

The
TRUSTEES'
ANNUAL REPORT
and
ACCOUNTS
for the
year ended
31 August 2018

Trustees' Annual Report

| Contents | Page |
|--|-------------|
| Trustees' Annual Report..... | 3-13 |
| Statement of Financial Activities..... | 14 |
| Balance Sheet..... | 15 |
| Notes to the Accounts | 16-33 |
| Declarations and Scrutiny | 34-35 |

Glossary of terms

CFB: Central Finance Board of the Methodist Church manages a Common Deposit Fund and a series of pooled investment funds for Methodist entities in Great Britain and provides investment advice to those entities

Church: a group of members from fewer than 10 to more than 300

Circuit: a group of Methodist Churches near each other, typically between 10 and 30

CMTF: Circuit Model Trust Fund

Connexion: The Methodist Church in GB which includes the Head Office in London at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

District: a group of contiguous Circuits, usually between 15 and 30

DAF: District Advance Fund

DPC: District Policy Committee

FRS: Financial Reporting Standard

HMRC: Her Majesty's Revenue and Customs

MCF: Methodist Church Fund

MMPS: Methodist Ministers' Pension Scheme

PASLEMC: Pensions and Assurance Scheme for Lay Employees of the Methodist Church

SOFA: Statement of Financial Activities

SORP: Statement of Recommended Practice

TMCP: Trustees for Methodist Church Purposes, the Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds

Trustees' Annual Report

1 Objectives and Activities

The Bedfordshire, Essex and Hertfordshire Methodist District exists to serve the mission of the Methodist Church of Great Britain. The District comprises 181 local Methodist churches in these three counties, grouped into 12 circuits that are served by a ministerial team of nearly 50 (full-time equivalent) presbyters and deacons.

The District Synod is the principal governance body of the District, comprising the ministers stationed in the District plus a larger number of lay representatives appointed by the circuits. There are a number of District officers appointed to serve the work of the Synod in particular ways. The vast majority are lay and ordained volunteers, who undertake District responsibilities in addition to their other roles in the Church. The District officers are led by the District Chair, who is a presbyter appointed to serve the District full-time. The District employs a part-time Safeguarding Officer and two part-time personal assistants to the District Chair.

The District serves the mission of the Methodist Church by supporting the work of its circuits and local churches and by exercising oversight over them, as specified under the *Constitutional Practice and Discipline of the Methodist Church of Great Britain*. Principal District activities include the deployment of ministers, ministerial development, continuing training for probationer ministers, strategic financial grants to circuits and local churches in support of their mission and ministry, and scrutiny of governance processes in the circuits.

The District Synod meets at least twice in each year to fulfil its governance and oversight responsibilities. As a registered charity, the Synod takes seriously its responsibilities to the Charity Commissioners and adheres closely to the published guidance on public benefit.

2 Achievements and Performance

The Synod, through the District Policy Committee acting as its executive, has pursued a number of ambitious objectives in 2017-18 in accordance with plans outlined in the Trustees' Annual Report for 2016-17. A Regional Co-ordinator for the Discipleship and Ministries Learning Network was recruited in the course of the year in conjunction with the East Anglia District, bringing the team to full strength. Plans progressed towards the implementation of the ministerial supervision scheme ready for its scheduled introduction from 1 September 2018. A Rural Affairs officer was appointed from among the presbyters stationed in the District as a resource for rural churches. A new part-time post of District Mission/Discipleship Enabler was approved and recruitment will commence next year when the promised Connexional funding has been received. In safeguarding, the past cases review has been completed. The District Grants Committee has made a number of substantial grants towards particular ministry and mission projects in circuits and local churches. Grants have also enabled a significant number of young people in the District to attend the 3Generate national youth event of the Methodist Church in November 2017. It has not been possible to fulfil all objectives. Following an unsuccessful round of recruitment, plans to recruit an additional part-time District Safeguarding Officer will be carried forward to 2018-19.

Trustees' Annual Report

2.1 Plans for 2018-19

In addition to fulfilling its governance responsibilities, as required by Methodist Standing Orders, the Synod, through the District Policy Committee acting as its executive, intends to:

- (1) prepare a mission development plan for a three-year period beginning 1 September 2019
- (2) provide an induction day for presbyters and deacons newly stationed in the District
- (3) provide for presbyters and deacons with less than ten years in service to have a four-day retreat in the autumn funded by the District
- (4) commence implementation of the Connexional supervision scheme for the thirteen circuit superintendent ministers stationed in the District
- (5) subject to the availability of Connexional funding, recruit a District Mission/Discipleship Enabler
- (6) recruit an additional part-time District Safeguarding Officer
- (7) provide financial support for young people in the District wishing to attend the annual 3Generate Methodist youth event
- (8) support the 'Thy Kingdom Come' national prayer initiative by appointing a volunteer advocate.

3 Financial Review

During the year the District received total income of £372k (2016-17: £327k) and dispersed £339k (2016-17: £347k). To the resulting surplus was added net unrealised gains of £10k (2016-17: £7k) on investments to produce a net surplus of £44k (2016-17: an excess of £12k). Total funds carried forward are £1,056k (2016-17: £1,012k). It should be noted that the unrestricted reserves funded the purchase cost of the manse (£500k in 2006) and, as a result, the unrestricted readily available reserves total £411k (2016-17: £372k, on a like-for-like basis) after taking account of commitments to future instalments of grant.

The trustees of the District have every reason to believe that the District is a going concern, principally because Circuits continue to meet their assessments and the District has adequate reserves to cover a shortfall in anticipated income. There are no subsidiary undertakings. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

The District continues to hold the one freehold property being the Chair's Manse in Bishop's Stortford.

The District has the following principal sources of funds:

- Interest on investments
- Levies on the Circuit Model Trust Funds of Circuits within the District
- Assessments on Circuits within the District.

These sums are used to administer the District and to provide grants to Circuits, Churches and individuals in the District so that they may embark on or continue with projects that fulfil the mission of the District by bringing more people to Christ or by providing facilities that might enable this to happen.

Trustees' Annual Report

3.1 Methodist Ministers' Pension Fund

Trustees are aware that the Methodist Ministers' Pension Scheme is treated as a group defined benefit plan. The net defined benefit cost is recognised by the sponsoring entity, The Methodist Church in Great Britain, as there is no contractual agreement or stated policy for charging the net defined benefit cost to individual entities, such as the District. The District recognises a cost equal to its contributions payable for the period. Further details in respect of these pension arrangements are disclosed in the accounts of The Methodist Church in Great Britain.

3.2 Investment policy and performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (individually over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The capital returns are close to tracking the movements in the FTSE100 index. The income mirrors the deposit rates available elsewhere. Both the Central Finance Board (CFB) and TMCP take into consideration social, environmental and ethical considerations, both negatively and positively, in establishing investment policy.

Short term deposits are lodged directly with the CFB and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk.

3.3 Reserves policy

The District has a reserves policy covering all its unrestricted funds which is reviewed annually. Although grants are made each year out of the District Advance Fund (DAF), it is recognised that some grants will be paid by annual instalments and that there will be applications repeated in future years. The trustees seek to ensure that there is sufficient in the DAF to meet these anticipated requests and show those sums payable in 2018-19 as a current liability and instalments due after the following year as long-term liabilities in the Balance Sheet. At the year end the unspent DAF balance designated, but not committed, for future grant-making amounted to £185k.

The minimum level of the General Fund is such as to pay for six months' payroll costs and closing costs of staff redundancies, rent and the like. At 31 August 2018 this sum amounted to £50k (2016-17: £48k). Unrestricted undesignated reserves, at £226k, were substantially in excess of this amount at the end of the year. The trustees are, however, mindful that future income from the Circuit Model Trust Funds (CMTFs) is not secure and it is judged prudent to retain a buffer beyond the quantified need of £50k. Furthermore, some Circuits may find it difficult to meet their future assessments. As in some previous years, if the aggregate sum collected from the CMTFs is not all given out as grants in the same year, there could be a return of levy to the Circuits. It is expected that the balance on the DAF will decrease, year on year, in the foreseeable future.

Trustees' Annual Report

The existence of substantial designated and undesignated reserves at District level should be taken into account by Circuits within the District when they consider the need for their own reserves.

3.4 The mix of funds

The reserves held at the end of the year were as follows:

| | £k |
|---|--------------|
| <i>Unrestricted funds</i> | |
| General Fund | 726 |
| District Advance Fund | 185 |
| <i>Total unrestricted funds</i> | <i>911</i> |
| | |
| Rock Trust (a restricted fund) | 145 |
| | |
| Total funds | 1,056 |
| | |
| Total unrestricted funds | 911 |
| Less: Tied up in freehold property | (500) |
| | |
| Total readily available reserves | 411 |

Trustees have agreed to reduce the level of reserves gradually over the foreseeable future and to do this either by awarding, in year, grants in excess of the amount of the levies from the CMTFs and, possibly, by not increasing the circuit assessments by the amount necessary to meet the budgeted costs and to maintain the reserves.

All funds are separately invested either with CFB or TMCP. No money is directly invested in property, securities or other forms of investment.

The year-end financial position of the District is healthy in that its resources are not only sufficient to meet future known liabilities but also sufficient for the District to carry out its plans for the following year.

3.5 Purposes of the funds

General Fund: this provides a reserve in case of major unforeseen expenditure in administering the District.

District Advance Fund: this provides much-needed grants to assist Circuits, Churches and individuals as well as the District in its work, much of which is with the wider community.

Rock Trust (a restricted fund): the trustees are able to spend the income and they do so every year. It provides financial help to young people in part of the District and elsewhere who wish to attend residential events.

Trustees' Annual Report

Benevolence Fund: this is used to provide small sums of money to ministers and lay people in the District where it is believed that a financial gift would help relieve stress, of whatever form. The sums paid out in benevolence during the year exceeded sums received from donor organisations specifically for benevolence in the same period. When the restricted fund was fully dispersed, benevolence payments were made out of the general fund.

3.6 Collaborative arrangements with connected charities

One of the District's main sources of funding was the assessments obtained from each Circuit within the District based on the membership and staffing levels of the Circuit and this was used to defray most of the cost of administering the District. This sum amounted to £116k (2016-17: £108k).

Each year the District is allocated a sum by the London Mission Fund (LMF). In 2017-18 this amounted to £62k (2016-17: £63k) which can be used to pay for or contribute to the cost of certain activities within the District. This sum is not remitted to the District and does not appear in the accounts of the District because the District acts as agent for the LMF. Instead, the District nominates some grant applications which can be met by the LMF and passes these to the LMF so that the LMF can pay the grant directly to the grantee. Grants were awarded to various projects around the District.

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the connexional year (01 September). In 2017-18 this sum was £120k (2016-17: £139k) and was credited to the District Advance Fund.

The District holds no funds as custodian trustee. It does, however, quarterly receive from Circuits within the District the Circuits' contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same quarter. Funds received by the District as agent are not recognised as income or as an asset in the financial statements because the funds are not within the District's control. No fee is earned in respect of this agency arrangement and the District incurs no cost through providing this arrangement.

4 Trustees' Responsibilities

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year and to prepare an annual report for that year. In preparing these financial statements, the Trustees have:

- selected suitable accounting policies and applied them consistently using the accruals method
- made judgements and estimates that are reasonable and prudent
- followed the applicable SORP and accounting standard, SORP(FRS102) as updated, including FRS102
- adopted the going concern basis.

Trustees' Annual Report

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and ensuring their proper application under charity law, 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 corporate and financial information included on the District's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and trustees' reports may differ from legislation in other jurisdictions.

5 Structure, Governance and Management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commission on 1 February 2010.

5.1 Structure

Circuits are groups of Churches; Circuits pay the stipends of most ministers and may employ lay (unordained) staff to serve the Churches in the Circuit; most decisions are made at or ratified by the half yearly Circuit Meeting. A District is a group of contiguous Circuits and makes its decisions at the half yearly Synods. The Methodist Conference meets once each year and is the supreme governing body in the Church.

1. Overall control rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
4. The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes control down to Church Councils for local implementation by the presbyter, the Church Stewards and other officers, and authority is delegated to Church Councils as Managing Trustees.

Trustees' Annual Report

5.2 Purpose of the District

The District is an expression, over a wider geographical area than any Circuit, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- a. the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b. any charitable purposes for the time being of any Connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c. any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d. any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this District is to advance the mission of the Church in Bedfordshire, Essex and Hertfordshire:

- by providing opportunities for Circuits to work together and support each other, and
- by offering to Circuits resources of finance, personnel and expertise.

The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

5.3 Governance

The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the District.

The members of the District Policy Committee (DPC) are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District is *ex officio* chair of the DPC. When a position becomes vacant on the District Policy Committee, nominations are invited from ministers and lay members of Circuits within the District. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names and reasoned statements are taken to the District Policy Committee and the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the District.

The District Policy Committee normally meets four times each year and deals with routine and exceptional matters. It oversees the work of the Grants Committee, finance, property, the District office, the District manse, stationing of ministers, safeguarding, authorisations to preside at communion, and extensions to local preacher training. It also liaises with the East of England Learning Network.

Trustees' Annual Report

5.4 Responsibilities of the District Policy Committee

- i to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems
- ii to encourage inter-Circuit and ecumenical co-operation
- iii to act in an executive capacity in matters remitted to the Committee by the Synod
- iv to keep within its purview all District concerns not dealt with elsewhere
- v to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- vi to be aware that the stipend of the Chair of the District is set – currently by reference to average wages and the change over a year in the Consumer Prices Index - by the Methodist Conference as for all ministers within the Connexion
- vii constantly to be aware of the public benefit guidance issued by the Charity Commission.

6 Reference and Administrative Details

6.1 Name of the charity

The Bedfordshire, Essex and Hertfordshire District of the Methodist Church, sometimes abbreviated to 'BEH District'.

6.2 Charity registration number

1133921, registered in England and Wales

6.3 Principal Office

Room 1
Stansted House
Third Avenue
Stansted Airport
Essex
CM23 1AE

01279 681976

www.behdistrict.org.uk

6.4 Chair of the District

Rev Dr David M Chapman from 1 September 2016

6.5 Secretary of the Synod

Mrs Catherine Roots appointed from 1 September 2013 to 31 August 2019

Trustees' Annual Report

6.6 Assistant Secretary of the Synod (Presbyteral)

Rev Rachael Hawkins from 1 September 2014

6.7 District Treasurer

Mr John Chastney from 25 September 2013

6.8 Names of trustees

The following served as trustees throughout part or all of the year 2017-18 or were trustees at the time of this report being approved:

Rev Gill Baalham (County Representative Beds). Appointed 15 September 2018
Rev Hannah Bucke (County Representative Essex). Appointed 1 September 2015;
resigned 31 August 2018
Miss Kathy Burrell (County Representative Essex). Appointed 01 September 2017
Mr Bob Butcher (Grants Secretary). Appointed 01 September 2007
Rev Dr David Chapman *ex officio* (Chair, *ex officio*). Appointed 01 September 2016
Mr Steve Carter (Secretary to DPC). Appointed 21 June 2016; resigned 31 December 2017
Mr John Chastney (District Treasurer). Appointed 25 September 2013
Rev Steven Cooper (Ecumenical Officer to Herts). Appointed 01 September 2017
Mr David Friswell *ex officio* (East of England Learning Network Regional Co-ordinator)
Appointed 29 January 2018
Mr David Germany (County Representative Beds). Appointed 01 September 2011
Rev Mark Hammond (County Representative Herts). Appointed 01 September 2017
Rev Andrew Hollins (Ecumenical Officer to Beds). Appointed 01 September 2017
Mr Ian Hume (Property Secretary). Appointed 01 September 2006
Miss Marion Mear (Secretary to DPC). Appointed 02 January 2018
Dr Edmund Marshall (County Representative Herts). Appointed 01 September 2017
Mr Keith Norman (Lay Stationing Representative). Appointed 27 April 2013
Rev Tom Osborne (Ecumenical Officer to Essex). Appointed 01 September 2017
Mrs Idy Osibodu *ex officio* as the Synod's nominated member of the Methodist Council.
Appointed 01 September 2014; resigned 31 August 2018
Rev Malcolm Peacock (Deputy Chair of the District). Appointed 01 September 2013
Mrs Catherine Roots *ex officio* (Synod Secretary). Appointed 01 September 2013
Rev Chris Sandy (County Representative Essex). Appointed 15 September 2018

Most trustees attended all meetings of the DPC to which they were entitled to attend in the year and the attendance rate for all 16 trustees who served throughout the year and all four meetings of the DPC during the year was 74% (2016-17: 78%).

The Managing Trustees for the District are the members of the District Policy Committee.

No trustee claims exemption from disclosure of his or her name here.

6.9 Chair's PAs

Miss Carol Griggs & Mrs Sarah Sutherland

Trustees' Annual Report

6.10 Bankers

HSBC plc
Town Centre
Danestrete
Stevenage
Herts
SG1 1BY

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

6.11 Investment managers and custodian trustees

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

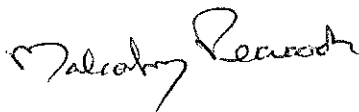
6.12 Independent Examiner appointed 16 September 2014

Vincent Chandler ACA FCCA of Moore Green, Chartered Accountants
22 Friars Street
Sudbury
Suffolk
CO10 2AA

Approvals

The Trustees' Report and the Financial Statements were approved by the District Policy Committee on 12 June 2019 and were, for information, presented to the Synod on 11 May 2019.

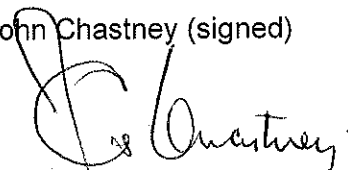
Malcolm Peacock (signed)



Rev M Peacock
Deputy Chair of the District

Date: 12 June 2019

John Chastney (signed)



JG Chastney
District Treasurer

Date: 12 June 2019

Trustees' Annual Report

7 Financial Statements

The Financial Statements comprise:

- the Statement of Financial Activities for the year ended 31 August 2018 (page 14)
- the Balance Sheet as at 31 August 2018 (page 15)
- the Notes to the Accounts (pages 16 to 33).

Statement of Financial Activities for the year ended 31 August 2018

| | Notes to the accounts | General Fund (Unrestricted) £ | District Advance Fund (Unrestricted) £ | Restricted Funds £ | Total 2017-18 £ | Total 2016-17 £ |
|--|--|-------------------------------------|--|--------------------------|-----------------------|-----------------------|
| Income and Endowments from: | | | | | | |
| 1 | Donations and legacies | | | 891 | 891 | 406 |
| 2 | Income from investments | 1,906 | 3,186 | 3,571 | 8,663 | 7,598 |
| 3 | Income from charitable activities | | | | | |
| 4 | Assessments on circuits | 115,532 | | | 115,532 | 107,912 |
| 5 | From Circuit Model Trust Funds | | 120,078 | | 120,078 | 138,985 |
| 6 | Contribution to the cost of the Chair | 5 38,728 | | | 38,728 | 38,204 |
| 7 | Connexional Advance & Property Fund | | 85,967 | | 85,967 | 33,091 |
| 8 | Other income | 6 2,505 | | | 2,505 | 752 |
| 9 | Total income | 158,671 | 209,231 | 4,462 | 372,364 | 326,948 |
| Expenditure on charitable activities: | | | | | | |
| 10 | Grants and donations | 7 15,611 | 160,113 | 4,182 | 179,906 | 185,566 |
| 11 | Salaries and associated costs, inc Chair | 8 92,720 | | | 92,720 | 86,655 |
| 12 | Property | 9 22,391 | | | 22,391 | 26,843 |
| 13 | Office expenses | 10 12,522 | 896 | 280 | 13,698 | 17,415 |
| 14 | Synods, committees, Conference | 11 19,777 | | | 19,777 | 17,544 |
| 15 | Other outgoings | 12 10,393 | | | 10,393 | 12,646 |
| 16 | Total expenditure | 173,414 | 161,009 | 4,462 | 338,885 | 346,669 |
| 17 | Net unrealised gains on investments | | | 4,566 | 10,239 | 7,461 |
| 18 | Net income | -9,070 | 48,222 | 4,566 | 43,718 | -12,260 |
| 19 | Transfers between funds | 14 30,000 | -30,000 | 0 | 0 | 0 |
| 20 | Net movement in funds | 20,930 | 18,222 | 4,566 | 43,718 | -12,260 |
| Reconciliation of funds: | | | | | | |
| 21 | Total funds brought forward | 704,847 | 166,795 | 140,195 | 1,011,837 | 1,024,097 |
| 22 | Total funds carried forward | 725,777 | 185,017 | 144,761 | 1,055,555 | 1,011,837 |

BEDFORDSHIRE, ESSEX and HERTFORDSHIRE DISTRICT of the METHODIST CHURCH
Year ended 31 August 2018

Balance Sheet as at 31 August 2018

| | Notes to the Accounts | General Fund £ | DAF £ | Restricted Fund £ | Total £ | Total 31/08/2017 £ |
|---|-----------------------------|----------------------|-----------------|-------------------------|------------------|--------------------------|
| a Fixed assets | | | | | | |
| b Tangible fixed assets | 15 | 500,000 | | | 500,000 | 500,000 |
| c Investments with TMCP | 16 | 106,651 | 481,199 | 144,761 | 732,611 | 588,191 |
| d Total fixed assets | | 606,651 | 481,199 | 144,761 | 1,232,611 | 1,088,191 |
| e Current assets | | | | | | |
| f Debtors and prepayments | 17 | 2,417 | 7,590 | | 10,007 | 848 |
| g Central Finance Board deposits | 18 | 121,091 | | | 121,091 | 211,373 |
| h Cash at bank | 18 | 4,622 | | | 4,622 | 3,310 |
| i Total current assets | | 128,130 | 7,590 | | 135,720 | 215,531 |
| Less: Current liabilities | | | | | | |
| j Creditors due in under one year | 19 | 9,004 | | | 9,004 | 10,684 |
| k Grants payable in 2017-18 | 20 | | 129,458 | | 129,458 | 168,416 |
| m Total current liabilities | | 9,004 | 129,458 | | 138,462 | 179,100 |
| n Net current assets/liabilities | | 119,126 | -121,868 | 0 | -2,742 | 36,431 |
| p Total assets less current liabilities | | 725,777 | 359,331 | 144,761 | 1,229,869 | 1,124,622 |
| Less: Long term liabilities (due after more than one year) | | | | | | |
| q Grants payable from 2019-20 | | | 174,314 | | 174,314 | 112,785 |
| r Net assets | | 725,777 | 185,017 | 144,761 | 1,055,555 | 1,011,837 |
| Funds of the District | | | | | | |
| s General Fund (unrestricted) | 21.1 | 725,777 | | | 725,777 | 704,847 |
| t District Advance Fund (unrestricted) | | | 185,017 | | 185,017 | 166,795 |
| u Total unrestricted funds | | | | | 910,794 | 871,642 |
| v Restricted Fund | 22 | | | 144,761 | 144,761 | 140,195 |
| w Total Funds | | 725,777 | 185,017 | 144,761 | 1,055,555 | 1,011,837 |

Under the authority of the trustees given at their meeting on 12 June 2019

Signed by Rev Malcolm Peacock,
Deputy Chair of District



Date of signing

12/6/19.

and signed by John Chastney,
District Treasurer



Date of signing

12 June 2019

Notes to the Accounts

1 Basis of Accounting and Accounting Policies

i Accounting standard

The financial statements have been prepared in accordance with SORP(FRS102) as updated, being the current version of *Accounting and Reporting by Charities: Statement of Recommended Practice*. See also **v Accounting framework**, below.

ii Public benefit entity

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

iii Basis

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

iv Content

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

v Accounting framework

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

vi Going concern

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

vii Consolidation

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

viii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will be forthcoming. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appears in Note 5. A similar figure appears in the Expenditure at Note 8.

Notes to the Accounts

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

The District acts as agent in three matters:

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

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

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

ix Expenditure

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

x Grants

Grants are made annually even when an application is for a recurrent grant over more than one year. A satisfactory report of substance from the individual or grantee body on the previous year's activities and outcomes is critically reviewed by the Grants Committee and is necessary to trigger payment of any further instalment. Grants that are payable in the future and were committed at 31 August 2018 are shown on the Balance Sheet either as a current liability (where the grants are payable by 31 August 2019) or in Long Term Liabilities (if payable after 31 August 2019).

xi VAT

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

xii Tangible fixed assets

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

xiii Investments

The investments are in monetary assets and are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown as income in the SOFA and in Note 23 below.

Notes to the Accounts

xiv Debtors and Creditors; Bank and Cash

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

xv Loans

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

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the SOFA. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the SOFA.

xvi Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

xvii Funds

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

xviii Chair's manse costs

The District is required to provide residential accommodation for the Chair and his family. The District bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges for the Chair. Note 9 below discloses the aggregate cost to the District of these elements.

2 Prior Year

2.1 Restatement of comparative figures

In preparing these accounts the trustees have considered where, in applying the accounting policies required by FRS102, any comparative figures have needed restatement. There have been no valuation adjustments. A reconciliation of opening balances is therefore not required. The net unrealised gains on investments has been moved from line 8 to line 17 in the 2016-17 SOFA, as shown on page 19. The Balance Sheet for the year 2016-17 appears on page 20, in the same form as published last year.

Notes to the Accounts

2.2 Comparative SOFA from previous year's accounts, as now restated

| | General Fund (Unrestricted) | District Advance Fund (Unrestricted) | Designated Funds (Unrestricted) | Restricted Funds | Total 2016-17 |
|----|--|---|---------------------------------------|---------------------|------------------|
| | £ | £ | £ | £ | £ |
| | Income and Endowments from: | | | | |
| 1 | Donations and legacies | | | 406 | 406 |
| 2 | Income from investments | 942 | 3,112 | 101 | 3,443 |
| 3 | Income from charitable activities | | | | |
| 4 | Assessments on circuits | 107,912 | | | 107,912 |
| 5 | From Circuit Model Trust Funds | | 138,985 | | 138,985 |
| 6 | Contribution to the cost of the Chair | 38,204 | | | 38,204 |
| 7 | Connexional Advance & Property Fund | | 33,091 | | 33,091 |
| 8 | Other income | 752 | | | 752 |
| 9 | Total income | 147,810 | 175,188 | 101 | 3,849 |
| | Expenditure on charitable activities: | | | | |
| 10 | Grants and donations | 14,745 | 167,237 | 3,584 | 185,566 |
| 11 | Salaries and associated costs, inc Chair | 86,655 | | | 86,655 |
| 12 | Property | 26,843 | | | 26,843 |
| 13 | Office expenses | 16,380 | 749 | 21 | 17,415 |
| 14 | Synods, committees, Conference | 17,544 | | | 17,544 |
| 15 | Other outgoings | 12,646 | | | 12,646 |
| 16 | Total expenditure | 174,813 | 167,986 | 21 | 3,849 |
| 17 | Net unrealised gains on investments | | | 7,461 | 7,461 |
| 18 | Net income | -27,003 | 7,202 | 80 | -12,260 |
| 19 | Transfers between funds | 30,064 | -19,535 | -10,529 | 0 |
| 20 | Net movement in funds | 3,061 | -12,333 | -10,449 | -12,260 |
| | Reconciliation of funds: | | | | |
| 21 | Total funds brought forward | 701,786 | 179,128 | 10,449 | 1,024,097 |
| 22 | Total funds carried forward | 704,847 | 166,795 | 0 | 1,011,837 |

Notes to the Accounts

2.3 Comparative Balance Sheet from previous year's accounts

| | General Fund | District Advance Fund | Designated Funds | Restricted Fund | Total | Total 31-Aug-16 |
|---|----------------|-----------------------|------------------|-----------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| a Fixed assets | | | | | | |
| b Tangible fixed assets | 500,000 | | | | 500,000 | 500,000 |
| d Investments with TMCP | | 447,996 | | 140,195 | 588,191 | 517,678 |
| e Total fixed assets | 500,000 | 447,996 | | 140,195 | 1,088,191 | 1,017,678 |
| f Current assets | | | | | | |
| g Debtors and prepayments | 848 | | | | 848 | 9,030 |
| h Loan to Church | | | | | | 50,000 |
| i Central Finance Board deposits | 211,373 | | | | 211,373 | 188,763 |
| j Cash at bank | 3,310 | | | | 3,310 | 11,464 |
| k Total current assets | 215,531 | | | | 215,531 | 259,257 |
| l Current liabilities | | | | | | |
| m Creditors due in under one year | 10,684 | | | | 10,684 | 7,471 |
| n Grants payable in 2017-18 | | 168,416 | | | 168,416 | 161,288 |
| p Total current liabilities | 10,684 | 168,416 | | | 179,100 | 168,759 |
| q Net current assets/liabilities | 204,847 | -168,416 | 0 | 0 | 36,431 | 90,498 |
| r Total assets less current liabilities | 704,847 | 279,580 | 0 | 140,195 | 1,124,622 | 1,108,176 |
| s Long term liabilities (due after more than one year) | | | | | | |
| Grants payable from 2018-19 | | 112,785 | | | 112,785 | 84,079 |
| t Net assets | 704,847 | 166,795 | 0 | 140,195 | 1,011,837 | 1,024,097 |
| u Funds of the District | | | | | | |
| v General Fund (unrestricted) | 704,847 | | | | 704,847 | 701,786 |
| w District Advance Fund (unrestricted) | | 166,795 | | | 166,795 | 179,128 |
| x Designated Funds (unrestricted) | | | | | | 10,449 |
| y Total unrestricted funds | 704,847 | 166,795 | | | 871,642 | 891,363 |
| z Restricted Fund | | | | 140,195 | 140,195 | 132,734 |
| Total Funds | 704,847 | 166,795 | | 140,195 | 1,011,837 | 1,024,097 |

Notes to the Accounts

3 Assessments on Circuits

The District is made up of the following Circuits:

| | |
|-------|--|
| 34-1 | North Bedfordshire |
| 34-4 | South Bedfordshire |
| 34-6 | Colchester |
| 34-7 | Tendring |
| 34-9 | Chelmsford |
| 34-10 | Southend and Leigh |
| 34-11 | South Essex |
| 34-12 | Herts and Essex Border Ecumenical Area |
| 34-13 | St Albans and Welwyn |
| 34-14 | West Hertfordshire and Borders |
| 34-15 | North Hertfordshire |
| 34-18 | Bishop's Stortford |

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

4 Contributions to the Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £517k (2016-17: £501k) all of which were collected and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

5 Cost of Chair and Trustees

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

| | 2017-18 £ | 2016-17 £ |
|--|---------------|---------------|
| Stipend of Chair of District, Rev Dr David Chapman | 29,445 | 29,080 |
| Employer's National Insurance Contributions | 2,947 | 2,887 |
| Employer's pension contributions | 6,336 | 6,237 |
| <i>Cash cost paid by the Connexion (see SOFA)</i> | <i>38,728</i> | <i>38,204</i> |
| Chair's expenses | 8,260 | 10,684 |
| Total cost | 46,989 | 48,888 |

Notes to the Accounts

Since the stipend-related costs above (*ie* £38,728; 2016-17: £38,204) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See *Note 8*). The aggregate expenses of the Chair's accommodation was £5,382 (See *Note 9*) making the total cost of his emoluments £44,110 (2016-17: £49,199). The Chair of District is the sole paid key management person and is supported by members of the DPC.

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

5.1 Payments to trustees

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

None of the trustees is an employee of the District. Travel expenses have been reimbursed to some four (2016-17: three) trustees [members of the District Policy Committee (DPC)] who, in aggregate, have received the cost of travel incurred in attending meetings of the DPC and this amounted to £508 (2016-17: £364). Some trustees declined to claim their expenses.

6 Other Income

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

Other income [£2,505 (2016-17: £752)] in the SOFA includes:

| | 2017-18 £ | 2016-17 £ |
|--|--------------|--------------|
| From MCF for costs of delegates from BEH attending the annual Methodist Conference | 1,105 | 731 |
| Other | 1,400 | 21 |
| Total | 2,505 | 752 |

Each year the District Synod invites donations from the members of Synod for the Methodist Ministers' Children's Relief Association. The amount donated and paid over in the year was £536 (2016-17: £738).

Notes to the Accounts

7 Grants and Donations and Related Support Costs

Grants and donations of £179,906 were made during the year (2016-17: £185,566 in year).

| | | 2017-18 £ | 2016-17 £ |
|--|--------------------------------|----------------|----------------|
| From General Fund | Benevolence 418 | | 34 |
| | Ecumenical Projects 15,193 | 15,611 | 14,711 |
| From DAF | In year grants 137,542 | | 131,403 |
| | Increase in liabilities 22,571 | 160,113 | 35,834 |
| From Restricted Funds (see 7.1 below) | Benevolence 891 | | 406 |
| | Rock Trust 3,291 | 4,182 | 3,178 |
| Total | | 179,906 | 185,566 |

The sum of the grants paid in the year through the DAF was £151,834 (2016-17: £131,403) which was mitigated by returns of grant from churches (£10,125) and circuits (£4,167) to produce a net figure of £137,542 shown above. There had been no returns in 2016-17.

7.1 Expenditure on charitable activities through the District Advance Fund

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

| | 2017-18 £ | 2016-17 £ | | 2017-18 £ | 2016-17 £ |
|-----------------|---|----------------|---------------|---|----------------|
| To Churches | Grants 71,754 Returns (10,125) Net 61,629 | 71,973 | For Projects | 30,000 | 48,500 |
| To Circuits | Grants 57,500 Returns (4,167) Net 53,333 | 45,900 | For Ministry | 103,834 Returns (14,292) Net 89,542 | 82,903 |
| To Institutions | 114,962 | 117,873 | For equipment | 3,000 | |
| To others | 15,650 | | Other | 15,000 | |
| To individuals | 6,930 | 13,530 | | | |
| Total | 137,542 | 131,403 | | 137,542 | 131,403 |

The income of the fund was £209,231 (2016-17: £225,225 including repayment of a loan) during the year. The charge to the SOFA is the sum paid in grants during the year [£137,542; (2016-17: £131,403)] plus the uplift in the aggregate liabilities (current and long term) for future instalments of grant [£22,571 (2016-17: £35,834)] to £303,772 (2016-17: £281,201).

An amount of £30,000 (2016-17: £30,000) was used centrally within the District. This sum was mitigated in 2016-17 by the transfer of the balance £10,529 on the closure of the Manse Fund, a designated fund.

Notes to the Accounts

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

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

8 Salaries and Associated Costs

Gross salaries paid to three (2016-17: three) part time employees were as follows:

| | 2017-18 £ | 2016-17 £ |
|---|---------------|---------------|
| Gross pay | 45,651 | 43,317 |
| Employer's National Insurance Contributions | 2,932 | 2,364 |
| Employer's pension contributions to defined contribution schemes and death in service benefit | 4,911 | 2,770 |
| Total costs of 3 (2016-17: 3) part time staff | 53,494 | 48,451 |
| Cost of Chair (see Note 5) | 38,728 | 38,204 |
| Consultant | 241 | |
| Apprenticeship levies | 257 | |
| Total staff costs | 92,720 | 86,655 |

Total weekly contracted hours for 3 (2016-17: three) part time staff 54 54

No employee received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

One of the three part time employees was engaged exclusively in safeguarding matters and two provided secretarial assistance at the District office.

8.1 Pensions

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

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

Notes to the Accounts

The Connexion accounts for both Methodist pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit is being implemented. It would be difficult to determine the liability that could fall on the BEH District and no attempt has been made to attempt this valuation.

9 Property Costs

| | 2017-18 £ | 2016-17 £ |
|------------------------------------|---------------|---------------|
| District office, rent and services | 17,009 | 15,848 |
| Chair's manse | 5,382 | 10,995 |
| Total | 22,391 | 26,843 |

10 Office Expenses (General fund) and TMCP charges

| | 2017-18 £ | 2016-17 £ |
|--------------------------------------|---------------|---------------|
| Printing, postage and stationery | 2,395 | 2,178 |
| Telephone | 2,241 | 2,209 |
| Insurance | 1,080 | 1,025 |
| Safeguarding | 4,560 | 8,409 |
| Independent examination | 810 | 750 |
| Other | 1,436 | 1,809 |
| Total charged to General Fund | 12,522 | 16,380 |
| TMCP charges | 1,176 | 1,035 |
| Total | 13,698 | 17,415 |

11 Synods, Committees, Conference

| | 2017-18 £ | 2016-17 £ |
|---------------------------------------|---------------|---------------|
| Synods | 8,132 | 6,155 |
| The Methodist Conference | 741 | 307 |
| Conference expenses reimbursed | 1,105 | 731 |
| Committees and Chair's travel | 9,245 | 9,987 |
| District Policy Committee, as charged | 554 | 364 |
| Total | 19,777 | 17,544 |

Notes to the Accounts

12 Other Outgoings

| | 2017-18 £ | 2016-17 £ |
|--------------|---------------|---------------|
| Training | 10,112 | 9,062 |
| Other costs | 281 | 1,268 |
| Removal | | 2,316 |
| Total | 10,393 | 12,646 |

13 Investment Management

During the year the District paid £1,176 (2016-17: £1,035) to TMCP, the custodians of the District's investments (District Advance Fund, the Rock Trust and part of the General Fund). The sum of £1,176 was levied at 0.2% on the value of the funds at the end of the previous year and is shown as allocated to the DAF and Rock funds: £896 and £280 as Office Expenses in the SOFA. (See Note 10 above.)

The sum of £4,566 (2016-17: £7,461) represents a net unrealised gain on the invested funds of The Rock Trust. The gross unrealised gains of £12,946 (2016-17: £12,028) were reduced by unrealised losses of £8,380 (2016-17: £4,567). There was an unrealised gain of £5,673 (2016-17: Nil) on part of the General Fund. More information can be found in Note 22 *Restricted Fund*.

14 Transfers between Funds

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

During the year £30,000 (2016-17: £30,000) was withdrawn from the District Advance Fund to contribute to the funding of the following: ecumenical work, safeguarding and administrative assistance.

15 Tangible Fixed Assets

The value of the District manse, 1 Friars Wood, Bishop's Stortford, is believed to be considerably greater than its historical cost in 2006 shown in the accounts. There is no depreciation provision on the manse building as it is judged that this would be immaterial and the impairment review at the end of the year confirmed that the building's market value was greater than its cost.

| | Land £ | Buildings £ | Plant and machinery £ | Total £ |
|---|-----------|----------------|-----------------------------|------------|
| Cost or valuation | | | | |
| B/fwd at 1/9/17, at cost and c/fwd at 31 August 2018 | 180,000 | 300,000 | 20,000 | 500,000 |

Notes to the Accounts

16 Investments with Trustees for Methodist Church Purposes

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

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

16.1 Holdings at 31 August 2018 (2017)

| Fund | General £ | DAF £ | Rock £ | Total £ |
|--------------------------|--------------------------|------------------------------|------------------------------|------------------------------|
| Trustees Investment Fund | 974 (Nil) | 481,199 (447,996) | 32,720 (32,720) | 514,893 (480,716) |
| Managed Mixed Fund | 105,677 (Nil) | Nil (Nil) | 112,041 (107,475) | 217,718 (107,745) |
| Total | 106,651 (Nil) | 481,199 (447,996) | 144,761 (140,195) | 732,611 (588,191) |

17 Debtors and Prepayments

All sums shown as Debtors on the General Fund at 1 September 2017 were received during the following year. All sums paid in advance at 1 September 2017 were for activities or services related to 2017-18 and were charged to the SOFA in that year. It is expected that payments in advance at 31 August 2018 will be expensed in 2018-19.

| | 2017-18 £ | 2016-17 £ |
|--------------------------------------|---------------|--------------|
| Trade debtors | | |
| DIS recharge to Northampton district | 150 | |
| Design and print of directory | | 184 |
| Prepayments | | |
| Training | 2,077 | 578 |
| Insurance | 90 | 86 |
| Synod deposit | 100 | |
| 3 Generate grants | 7,590 | |
| Total debtors | 10,007 | 848 |

Notes to the Accounts

18 Central Finance Board (CFB) Deposits and Cash at Bank

The District has one current account at HSBC plc, an authorised institution. The sum held on this account is immediately available. In addition the District has a deposit account at CFB, a common deposit fund. Interest is earned on this account and is credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. The District has no other financial instruments. These sums are viewed as being liquid and are shown as Current assets on the Balance Sheet.

19 Creditors

| | 2017-18 £ | 2016-17 £ |
|-------------------------------------|--------------|---------------|
| Creditors | | |
| Expenses reimbursement | 2,328 | 2,858 |
| Independent examination | 780 | 750 |
| Publications and office expenses | | 51 |
| Salaries and consultant fees | 241 | 1,298 |
| Safeguarding | | 5,476 |
| Ecumenical grant | 5,000 | |
| Manse refurbishment | | 75 |
| Training | 316 | |
| Other | 61 | |
| <i>Total trade creditors</i> | <i>8,726</i> | <i>10,508</i> |
| Accruals | | |
| Pension contributions | 278 | 176 |
| <i>Taxation and Social Security</i> | <i>278</i> | <i>176</i> |
| Total creditors | 9,004 | 10,684 |

It is expected that all sums accrued at 31 August 2018 will be paid during the year to 31 August 2019.

Notes to the Accounts

20 Grant Commitments

Expenditure on charitable activities: District Advance Fund

Some grants are payable in annual instalments. The District expects to receive a report of the outcomes of the first (or subsequent) year's activities funded by the grant. Future instalments are shown as Current liabilities (if payable within one year of 31 August 2018) and as Long term liabilities (where due after one year).

The following analyses are available:

| | 2017-18 £ | 2016-17 £ |
|--|----------------|----------------|
| End of year commitments to pay one off grants or the first instalment in a future year | 68,562 | 64,851 |
| Anticipated second or subsequent instalments where the first instalment was paid in 2017-18 or earlier | 235,210 | 216,350 |
| Total anticipated commitment at 31 August 2018 | 303,772 | 281,201 |

| Grants payable by year | 2017-18 £ | 2016-17 £ | £ | £ |
|---|----------------|----------------|----------------|----------------|
| 2017-18 | | | | 168,416 |
| 2018-19 | | | 129,458 | |
| 2018-19 | | 49,396 | | |
| 2019-20 | 61,539 | 33,389 | | |
| 2020-21 | 44,000 | 10,000 | | |
| 2021-22 | 44,000 | 10,000 | | |
| 2022-23 | 24,775 | 10,000 | | |
| | 174,314 | 112,785 | 174,314 | 112,785 |
| Total anticipated commitment at 31 August 2018 | | | 303,772 | 281,201 |

After recognising the liabilities for future grants payable through the DAF, there is still a sum of £185k available for future grants. In the following year and subsequent years, further sums are expected to be credited to the DAF from the CMTF levies of those years.

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

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

21 Unrestricted Funds

21.1 General Fund – balance £725,777 at 31 August 2018 (2017: £704,847)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. About 70% of this fund is held as a freehold property, the District manse for the Chair of District.

Notes to the Accounts

22 Restricted Funds - balance £144,761 at 31 August 2018 (2017: £140,195)

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

Movements during the year were as follows:

| | 2017-18 £ | 2016-17 £ |
|---|----------------|----------------|
| Market value at 01 September 2017 | 140,195 | 132,734 |
| Investment income received during the year | 3,571 | 3,443 |
| Net unrealised gain on the value of investments at the year end | 4,566 | 7,132 |
| Grants paid during the year | -3,291 | -3,179 |
| TMCP administration charge | -280 | -265 |
| Reversal of adjustment to bid price | | 330 |
| Market value at 31 August 2018 | 144,761 | 140,195 |

| This is made up as follows: | | |
|-----------------------------|----------------|----------------|
| CFB Managed Mixed Fund | 112,041 | 107,475 |
| Trustees' Interest Fund | 32,720 | 32,720 |
| Total | 144,761 | 140,195 |

Market valuations have been provided by TMCP.

The Benevolence Fund – balance £Nil (2017: £Nil) - provides financial support to ministers and lay people in the District in need of support. This fund paid out all that it received in the year. Further benevolence payments were made out of the General Fund. (See Note 7 above.)

Notes to the Accounts

23 Fund Movements

23.1 Summary of fund movements 2017-18

| Fund | Balance at 01-Sep-17 (Note 1) | Income (Note 2) | Expenditure | Transfers | Change in Liabilities | Balance at 31-Aug-2018 |
|--|-------------------------------------|--------------------|-----------------|-----------|--------------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| General | 704,847 | 164,344 | -173,414 | 30,000 | | 725,777 |
| District Advance (See Note 1 below) | 166,795 | 209,231 | -138,438 | -30,000 | -22,571 | 185,017 |
| <i>Total unrestricted</i> | <i>871,642</i> | <i>373,575</i> | <i>-311,852</i> | | <i>-22,571</i> | <i>910,794</i> |
| Rock Trust | 140,195 | 8,137 | -3,571 | | | 144,761 |
| Benevolence | 0 | 891 | -891 | | | 0 |
| <i>Total restricted</i> | <i>140,195</i> | <i>9,028</i> | <i>-4,462</i> | | | <i>144,761</i> |
| Total Funds | 1,011,837 | 382,603 | -316,314 | | -22,571 | 1,055,555 |

Note 1 The DAF balances brought forward at the beginning of the year and carried forward at the end of the year are after providing for future grants. The liability for future grants at 31 August 2018 was £303,772 being an additional £22,571 over the provision brought forward.

Note 2 The amount of £164,344 includes £5,673 of net unrealised gains; the amount of £8,137 includes £4,566 of net unrealised gains; the amount of £382,603 includes £10,239 of net unrealised gains.

23.2 Summary of fund movements 2016-17

| Fund | Balance at 01-Sep-16 (Note 1) | Income (Note 2) | Expenditure | Transfers | Change in Liabilities | Balance at 31-Aug-2017 |
|--|-------------------------------------|--------------------|-----------------|----------------|--------------------------|---------------------------|
| | £ | £ | £ | £ | £ | £ |
| General | 701,786 | 147,810 | -174,813 | 30,064 | | 704,847 |
| District Advance (See Note 1 below) | 179,128 | 175,188 | -132,152 | -19,535 | -35,834 | 166,795 |
| <i>Total unrestricted and undesignated</i> | <i>880,914</i> | <i>322,998</i> | <i>-306,695</i> | <i>10,529</i> | <i>-35,834</i> | <i>871,642</i> |
| Manse | 10,449 | 101 | -21 | -10,529 | | 0 |
| <i>Total designated</i> | <i>10,449</i> | <i>101</i> | <i>-21</i> | <i>-10,529</i> | | <i>0</i> |
| <i>Total unrestricted</i> | <i>891,363</i> | <i>323,099</i> | <i>-307,710</i> | <i>0</i> | <i>-35,834</i> | <i>871,642</i> |
| Rock Trust | 132,734 | 10,904 | -3,443 | | | 140,195 |
| Benevolence | | 406 | -406 | | | |
| <i>Total restricted</i> | <i>132,734</i> | <i>11,310</i> | <i>-3,849</i> | <i>0</i> | | <i>140,195</i> |
| Total Funds | 1,024,097 | 334,409 | -310,835 | 0 | -35,834 | 1,011,837 |

Note 1 The DAF balances brought forward at the beginning of the year and carried forward at the end of the year are after providing for future grants. The liability for future grants at 31 August 2017 was £281,201 being an additional £35,834 over the provision brought forward.

Note 2 The amount of £10,904 includes £7,461 of net unrealised gains, as does £334,409.

Notes to the Accounts

24 Analysis of Net Assets among Funds

Fund balances at 31 August 2018 are represented by:

| | Unrestricted general and designated funds £ | Restricted funds £ | Total funds £ |
|--------------------------------|---|-----------------------|------------------|
| Tangible fixed assets | 500,000 | | 500,000 |
| Fixed asset investments | 587,850 | 144,761 | 732,611 |
| Current assets | 135,720 | | 135,720 |
| Current liabilities | (138,462) | | (138,462) |
| Payables due after one year | (174,314) | | (174,314) |
| Total | 910,794 | 144,761 | 1,055,555 |

25 Related Parties

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

Related parties include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Fund, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or directors. The following table shows the receipts from and payments to related parties during 2017-18.

| Names of Connected Organisations | 2017-18 Receipts £ | 2017-18 Payments £ | 2016-17 Receipts £ | 2016-17 Payments £ |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Donee: Methodist Church Fund | | (517,372) | | (500,644) |
| Donee: Methodist Ministers' Children's Fund | | (536) | | (738) |
| Donor: Circuits within BEH (assessments) | 632,904 | | 608,556 | |
| Donor: Circuits within BEH (levies) | 120,078 | | 138,985 | |
| Donor: Churches within BEH | 891 | | 406 | |
| Donee: Circuits within BEH | | (57,500) | | (45,900) |
| Donee: Churches within BEH | | (71,754) | | (71,973) |
| Donee: Individuals (re 3 Generate) | | (14,520) | | (13,530) |

Information about payments to trustees appears in Note 5.1.

Notes to the Accounts

26 Volunteer Contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. At the BEH District the principal contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development, safeguarding. We are grateful to all of them for their help and commitment. No attempt has been made by this District to value the non-monetary contributions to the District in monetary terms.

27 Capital Commitments and Contingent Liabilities

There were no capital commitments or contingent liabilities at the year end (2016-17: Nil).

28 Lease Commitments

The District has contracts or obligations for the following:

- Office accommodation which is a six month periodic review tenancy c.£9,000.

In addition there are short term obligations as follows:

- Reprographic equipment at the District office c.£500
- Telephones at the District office and the District manse c.£300
- Security alarm system at the manse c.£100
- Membership of the Friars Wood Residents' Association c.£250.

The total liability of these is not considered material.

29 Independent Examiner

An accrual has been made for the fee of the independent examiner in the sum of £750 for the year (2016-17: £750). The charge in the SOFA represents the provision for this year's fee together with an underprovision for the previous year.

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

Declarations and Scrutiny

Treasurer

I confirm that these accrual-based accounts for the year ended 31 August 2018 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee, being the trustees of the District.

Signed:



Date:

12 June 2019

John G Chastney, District Treasurer

Presentation to the District Policy Committee for approval

I confirm that the Trustees Annual Report, the Statement of Financial Activities, the Balance Sheet and the Notes to the Accounts for the year ended 31 August 2018 were presented to the District Policy Committee at its meeting on 12 June 2019.

Signed:



Date:

12/6/19

Rev M Peacock, Deputy Chair of District

Independent examiner's report to the Trustees of the Bedfordshire, Essex and Hertfordshire District of the Methodist Church for the year ended 31 August 2018

The trustees are responsible for ensuring that the annual report and accounts present a true and fair view of the District's income and expenditure for the year and of the assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under s144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under s145 of the Charities Act,
- follow the procedures laid down in the general Directions given by the Charity Commission under s145(5)(b) of the Charities Act, and
- state whether particular matters have come to my attention.

Declarations and Scrutiny

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the District and a comparison of the accounts presented with those records. It also includes consideration of any unusual items, in nature or scale, or disclosure in the accounts seeking explanations from the trustees concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a true and fair view. My report is limited to those matters set out in the statement below.

Independent examiner's statement

In connection with my examination, no matter has come to my attention

1 which gives me reasonable cause to believe that in any material respect the requirements:


- a to keep accounting records in accordance with s130 of the Charities Act, and
- b to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act,

have not been met, or

2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

I have obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signed:



Date:

14/6/18

Vincent Chandler ACA, FCCA, independent examiner and a partner in
Moore Green, 22 Friars Street, Sudbury, Suffolk CO10 2AA

