<b>2,551</b>	<b>807</b>	<b>3,449</b>	<b>-</b>	<b>588</b>
<b>Total expenditure</b>	<b>2,771</b>	<b>861</b>	<b>3,988</b>	<b>3,556</b>	<b>746</b>
<b>Net gains/(losses) on investments</b>	<b>2,268</b>	<b>3,496</b>	<b>(54)</b>	<b>-</b>	<b>-</b>
<b>Net income/(expenditure)</b>	<b>1,763</b>	<b>3,152</b>	<b>307</b>	<b>686</b>	<b>340</b>
Distribution under Gift aid	-	-	-	-	-
<b>Net movement in funds</b>	<b>1,763</b>	<b>3,152</b>	<b>307</b>	<b>686</b>	<b>340</b>
<b>Net assets</b>					
Fixed assets	10,617	15	7	204	-
Investments	16	13,860	625	-	-
Current assets	452	83	2,818	1,547	1,200
Creditors and loans	(342)	(388)	(259)	(1,915)	(356)
<b>Total</b>	<b>10,743</b>	<b>13,570</b>	<b>3,191</b>	<b>(164)</b>	<b>844</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 9. Subsidiaries (continued)

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

#### Cliff College

Charity Number 529386

#### Cliff College Outreach Limited

Company Number 2331438

#### Cliff (Methodist) Developments Limited

Company Number 4934377

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

#### All We Can

Charity Number 291691

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

#### Southlands Methodist Trust

Charity Number 1100660

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

#### Methodist International Centre Limited

Company Number 3866984

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

#### Y Care International

Company Number 3997006

Y Care international is a subsidiary of All We Can and 2021-22 is the first financial year that they are consolidated in the MCiGB accounts.

Y Care International is the international relief and development agency of the Young Men's Christian association (YMCA) in the UK and Ireland. They work in partnership with YMCAs that are already playing key roles in their communities. Their mission is to create opportunities with vulnerable young women and men to change lives for the better, fulfil their potential and play a full role in society. The YMCA work to bring social justice and peace to young people and their communities, regardless of religion, race, gender or culture.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

Y Care International balances added to consolidation

<b>Current assets</b>	£'000
Prepayments and accrued interest	635
Cash at bank and in hand	565
	<b>1,200</b>
<b>Creditors</b>	
Accruals	(17)
Trade creditors	(115)
Grant commitments	(224)
	<b>(356)</b>
<b>Net assets</b>	<b>844</b>
<b>Total funds brought forward at 1 September 2021</b>	<b>504</b>
Net movements in funds	340
<b>Total funds carried forward at 31 August 2022</b>	<b>844</b>

Opening reserves have been accounted for within donations in line with the requirements of the SORP

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

Activity	Individuals	Institutions	2022	2021
			Total	Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Regional grants	-	568	568	-
Scholarship programmes	-	365	365	714
Ministerial and personnel support grants	-	43	43	102
Annual grants	-	1,823	1,823	2,039
Nationals in mission appointment	-	-	-	574
<b>Total</b>	<b>-</b>	<b>2,799</b>	<b>2,799</b>	<b>3,429</b>
Other grants	£000	£000	£000	£000
Building communities	207	315	522	418
Children & Youth	-	95	95	116
Evangelism & Growth	-	4,006	4,006	4,043
Learning Network	-	113	113	106
Methodist Council & Governance	-	97	97	31
Ministry	2,330	914	3,244	4,928
Property	-	-	-	120
Income Generating Centre	-	-	-	-
<b>Total</b>	<b>2,537</b>	<b>5,540</b>	<b>8,077</b>	<b>9,762</b>
<b>Grand Total</b>	<b>2,537</b>	<b>8,339</b>	<b>10,876</b>	<b>13,191</b>

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

Activity	Individuals	Institutions	2022	2021
			Total	Total
	£000	£000	£000	£000
Global relations	-	-	-	-
Regional grants	-	568	568	-
Scholarship programmes	-	365	365	714
Ministerial and personnel support grants	-	43	43	102
Annual grants	-	-	-	1,006
Nationals in mission appointment	-	-	-	574
<b>Total</b>	<b>-</b>	<b>976</b>	<b>976</b>	<b>2,396</b>
Other grants	£000	£000	£000	£000
Building communities	208	314	522	418
Children & Youth	-	95	95	116
Evangelism & Growth	-	4,006	4,006	4,043
Learning Network	-	113	113	106
Methodist Council & Governance	-	97	97	31
Ministry	2,330	890	3,220	5,295
Property	-	-	-	120
<b>Total</b>	<b>2,538</b>	<b>5,515</b>	<b>8,053</b>	<b>10,129</b>
<b>Grand Total</b>	<b>2,538</b>	<b>6,491</b>	<b>9,029</b>	<b>12,525</b>

The figures in Note 10 are not intended to be the same as those listed for grants on page 17-19.

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

<https://www.methodist.org.uk/media/19808/list-of-grant-recipients-2022.xlsx>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
<b>Audit and consultancy fees</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Payable to RSM UK Audit LLP	79	82	79	60
Payable to RSM UK Tax & Accounting Ltd for taxation advice	10	37	10	32
Payable to other auditors - for internal audit services	30	31	30	30
Payable to other auditors - for audit of consolidated entities	68	36	-	-
Payable to other auditors - for financial advice to consolidated entities	7	-	-	-
<b>Depreciation</b>	<b>253</b>	<b>351</b>	<b>60</b>	<b>36</b>
<b>Amortisation</b>	<b>30</b>	<b>31</b>	<b>20</b>	<b>26</b>
<b>Foreign exchange differences</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Loan interest payable</b>	<b>87</b>	<b>6</b>	<b>-</b>	<b>-</b>

#### 12. Stipends and salary costs

The Methodist Council appointed or employed on average 378 (2021:378) people during the year, of which Connexional Funds had 268 (2021: 283) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Stipends and salaries	13,449	12,969	9,784	9,819
Redundancy costs (loss of office)	154	253	116	172
Temporary staff costs	158	162	59	68
Social security costs	1,340	1,197	956	911
Pension costs - (defined contribution schemes)	1,340	1,331	1,120	1,142
Defined benefit pension costs excluding interest	5,607	1,622	5,582	1,605
<b>Total</b>	<b>22,048</b>	<b>17,534</b>	<b>17,617</b>	<b>13,717</b>

#### The Methodist Church in Great Britain

16 employees were paid £60k or more during the year (2021: 18 employees). The total aggregate pension contributions for these employees for the year were £139k (2021: £168k).

#### The Connexional Funds

9 employees were paid £60k or more during the year (2021: 13 employees). The total aggregate pension contributions for these employees for the year were £106k (2021: £145k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
<b>Basic salary plus bonus</b>	<b>Number of employees</b>	<b>Number of employees</b>	<b>Number of employees</b>	<b>Number of employees</b>
£60,001 - £70,000	6	9	4	6
£70,001 - £80,000	6	6	3	5
£80,001 - £90,000	3	2	1	1
£90,001 - £100,000	-	-	-	-
£100,001 - £110,000	1	1	1	1

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
Methodist Council & Governance	56.5	58.9	56.5	58.9
Global Relations	51.3	46.3	26.7	26.8
Evangelism & Growth	18.7	20.2	18.7	20.2
Learning Network	40.9	43.9	40.9	43.9
Children & Youth	13.8	19.5	13.8	19.5
Ministry	65.2	64.0	25.7	25.0
Building Communities	17.8	19.0	17.8	19.0
Administration & Support	48.9	50.0	48.9	50.0
Property	5.8	5.0	5.8	5.0
Fund Raising	59.4	50.8	13.4	14.8
<b>Total</b>	<b>378.3</b>	<b>377.6</b>	<b>268.2</b>	<b>283.1</b>

The average number of volunteers working for the Council during the year was 1,092 (2021: 657).

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

#### Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Mission, the Head of Ministries, Director of Learning & Development, Director of Communications, Director of Finance and Resources and the Director of Human Resources & Development. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and employer's national insurance, but excluding pension contributions was £623k (2021: £555k). In addition, pension contributions of £94k were paid into defined contribution pension schemes on behalf of these personnel (2021: £84k).

#### Pension costs

The Methodist Council operates three main pension schemes:

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

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

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 12. Pension costs (continued)

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

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 58-59 with further information as required by FRS102 included on pages 96-98.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,266 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of 69 ministers. The majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

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

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

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

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

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

- a lump sum of £2,380,000 per annum will be paid into the Scheme each August, starting August 2021 up to and including August 2022; and
- between £0 and £529,000 will be paid to the Scheme each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary each year having regard to Scheme experience.

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



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

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

The scheme provides a pension of £182.62 per year of qualifying service to a single retired mission partner or widow / widower, £243.56 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £121.36 (single) / £162.21 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2022 by the Scheme's actuary and shown in Note 28.

#### **Other pension schemes**

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

#### **The Pensions Trust**

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £138k (2021: £116k). Further disclosures are deemed unnecessary on the grounds of immateriality.

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

There are currently 2 members in this scheme. The pension charge for the year was £9.7k (2021: £9.4k). Further disclosures are deemed unnecessary on the grounds of immateriality.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2021	96,381	1,939	1,753	33	100,106
Additions during the year	23,784	19	167	-	23,970
Revaluations	(11,796)	-	-	-	(11,796)
Disposals	(28,264)	-	-	-	(28,264)
<b>Total</b>	<b>80,105</b>	<b>1,958</b>	<b>1,920</b>	<b>33</b>	<b>84,016</b>
<b>Depreciation</b>					
At 1 September 2021	717	1,727	1,695	20	4,159
Charge for the year	59	118	71	5	253
Adjustment	(447)	-	-	-	(447)
<b>Total</b>	<b>329</b>	<b>1,845</b>	<b>1,766</b>	<b>25</b>	<b>3,965</b>
<b>Net book value as at 31 August 2022</b>	<b>79,776</b>	<b>113</b>	<b>154</b>	<b>8</b>	<b>80,051</b>
<b>Net book value as at 31 August 2021</b>	<b>95,664</b>	<b>212</b>	<b>58</b>	<b>13</b>	<b>95,947</b>

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

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2021	87,299	935	1,210	-	89,444
Additions during the year	23,626	9	172	-	23,807
Revaluations	(13,621)	-	-	-	(13,621)
Disposals	(28,264)	-	-	-	(28,264)
<b>Total</b>	<b>69,040</b>	<b>944</b>	<b>1,382</b>	<b>-</b>	<b>71,366</b>
<b>Depreciation</b>					
At 1 September 2021	-	885	1,193	-	2,078
Charge for the year	-	15	45	-	60
Disposals	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>900</b>	<b>1,238</b>	<b>-</b>	<b>2,138</b>
<b>Net book value as at 31 August 2022</b>	<b>69,040</b>	<b>44</b>	<b>144</b>	<b>-</b>	<b>69,228</b>
<b>Net book value as at 31 August 2021</b>	<b>87,299</b>	<b>50</b>	<b>17</b>	<b>-</b>	<b>87,366</b>

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 13c. Intangible fixed assets

	The Methodist Church in Great Britain £000	The Connexional Funds £000
<b>Software</b>		
<b>At cost</b>		
At 1 September 2021	402	353
Additions during the year	16	-
Transfer in/(out)	-	-
<b>Total</b>	<b>418</b>	<b>353</b>
<b>Amortisation</b>		
At 1 September 2021	326	290
Transfer in/(out)	-	-
Charge for the year	30	20
<b>Total</b>	<b>356</b>	<b>310</b>
<b>Net book value as at 31 August 2022</b>	<b>62</b>	<b>43</b>
<b>Net book value as at 31 August 2021</b>	<b>76</b>	<b>63</b>

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

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

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

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

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

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

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

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

1-5 Lambeth Road SE1- valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU, in July 2022 for £10,000.

90 Hayes Lane, Kenley - valuation carried out in July 2022 by Richard Moss MRICS and John Barrett FRICS from Cluttons, Portman Street, London W1H 6DU; valued at £870,000.

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

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by Savills. The valuation was done in September 2022. The property was valued at £14,865,500.

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

The carrying value that would have been recognised had the assets been carried under the historical cost model is £45.5m (2021: £28.0m) for the Methodist Church in Great Britain and £38.1m (2021: £20.7m) for Connexional Funds.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2022	2021
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September</b>	39,446	139,946	13,188	995	193,575	189,112
Additions	-	1,045	242	-	1,287	348
Elimination of Westminster College	-	-	-	-	-	(15,530)
Transfers	-	-	-	-	-	(2,668)
Disposals	-	(642)	-	-	(642)	(382)
Investment (losses)/gains	1,931	(10,263)	(3,621)	-	(11,953)	22,695
<b>Fair value as at 31 August</b>	<b>41,377</b>	<b>130,086</b>	<b>9,809</b>	<b>995</b>	<b>182,267</b>	<b>193,575</b>

#### 14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2022	2021
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September</b>	31,178	136,725	13,188	900	181,991	162,308
Additions	-	1,000	242	-	1,242	227
Transfers	-	-	-	-	-	(2,668)
Disposals	-	(75)	-	-	(75)	(100)
Investment (losses)/gains	(1,725)	(10,046)	(3,621)	-	(15,392)	22,224
<b>Fair value as at 31 August</b>	<b>29,453</b>	<b>127,604</b>	<b>9,809</b>	<b>900</b>	<b>167,766</b>	<b>181,991</b>

#### Investment additions and disposals

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

#### William Leech Charities Fund

The Methodist Church holds investments valued at £9.8m (2021: £13.2m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2022. The holding is based on the company's audited accounts to 31 March 2022, updated with management accounts to 31 August 2022. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

14c. Analysis of movement of investment properties	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Fair value at 1 September</b>	39,446	53,446	31,178	33,428
Additions	-	-	-	-
Elimination of Westminster College	-	(11,750)	-	-
Transfers	-	(2,250)	-	(2,250)
Revaluation gain/(loss)	1,931	-	(1,725)	-
Disposals	-	-	-	-
<b>Fair value at 31 August</b>	<b>41,377</b>	<b>39,446</b>	<b>29,453</b>	<b>31,178</b>

Included within investment properties are the following revalued properties:

#### i) London Mission Fund

The London Mission property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP.

The valuation was done in July 2022 for 229 King St, Hammersmith and July 2020 for the other three properties.

- a) Hove Residential at 20 Bigwood Avenue: £270k (2021: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £575k (2021: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £425k (2021: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,700k (2021: £1,700k)

#### ii) Guy Chester Centre

A property known as the Hazlehurst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August, 2020 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,620k (2021: £3,620k).

#### iii) Camden Town Methodist Church

Managing trusteeship of Camden Town Methodist Church transferred the property to Methodist Council during the year 2019-20. The property is located at 89 Plender Street, Camden Town, London NW1 0JN. The current market value is £454K.

#### iv) The Wesley Hotel, Euston Street

The property is located at 81-103 Euston Street, London, NW1 2EZ. It was valued in August 2022 by Savills in August 2022 and the current is £20,400K.

#### v) 4 John Wesley Road

The property is located at 4 John Wesley Road, Werrington, Peterborough, PE4 6ZL. It was valued in August 2022 by Eddisons, Incorporating Barker Storey Matthews. The current market value is £1,900K.

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Prepayments and accrued interest	2,965	1,637	1,342	932
Loans to other entities	-	10	786	796
Concessionary loans due within one year	167	149	167	149
Concessionary loans due after more than one year	406	328	406	328
Other debtors	2,126	1,487	1,692	1,137
<b>Total</b>	<b>5,664</b>	<b>3,611</b>	<b>4,393</b>	<b>3,342</b>

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

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

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Accruals	1,283	956	462	465
Loans	257	28	-	-
Tax and social security	565	361	255	224
Grant commitments	6,530	7,618	6,169	7,513
Other creditors	7,139	5,409	7,089	5,223
<b>Total</b>	<b>15,774</b>	<b>14,372</b>	<b>13,975</b>	<b>13,425</b>

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Loans	391	668	-	-
Grant commitments	1,965	3,301	1,792	3,301
<b>Total</b>	<b>2,356</b>	<b>3,969</b>	<b>1,792</b>	<b>3,301</b>

#### Loans

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

At 31.8.22 the balance on the loan is £163K (2021: £196K) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

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

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021. The loan balance as at 31.8.22 is £479K (2021: £500k).

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
Finished goods and goods for resale	44	54	29	36
<b>Total</b>	<b>44</b>	<b>54</b>	<b>29</b>	<b>36</b>

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

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2022	2021	2022	2021
	£000	£000	£000	£000
<b>Financial assets at fair value through profit or loss</b>				
Listed investments	130,086	139,946	127,604	136,726
William Leech Charities Fund and other investments	10,804	14,184	10,709	14,087
<b>Total</b>	<b>140,890</b>	<b>154,130</b>	<b>138,313</b>	<b>150,813</b>

#### Financial assets that are debt instruments measured at amortised cost

Debtors	2,126	1,487	1,692	1,137
<b>Total</b>	<b>2,126</b>	<b>1,487</b>	<b>1,692</b>	<b>1,137</b>

#### Financial liabilities measured at amortised cost

Loans	648	696	-	-
Accruals	1,283	956	462	465
Other creditors	7,139	5,409	7,089	5,223
<b>Total</b>	<b>9,070</b>	<b>7,061</b>	<b>7,551</b>	<b>5,688</b>

#### Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	167	149	167	149
Loan to Lesnes Abbey Circuit	-	10	786	796
<b>Total</b>	<b>167</b>	<b>159</b>	<b>953</b>	<b>945</b>



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>19a. Unrestricted funds</b>							
General	53,214	20,677	(19,710)	-	(2,327)	852	52,706
Designated 19c	66,092	18,471	(10,742)	-	(4,977)	82	68,926
Defined Benefit Pension Scheme	(1,330)	-	3,531	(2,201)	-	-	-
<b>Total</b>	<b>117,976</b>	<b>39,148</b>	<b>(26,921)</b>	<b>(2,201)</b>	<b>(7,304)</b>	<b>934</b>	<b>121,632</b>

#### The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>19b. Unrestricted funds</b>							
General	52,514	16,822	(17,330)	-	(2,327)	852	50,531
Designated 19d	64,984	18,467	(10,793)	-	(4,977)	82	67,763
Defined Benefit Pension Scheme	(1,677)	-	3,878	(2,201)	-	-	-
<b>Total</b>	<b>115,821</b>	<b>35,289</b>	<b>(24,245)</b>	<b>(2,201)</b>	<b>(7,304)</b>	<b>934</b>	<b>118,294</b>

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.9m to the general fund principally comprise the net balance of the management levy received (£2.0m), payment to the Long-term Renewal Fund (£0.1m), donations made to Pension Reserve Fund (£0.5m) for contribution toward pension deficit and other MIC contributions (£0.5m) Note 22 page

#### The Methodist Church in Great Britain

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>19c. Designated funds</b>							
1) The Connexional Priority Fund	11,336	9,984	(4,589)	-	(983)	(5,164)	10,584
2) The Epworth Fund	7,738	189	(245)	-	(520)	(27)	7,135
3) The Designated Training Fund	1,096	1	(757)	-	-	789	1,129
4) The Pension Reserve Fund	45,922	8,297	(5,151)	-	(3,474)	4,484	50,078
<b>Total</b>	<b>66,092</b>	<b>18,471</b>	<b>(10,742)</b>	<b>-</b>	<b>(4,977)</b>	<b>82</b>	<b>68,926</b>

#### The Connexional Funds

	Balance at 1 September 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>19d. Designated funds</b>							
1) The Connexional Priority Fund	11,327	9,983	(4,605)	-	(983)	(5,164)	10,558
2) The Epworth Fund	7,730	188	(245)	-	(520)	(27)	7,126
3) The Designated Training Fund	5	-	(793)	-	-	789	1
4) The Pension Reserve Fund	45,922	8,296	(5,150)	-	(3,474)	4,484	50,078
<b>Total</b>	<b>64,984</b>	<b>18,467</b>	<b>(10,793)</b>	<b>-</b>	<b>(4,977)</b>	<b>82</b>	<b>67,763</b>

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.6m management levy paid to the general fund and £4.5m to the Pension Reserve Fund (PRF). See Note 22 page 88.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### The Methodist Church in Great Britain

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

#### The Connexional Funds

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

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

#### The Methodist Church in Great Britain

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

#### The Connexional Funds

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

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

#### 2) The Epworth Fund

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

#### 3) The Designated Training Fund

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

#### 4) The Pension Reserve Fund

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### The Methodist Church in Great Britain

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>20a. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	10,824	367	(1,207)	-	(609)	(61)	9,314
2) Mission in Britain Fund	6,521	977	(502)	-	(548)	(65)	6,383
3) Centenary Hall Trust	25,249	353	(328)	-	2,219	-	27,493
4) The Fund for Property	1,543	244	(47)	-	(117)	(66)	1,557
5) The Fund for Training	7,035	289	(68)	-	(4,835)	(9)	2,412
6) The World Mission Fund	23,835	2,974	(3,556)	-	(1,020)	(806)	21,427
7) The London Mission Fund	20,683	539	(434)	-	(1,129)	-	19,659
8) The Guy Chester Centre	29,978	1,240	(807)	-	(195)	(330)	29,886
9) Cliff College	6,348	1,358	(2,770)	-	(3)	-	4,933
10) Southlands Methodist Trust	10,418	517	(862)	-	3,496	-	13,569
12) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
<b>Total funds with balances &gt; £2m</b>	<b>145,014</b>	<b>8,920</b>	<b>(10,662)</b>	<b>-</b>	<b>(2,916)</b>	<b>(1,338)</b>	<b>139,018</b>
Other - 28 funds with balances < £2m	4,317	8,159	(9,235)	311	(4,694)	33	(1,109)
<b>Total</b>	<b>149,331</b>	<b>17,079</b>	<b>(19,897)</b>	<b>311</b>	<b>(7,610)</b>	<b>(1,305)</b>	<b>137,909</b>

#### The Connexional Funds

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
<b>20b. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	10,810	367	(1,226)	-	(609)	(61)	9,281
2) Mission in Britain Fund	6,521	977	(502)	-	(348)	(65)	6,583
3) Centenary Hall Trust	25,410	353	(328)	-	(64)	-	25,371
4) The Fund for Property	1,542	244	(47)	-	(117)	(66)	1,557
5) The Fund for Training	6,992	289	(4,853)	-	(50)	(9)	2,370
6) The World Mission Fund	22,844	2,974	(3,556)	-	(1,020)	(806)	20,436
7) The London Mission Fund	20,684	539	(437)	-	(1,129)	-	19,657
8) The Guy Chester Centre	29,698	1,240	(811)	-	(195)	(330)	29,602
<b>Total funds with balances &gt; £2m</b>	<b>124,501</b>	<b>6,984</b>	<b>(11,760)</b>	<b>-</b>	<b>(3,532)</b>	<b>(1,337)</b>	<b>114,857</b>
Other - 27 funds with balances < £2m	5,557	2,617	(522)	311	(9,789)	32	(1,795)
<b>Total</b>	<b>130,058</b>	<b>9,601</b>	<b>(12,282)</b>	<b>311</b>	<b>(13,321)</b>	<b>(1,305)</b>	<b>113,062</b>

Transfers out of the World Mission Fund principally relate to £0.55m management levy paid to the general fund and £0.25m to William Leech for investment purposes. Guy Chester transfers out £0.33m towards the Learning Network.

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>20C. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,727	592	(935)	-	1,485	(45)	10,824
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,311	39	(75)	-	-	(26)	25,249
4) The Fund for Property	1,025	362	(52)	-	276	(68)	1,543
5) The Fund for Training	6,816	299	(186)	-	121	(15)	7,035
6) The World Mission Fund	23,522	2,622	(4,177)	-	2,597	(729)	23,835
7) The London Mission Fund	18,770	464	(465)	-	1,914	-	20,683
8) The Guy Chester Centre	29,230	1,232	(860)	-	376	-	29,978
9) Cliff College	7,392	1,433	(2,495)	-	18	-	6,348
10) Southlands Methodist Trust	10,196	473	(609)	-	358	-	10,418
11) Westminster College Oxford Trust	10,757	-	-	-	-	-	10,757
12) Methodist Medical Benevolent Fund	2,202	46	(92)	-	424	-	2,580
<b>Total funds with balances &gt; £2m</b>	<b>150,098</b>	<b>8,278</b>	<b>(9,841)</b>	<b>-</b>	<b>8,167</b>	<b>(931)</b>	<b>155,771</b>
Other - 28 funds with balances < £2m	2,021	4,188	(3,962)	80.00	2,262	(272)	4,317
<b>Sub-total</b>	<b>152,119</b>	<b>12,466</b>	<b>(13,803)</b>	<b>80</b>	<b>10,429</b>	<b>(1,203)</b>	<b>160,088</b>
De-consolidation of Westminster College	-	-	-	-	-	(10,757)	(10,757)
<b>Total</b>	<b>152,119</b>	<b>12,466</b>	<b>(13,803)</b>	<b>80</b>	<b>10,429</b>	<b>(11,960)</b>	<b>149,331</b>

#### The Connexional Funds

	Balance at 31 August 2020	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000	£000
<b>20d. Restricted funds</b>							
1) The Fund for the Support of Presbyters and Deacons	9,713	592	(935)	-	1,485	(45)	10,810
2) Mission in Britain Fund	5,150	716	105	-	598	(48)	6,521
3) Centenary Hall Trust	25,471	39	(75)	-	-	(25)	25,410
4) The Fund for Property	1,025	361	(52)	-	276	(68)	1,542
5) The Fund for Training	6,774	298	(186)	-	121	(15)	6,992
6) The World Mission Fund	22,902	2,622	(4,548)	-	2,597	(729)	22,844
7) The London Mission Fund	18,772	463	(465)	-	1,914	-	20,684
8) The Guy Chester Centre	28,950	1,232	(860)	-	376	-	29,698
<b>Total funds with balances &gt; £2m</b>	<b>118,757</b>	<b>6,323</b>	<b>(7,016)</b>	<b>-</b>	<b>7,367</b>	<b>(930)</b>	<b>124,501</b>
Other - 27 funds with balances < £2m	4,504	673	(1,072)	80	1,645	(273)	5,557
<b>Total</b>	<b>123,261</b>	<b>6,996</b>	<b>(8,088)</b>	<b>80</b>	<b>9,012</b>	<b>(1,203)</b>	<b>130,058</b>

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### Notes on the purposes of the main funds

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

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

##### 2) Mission in Britain Fund

This fund exists to further the Church's mission by making grants to local churches and circuits and to bear witness to the global character of Christian Mission by supporting work with and among ethnically diverse communities in Britain and Ireland which have their origin in other countries.

##### 3) Centenary Hall Trust

This exists to hold on trust a Church House, formerly 25 Marylebone Road and now 25 Tavistock Place.

##### 4) The Fund for Property

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

##### 5) The Fund for Training

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

##### 6) The World Mission Fund

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 7) The London Mission Fund

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

#### 8) The Guy Chester Centre

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

#### 9) Cliff College

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

#### 10) Southlands Methodist Trust

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

#### 11) Westminster College Oxford Trust

This Trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education. However, WCOT is no longer form part of the consolidated accounts of the MCiGB as a review conducted in 2020/21 revealed that the Council did not have the required control - less than 50% of the trustees were appointed by the Council.

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

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

21a. Endowment funds	Balance at 1	Income	Expenditure	Investment	Transfers	Balance at
	September			gains &		31 August
	2021	£000	£000	losses	£000	2022
	£000			£000		£000
<b>Permanent</b>						
Rank Endowment Fund	7,177	-	(12)	86	63	7,314
Barratt Memorial	1,318	-	(4)	(89)	48	1,273
Other - 2 funds with balances <£1m	20	-	-	8	(1)	27
<b>Sub-total</b>	<b>8,515</b>	<b>-</b>	<b>(16)</b>	<b>5</b>	<b>110</b>	<b>8,614</b>
<b>Expendable</b>						
William Leech Charities Fund	13,188	-	-	(3,620)	240	9,808
Other - 4 funds with balances <£1m	1,132	-	(3)	12	21	1,162
<b>Sub-total</b>	<b>14,320</b>	<b>-</b>	<b>(3)</b>	<b>(3,608)</b>	<b>261</b>	<b>10,970</b>
<b>Total</b>	<b>22,835</b>	<b>-</b>	<b>(19)</b>	<b>(3,603)</b>	<b>371</b>	<b>19,584</b>

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

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

21b. Endowment funds	Balance at 1	Income	Expenditure	Investment	Transfers	Balance at
	September			gains &		31 August
	2020	£000	£000	losses	£000	2021
	£000			£000		£000
<b>Permanent</b>						
Rank Endowment Fund	6,183	-	(12)	983	23	7,177
Barratt Memorial	1,102	-	(12)	223	5	1,318
Other - 2 funds with balances <£1m	29	-	0	6	(15)	20
<b>Sub-total</b>	<b>7,314</b>	<b>-</b>	<b>(24)</b>	<b>1,212</b>	<b>13</b>	<b>8,515</b>
<b>Expendable</b>						
William Leech Charities Fund	11,234	-	-	1,726	228	13,188
Other - 4 funds with balances <£1m	932	-	(3)	187	16	1,132
<b>Sub-total</b>	<b>12,166</b>	<b>-</b>	<b>(3)</b>	<b>1,913</b>	<b>244</b>	<b>14,320</b>
<b>Total</b>	<b>19,480</b>	<b>-</b>	<b>(27)</b>	<b>3,125</b>	<b>257</b>	<b>22,835</b>

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



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

22. Fund Transfers		2022			2021		
		Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
<b>Unrestricted</b>							
Connexional Priority Fund	(Note 19)	-	(5,164)	(5,164)	-	(5,258)	(5,258)
Pension Reserve Fund	(Note 19)	5,027	(543)	4,484	4,622	(80)	4,542
Designated Training Fund	(Note 19)	789	-	789	350	-	350
General Fund	(Note 19)	1,957	(600)	1,357	1,728	(100)	1,628
Methodist International Centre	(Note 19)	-	(505)	(505)	-	(46)	(46)
Others		-	(27)	(27)	-	(270)	(270)
<b>Total</b>		<b>7,773</b>	<b>(6,839)</b>	<b>934</b>	<b>6,700</b>	<b>(5,754)</b>	<b>946</b>
<b>Restricted</b>							
Long-term Renewal Fund		100	-	100	100	-	100
World Mission Fund	(Note 20)	-	(806)	(806)	-	(729)	(729)
Guy Chester Centre	(Note 20)	-	(330)	(330)	-	(350)	(350)
Fund for Training	(Note 20)	-	(9)	(9)	-	(15)	(15)
Mission in Britain	(Note 20)	-	(65)	(65)	-	(48)	(48)
Fund for Support of Presbyters & Deacons		-	(61)	(61)	6	(59)	(53)
Fund for property	(Note 20)	23	(89)	(66)	42	(96)	(54)
Centenary Hall Trust	(Note 20)	-	-	-	-	(27)	(27)
Others		1	(69)	(68)	-	(27)	(27)
<b>Total</b>		<b>124</b>	<b>(1,429)</b>	<b>(1,305)</b>	<b>148</b>	<b>(1,351)</b>	<b>(1,203)</b>
<b>Endowments</b>							
William Leech Charities Fund	(Note 21)	253	(13)	240	239	(11)	228
Rank Endowment	(Note 21)	70	(7)	63	57	(49)	8
Others	(Note 21)	71	(3)	68	29	(8)	21
<b>Total</b>		<b>394</b>	<b>(23)</b>	<b>371</b>	<b>325</b>	<b>(68)</b>	<b>257</b>
<b>Grand Total</b>		<b>8,291</b>	<b>(8,291)</b>	<b>-</b>	<b>7,173</b>	<b>(7,173)</b>	<b>-</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### The Methodist Church in Great Britain

<b>23a. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2022 Total £000</b>
Intangible fixed assets	55	7	-	62
Tangible fixed assets	27,364	52,687	-	80,051
Investments	96,534	73,942	11,791	182,267
Current assets	15,676	20,345	222	36,243
Creditors due within one year	(17,459)	(5,886)	7,571	(15,774)
Creditors due after more than one year	(538)	(1,818)	-	(2,356)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
<b>Total</b>	<b>121,632</b>	<b>137,909</b>	<b>19,584</b>	<b>279,125</b>

#### The Connexional Funds

<b>23b. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2022 Total £000</b>
Intangible fixed assets	43	-	-	43
Tangible fixed assets	27,173	42,055	-	69,228
Investments	96,534	59,441	11,791	167,766
Current assets	14,916	15,900	223	31,039
Creditors due within one year	(20,078)	(1,467)	7,570	(13,975)
Creditors due after more than one year	(293)	(1,499)	-	(1,792)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
<b>Total</b>	<b>118,294</b>	<b>113,062</b>	<b>19,584</b>	<b>250,940</b>

#### The Methodist Church in Great Britain

<b>23c. Analysis of net assets between funds</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Endowment Funds £000</b>	<b>2021 Total £000</b>
Intangible fixed assets	64	12	-	76
Tangible fixed assets	16,219	75,593	4,135.00	95,947
Investments	94,600	79,321	19,654	193,575
Current assets	14,679	7,190	92	21,961
Creditors due within one year	(5,036)	(8,290)	(1,046)	(14,372)
Creditors due after more than one year	(1,220)	(2,749)	-	(3,969)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
<b>Total</b>	<b>117,976</b>	<b>149,331</b>	<b>22,835</b>	<b>290,142</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted	Restricted	Endowment	2021
	Funds	Funds	Funds	Total
	£000	£000	£000	£000
Intangible fixed assets	63	-	-	63
Tangible fixed assets	16,061	67,170	4,135.00	87,366
Investments	94,600	67,737	19,654	181,991
Current assets	14,878	4,125	93	19,096
Creditors due within one year	(7,730)	(4,648)	(1,047)	(13,425)
Creditors due after more than one year	(721)	(2,580)	-	(3,301)
Defined benefit pension scheme liability	(1,330)	(1,746)	-	(3,076)
<b>Total</b>	<b>115,821</b>	<b>130,058</b>	<b>22,835</b>	<b>268,714</b>

#### 24. Revaluation reserves

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

#### The Methodist Church in Great Britain

24a. Revaluation reserve	1 September	Movement	31 August
	2021		2022
	£000	£000	£000
Unrestricted	7,240	-	7,240
Restricted	55,065	(6,564)	48,501
<b>Total</b>	<b>62,305</b>	<b>(6,564)</b>	<b>55,741</b>

#### The Connexional Funds

24b. Revaluation reserve	1 September	Movement	31 August
	2021		2022
	£000	£000	£000
Unrestricted	7,237	-	7,237
Restricted	52,183	(8,836)	43,347
<b>Total</b>	<b>59,420</b>	<b>(8,836)</b>	<b>50,584</b>

#### The Methodist Church in Great Britain

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

#### The Connexional Funds

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

25. Expenses reimbursed to the trustees	2022		2021	
	Number of trustees	£000	Number of trustees	£000
Travel and other expenses reimbursed	44	23	26	16

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2022	2021	2022	2021
	£000	£000	£000	£000
Mr Doug Swanney	17	17	137	135
Mrs Joanne Anderton	12	12	97	96
The Revd Dr Jonathan R Hustler	7	7	44	43
Deacon Karen McBride	7	7	43	42
The Revd Gillian M Newton	7	7	43	42
The Revd Leslie M Newton	7	7	43	42
The Revd Michaela A Youngson	7	7	43	42
The Revd Dr Jongikaya Zihle	7	7	43	42
The Revd Graham Thompson	7	-	43	-
The Revd Helen R Kirk	7	-	43	-
The Revd Ruth Gee	-	6	-	40
The Revd Dr Barbara Glasson	-	3	-	20
<b>Total</b>	<b>85</b>	<b>80</b>	<b>579</b>	<b>544</b>

Of the trustees listed above, 10 were in the Connexional team or District Chairs (2021: 10). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.6m (2021: £0.5m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

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

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

	2022			
	Income from related party	Payments to/(from) related party	Loans from related party	Amount owed by/(to) related
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	13	241	-	-
Methodist Ministers' Housing Society (MMHS) (b)	-	56	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	94	-	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,042	-	-
Methodist International Centre Ltd (e)	316	20	-	786

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

- (a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.
- (b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.
- (c) The income received from the MMPS was for rent and accountancy services
- (d) A payment of £1.04m (2021: £1.04m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2021-22 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 21 to Aug 22.
- (e) Income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds £316K (2021: None, due to Covid-19 related lockdown and restrictions). The £20k relates to accommodation expenses (2021: £1k). In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to be repaid in May 2024.

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

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

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

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.7m (2021: £13.8m)
- The awarding and distribution of grants to other Methodist entities amounts to £4m in 2021/22 (2021: £7m)
- Investment charges (TMCP & CFB) amounts to £403k in 2022 (2021: £232k)

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

#### 28. Defined benefit pension scheme commitments

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

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

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

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

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

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
Fair value of scheme assets	69,991	-	69,991	95,103
Present value of scheme liabilities	(66,915)	(1,368)	(68,283)	(98,179)
<b>Sub Total</b>	<b>3,076</b>	<b>(1,368)</b>	<b>1,708</b>	<b>(3,076)</b>
Unrecognised assets	(3,076)	-	(3,076)	-
<b>Net defined benefit liability</b>	<b>-</b>	<b>(1,368)</b>	<b>(1,368)</b>	<b>(3,076)</b>

The amounts charged to the statement of financial activities for both The Methodist Church in Great Britain and The

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
<b>Service cost (before contributions from other group employers)</b>	<b>135</b>	<b>-</b>	<b>135</b>	<b>144</b>
Interest cost on scheme liabilities	1,624	27	1,651	1,539
Interest income on plan assets	(1,636)	(33)	(1,669)	(1,328)
<b>Net finance costs</b>	<b>(12)</b>	<b>(6)</b>	<b>(18)</b>	<b>211</b>
<b>Total</b>	<b>123</b>	<b>(6)</b>	<b>117</b>	<b>355</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

	Unrestricted PASLEMC £000	Restricted SSMP £000	2022 Total £000	2021 Total £000
Actual return on scheme assets	(26,931)	(213)	(27,144)	14,938
Amounts included in net interest on the net defined liability	(1,636)	213	(1,423)	(1,328)
Other actuarial gains/losses	29,442	311	29,753	(1,242)
Movement in unrecognised assets	(3,076)	-	(3,076)	-
<b>Re-measurement gains and losses recognised in SoFA</b>	<b>(2,201)</b>	<b>311</b>	<b>(1,890)</b>	<b>12,368</b>

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

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
At 1 September	96,433	95,397	1,746	1,895	98,179	97,292
Service cost	135	144	-	-	135	144
Interest on obligation	1,624	1,511	27	28	1,651	1,539
Contributions by members	-	-	-	-	-	-
Benefits paid	(1,835)	(1,941)	(94)	(97)	(1,929)	(2,038)
Actuarial gains/losses	(29,442)	1,322	(311)	(80)	(29,753)	1,242
<b>At 31 August</b>	<b>66,915</b>	<b>96,433</b>	<b>1,368</b>	<b>1,746</b>	<b>68,283</b>	<b>98,179</b>

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

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
At 1 September	95,103	81,507	-	-	95,103	81,507
Interest on assets	1,636	1,297	-	-	1,636	1,297
Contributions by employers	4,110	1,097	-	-	4,110	1,097
Contributions by members	-	-	-	-	-	-
Administration expenses	(456)	(392)	-	-	(456)	(392)
Benefits paid	(1,836)	(1,941)	-	-	(1,836)	(1,941)
Actuarial return less interest income on plan assets	(28,566)	13,535	-	-	(28,566)	13,535
<b>At 31 August</b>	<b>69,991</b>	<b>95,103</b>	<b>-</b>	<b>-</b>	<b>69,991</b>	<b>95,103</b>
Unrecognised assets	(3,076)	-	-	-	(3,076)	-
<b>Net Defined Benefit Liability</b>	<b>-</b>	<b>1,330</b>	<b>1,368</b>	<b>1,746</b>	<b>1,368</b>	<b>3,076</b>

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

	PASLEMC		SSMP	
	2022	2021	2022	2021
	% pa	% pa	% pa	% pa
Discount rate at end of year	3.9	1.7	4.1	1.6
Discount rate at start of year	1.7	1.6	1.6	1.5
RPI Inflation	3.5	3.5	3.9	3.6
CPI Inflation	3.0	2.8	-	-
Rate of increase in Pensionable earnings	3.0	2.8	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	3.0	2.8	3.7	3.5
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.5	3.7	3.5
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.4	3.3	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.3	2.3	-	-

#### Mortality assumptions for the two schemes:

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

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

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

#### Analysis of scheme assets

	PASLEMC		SSMP	
	2022	2021	2022	2021
Equities	12.3	44.3	19.9	22.6
Gilts	36.1	-	56.1	55.8
Corporate Bonds	9.5	4.9	12.3	12.2
Property	16.4	8.4	7.2	5.4
Cash	1.4	7.6	4.5	4.0
Liability Driven Investment	19.6	30.4	-	-
Annuities	4.7	4.4	-	-



## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

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

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

	2022 £000	2021 £000
<b>Service cost</b>	<b>9,696</b>	<b>8,507</b>
Interest cost on scheme liabilities	8,496	7,472
Interest Income on plan assets	(9,122)	(7,254)
Interest on unrecognised assets	-	-
<b>Net Finance Costs</b>	<b>(626)</b>	<b>218</b>

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

	2022 £000	2021 £000
Actual Return on Scheme assets	(103,537)	96,072
Amounts included in net interest on the net defined liability	(9,122)	(7,254)
Other Actuarial gains/losses	138,573	(33,879)
Movement in unrecognised assets	(23,943)	(32,967)
<b>Re-measurement gains and losses recognised in SOFA</b>	<b>1,971</b>	<b>21,972</b>

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

	2021 £000	2,021 £000
<b>Opening defined benefit obligation</b>	<b>541,543</b>	<b>508,047</b>
Service cost	9,696	8,507
Interest cost	8,496	7,472
Cost of benefit Changes	-	-
Contributions by members	3,264	3,487
Benefits paid	(21,032)	(19,849)
Actuarial (gains)/losses	(138,573)	33,879
<b>Closing defined benefit obligation</b>	<b>403,394</b>	<b>541,543</b>

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

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

	2022	2021
	£000	£000
<b>Opening fair value of scheme assets</b>	<b>574,510</b>	<b>487,526</b>
Interest income on plan assets	9,121	7,254
Contributions by employers	8,926	8,448
Contributions by members	3,294	3,487
Benefits paid	(21,032)	(19,849)
Administration expenses	(1,298)	(1,174)
Actual return less interest income on plan assets	(112,659)	88,818
<b>Closing fair value of scheme assets</b>	<b>460,862</b>	<b>574,510</b>

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

	2022	2021
	£000	£000
Closing defined benefit obligation	(403,424)	(541,543)
Closing fair value of scheme assets	460,862	574,510
<b>Net defined benefit scheme (liability)/asset</b>	<b>57,438</b>	<b>32,967</b>
Assets that would not have been recognised had the scheme been included	(23,943)	(32,967)
<b>Net defined benefit (liability)/asset</b>	<b>33,495</b>	<b>-</b>

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

	2022	2021
	% pa	% pa
Discount rate at end of year	4	1.6
Discount rate at start of year	1.6	1.5
Inflation	3.6	3.5
Rate of increase in pensionable earnings	3.8	3.7
Rate of increase in deferred pensions pre 2009	3.3	3.2
Rate of increase in deferred pension post 2009	2.5	2.5
Rate of increase in pension in payment main benefits CPI LPI 5%	3.2	3.1
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.2	2.2
Rate of increase in pension in payment AVCs RPI LPI 5%	3.5	3.4
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.3

## The Methodist Church in Great Britain

### Notes to the consolidated financial statements for the year ended 31 August 2022 (continued)

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

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

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

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

	<b>2022</b>	<b>2021</b>
	%	%
Equities	33.4	44.1
Gilts	0.1	0.1
Corporate Bonds	29.7	15.3
Index linked Bonds	-	-
Property	10.1	8.5
Cash	3.5	10.0
Liability driven Investment	16.8	19.2
Impact investing	6.4	2.8

## The Methodist Church in Great Britain

The membership for 2021/2022 and 2022/2023 are listed below.

### Methodist Council:

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#### 2021 / 2022

New Members from 1 September 2021 are marked with one asterisk (\*)

Mrs Joanne Anderton	Mrs Beti W T Holmes	The Revd Michael D Parker
Mr Stephen Arnold*	The Revd Dr Jonathan R Hustler	The Revd Malcolm Peacock
Mrs E Jill Baker (Chair)	The Revd Ermal B Kirby [until	Mr Graham Russell
The Revd Karen Beecham*	26.1.22]	The Revd S Mark Slaney
Mr Anthony Boateng*	The Revd Helen R Kirk*	Ms Sandie Smith
The Revd Paul H Booth	Mr Joe Lambert	The Revd Kate Strange
Mr Mark Braithwaite*	Mrs Carolyn J Lawrence	The Revd O Mark Street
The Revd Dr Adrian Burdon	The Revd Angela Long*	Mr Douglas Swanney
Mr David Burton	Mr Andrew Lowe	The Revd Timothy A Swindell
The Revd Dr Joanne Cox-Darling	Professor David Matthews	The Revd Rebekah Stennett*
Mrs Barbara Easton	Mrs Val Mayers	Mrs Jenny Taylor*
The Revd Simon C Edwards*	The Revd Samuel E McBratney	The Revd Richard J Teal
Mr Carl Fairclough	[from 26.1.22]*	The Revd Graham Thompson*
The Revd Ruth G S Fry	Deacon Karen McBride	The Revd Alison E Walker
Mr Bala Gnanapragasam [until	Mr Alister McClure	Miss Margaret Webber
26.1.22]	Dr Daleep S Mukarji	Ms Verity Wild*
Mr Peter Gregson	The Revd Leslie M Newton	The Revd Michaela A Youngson
The Revd Jeremy H A Hackett	Mr Keith Norman	The Revd Dr Jongikaya Zihle
Ms Charlotte Hambly	Mrs Helen Norton	
The Revd Sonia M Hicks	The Revd Charity Nzegwu [from	
	26.1.22]*	
	The Revd Nick Oborski*	
	Dr Hellen Okello*	

#### 2022 / 2023

New Members from 1 September 2022 are marked with two asterisks (\*\*)

Mrs Joanne Anderton	The Revd Jeremy H A Hackett	Mrs Helen Norton
Mr Stephen Arnold	The Revd Sonia M Hicks (Chair)	The Revd Charity Nzegwu
The Revd Karen Beecham	Mrs Beti W T Holmes	Dr Hellen Okello
Mr Anthony Boateng	The Revd Dr Jonathan R Hustler	Mrs Sheila Pollard**
The Revd Paul H Booth	The Revd Helen R Kirk	Miss Bridget Quint**
Mr Mark Braithwaite	Mr Joe Lambert	The Revd Mark Roberts**
The Revd Dr Adrian Burdon	The Revd Angela Long	The Revd Dr Calvin T Samuel [from
Mr David Burton	Mr Andrew Lowe	18.10.22]**
The Revd Deborah L Caulk**	Professor David Matthews	Deacon Kerry Scarlett**
The Revd Steven R M Cooper**	Mrs Val Mayers	The Revd S Mark Slaney
The Revd Dr Joanne Cox-Darling	The Revd Samuel E McBratney	Ms Sandie Smith
Ms Eleanor Dixon**	Deacon Karen McBride	Mr Douglas Swanney
Mrs Barbara Easton	Mr Alister McClure	The Revd Timothy A Swindell
The Revd Simon C Edwards	Dr Daleep S Mukarji	The Revd Rebekah Stennett
Mr Carl Fairclough	The Revd Gillian M Newton	The Revd Howard J Stringer [from
The Revd Ruth G S Fry	The Revd Leslie M Newton	17.10.22]**
Mr Peter Gregson	Mr Keith Norman	Mrs Jenny Taylor
		The Revd Graham Thompson
		The Revd Marcus Torchon**
		Ms Verity Wild
		The Revd Michaela A Youngson

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

## The Methodist Church in Great Britain

### The Strategy and Resources Committee

The membership for the current year are listed below:

*Voting Members*

Ms Janet Arthur  
Mrs Anne Bolton  
Mr Nick Garrett  
Professor David Matthews  
Mrs Shelagh Morgan

Dr Daleep S Mukarji (Chair)  
The Revd Gillian M Newton  
The Revd Nicholas A Oborski  
The Revd Timothy A Swindell  
The Revd Kerry W Tankard  
The Revd Marcus Torchon

*Non-voting members*

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

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

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

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

The membership of the committee is:

*Voting Members*

Mrs Helen Blair  
Mrs Sue Haworth

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

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

### The Audit and Risk Assurance Committee

The membership of the committee is:

*Voting Members*

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

Mrs Susan M Mortimer  
Mr Michael Rickard

*Non-voting members*

The Revd Timothy A Swindell

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

## 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  
25 Tavistock Place  
London WC1H 9SF  
Tel: 020 7486 5502  
Web: [www.methodist.org.uk](http://www.methodist.org.uk)

#### Executive Officers

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

#### Custodian Trustee:

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

Methodist Missionary Trust Association  
25 Tavistock Place  
London WC1H 9SF

#### Investment Managers:

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

#### Bankers:

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

#### Independent Auditor:

RSM UK  
103 Colmore Row  
Birmingham  
West Midlands  
B3 3AG

#### Solicitors:

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