

2010

The Methodist Church in Great Britain

Charity Registration Number 1132208

Consolidated Accounts for the year ended 31 August 2010



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Welcome from the Revd Canon Dr Martyn Atkins

The brief narratives included in these Consolidated Accounts accurately reflect some of the contemporary commitments of the Methodist Church in Great Britain to be a discipleship movement shaped for mission. These foci – discipleship and mission – are increasingly becoming the shapers enabling priorities to be established and hard choices to be taken. They arise from a number of years of identifying the ‘calling’ and ‘priorities’ of a contemporary Church, outlined here as worship, learning and caring, service and evangelism, undertaken with others wherever possible. This is deeply resonant with the origins of Methodism as an 18th century religious movement that combined deep piety, great evangelical passion, huge levels of social engagement and philanthropy and levels of commitment to overseas mission and service disproportionate to its size.

How these inherited charisms and characteristics evolve and take shape so as to enable the Methodist Church in Britain today to ‘be itself’ in a very different world is a work in progress which, by its nature, probably will never end but will continue to evolve. These accounts provide snapshots of some of the ways in which the Church’s resources are being deployed to ensure that commitment is being embodied.

Thus the report makes plain a continuing commitment to being a responsible part of a world family of Methodist Christians some seventy million strong. The terrible events in Haiti are, fortunately, exceptional, though other Methodist people live in various forms of challenging contexts throughout the world. British Methodism today is shaped by and connected to that bigger family of faith by multiple, long term, trusting partnership arrangements enabling listening, targeted and mutually agreed action, and sound evaluation. A major international conference brought together partners in mission from all over the world in summer 2010, and made clear the continuing value of this mutually enriching method of Christian witness and service in a properly post-imperialist environment. The grants stream for overseas work today reflects and sustains these values.

Venture FX is one of several initiatives deliberately attempting to find new ways of being what British Methodism believes it was called into being by God to do since its beginnings; namely to adopt culturally apt ways of, in the words of John Wesley its founder, ‘offering Christ’ in word and deed. Today this involves the creation of ‘fresh expressions of Church’ which, put simply, means planting a Christian community in a part of British society now often remote from more historic models of Church. Some are located in houses in the midst of housing estates where no other Christian community exists, and serve as the catalyst for varied types of social cohesion. Another example is participation in the Street Pastor and Street Angel schemes, whereby volunteers provide care and conversation to late night/early morning clubbers in the centres of dozens of cities in Great Britain. The deliberate placing of a young Methodist minister into the ‘club’ culture of Stoke on Trent is one of many such examples of this determination to work for the common good. Add to this the normal neighbourliness, extensive local volunteering, provision of local safe spaces and services, and one might suggest that British Methodism has, in a healthy and open way, been participating in the ‘big society’ for a very long time.

The commitment to be a contemporary discipleship movement shaped for mission is widely shared by Methodists today. They want to be the human beings they believe God wants them to be, and this inevitably includes humble witness and service, personal faith and integrity. They delight to do this together with other Christians whenever possible, and work hard to sustain healthy relationships with Faith and Secular groupings for the common good.

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Welcome from the Revd Canon Dr Martyn Atkins (continued)

I commend these Consolidated Accounts of the Methodist Church in Great Britain as illustrative of a Church continually changing in order to remain focused on its primary calling from God, through worship, learning and caring, service and evangelism.

The Revd Canon Dr Martyn Atkins

General Secretary of the Methodist Church in Great Britain

March 2011

Structure and Governance

The accounts included in this report are not a record of all the financial activities of the Methodist Church in Great Britain as they do not include local church, circuit and district accounts. The names of the entities included in this report are listed in 'Note 1' of the accounts on page 28 and include:

Activities managed or administered by the Connexional Team (hereafter referred to as the Connexional Funds)

Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
Methodist International Centre Limited	(a separately registered company)
Methodist Relief and Development Fund	(a separately registered charity)
Southlands College	(a separately registered charity)
Southlands College Enterprises Limited	(a separately registered company)
T Beckett (Saddler) Limited	(a separately registered company)
Trinity Hall Trust	(a separately registered charity)
Wesley Conference Centre Limited	(a separately registered company)

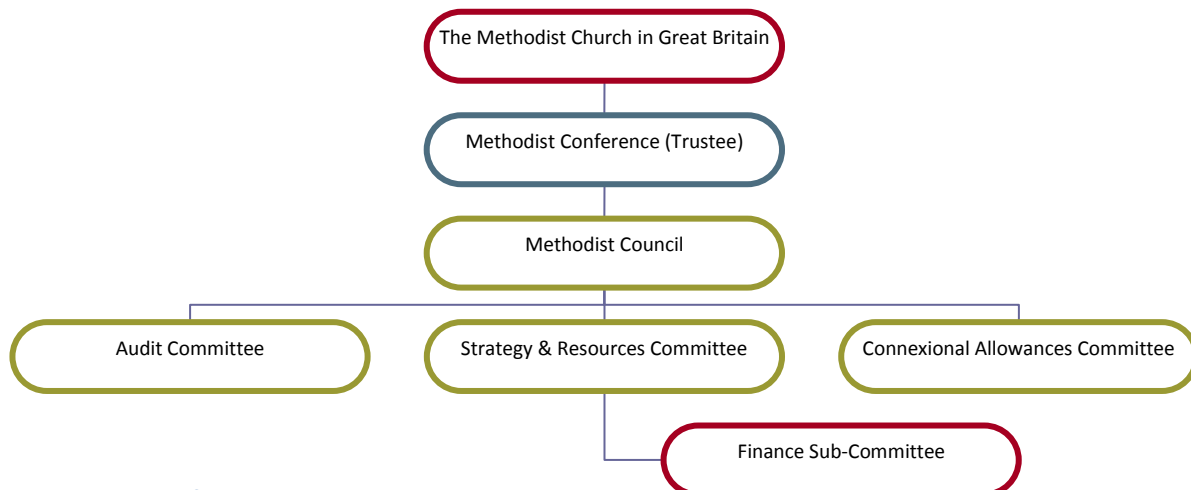
For the purposes of these accounts these entities are referred to as The Methodist Church in Great Britain.

Structure

The Methodist Church applied and became a registered charity on 20 October 2009 (1132208 – “The Methodist Church in Great Britain”). The Methodist Conference is the Trustee. The names of the members of the Conference for each particular year are publically available on the Church’s website. The Methodist Council is appointed annually by the Conference. Amongst other functions it is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds and conforming to the law and accounting regulations so as to give an overall view of those moneys and other assets for which the Council is responsible. The Council is further responsible for presenting that unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these accounts.

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

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Methodist Conference

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

The Methodist Council

The Conference appoints the Methodist Council each year. It consists of 54 people (see page 51 for members) most of whom hold office for four years. The Methodist Council meets at least three times a year. Its terms of reference are to:

- Continuously review the life of the Methodist Church
- Study the work of the Methodist Church and witness throughout the Connexion
- Indicate what changes are necessary or what steps should be taken to make the work of the Church more effective
- Give spiritual leadership to the Church
- Implement Conference decisions
- Report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention
- Protect the assets of the Methodist Church

In addition to the above it is particularly responsible for (inter alia):

- Adopting and presenting to the Conference the unified statement of connexional finances
- Recommending the budget for the Methodist Church Fund (unrestricted general reserves)
- Employing lay members of the Connexional Team and being the responsible body recommending the stationing of its ordained members
- Administering the following funds:
 - Methodist Church
 - Connexional Priority
 - World Mission
 - Mission in Britain
 - Fund for Training
 - Fund for Property
 - London Mission
 - Fund for the Support of Presbyters and Deacons
 - Sabbatical
- Making recommendations on expenditure and amounts to be contributed by the Circuits through Districts to fund the next connexional year

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- Recommending minimum stipends for Presbyters, Deacons and Probationers including additional allowances to be paid to Superintendent Ministers, District Chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund
- Dealing with all model trust property affairs for all Home Districts and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies.
- Acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division.
- Ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council are historically significant are scrutinised before going ahead.

Governance

Much of the day to day work for which the Methodist Council is responsible is delegated to the Connexional Team Secretaries for matters relating to the objectives of the Connexional Team and local management committees in the case of the training institutions and residential centres. Both the Connexional Team Secretaries and the local management committees report to the Methodist Council.

The following committees have an oversight / governance role in relation to the Methodist Council:

The Strategy and Resources Committee

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

- Detailed examination of the annual financial statements of Connexional finances;
- Recommendation to the Methodist Council of the annual budget for the Methodist Church Fund;
- Supervision of the work of the General Secretary and Connexional Team;
- Exercising oversight of the general work of the Connexional Team and report to the Council and the Conference;
- Ensuring that a collaborative style of working is adopted throughout the Connexional Team;
- Review and presentation to the Methodist Council of the Annual Trustees' Report and consolidated financial statements; and
- Identification and management of risks.

The Audit Committee

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

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

- Advising the Council on the appointment of external auditors;
- Reviewing the consolidated financial statements of the Methodist Council;
- Reviewing, with the auditors, their annual report;
- Reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- Submitting an annual report to the Council; and
- Reviewing the effectiveness of procedures relating to risks.

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Oversight committees

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

- Finance Sub-Committee of the Strategy and Resources Committee whose remit is to:
 - provide expert advice on financial matters to the SRC;
 - provide the core membership of the Conference Financial Committee;
 - represent as the employer in discussions with the Trustees of Connexional Pension Funds; and
 - to monitor and review the risk register.

[In addition the connexional treasurers and some members of the Connexional Team meet regularly to consider matters of Investment Management, with particular concerns for:

- Monitoring the performance of the Council's investment managers (CFB); and
 - Deciding, on the basis of the requirements of the various funds (under Connexional Team management), the most appropriate investment strategy.]
- Connexional Allowances Committee which is responsible for recommending allowances for Ministers and awarding grants from the following funds:
 - Fund for Support of Presbyters and Deacons (FSPD);
 - Methodist Benevolent Fund (MBF);
 - Methodist Ministers Children's Relief Association (MMCRA); and
 - Connexional Travel Fund.
 - Connexional Grants Committee which is responsible for:
 - All Connexional grants, including the establishment of a clear published application process and award criteria
 - Monitoring all grants made by sub-committees and grant streams
 - Operating within annual budget set by Council
 - Monitoring grants made by Districts
 - Establishing clear processes for the longer term monitoring and evaluation of grant expenditure.
 - The Trustees of the Methodist Relief and Development Fund whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist or, ecumenical or other appropriate oversight primarily overseas.
 - Local Governance/Managing Trustee Committees.

A comprehensive list of the self-accounting entities whose accounts are included into the Methodist Church Consolidated Accounts is provided on page 29. For each of them a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities, which are accountable to the Council.

Appointments to the various trustee boards are approved by the Methodist Council on the recommendations of the existing board members, following a selection process that involves a skills audit and advertisement for trustees with the appropriate skills and expertise. Appointments are normally for a six-year period.

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

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

The work covered in these accounts falls within the work of the Methodist Church. The strategic objectives of The Methodist Church in Great Britain (“The Methodist Church”) are directly linked to its aims. They are:

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

Public Benefit Requirement

The trustees of The Methodist Church had due regard to the public benefit guidance published by the Charity Commission in compliance with its duties under section 4 of the Charities Act 2006.

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.

As the Church exists to:

- increase awareness of God’s presence and to celebrate God’s love;
- help people to learn and grow as Christians, through mutual support and care; and
- 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.

A demonstration of public benefit

Working in collaboration with others since February 2010, money from the Haiti Appeal of the Methodist Church in Britain and the Methodist Church in Ireland has been used to support the ongoing relief effort in Haiti. The Haiti Appeal is part of the World Mission Fund.

Being a good neighbour to people in need: Haiti

From the Revd Thomas Quenet, Partnership Co-ordinator (Americas & Caribbean)

Total funds raised £482,000, already used to support the following projects:

Grants to support young adults	£51,000
Supporting ministry	£61,500
Supporting education	£89,000
Supporting communities	£30,000
Supporting women and girls	£28,000
Supporting the church	£76,250
Emergency shelters	£12,600
Administration	£4,200
Other non defined projects	£129,450

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When I visited Haiti shortly after the earthquake in January 2010 I was profoundly affected by the destruction and the indiscriminate nature in which it had taken place. Within a few yards all levels of destruction could be witnessed. The impact has been described as looking like rotten teeth.

When I returned there in October 2010, it looked as if a lot of redevelopment work had taken place, but I could well imagine that for Haitians it seemed as if progress has been slow and very painful. Demolition of unsafe properties had taken place and some rubble had been cleared, repairs to business that escaped the worst of had started and new coats of paint had been applied. However, the complicated interaction of pestilence, political unrest, corruption and the consequences of a “failed State” make recovery and reconstruction in Haiti painfully slow. Many continue to live either in tents donated as part of the relief effort, or shacks built of various combinations of wood, plastic and corrugated iron.

However, despair at what had not happened gave way to small signs of hope all around me, the children in their immaculately clean uniforms going to school, the hundreds of thousands of micro businesses on every inch of the road side, the “tap taps” (Haitian public transport) with their biblical references and the determined, resilient faces of Haitians getting on with living were all around me.

At a temporary restatement camp in Corail whole communities were being established and a plethora of international aid agencies were working to bring relief and rebuild people’s lives. Though far from perfect, sturdy shelters were replacing vulnerable tents, schools and clinics and security forces were present. Money to provide counselling and health care for women, many of whom are vulnerable and the subject of rape and beatings has been made available for community work with this group of people.

Soon I was celebrating with Haitian Methodists 50 years of education delivered through the flagship institution of New College Bird. The Methodist Church achieved a small miracle in quickly restoring education to thousands of children, where once a school had been left completely destroyed with text books and exercise books laying scattered amongst the ruins, tents that had been supplied by the Methodist Church provided classrooms, shelter and psychological support to students and staff.

Meetings have been held to negotiate with the Methodist Church in Haiti and others on how the bulk of the money that had been collected by the World Mission Fund would be used. Supporting young adults with university scholarships, supporting Ministers to care for those affected by the earthquake, supporting teachers to continue to provide education and supporting the Methodist Church in Haiti to be able to administer the money it had been responsible for were all ways in which through others many thousands would be reached. Working with The United Methodist Committee on Relief (UMCOR) solar power units would be distributed to people living in tents as an alternative lighting source to naked flames and as a way of generating income and strengthening communication with others and the world.

Venture FX: helping people to learn and grow as Christians, through mutual support and care.

From Ian Bell, Coordinator, Venture FX.

Expenditure £96k (2009/10), budgeted to expand considerably over the next few years

The Methodist Church has consistently, from the earliest days, had a particular concern for those who are furthest away from traditional church activity. Venture FX, the Connexional pioneering ministries scheme, is a contemporary example of this. The aim of this project is to reach out to those beyond the current scope of most churches: the 18 – 35 year olds who are missing from many congregations. Working in communities in radical and appropriate ways, Venture FX is supporting the work of pioneer leaders who can reach out to their

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peers. The question uppermost in the minds of these pioneers is 'What is the good news for young adults in this community'?

Bart Woodhouse is a pioneer in his twenties who has been living with his wife and small children in The Bridge, a new housing development near Dartford, for nearly four years. They went to live in one of the first homes to be built there, and Bart has been instrumental in developing a healthy sense of community in The Bridge. Like many new housing developments, homes went up but little provision was made for a positive community life to grow there. Bart has been building strong relationships amongst those who have come to live in The Bridge, and has been a leading figure in the local community. He has been chair of the residents' association, and is currently chair of the governing body of the local school. He has worked with the developer and the local council to establish allotments on the estate and has been responsible for many community initiatives. Recently the local authority has asked him to partner with them to enable similar things to happen in other new developments. Bart's Christian faith is at the heart of all he does and he and his wife have gathered a small group of people around them who have been praying and studying the bible for many months. As a result of the strong relationships which have been forming whilst they have been on The Bridge, a small worshipping community has begun to emerge – a fantastic example of a community being transformed by the good news of Jesus in word and in action.

Stoke on Trent is an area suffering from multiple indicators of deprivation and local residents do not always feel very confident or optimistic about their community. Small wonder then, that Hanley city centre is host on a number of nights each week to thousands of young adults out on the town ready to have a good time and drown their sorrows. The Venture FX pioneer there, Simon Sutcliffe, is to be found out in the thick of it, trying to get alongside them as they converge on the city centre. Already he has been able to have significant contact assisting people in trouble of one kind or another and, together with other partners, is helping to create a safer environment for those enjoying the night-life. During the day also he has been able to come alongside numerous troubled people and offer friendship and support. He is building positive and constructive relationships with a number of agencies and stakeholders within the city centre. The good news of Jesus is for everyone in Stoke on Trent and it is hoped that in due course some kind of Christian community will emerge which is right for the people Simon is engaging with. But along the way he is making a difference to the wider community and is benefitting everyone who lives and works there.

Key Activities

In responding to the Methodist Church's Calling, the Methodist Council focuses its work in five main areas as follows:

Grants Programmes

Two types of grants are available at a connexional level: grants to support personnel of the Church and grants to support mission and ministry work of the Church.

Personnel Support Grants

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

All other grants are made via applications to the Connexional Grants Committee (CGC), whilst a number of grants are made to overseas development projects via the Methodist Relief and Development Fund (MRDF).

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Mission and Ministry Grants

Mission and Ministry in Britain

The Connexional Grants Committee assesses applications for funding for Mission and Ministry projects. In doing so the CGC assesses the application against two sets of criteria. The first allows the Committee to assess whether this project should be funded via CGC resources; the second helps the CGC assess how well planned the project is and the outcome it is likely to achieve. Funding for these grants is drawn from a variety of sources including the Mission in Britain, the Connexional Priority and the Epworth funds.

Mission & Ministry in the World Church Grants

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

Property Grants

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

Methodist Relief & Development Fund (MRDF) Grants

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

Empowering the ministries of overseas Church partners

Expenditure 2009-10: £8 million – 14% of total (2008-9: £6.9 million – 20.8%)

This activity is centred on “helping people to grow and learn as Christians through mutual support and care”. The accent is on partnership, recognising that our World Church Partners have as much to offer as the Methodist Church in Britain has to offer them. In terms of financial support, through emergency and long term grants, there is a close relation with being a good neighbour to people in need (the service element of ‘Our Calling’).

- The Methodist Church, through the Connexional Team's World Church Relationships staff, engages with at least 70 countries through Partner Churches.
- Grants were made to Partner Churches around the world totalling over £2 million. These included emergency grants to support the Church in Haiti following the earthquake in January 2010.
- This activity supports 86 Nationals in mission appointments worldwide, costing approximately £500,000 per annum. These appointments encourage and support local people in key mission projects in their own countries. Salaries are paid for up to five years by the World Mission Fund and enable new work to be developed and sustained.
- Mission partners are sent by the Methodist Church across the world. Their areas of work are varied including education, agriculture and medicine, as well as pastoral and theological responsibilities. This work costs about £1.4 million per year.
- £400,000 is spent per year on scholarship grants for Partner Churches for 13 students studying in the UK, 12 studying elsewhere ('South to South') and a training group in Nigeria.

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- The Methodist Church has appointed three people as part of the 'Companions' scheme to Churches in Zimbabwe, Guatemala and South Korea. These volunteers are building up a relationship with a particular Partner Church, offering a greater presence in specific areas, and the support of the Methodist Church in some of the areas of greatest need. Their main tasks include listening to the Partner Church; sharing information and resources where needed; representing the British Methodist Church in various settings; and communicating stories about grants to those monitoring the grant-making process.

Formation, training, development and resourcing

Expenditure 2009-10: £8.6 million - 16% of total (2008-9: £9.8 million - 29.3%)

Working in conjunction with Districts, Circuits, Training Institutions, and all other responsible bodies, the Connexional Team under this programme aims to maintain and develop ministry (lay, diaconal and presbyteral) which will assist the whole Connexion in fulfilling all its Calling, by:

- Providing appropriate pathways and procedures for the discernment and testing of vocation to ministry;
- Developing and maintaining pathways of initial training that are ecumenical, integrated, flexible and authentically Methodist, and which lead to the appropriate recognition or accreditation and/or provide relevant training opportunities for that form of ministry;
- Advising on, maintaining and supporting continuing development among those in ordained and lay ministries;
- Co-ordinating the stationing process under which ministers and deacons are assigned for ministry at the local church, circuit and district levels. Much of this work is undertaken through the maintenance, management and staffing of Methodist theological colleges such as Wesley Study Centre Durham, Cliff College and Hartley Victoria College; and contributions towards the costs of the joint theological colleges and courses as well as the provision of maintenance grants for persons undergoing such training and their dependants.
- Work has continued to implement the 2007 Training Review (setting up regional training networks, determining the provision of pre-ordination training, agreeing the overall pattern of Connexional funding), and the 2010 Conference agreed to build on this by initiating the Fruitful Field project which will include a comprehensive review of future training requirements and how the Church will deploy its plant and other resources to meet them across the whole Connexion.
- 52 individuals completed their pre-ordination training and were received into Full Connexion and Ordained at the 2010 Conference.
- 40 individuals were accepted for the Presbyteral pre-ordination training having undergone a rigorous candidating procedure administered by the Connexional Team on behalf of the Methodist Conference. They began their training in autumn 2010.
- The Methodist Council, through Cliff College, continues to train ordained and lay people (Methodists and others) in mission and evangelism. In 2009-10 it had 269 students enrolled on courses ranging from open access undergraduate programmes to the research department in which 21 students are following MPhil or PhD programmes.
- Pre-ordination training takes place at a number of ministerial training institutions or schemes across the country. Fulltime training takes place only at Wesley House Cambridge, Wesley Study Centre Durham and The Queen's Foundation Birmingham. Other institutions and programmes offer part-time training, such as the York Institute for Community Theology which offers a part-time training pathway in partnership with the Urban Theology Unit in Sheffield. The institutions also offer other training

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opportunities. Hartley Victoria College in Manchester is part of Southern North West training Partnership's E-learning initiative, which embraces training for lay and ordained ministries across denominations. E-learning has the potential to contribute to lay theological education in the Methodist Church, not only for local preachers but for the EDEV process (Extending Discipleship Exploring Vocation).

- The Methodist Council, through the Connexional Grants Committee, made 47 grants for specific pieces of work across the Connexion ranging from £2,000 to £155,000 (spread over five years).
- Work funded includes 'Somewhere Else' in inner city Liverpool which is exploring new ways of 'being church' with people on the fringes of society, including baking bread and worshipping together.
- In the Birmingham District money was made available to a women's sewing group which allows women of different faiths to meet together, explore their faiths, sew, make friends and thus break down social and cultural barriers.
- Many other grants support specialist personnel such as youth or family workers, agricultural chaplains and evangelism or mission enablers in circuits and districts.

Advocacy and Educational Programme

Expenditure 2009-10: £1.1 million – 2% of total (2008-9: £1.2 million – 3.6%)

The Christian Communication, Evangelism and Advocacy staff, which includes Methodist Publishing and the Joint Public Issues Team, leads work in the following areas:

- Seeking to encourage the members of the Methodist Church to develop an awareness of the various aspects of mission and of the various approaches to exercising that mission today – by informing, motivating and challenging people to think about and participate in mission and evangelism;
- Foster partnerships and closer working with others in pursuing the purposes of the Methodist Church;
- Advise on emerging developments in politics, social and economic life both within the UK and abroad.

The principal means by which we carry out this aspect of 'Our Calling' are:

- Developing, updating and maintaining the Church's official website at www.methodist.org.uk;
- Promoting advocacy through the publication of educational and informative material on the work of the Methodist Church including specific information on the Methodist Church Fund and the Mission in Britain and, World Mission funds;
- The organisation of fringe meetings and various campaigning events to discuss and raise awareness on key issues;
- Lobbying politicians and other public figures on issues on which the Church has particular views; and
- Publishing and distributing Mission Matters, our quarterly mission journal.

Fundraising

Whilst the bulk of our central work continues to be funded from the District Assessment, we are increasingly looking for new and innovative ways of providing funding. To this end, we now

- Actively promote giving to the Methodist Church Fund as well as the main ring fenced funds (such as the World Mission, Property, Mission in Britain funds);
- Charge for work wherever appropriate;
- Encourage colleges to explore alternative ways of utilising any spare facilities during term time or vacations and to channel the resulting income back to their core work; and

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- Make effective investments of all surplus funds through the Central Finance Board of the Methodist Church.

Other Activities

- On behalf of the Methodist Church, staff further the Church's relationships with other Churches.
- The work in the area of Safeguarding is shared jointly with the Church of England, and provides expert advice and support to all levels of the Church.
- The office of the Secretary of the Conference within the Connexional Team enables the proper functioning of the Methodist Church's legal and constitutional responsibilities as laid out in its foundational documents and subsequent constitutional materials approved by the Conference. It assists the Church to develop continually its governance arrangements, enabling it to live out 'Our Calling', and 'Priorities' in new and innovative ways.
- The Connexional Team continues to service and resource the annual station matching process, the movement of presbyters to new appointments.
- The support services function provides: the payroll service for 2,552 ministers, 732 lay employees and 68 personnel working overseas and pays expenses of the Conference and its committees;
 - collects gift aid on behalf of individual churches, circuits and districts;
 - administers a system of capital property project consents that maintain the Church's ecclesiastical exemption regarding its building that are listed or in conservation areas;
 - provides managing trustees (at district, circuit and church level) with a wide range of guidance and support to enable them to fulfil their responsibilities;

Future plans

Equipping the Church to engage with Society

- Through the Joint Public Issues team (JPIT), an ecumenical campaign around the Review Conference of the Nuclear Non-Proliferation Treaty to ensure that peacemaking is a visible priority.
- A Christmas card campaign calling for an end to the practice of detaining children of people seeking sanctuary.
- A major chaplaincy project will be completed offering new models of engaging with pioneering forms of chaplaincy in local communities.
- Education Commission – to review why and how the Methodist Church engages in all aspects of education, and how
- Methodist people involved in education and training can be supported in their work.

Formation, training, development and resourcing

- Following a thorough consultation about the training needs of Local Preachers and Worship Leaders in late 2009, work will begin to develop their initial and continuing training.
- Review of funding for ministerial training to ensure it best delivers support for the needs of an evolving ministry.
- Developing a new ministerial reflection and development framework – enabling those in ministry to identify future needs and areas for competency development.
- Missing Generation – researching the characteristics of churches which have an age profile reflecting their local population, and sharing the lessons learnt with churches that have an age profile heavily skewed to older people.

The Methodist Church in Great Britain

Empowering the ministries of overseas Church partners

- The Methodist Church will continue to support National in mission appointments, mission partners and its scholarship programme.

Advocacy and education

- Work on the nature of membership in the Church, conducted, at the request of the Conference, by the Faith and Order Committee.

Financial Review

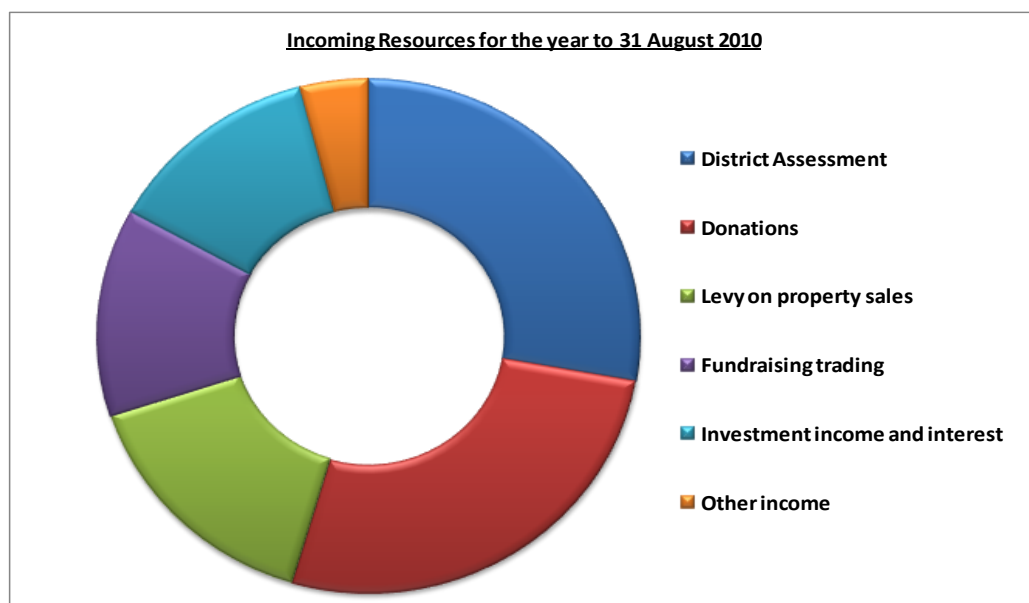
The activities covered in these consolidated accounts are those under the oversight of the Methodist Council. The Methodist Church in Great Britain is the registered charity and the Charity Commission have agreed that these accounts can properly serve as the accounts of the charity.

The funds covered in these consolidated accounts ended the year to 31 August 2010 with net outgoing resources before transfers and revaluations of £13 million (2009: £8 million surplus). Total incoming resources for the year were £43 million, up 3% on the previous year. Costs included a one off write down of the net assets of Southland College totalling £15 million for a grant of a lease of the College by the Methodist Council to Roehampton University for a term of 125 years for a yearly rent of a peppercorn as approved by Conference 2010. The comparative costs for 2009 include a one off write back of grant commitments of £4.8 million. Taking these non recurrent items into account, the remaining like for like costs have risen by 6% in the year.

Charitable income

The main sources of charitable income are donations (including legacies), and the district assessment, and together these accounted for nearly 60% of all incoming resources.

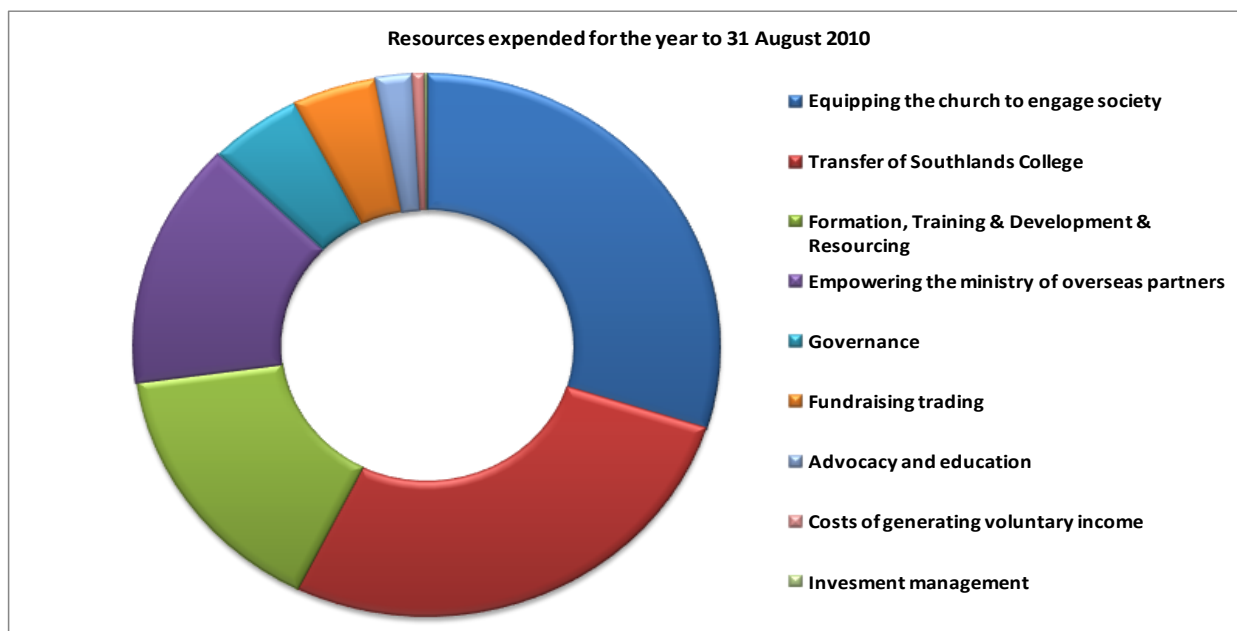
Total income increased by 3% to £43 million (2009: £42 million) primarily due a growth in investment and other income categories. Despite the recession, underlying voluntary income, which includes income from emergency appeals, regular donations and legacies, remained stable. Work initiated by the Council to simplify its funds structure has resulted in £1.7 million of assets that were not previously included being added within investment income. This, plus stronger investment and legacy income more than offset the one-off addition of £2.75 million in the previous year which arose from the incorporation of the former Methodist Publishing House operations into those of the Council. Levy income on property sales also increased by over 10% despite the national slump in property development.



The Methodist Church in Great Britain

Charitable Expenditure

Despite the onset of inflationary pressures, overall expenditure remained under control. The underlying increase in total resources expended was 6% after stripping out the one-off grant write-back of £4.8 million in 2009 and the grant of the lease of Southlands College to Roehampton University of £15 million in 2010. Charitable expenditure includes a planned draw-down on restricted and designated funds (the Training Assessment and Connexional Priority Funds).



Reserves Policy and Review

The Church's reserves policy is set according to the objects of the individual funds under its jurisdiction. The income and expenditure against these funds is monitored by the Connexional Grants Committee and the Strategy and Resources Committee.

The Methodist Church in Great Britain managed reserves

The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. These policies are outlined below.

Methodist Church Fund

The target level of general unrestricted reserves for the Methodist Church Fund operations can be broken down into working capital (£4.5m) and contingencies (£4.5m). As at 31 August 2010 the liquid assets associated with this fund was £9.3m (2009 - £12m).

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

These are funds set aside by the Conference to support the work of the Methodist Church not met through district assessments. The purposes of these funds range from providing training monies, supporting local churches through property grants, funding specific initiatives such as the Youth Participation Scheme (YPS), district development enabler officers and Venture FX to setting aside monies to maintain Methodist Church House. The level of reserves is assessed with reference to the budgeted spend and expected income.

The Methodist Church in Great Britain

Responsibility for setting the most appropriate level of reserves rests with the various committees charged with approving and monitoring outgoings from these funds.

Wesley Study Centre £92k – 4 months (2009: £86k – 4 months)

The policy is to maintain a reserve to cover perceived risks. These are a) an adequate reserve to cover lay staff in the event of redundancy (currently about £13k), b) reserve to support student hardship, international student travel and fund priming of the summer School and c) fund priming of some research projects.

Southlands College £1.23m – 6 months (2009: £1.4m – 7.8 months)

At 31 July 2010 the College had total unrestricted funds of £14.48m. Excluding the property fund of £13.07m and other fixed assets of £182k, the college has free reserves of £1.23m this represents just over just under 6 months expenditure. As recommended by the Charity Commission, the Trustees reviewed their Reserves Policy and consider 9 months' expenditure to be practical and achievable level for the College's free reserves. The Policy is therefore to continue building up free reserves until that level is reached, subject to prior demands of further capital expenditure to equip the College with facilities required in order for it to continue performing its charitable activities.

Methodist Relief and Development Fund (MRDF) £215k (2009: £66k)

General reserves are those "free" unrestricted funds in hand, other than those set aside for designated purposes. These are held either because more general income has been received than was expected or because budgeted expenditure has not been incurred. The Board has established a policy to spend promptly any general reserves on charitable activities. At 31 August 2010, MRDF held "free" reserves of £215k compared with £66k at 31 August 2009.

Methodist International Centre £0 (2009: £(130k))

The Management Committee reviews both the policy and the actual level of reserves as part of its risk management strategy. At 31 August 2010 the free reserves of Methodist International Centre were negative, being un-invested funds less those tied up in tangible fixed assets. The Management Committee are satisfied with this in the light of available bank facilities. Additional levels of gift aid contribution are anticipated in future years from Methodist International Centre Limited as a result of increased trading activities."

Cliff College £1.7m – 9 months (2009: £1.7m – 9 months)

Unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. Extra reserves are currently being held with the intention of building en suite accommodation

Hartley Victoria College £247k - 11 months (2009: £275k – 15 months)

There is no reserves policy as at 31 August 2010. The Trustees will consider the need for a reserves policy for the year ended 31 August 2011.

Guy Chester Centre £3.5m – 41 months (2009: £4.2m - 35 months)

Reserves are intended to cover running costs for at least 6 months. Currently the Centre holds £3.5m in free reserves against annual expenditure of £1m. During 2009/10 £1m was spent on refurbishing the buildings, resulting in an operational loss of £70k for 2009/10. The Trustees are considering setting up designated funds to cover future large maintenance costs.

The Methodist Church in Great Britain

Wesley College Bristol £250k – 6 months (2009: £202k – 4.7 months)

The Methodist Conference in 2010 decided to close Wesley College Bristol. The trustees have therefore initiated a programme of phased shutdown in order to ensure that the remaining educational and conference centre activities are properly concluded and the overall value of the assets protected.

Investment policy and review

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

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

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

With regard to Investment Management the connexional treasurers and representatives from the Connexional Team decide, after taking advice from the CFB, the most appropriate investment strategy for each fund under the management of the Connexional Team.

In addition to marketable securities, some funds hold freehold property as investments. These tend to be either given to the fund, or are redundant properties that are either rented out or are awaiting disposal. The value of these properties is small in relation to the overall amounts held in marketable securities £8m vs. £124m (2009: £8m vs. £78.1m).

Performance and holdings

The investments (under the management of the Methodist Church in Great Britain) as at 31 August 2010 are as follows:

Name	31-Aug-10		31-Aug-09	
	£000	% of total	£000	% of total
Managed Equity	20,611	25%	20,038	28%
Managed Mixed	2,282	3%	2,122	3%
Managed Fixed Interest	4,217	5%	4,176	6%
Short Fixed Interest	5,601	7%	6,095	8%
UK Equity	9,834	12%	8,480	12%
Overseas	2,280	3%	988	1%
Corporate Bond	15,672	19%	13,376	19%
Property (unit trusts)	3,868	5%	1,877	3%
Cash (deposit)	18,491	22%	14,870	21%
Total	82,855	100%	72,022	100%

The Methodist Church in Great Britain

Annual capital growth (loss) as at 31 August is summarised:

	1 year to 31 August 2010 %	5 years to 31 August 2010 % p.a.	10 years to 31 August 2010 % p.a.
Equity & Convertibles			
CFB Managed Mixed Fund (Charity)	+11.3	+4.6	+2.6
CFB Managed Equity Fund (Charity)	+10.8	+4.0	+1.4
CFB UK Equity Fund (Charity)	+10.6	+3.5	+1.5
FTSE All Share Index (Gross)	+10.6	+3.9	+1.7
FTSE 100 Index (Gross)	+10.1	+3.5	n/a
CFB UK Equity Fund (Pension)	+10.6	+3.5	+1.4
FTSE All Share Index (Net)	+10.6	+3.9	+1.6
FTSE 100 Index (Net)	+10.1	+3.5	+1.0
FTSE All Share Index Ethically Adjusted	+10.1	+3.4	n/a
CFB Overseas Fund (Charity)			
CFB Overseas Fund (Pension)	+10.9	+5.6	+0.2
FTSE All World Index(ex U.K)	+10.3	+5.4	+0.3
Fixed Interest			
CFB Managed Fixed Interest Fund	+8.1	+6.2	+6.3
Managed Fixed Interest Index Composite	+8.1	+5.9	+6.1
CFB Short Fixed Interest Fund	+7.2	+6.2	+6.3
FTSE Short Gilt Index Composite	+7.1	+6.1	6.1
CFB Gilt Fund*	+8.1	+5.9	+6.2
FTSE All Stock Gilt Index	+8.0	+5.9	+6.0
CFB Corporate Bond Fund	+11.3	+6.1	n/a
iBoxx Non Gilts Index	+13.3	+4.4	+6.4
Corporate Bond Index Composite	+12.7	+4.2	+6.3

* Figures prior to 01/11/02 relate to CFB Long Fixed Interest Fund

Risk Management and Internal Controls

Risk Management

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

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

The SRC, working closely with senior management in the Connexional Team, periodically reviews and updates the Connexional Team's risk register; any proposed changes to the register being agreed by Council. As part of their independent monitoring of the effectiveness of the process, the Audit Committee received various reports from the Director of Financial Operations and the Director of Development and Personnel.

Similarly, governance scrutiny groups continue to review the risk management arrangements put in place by the governance body or managing trustees of each of the self-accounting entities.

Derivative arrangements have been entered into by some subsidiary entities in order to mitigate the interest rate risk arising on long term bank loans.

The Methodist Church in Great Britain

Internal Controls

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

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

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

The Environment

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

Our environmental goals

- Improved knowledge of the footprint of The Methodist Church and of the measures that would be most effective in reducing carbon emissions;
- Improved knowledge of further technical support that could be made available to support circuits' adaptation of buildings;
- Further financial resources identified to support reduction in carbon emissions; and
- Better equip staff and Ministers to make informed choices to reduce their carbon footprint.

What is included in the consolidated accounts of The Methodist Church in Great Britain?

Funds administered by the Connexional Team: 60% of total spend and 72% of income

This is the main support and management function within the Methodist Council.

- Assists the Church in furthering the purposes of the Methodist Church, in particular enabling it better to fulfil its calling.
- Provides appropriate support for Local Churches, Circuits and Districts as they work to fulfil the purposes of the Methodist Church.
- Acts on behalf of the Church in relation to national institutions and public issues in accordance with the existing statements and resolutions of the Conference.
- Assists the Council in considering future policies.
- Takes particular responsibility for the areas of work which are prescribed in the Deed of Union, specified in Standing Orders or approved from time to time by the Conference and the Methodist Council.
- Administer grants on behalf of the Connexional Grants Committee.

Theological Colleges: 31% of total Spend and 15% of income

- Cliff College
 - Cliff College Outreach Limited

The Methodist Church in Great Britain

- Cliff Methodist Developments Limited
- Guy Chester Centre
- Hartley Victoria College
- Southlands College
 - Southlands College Enterprises Limited
- Wesley College Bristol
 - Wesley Conference Centre Limited
- Wesley Study Centre Durham

Methodist International Centre 5% of total Spend and 6% of income

This is a social enterprise providing quality budget hotel services and meeting facilities. It supports international and home students studying in London by providing affordable accommodation, in a multi-cultural, multi-faith environment.

Methodist Relief and Development Fund (MRDF) 4% of total Spend and 7% of income

MRDF exists to bring about significant and long term change in some of the world's most marginalised communities, and to empower people to change structures that are oppressive and unjust. It achieves this through supporting long-term development, disaster relief, building the capacity of its local partners, education and advocacy.

Related parties

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

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

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

c) The Methodist Ministers' Housing Society - Set up under the Industrial and Provident Societies Act 1965 and operating from the Connexional Team offices in London, the Housing Society provides housing and associated amenities for retired Methodist ministers, deacons and their partners. The Methodist Council makes regular grants from the Fund for the Support of Presbyters and Deacons (FSPD) in support of its work under Standing Order 364.

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

Full details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 25 of the accounts.

The Methodist Church in Great Britain

Provision of information to the auditor

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

Statement of trustees' responsibilities

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

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the charity and the 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 judgments 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;
- 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 1993. They are also responsible for safeguarding the assets of the charity 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

During the year Baker Tilly UK Audit LLP were appointed as auditor to the charity.

A resolution proposing the re-appointment of Baker Tilly UK Audit LLP as auditor to the charity will be put to the annual Methodist Council.

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

Mr David Walton
Chair of the Council

Date

The Methodist Church in Great Britain

Independent auditor's report

We have audited the financial statements of The Methodist Church in Great Britain for the year ended 31 August 2010 on pages 24 to 50.

This is the first year of registration with the Charity Commission consequently the corresponding figures which have been included as pro-forma comparatives are unaudited.

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 1993. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the information given in the Trustees' Annual Report is not consistent with those financial statements, if the charity has not kept sufficient accounting records, if the charity's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and charity as at 31 August 2010 and of their incoming resources and application of resources for the year then ended; and
- the financial statements have been prepared in accordance with the Charities Act 1993.

BAKER TILLY UK AUDIT LLP

Statutory Auditor

Chartered Accountants

Hartwell House, 55 – 61 Victoria Street

Bristol, BS1 6AD

Date:

The Methodist Church in Great Britain

Consolidated Statement of Financial Activities for the year ended 31 August 2010

	Notes	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Unaudited Total
		£000	£000	£000	£000	£000
					2010	2009
Incoming resources						
Incoming resources from charitable activities						
District Assessment		11,834	100	-	11,934	12,008
Voluntary income	2	574	10,908	-	11,482	11,510
Investment income and interest	3	977	4,500	-	5,477	4,625
Activities for generating funds						
Fundraising trading	4	652	4,958	-	5,610	4,899
Incoming resources from generated funds						
Grants and capital levies	5	5,130	1,475	-	6,605	6,469
Other income		1,000	750	-	1,750	951
Other income resources						
Net gain/(loss) on disposal of tangible fixed assets		(11)	53	-	42	1,275
Total incoming resources		20,156	22,744	-	42,900	41,737
Resources expended:						
Cost of generating funds						
Costs of generating voluntary income		374	-	-	374	387
Fundraising trading		457	2,071	-	2,528	2,250
Investment Management		79	-	-	79	46
Charitable activities						
Equipping the church to engage society		10,849	5,760	-	16,609	14,985
Formation, Training Development & Resourcing		6,627	1,986	-	8,613	9,748
Transfer of Southlands College		-	15,198	-	15,198	-
Empowering the Min of Overseas Partners		1,059	7,014	-	8,073	6,930
Write back of grant commitments		-	-	-	-	(4,815)
Advocacy & Education		1,135	-	-	1,135	1,187
Governance costs		2,858	27	-	2,885	2,559
Total resources expended	6	23,438	32,056	-	55,494	33,277
Net(outgoing)/ incoming resources before transfers	8	(3,282)	(9,312)	-	(12,594)	8,460
Gross transfers between funds	16,17,18	(55)	744	(689)	-	-
Net (outgoing)/ incoming resources after transfers and before other recognised gains		(3,337)	(8,568)	(689)	(12,594)	8,460
Gains /(losses) on revaluations and disposal of investment assets		1,040	2,422	2,186	5,648	(1,195)
Net movement in funds		(2,297)	(6,146)	1,497	(6,946)	7,265
Total funds brought forward at 1 September	19	45,212	77,419	20,401	143,032	135,767
Total funds carried forward at 31 August		42,915	71,273	21,898	136,086	143,032

All activities are classified as continuing.

The notes on pages 28 to 49 form an integral part of these consolidated financial statements.

The Methodist Church in Great Britain

Statement of Financial Activities for the year ended 31 August 2010 – Connexional Funds

	Notes	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total 2010 £000	Unaudited Total 2009 £000
Incoming resources						
Incoming resources from charitable activities						
District Assessment		11,834	100	-	11,934	12,008
Voluntary income		573	8,139	-	8,712	9,216
Investment income and interest		978	4,361	-	5,339	4,400
Activities for generating funds						
Fundraising trading		652	4,517	-	5,169	4,383
Incoming resources from generated funds						
Grants and capital levies		6,084	40	-	6,124	4,473
Other income		861	320	-	1,181	396
Other income resources						
Net gain/(loss) on disposal of tangible fixed assets		(11)	53	-	42	1,275
Total incoming resources		20,971	17,530	-	38,501	36,151
Resources expended:						
Cost of generating funds						
Costs of generating voluntary income		379	-	-	379	387
Fundraising trading		195	2,071	-	2,266	1,968
Investment Management		74	-	-	74	46
Charitable activities						
Equipping the church to engage society		10,723	5,704	-	16,427	14,972
Formation, Training Development & Resourcing		7,420	362	-	7,782	6,628
Empowering the Min of Overseas Partners		1,080	4,622	-	5,702	5,431
Write back of grant commitments		-	-	-	-	(4,815)
Advocacy & Education		1,118	-	-	1,118	1,187
Governance costs		2,829	-	-	2,829	2,526
Total resources expended		23,818	12,759	-	36,577	28,330
Net (outgoing)/incoming resources before transfers						
		(2,847)	4,771	-	1,924	7,821
Gross transfers between funds	16,17,18	(55)	744	(689)	-	-
Net (outgoing)/ incoming resources after transfers and before other recognised gains						
		(2,902)	5,515	(689)	1,924	7,821
Gains/ (losses) on revaluations and disposal of investment assets		1,036	2,333	2,186	5,555	(2,084)
Net movement in funds		(1,866)	7,848	1,497	7,479	5,737
Total funds brought forward at 1 September	19b/1	44,526	57,053	20,396	121,975	116,238
Total funds carried forward at 31 August		42,660	64,901	21,893	129,454	121,975

All activities are classified as continuing.

The notes on pages 28 to 49 form an integral part of these consolidated financial statements.

The Methodist Church in Great Britain

Consolidated and Connexional Balance Sheet as at 31 August

	Notes	The Methodist Church in Great Britain		The Connexional Funds Unaudited	
		2010 £000	2009 £000	2010 £000	2009 £000
Fixed Assets					
Tangible assets	11	23,738	39,183	21,630	19,705
Investments	12	102,429	94,006	97,361	89,732
		<u>126,167</u>	<u>133,189</u>	<u>118,991</u>	<u>109,437</u>
Current Assets					
Stock		201	141	201	141
Debtors	13	7,580	4,583	7,349	4,007
Short term deposits		22,351	26,977	22,133	26,834
Cash at bank and in hand		1,687	2,135	1,635	1,205
		<u>31,819</u>	<u>33,836</u>	<u>31,318</u>	<u>32,187</u>
Creditors:					
Amounts falling due within one year	14	(13,140)	(11,865)	(12,095)	(10,022)
		<u>18,679</u>	<u>21,971</u>	<u>19,223</u>	<u>22,165</u>
<u>Net current assets</u>					
		<u>144,846</u>	<u>155,160</u>	<u>138,214</u>	<u>131,602</u>
<u>Total Assets less current liabilities</u>					
Creditors:					
Amounts falling due after more than one year	15	(8,760)	(12,128)	(8,760)	(9,627)
		<u>136,086</u>	<u>143,032</u>	<u>129,454</u>	<u>121,975</u>
<u>Net Assets</u>					
<u>The funds of the Charity</u>					
Endowment funds	18	21,898	20,401	21,893	20,396
Restricted income funds	17	71,273	77,419	64,901	57,053
Unrestricted income funds	16	42,915	45,212	42,660	44,526
Total Charity funds		<u>136,086</u>	<u>143,032</u>	<u>129,454</u>	<u>121,975</u>

Mr David Walton

Mr Andrew Gibbs

Chair of the Council

Connexional Treasurer

The notes on pages 28-49 form an integral part of these consolidated financial statements.

The Methodist Church in Great Britain

Consolidated Cash flow Statement for the year ended 31 August 2010

	Notes	2010 £000	2009 £000	£000
Net cash (outflow)/inflow from operating activities	(a) below		(5,111)	556
Returns on investments & servicing of finance				
Deposit interest received & investment income			4,939	4,626
Capital expenditure and financial investments				
Payments to acquire tangible fixed assets		(2,949)	(2,878)	
Receipts from sales of tangible fixed assets		2,480	1,969	
Purchase of fixed assets investments		(7,761)	(13,664)	
Disposal of fixed assets investments		3,379	10,466	
			<u>(4,851)</u>	<u>(4,107)</u>
Financing				
Increases in loan balances		-	316	
Repayment of loans		(1)	(1)	316
Net cash (outflow)/ inflow in the period			(5,024)	1,391
Net cash resources at 1 September	(b) below		28,634	27,243
Net cash resources at 31 August			23,610	28,634

Reconciliation of net (outgoing)/incoming resources to net cash flow from operating activities

(a)	2010 £000	2009 £000
Net (outgoing)/incoming resources for the year	(12,594)	8,460
Gain on disposal of tangible fixed assets	(42)	(1,275)
Asset based grant - Southland College	15,198	410
Investment income	(5,477)	(4,626)
Depreciation	211	203
(Increase)/decrease in stocks	(60)	106
(Increase)/decrease in debtors	(2,997)	4,043
Increase/(decrease) creditors	1,045	(5,374)
Non cash income 2010 - 1969 Trust & York Institute (2009 - MPH)	(395)	(1,391)
Net cash (outflow)/ income from operating activities	(5,111)	556

(b)	At 31 Aug 09 £000	Cash flow 2010 £000	At 31 Aug 10 £000
Analysis of net cash resources			
Cash in hand, at bank	2,135	(448)	1,687
Overdrafts	(478)	50	(428)
Short term deposits	26,977	(4,626)	22,351
	28,634	(5,024)	23,610

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010

1. Accounting policies

a) Basis of accounting

The consolidated accounts of The Methodist Church in Great Britain have been prepared under the historical cost convention, except for investments which are stated at market value (hotel properties are held at valuation), and are in accordance with applicable accounting standards and the Statement of Recommended Practice 2005 (SORP), Accounting and Reporting by Charities issued in March 2005 and the Charities Act 1993 and 2006.

b) Basis of preparation

The following self-accounting entities, for which the Methodist Council is responsible to the Methodist Conference, have been consolidated, based on the view of the Council of the degree of control which it exercises over the entities concerned which is constantly under review.

Activities managed or administered by the Connexional Team	
Cliff College	(a separately registered charity)
Cliff College Outreach Limited	(a separately registered company)
Cliff (Methodist) Developments Limited	(a separately registered company)
Methodist International Centre Limited	(a separately registered company)
Methodist Relief and Development Fund	(a separately registered charity)
Southlands College	(a separately registered charity)
Southlands College Enterprises Limited	(a separately registered company)
T Beckett (Saddler) Limited	(a separately registered company)
Trinity Hall Trust	(a separately registered charity)
Wesley Conference Centre Limited	(a separately registered company)

c) Basis of consolidation

The consolidation principles applied are based on Financial Reporting Standard (FRS 2) & SORP 2005 Para 381-385 which requires consolidation of all legally-controlled entities, where a majority of voting rights are held in order to show a true and fair view.

All of the above named entities are consolidated on the grounds that the Methodist Conference has the right to exercise dominant influence, and this influence is demonstrated in a number of ways, but mainly through the selection of the trustees on the boards of these entities.

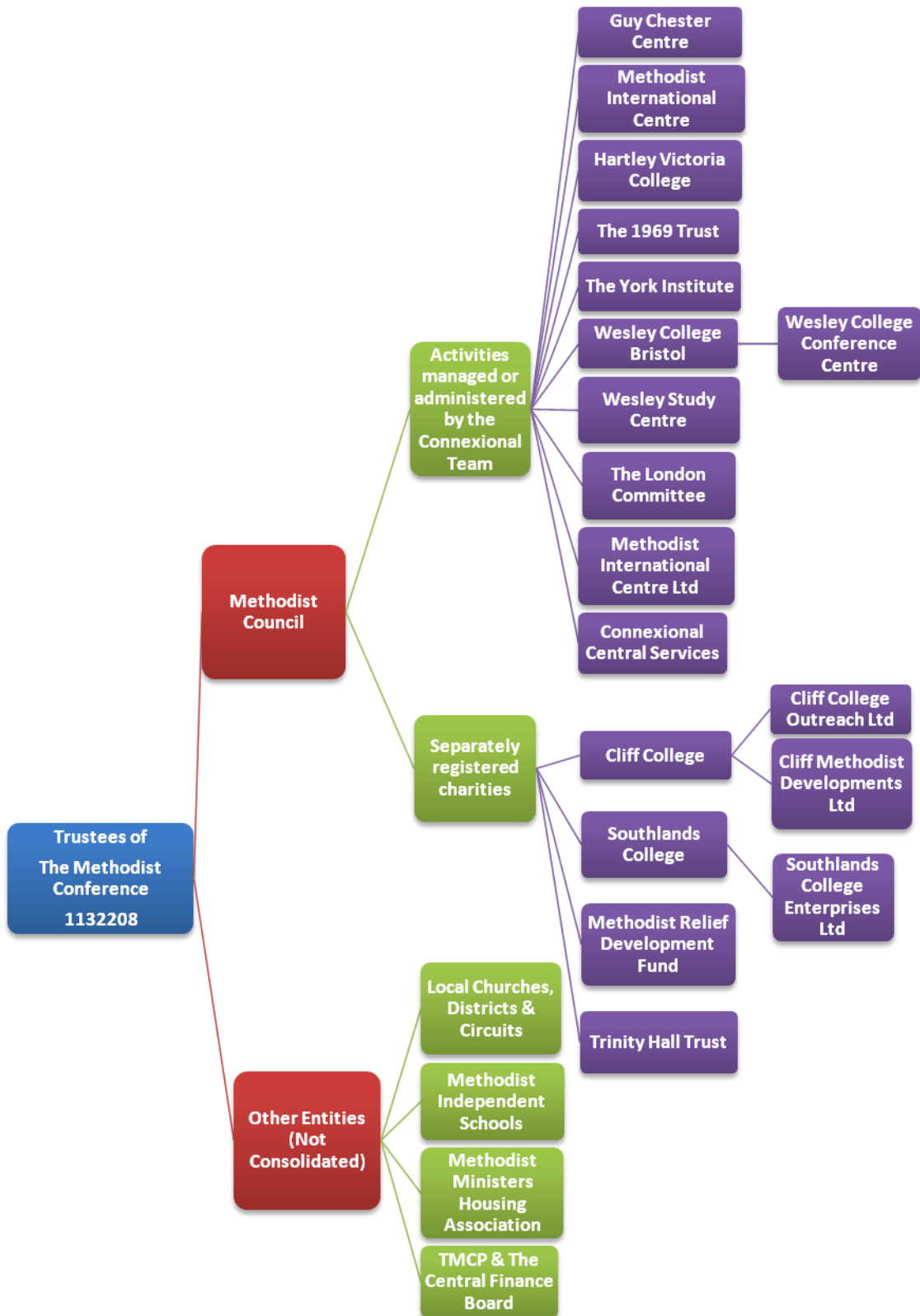
All the entities which are separately registered as charities have been consolidated as subsidiaries on a line by line basis in accordance with FRS2 and SORP 2005. Also included in the consolidation are Cliff College Outreach Limited, Cliff (Methodist) Developments Limited, T Beckett (Saddler) Limited, and Southlands College Enterprises Limited, which are wholly owned trading subsidiaries of four of the entities above.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

1. Accounting Policies (continued)

d) The accounting / reporting structure



The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

1. Accounting Policies (continued)

e) Excluded entities - grounds for exclusion under paragraph 383 of SORP 2005

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

Local Churches, Circuits and Districts

Methodist Independent Schools

Trustees for the Methodist Church Purposes (TMCP)

The Central Finance Board (CFB)

Methodist Ministers Housing Society

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

f) Incoming resources

District assessment

The District Assessment is accounted for on a receivable basis.

Voluntary income

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

Capital levies

Capital levies are due on the disposal of property under Standing Order 970 of the Constitutional Practice and Discipline of the Methodist Church and are accounted for on a receipts basis.

Grants receivable

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

Rental income

Rental income is accounted for on a receivable basis. Rental income is included within fundraising trading with the Statement of Statement of Activities

All other incoming resources

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

g) Resources expended

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

Costs of generating funds

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

Charitable activities

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

Support costs: Support costs include the central functions and have been allocated to fundraising, charitable activities and governance on a basis of directly attributable costs of these activities.

1. Accounting policies (continued)

Governance costs

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

Grants payable

Grants payable have been accounted for in full to the extent that past events have created a legal and constructive expectation in other parties that the Church will honour commitments, both legal and implied and any attaching conditions are outside our control. All grants are denominated in sterling.

h) Funds

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

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

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

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

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

i) Gains/(losses) on investments

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

j) Pension costs

The Church's defined benefit pension schemes are treated for accounting purposes as though they are defined contribution schemes on the grounds that both are multi-employer schemes and that the Church's is unable to identify its share of the underlying assets and liabilities in the schemes on a consistent and reasonable basis. For defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year.

k) Tangible fixed assets

Properties are stated at cost. The Trustees therefore considers that the lives of the properties are so long and their residual values so high based on prices prevailing at the time of acquisition that the annual depreciation charge and accumulated depreciation is not material. Accordingly, no depreciation is provided on freehold properties used for charitable activities. Any material impairment in the value of such properties, following an annual review, would be chargeable to the Consolidated Statement of Financial Activities. Hotel properties are held at valuation.

In line with FRS 15 requirements, the managing trustees of the various entities have reassessed the market value of their existing land and buildings and are of the opinion that it significantly exceeds the book value of the assets.

Assets having an initial cost of £1,000 or less are written off on acquisition. Furniture & fittings, computer equipment, computer software and motor vehicles having an initial cost greater than £1,000 are stated at cost less depreciation. Furniture & Fittings and Motor Vehicles depreciation is provided at the rate of 20% per annum

1. Accounting policies (continued)

on a straight line basis, whilst Computer Equipment and software are depreciated at the rate of 33 1/3% per annum.

l) Investments

Investment properties are revalued periodically by Cluttons, a firm of Chartered Surveyors, and in between by the trustees. The last professional valuation was as at 31 August 2008.

The market value of quoted securities is based on the middle market quotation on the relevant Stock Exchange. Investments, which are held in units in the Central Finance Board, are stated at the Board's published valuations. Investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited Balance Sheet at 31 March 2010, updated by the value of any share acquisitions (at cost) up to 31 August 2010.

m) Stocks

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

n) Operating Leases

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

o) Foreign Currencies

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

p) Irrecoverable VAT

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

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

2 Voluntary Income				2010	2009
	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Total £000
Methodist Publishing	-	-	-	-	2,750
Donations	507	7,526	-	8,033	6,653
William Leech (investments) Ltd	-	640	-	640	778
Legacies	67	2,742	-	2,809	1,329
	574	10,908	-	11,482	11,510

Methodist Publishing - On 14th October 2008 the responsibility for the management of the Methodist Publishing House and Epworth Publishing was transferred to the Methodist Council's Connexional Team. Until that point the Methodist Publishing House reported directly to Conference. The net assets of £2.7m have been treated as a donation in the accounts of the Methodist Council.

William Leech (investments) Ltd - Income from William Leech (investments) had previously been shown under investment income. This treatment was incorrect as the income is given under gift aid from William Leech rather than as a dividend. To aid the readers' of the accounts understanding of the activities of the Methodist Council for the 12 months to 31 August 2009, the 2008 comparative has been moved to voluntary income from investment income.

3 Investment Income				2010	2009
	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Total £000
Investment properties Central Finance Board	62	182	-	244	274
Investments	467	3,467	-	3,934	2,338
Deposits interest and other	448	851	-	1,299	2,013
	977	4,500	-	5,477	4,625

4 Fundraising trading

				2010	2009
	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Total £000
Sales	498	951	-	1,449	832
Rental income	115	1,015	-	1,130	507
Other operational activities	39	2,992	-	3,031	3,557
Advertising income	-	-	-	-	3
	652	4,958	-	5,610	4,899

5 Grants & capital levies

				2010	2009
	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Total £000
Capital levies	5,130	-	-	5,130	4,551
Other incoming grants	-	1,475	-	1,475	1,918
	5,130	1,475	-	6,605	6,469

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

	Equipping the church to engage society	Formation, Training Development & Resourcing	Empowering the Min of Overseas Partners	Advocacy & Education	Costs of generating voluntary income	Fundraising Trading	Investment Management	Governance	Support Costs	2010 Total Resources	2009 Total Resources
Cost of production including services bought in	560	179	15	75	16	124	-	4	-	973	2,296
Other operational Costs	292	75	59	-	-	435	-	-	-	861	747
Grants payable (Note 7)	7,935	18,267	4,914	62	-	10	-	3	27	31,218	13,895
Grant commitments (Note 7)	-	-	-	-	-	-	-	-	-	-	(4,815)
Stipends & salary costs	3,781	3,096	2,194	509	184	1,088	-	1,169	2,684	14,705	13,289
Other staff costs	40	53	8	3	0	23	-	3	159	289	763
Office accommodation	91	52	12	1	1	76	-	1	166	400	285
Manse costs	43	99	3	-	-	53	-	1	187	386	399
Meetings, committees & conference	143	157	191	19	2	2	-	587	89	1,190	919
Travel	128	142	124	18	2	10	-	72	25	521	482
Advertising & display exhibitions	167	93	54	49	31	51	-	17	8	470	377
Education & publicity	21	51	2	7	1	11	-	-	-	93	17
Office costs	1,078	249	98	45	28	456	-	60	609	2,623	2,709
Professional fees	211	69	32	42	7	88	-	143	318	910	709
Audit fees	-	-	-	-	-	-	-	75	-	75	73
Financial services	110	25	9	1	-	102	74	1	38	360	636
Dilapidations	-	-	-	-	-	-	-	-	-	-	180
Miscellaneous expenses	200	120	12	6	3	(1)	-	21	59	420	316
Total	14,800	22,727	7,727	837	275	2,528	74	2,157	4,369	55,494	33,277
Re-allocation of support costs	1,809	1,084	346	298	99	-	5	728	(4,369)	-	-
Total resources expended	16,609	23,811	8,073	1,135	374	2,528	79	2,885	-	55,494	

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

7 Grants Payable - Grants Programme

	2010					2009
	Total	Individual	Institutions	UK	Overseas	Total
	£000	£000	£000	£000	£000	£000
Resourcing Mission in Great Britain						
Non-Property Grants						
Mission & Ministry - general grants	2,576	-	2,576	2,576	-	1,615
Connexional Priority Fund distributions to Districts	2,706	-	2,706	2,706	-	3,762
Ministry to Women	5	-	5	5	-	50
Ministerial Training support	3,059	-	3,059	3,059	-	2,822
Formal Relationships	135	-	135	135	-	253
Chaplaincy	115	-	115	115	-	133
Racial Justice Grants	-	-	-	-	-	16
Other Non-Property grants	200	-	200	200	-	104
	8,796	-	8,796	8,796	-	8,755
Property Grants						
Standard Property Grants	698	-	698	698	-	53
Other property grants	-	-	-	-	-	7
	698	-	698	698	-	60
Resourcing Mission Overseas						
General Grants	1,933	-	1,933	-	1,933	2,038
Nationals in Mission Appt.	483	-	483	-	483	469
Scholarships Programme	383	-	383	-	383	241
World Church in Britain	136	-	136	-	136	206
Training in World Mission	-	-	-	-	-	158
Lay Professional Programme	203	-	203	-	203	92
Relief and other sundry grants	1,775	-	1,775	-	1,775	725
	4,913	-	4,913	-	4,913	3,929
Sundry Grants						
Ministerial support & benefits	805	212	593	805	-	211
Contingency Grants	141	-	141	141	-	747
Sabbatical grants	88	-	88	88	-	87
Initial & Removal grants	54	53	1	54	-	53
Island Travel	20	-	20	20	-	23
Archives and History	5	-	5	5	-	2
Other Miscellaneous Grants	500	-	500	500	-	28
Southlands College.- Roehampton						
7a University	15,198	-	15,198	15,198	-	
	16,811	265	16,546	16,811	-	1,151
Total	31,218	265	30,953	26,305	4,913	13,895

7a. A grant of a lease of Southlands College to Roehampton University for a term of 125 years as approved by Conference 2010. The net value of the total assets transferred was £15 million.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

8. Net outgoing resources before transfers

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

	2010	2009
	£000	£000
Audit Fees:		
Connexional Funds - payable to Baker Tilly UK Audit LLP	53	73
Other Self accounting entities - payable to Baker Tilly UK Audit LLP	15	
Payable to other auditors	6	
Non - Audit fees	16	18
Depreciation	211	203

9 Stipends & Salary costs

The Methodist Council appointed or employed an average of 188 (2009 – 192) people during the year, calculated on a full time equivalent basis, and a further 129 (2009 – 129) people were appointed locally, all of whose costs were chargeable to the Methodist Church Consolidated accounts as follows:

	2010	2009
	Total	Total
	£000	£000
Stipends and salaries	11,125	10,544
Redundancy costs	454	365
Temporary staff costs	449	330
Social security costs	928	794
Pension costs (Note 10)	1,749	1,256
	14,705	13,289

10. Pension costs

Methodist Church Pension Arrangements

The Methodist Council operates two defined benefit pension schemes – the Methodist Ministers' Pension Scheme for ministers and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church. The assets of the two schemes are held separately from the Methodist Church Consolidated Accounts in independently administered funds.

Contributions to the schemes are charged to the Consolidated Statement of Financial Activities in the year in which they are payable.

Under the rules of the two Methodist Church pension schemes for ministers and lay workers the Methodist Council has an undertaking to indemnify the trustees against any liabilities that might arise in the proper discharge of their duties as pension trustees. No provision has been made in the financial statements to 31 August 2010 (2009 £nil) in respect of this matter.

Alternative Pension Arrangements

Staff who prior to their employment by the Methodist Council were already in other pension schemes linked to their profession and able to remain in those schemes were, until recently, allowed to do so, the Methodist Council making the necessary employer's contributions as determined by those schemes. At the end of the year to 31 August 2009, there were in total five employees in these alternative schemes.

10 Pension costs (continued)

The total pension costs for the year to 31 August 2010 as set out in Note 9 above reflects the costs to the employer of the two pension arrangements. There are no outstanding or prepaid contributions at the balance sheet date.

Methodist Ministers' Pension Scheme (MMPS)

There are 1,650 ministers who are members of the MMPS; of these 1,600 are stationed to posts under the control of the Methodist Council.

The last full actuarial valuation of the whole scheme was assessed, using two key measures, as at 1 September 2008 by an independent actuary. The results of the valuation were as follows:

A shortfall of £38,850k relative to the technical provisions (i.e. the level of assets agreed by the Trustee and the Methodist Council on behalf of Conference as being appropriate to meet members' benefits, assuming the Scheme continues as a going concern).

An estimated shortfall of £110,965k relative to the solvency position (i.e. the estimated level of assets needed to buy insurance policies for benefits earned to the valuation date).

Action taken to meet the shortfall

Following consideration of the valuation results the Trustee and the Conference agreed that the shortfall relative to the technical provisions should be eliminated by the Church paying additional contributions of 7% per annum of Stipends commencing on 1 September 2009 increasing to 14% per annum of Stipends from 1 September 2010 over the working lifetimes of current active members. The latter figure was subsequently reduced to 10.6% by the Conference of 2010.

Ongoing contribution rate

Accordingly, after allowing for the increase in the member contribution rate payable from 1 September 2009 from 7% to 9%, and the required increase in contributions to meet the shortfall, the contributions payable from the Circuits increased from 17% to 22% per annum of Stipends from 1 September 2009.

The Trustee and the Conference agreed that contributions payable by the Circuits would increase by a further 3.6% to 25.6% per annum of Stipends from 1 September 2010.

The pension charge for the year was £101k (2009 £102k).

Pensions and Assurance Scheme for Lay Employees of the Methodist Church

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

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

The contributions by the Methodist Council and the scheme members' contributions of the scheme were 20.6% and 7% of pensionable pay respectively.

A full actuarial valuation was carried out as at 1 September 2008 by a qualified independent actuary. The results were as follows:

10. Pension costs (continued)

A shortfall of £2,196,000 relative to the technical provisions (i.e. the level of assets agreed by the Trustee and the Methodist Council as being appropriate to meet members' benefits, assuming the Scheme continues as a going concern). This shortfall is equivalent to contributions of 4.5% pa over the working lifetimes of current active members payable from 1 September 2009.

An estimated shortfall of £12,747,000 relative to the solvency position (i.e. the estimated level of assets needed to buy insurance policies for benefits earned to the valuation date).

The long term rate of contributions required to meet the cost of future service benefits amounts to 27.6% of Pensionable Earnings.

Agreed action

Following consideration of the valuation results the Trustee and the Methodist Council have agreed the following:

- after consultation with members the rate of contributions paid by members of the Scheme will increase from 7% pa to 8% pa of Pensionable Earnings from 1 September 2009.
- the Employers' contribution rate will increase from 18.1% to 24.1% of Pensionable Earnings both to meet the cost of benefits accruing in the future and to eliminate the shortfall. The payment of the additional contributions amounting to 4.5% of Pensionable Earnings over the working lifetimes of current active members to eliminate the shortfall is confirmed in the Recovery Plan which has been agreed by the Trustee and the Methodist Council.

Employee benefit obligations for the Methodist Church

	2010	2009
	£000	£000
Changes in the fair value of Scheme assets are as follows:		
Opening fair value of Scheme assets	28,440	28,380
Expected return	1,726	1,827
Actuarial gains/(losses)	1,094	(2,289)
Contributions by employer	1,417	985
Contributions by members	464	378
Benefits paid	(589)	(841)
Closing fair value of Scheme assets	<u><u>32,552</u></u>	<u><u>28,440</u></u>
Changes in the present value of the defined benefit obligation are as follows:		
	2010	2009
	£000	£000
Opening defined benefit obligation	30,780	27,845
Service cost	881	916
Interest cost	1,635	1,758
Contributions by members	464	378
Actuarial losses*	3,611	724
Benefits paid	(589)	(841)
Closing defined benefit obligation	<u><u>36,782</u></u>	<u><u>30,780</u></u>

*Include changes to actuarial assumptions

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

10. Pension costs (continued)

	2010	2009
Analysis of amounts recognised	£000	£000
Total Actuarial (losses)	(2,517)	(3,012)
Cumulative amount of (losses) recognised	(10,549)	(8,032)

* Includes changes to the actuarial assumptions.

The Employer expects to contribute £1,443,000 to the Scheme in the year 1 September 2010 to 31 August 2011.

The major categories of Scheme assets as a percentage of the total Scheme assets are as follows:

	2010	2009
	%	%
Equities	60	62
Gilts	6	8
Corporate Bonds	19	17
Index Linked Bonds	7	5
Property	3	4
Cash	5	4

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages (where applicable)):

	2010	2009
	% pa	% pa
Discount rate at 31 August	4.8	5.4
Expected return on Scheme assets at 31 August (for following year)	6.1	6.7
Rate of increase in pensionable salaries	4.2	4.3
Rate of increase in deferred pensions – pre 2009 LPI 5%	3.2	3.3
Rate of increase in deferred pensions – post 2009 LPI 2.5%	2.5	2.5
Rate of increase in pensions in payment 5% fixed	5.0	5.0
Rate of increase in pensions in payment LPI 5%	3.1	3.2
Rate of increase in pensions in payment LPI 2.5%	2.1	2.1

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 87 if they are male and until age 89 if female. For a member currently aged 45 the assumptions are that if they attain the age 65, they will live on average until age 90 if they are male and until age 91 if female.

10. Pension costs (continued)

Description of the basis used to determine the expected return on the assets

The Employer adopts a building block approach in determining the expected rate of return on the Scheme's assets. Historic markets are studied and assets with high volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

Each different asset class is given a different expected rate of return. The overall rate of return is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Scheme at disclosure year end.

	2010	2009	2008	2007	2006
	£000	£000	£000	£000	£000
Defined benefit obligation	36,782	30,780	27,845	27,231	26,830
Scheme Assets	32,552	28,440	28,380	28,135	25,569
(Deficit)/surplus	(4,230)	(2,340)	535	904	(1,261)
Experience gains / (losses) on Scheme assets	1,094	(2,288)	(2,193)	235	(614)
Experience gains / (losses) on Scheme liabilities	143	1,901	324	302	(634)
Changes in assumptions underlying the present value of scheme liabilities	(3,754)	(2,625)	1,268	1,596	(1,867)
Total Experience gains / (losses) on Scheme liabilities	3,611	(724)	1,592	1,898	(2,501)

The Scheme assets for the years ended 31 August 2006 have not been restated to bid value (i.e. they are mid market value).

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

11 Tangible assets

(a) The Methodist Church in Great Britain

	Freehold Land & Buildings £000	Furniture & Fittings £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost:					
At 1 September	37,904	2,978	1,487	74	42,443
Additions during year	866	1,605	64	19	2,554
Disposals	(236)	(1,413)	(927)	(42)	(2,618)
	38,534	3,170	624	51	42,379
Depreciation:					
At 1 September	-	1,933	1,286	42	3,261
Charge for year	-	106	102	3	211
Transfer of Southlands (see note 7a)	(17,256)	-	-	-	(17,256)
Disposals	-	(1,129)	(938)	(19)	(2,087)
	(17,256)	910	450	25	(15,871)
Net book value:					
At 31 August 2010	21,278	2,260	174	26	23,738
At 31 August 2009	37,904	1,046	201	32	39,183

(b) Connexional Funds

	Freehold Land & Buildings £000	Furniture & Fittings £000	Computer Equipment £000	Motor Vehicles £000	Total £000
Cost:					
At 1 September	15,090	697	1,171	-	16,958
Additions	4,383	2,842	234	16	7,475
Disposals	(236)	(100)	10	-	(326)
	19,237	3,439	1,415	16	24,107
Depreciation:					
At 1 September	-	1,131	1,173	10	2,314
Charge for year	-	71	90	2	163
	-	1,202	1,263	12	2,477
Net book value:					
At 31 August 2010	19,237	2,237	152	4	21,630
At 31 August 2009	18,659	853	193	-	19,705

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

12. Investments	The Methodist Church in Great Britain		Connexional Funds	
	2010	2009	2010	2009
	£'000	£'000	£'000	£'000
Market value as at 1st September	94,006	88,233	89,732	80,666
Additions	9,461	13,664	6,577	18,487
Transfer in (see note 12a)	-	3,771	6,670	1,391
Disposals	(6,463)	(9,553)	(11,266)	(8,731)
Revaluations William Leech	1,221	(1,940)	1,221	(1,940)
Net unrealised investment gains/(losses)	4,204	(169)	4,427	(141)
Market Value as at 31st August	102,429	94,006	97,361	89,732
The Investments comprise:				
Investment properties	8,062	8,019	7,262	3,801
Central Finance Board units	69,084	61,111	67,387	63,299
Central Finance Board deposit fund	14,476	17,055	13,478	14,870
William Leech Ltd	8,072	6,650	8,072	6,650
Other investment	2,735	1,171	1,162	1,112
	102,429	94,006	97,361	89,732
12a Transfer of assets into investments			£000	
4 John Wesley Road, Peterborough as part of Methodist Publishing			£1,391	
Part of Methodist International Conference Centre not used for charitable purposes			<u>£2,380</u>	
			<u>£3,771</u>	
13. Debtors				
	The Methodist Church in Great Britain		Connexional Funds	
	2010	2009	2010	2009
	£000	£000	£000	£000
Prepayments and accrued Interest	1,186	707	1,114	653
Loans to related Methodist entities	640	1,000	640	1,000
Other debtors	5,754	2,829	5,595	2,307
Tax and social security	-	47	-	47
	7,580	4,583	7,349	4,007
14. Creditors : amounts falling due within one year				
	The Methodist Church in Great Britain		Connexional Funds	
	2010	2009	2010	2009
	£000	£000	£000	£000
Accruals	211	141	211	141
Loans	-	417	-	-
Overdraft	428	478	428	378
Tax and social security	417	321	417	321
Grant commitments	6,046	6,222	6,046	5,416
Other creditors	6,038	4,286	4,993	3,766
	13,140	11,865	12,095	10,022

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

15. Creditors: amounts falling due after more than one year

	The Methodist Church in Great Britain		Connexional Funds	
	2010	2009	2010	2009
	£000	£000	£000	£000
Grant commitments	5,631	6,403	5,631	6,403
Loan	3,129	5,725	3,129	3,224
	8,760	12,128	8,760	9,627

The loan is to Methodist international Centre for £3.1m from HSBC, repayable over 20 years at an interest rate of 1.25% over the bank's base rate. £1.675m has been placed for a five year period under a structure collar agreement with a CAP rate of 5.75% and a floor rate of 3.99%. This loan is secured against the property.

16. Unrestricted funds

(a) The Methodist Church in Great Britain	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gains on Investment	Balance at 31.08.10
	£000	Incoming £000	Outgoing £000			
Designated	22,013	6,825	(4,999)	(304)	747	24,282
General	23,199	13,331	(18,439)	249	293	18,633
	45,212	20,156	(23,438)	(55)	1,040	42,915

(b) Connexional Funds	Balance as at 31.08.09 Restated	Movement in Resources		Transfers between funds	Gains on Investment	Balance at 31.08.10
	£000	Incoming £000	Outgoing £000			
Designated	22,013	6,825	(4,999)	(304)	747	24,282
General	22,513	14,146	(18,819)	249	289	18,378
	44,526	20,971	(23,818)	(55)	1,036	42,660

The Methodist Church in Great Britain
Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

16a Unrestricted funds (continued)

The total designated funds is made up as follows:

	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gain / (losses) on Investment	Balance as at 31.08.10
	£	£	£	£	£	£
1. CPF	10,446	6,340	(3,868)	(6,073)	400	7,245
1a. CPF - Allocation for Venture FX	-	-	-	2,400	-	2,400
2. Connect/Flame Magazine*	169	1	-	(170)	-	-
3. Epworth Fund	5,686	205	(62)	(11)	330	6,148
4. Annesley Fund	336	2	(361)	(5)	-	(28)
5. World Meth. Conference*	1	-	-	(1)	-	-
6. Connexional Travel Fund	204	7	(8)	(1)	12	214
7. Training Assessment Fund	5,337	-	(571)	(1,733)	-	3,033
7.a Training Assessment Fund – Discipleship & Ministry	-	-	-	1,733	-	1,733
8. Computers for Ministry	(166)	257	(129)	-	-	(38)
9. Pension Reserve Fund	-	13	-	3,557	5	3,575
	22,013	6,825	(4,999)	(304)	747	24,282

The transfers between funds include amounts transferred with the approval of the Methodist Council and comprise reimbursement of amounts paid by one fund on behalf of another and management charges against the funds.

Notes

- Connexional Priority Fund (CPF)** is built from the levies charged on all capital money arising from the sale, letting or other disposition of Methodist land held for local, circuit or district purposes and any income arising wherefrom and is available for grants to circuits and distribution to districts. **
- Connect/Flame Magazine**
Methodist Council in the 1990 to keep alive the Connect Magazine and its successor, Flame magazine. The last production was in January-February 2005. As this fund is no longer required for the intended purpose, we recommend the Methodist Council undesignates the balance effective 31 August 2008 so that the fund balance can be available for the wider work of the Council.
- Epworth Fund.** This designated fund is utilised to make grants for special projects or new initiatives which do not qualify for funding from other Methodist sources. **
- Annesley Fund.** This was set up from the proceeds of the sale of Annesley House and is available partly to support Mission in Britain and partly to support work with vulnerable women. The last grant was made in 2009/10.
- World Methodist Council.** This was funds was set aside to pay for members expenses relating to the Council. The purpose of this fund is now served and the Council has resolved to undesignated the balance of the fund.
- Connexional Travel Fund.** This is a Connexional fund set aside to give grants to ministers on long-term sick leave to compensate them for the loss of business mileage payments. **
- Training Assessment Fund.** This fund is designated from the amounts received from District Assessments to meet expenses of training ministers, deacons etc. **
- Computers for Ministry.** This fund was set up following a decision of Conference to create a fund from which presbyters and deacons will be able to purchase a computer for their work.

* All other designated funds: The purpose of these is now largely served and a resolution to undesignate these funds will go to the Methodist Council in the New Year.

** Unless undesignated by a decision of Council, these funds are likely to continue in the foreseeable future.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

17 Restricted Funds

The Methodist Church in Great Britain	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gains on Investment	Balance as at 31.08.10
	£000	Incoming	Outgoing	£000	£000	£000
Restricted funds		£000	£000	£000	£000	£000
1. Fund for the Support of Presbyters and Deacons	5,888	707	(739)	104	427	6,385
2. Mission in Britain Fund	2,027	1,010	(1,241)	(22)	-	1,775
3. Mission Alongside the Poor (MAP)	357	27	(4)	-	-	380
4. Property	3,962	1,102	(270)	119	-	4,913
5. Training	2,744	912	(1)	54	31	3,741
6. World Mission	11,362	4,951	(4,420)	(613)	550	11,830
Total	26,340	8,710	(6,675)	(360)	1,008	29,024
Others	51,079	14,035	(25,381)	1,102	1,414	42,249
Overall Total	77,419	22,744	(32,056)	744	2,422	71,273

17b

Connexional Funds	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gains on Investment	Balance as at 31.08.10
	£000	Incoming	Outgoing	£000	£000	£000
Restricted funds		£000	£000	£000	£000	£000
1. Fund for the Support of Presbyters and Deacons	5,888	707	(739)	104	427	6,385
2. Mission in Britain Fund	2,027	1,010	(1,241)	(22)	-	1,774
3. Mission Alongside the Poor (MAP)	357	27	(4)	-	-	380
4. Property	3,962	1,102	(270)	119	-	4,913
5. Training	2,744	912	(1)	54	31	3,741
6. World Mission	11,362	4,951	(4,420)	(613)	550	11,830
Total	26,340	8,710	(6,675)	(360)	1,008	29,024
Others	30,713	8,821	(6,084)	1,102	1,325	35,877
Overall Total	57,053	17,530	(12,759)	744	2,333	64,901

- Fund for the Support of Presbyters and Deacons (ex Auxiliary Fund).** This fund exists to provide additional assistance to supernumeraries; persons who have been permitted or directed to become supernumerary; presbyters', deacons', and probationers' widows or widowers who are in need; presbyters and deacons who are in need as a result of illness or impairment, for the purpose of enabling them to continue in or resume the active work. The Fund for the Support of Presbyters and Deacons also makes grants to the Methodist Ministers' Housing Society.
- Mission in Britain Fund.** This is the restricted Fund from which grants are made to support various mission and ministry initiatives across the Methodist Connexion.
- Mission Alongside the Poor.** This fund is to provide grants for personnel or property schemes, primarily to local churches and circuits, in areas of relative poverty whether in an urban or a rural setting and where there is a commitment to work alongside the poor and disadvantaged.
- Property Fund.** This is the ring-fenced fund from which grants are made to support various property schemes.
- Training Fund.** Since training costs have been paid centrally since September 2000, this fund now represents mainly the fixed assets belonging to the restricted Fund.
- World Mission Fund.** This is the restricted Fund set up to support most of our overseas work.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

17. Restricted funds (continued)

Other restricted funds. These comprise 114 funds that can only be applied for particular purposes within their objects and include the following in excess of £450k:

	2010	2009
	£000	£000
Cliff College	4,343	4,243
Forces Chaplaincy	801	714
Kingsmead College Sale Proceeds	495	494
Lay Missionaries' Superannuation fund	2,582	2,549
London Committee	9,779	9,106
Long Term Renewals Fund	1,481	1,335
Methodist International Centre	4,024	3,176
Methodist Medical Benevolent Fund	1,346	820
Methodist Relief & Development Fund	1,541	982
North Bank Capital Fund	4,405	4,405
Southlands College (note 7)	-	13,799
Special Extension Fund	1043	956

Transfers comprise reimbursement of amounts paid by one fund on behalf of another and, management charges against the funds.

18 Endowment Funds

The Methodist Church in Great Britain	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gains on Investment	Balance as at 31.08.10
	£000	£000	£000	£000	£000	£000
		Incoming	Outgoing			
Permanent	20,317	-	-	(689)	2,165	21,793
Expendable	84	-	-	-	21	105
	20,401	-	-	(689)	2,186	21,898
<hr/>						
Connexional Funds	Balance as at 31.08.09	Movement in Resources		Transfers between funds	Gains on Investment	Balance as at 31.08.10
	£000	£000	£000	£000	£000	£000
		Incoming	Outgoing			
Permanent	20,312	-	-	(689)	2,165	21,788
Expendable	84	-	-	-	21	105
	20,396	-	-	(689)	2,186	21,893

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

19 Analysis of net assets between funds

(a) The Methodist Church in Great Britain	Unrestricted	Restricted	Endowment	2010	2009
	Funds	Funds	Funds	Total	Total
	£000	£000	£000	£000	£000
Tangible fixed assets	7,669	16,069	-	23,738	39,183
Investments	28,422	49,854	24,153	102,429	94,006
Current assets less liabilities	6,824	5,350	(2,255)	9,919	9,843
	42,915	71,273	21,898	136,086	143,032

(b) Connexional Funds	Unrestricted	Restricted	Endowment	2010	2009
	Funds	Funds	Funds	Total	Total
	£000	£000	£000	£000	£000
Tangible fixed assets	7,673	13,957	-	21,630	19,705
Investments	25,235	47,973	24,153	97,361	89,732
Current assets less liabilities	9,752	2,971	(2,260)	10,463	12,538
	42,660	64,901	21,893	129,454	121,975

20. Pro forma Comparatives

As already noted in the Trustees' report, this is the first year of our registration as a charity. We have included Guy Chester, Hartley Victoria, Methodist International Centre, Stipends Bureau, Tax Recovery Bureau, Wesley College Bristol and Wesley Study Centre Durham in the parent figures for the first time and revised as proforma comparatives not statutory the 2009 figures. The effect of this is an adjustment of total funds brought forward in 2008 for the purpose of the pro forma comparative as follows:

Connexional Funds	As	Adjustment	As	As	Adjustment	As
	previously		calculated	previously		calculated
	calculated		calculated	calculated		calculated
	2009		2009	2008		2008
	£000	£000	£000	£000	£000	£000
Tangible Assets	15,463	4,242	19,705	14,222	6,119	20,341
Investments	83,584	6,148	89,732	80,666	5,466	86,132
Net current assets	19,439	2,726	22,165	21,651	661	22,312
Creditors falling due after 1 year	(6,403)	(3,224)	(9,627)	(9,890)	(2,657)	(12,547)
Total	112,083	9,892	121,975	106,649	9,589	116,238

21. Contingent liabilities and contractual commitments

- Under the rules governing the operation of the Connexional Priority Fund (CPF), levies previously received following the sale, letting or other disposition of land held for local, circuit or district purposes, qualify for refund in whole or part if a replacement scheme is implemented within five years. The financial statements do not reflect any amounts which may have to be refunded after 31 August 2010 under these rules as the potential amount of such refunds cannot be established with any degree of certainty. Actual refunds have ranged in the last four years between £0.3m and £1.5m.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

22. Expenses reimbursed to members of the Methodist Council / Connexional Funds

	2010	2009
	£000	£000
Travel and other expenses reimbursed £000's	<u>62</u>	<u>70</u>
	No.	No.
Number of members Reimbursed	61	57

23. Central stipends administration

Stipends and allowances paid to Presbyters, Deacons and Lay Workers totalling £45.52m (2009 - £43.58m) and reimbursements from circuits and other funds totalling the same amount are not included in the Statement of Financial Activities other than in respect of the administration costs relating to the stipends and allowances of those appointed to serve the Methodist Council (Note 9).

The administration costs amounting to £49k (2009 - £89k) and interest receivable amounting to £32k (2009 - £97k) relating to the central payment of stipends are included in the Statement of Financial Activities.

24. Trustees and connected persons

There were 12 trustees (2009 - 12) who were appointed or employed by the Methodist Council as listed below. Their aggregate total emoluments including pension contributions as employees and not in their role as trustees amounted to £476k (2009 - £446k). Their appointments as trustees are in accordance with Standing Order No. 210 of the Methodist Church.

	2010	2009
The Revd Dr Martyn Atkins	32,720	31,163
Deacon Sue Culver	31,708	29,110
The Revd Dr Keith Davies	31,601	29,754
The Revd David Gamble	32,857	31,016
The Revd Kenneth Howcroft	32,720	30,792
The Revd Ward Jones	31,601	29,707
The Revd Ermal Kirby	31,601	29,784
The Revd Stephen Poxon	31,601	29,707
The Revd Elizabeth Smith	31,798	32,053
The Revd Dr Mark Wakelin	32,899	30,926
Ms Christine Elliott	77,552	69,416
Mr John Ellis	77,552	72,612
	<u>476,210</u>	<u>446,040</u>

In theory the Methodist Council could have transactions with any part of the wider Methodist Church. The main transaction being:

- The annual assessment on local churches (collected via the districts) to pay for the work of the Connexional team and other Conference activities (e.g. district chairs and committee expenses).
- The awarding and distribution of grants to other Methodist Entities.
- Investment charges (TMCP, TMCF).
- Claiming of Gift Aid on behalf of local churches
- Payment of minister and local staff stipends and salaries
- Maintaining the accounting records for various Methodist entities.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

25. Trustees and connected Person (continued)

Outlined below is a list of those bodies considered to be main related parties, which together with the Methodist Council report separately to the Methodist Conference each year. Details of transactions occurring during the year and amounts owing by or to the related parties as 31 August 2010 are given for each one as appropriate.

	2010			
	Income from related party £000	Purchases from related party £000	Loans to related party £000	Amount owed related party £000
Trustees for Methodist Church Purposes	563	39	-	-
Central Finance Board	-	-	-	-
Methodist Minister Housing Society	591	-	49	640
Methodist Ministers' Pension Scheme	231	-	-	-
Methodist Schools	34	-	-	-

In addition to this, there are the related party transactions included in the management of the managements of the Church's investment portfolio by the Central Finance Board. Also numerous transactions and balances occur between the Methodist Council, the districts, circuits and churches.

	2009			
	Income from related party £000	Purchases from related party £000	Loans to related party £000	Amount owed (to) related party £000
Trustees for Methodist Church Purposes	104	27	-	7
Central Finance Board	-	-	-	331
Methodist Minister Housing Society	-	139	-	67
Methodist Ministers' Pension Scheme	-	-	-	2,000
Methodist Schools	63	-	-	1

In addition to this, there are the related party transactions included in the management of the Church's investment portfolio by the Central Finance Board. Also numerous transactions and balance occur between Methodist Council, the districts, circuits and churches.

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

Trustees

The membership for 2009/10 and the current year are listed below. Ex-members are denoted with an asterisk (*) whilst members who joined during 2010/11 are denoted with two asterisks (**). This is not the complete list of the members of Conference however a full list can be found in the Minutes of Conference.

Council

Ms Jane Allin	The Revd Ruth Goodland
The Revd Dr Martyn Atkins	The Revd Carla Hall
Deacon Eunice Attwood*	The Revd Richard Hall
Mr Gareth Baron	The Revd Novette Headley
The Revd Nigel Barton**	The Revd Graham Horsley**
The Revd Jade Bath**	The Revd Kenneth Howcroft
The Revd John Best*	The Revd Dr Peter Howson**
The Revd Andrew Bryer	Mr David Hulse
Miss Kathleen Burrell*	Mr Graham Illingworth
The Revd John Butterfield*	Mr David Ingham
Mr Ronald Calver*	Mrs Alison Jackson**
The Revd Catherine Campbell Hyde*	The Revd Peter Jennings
The Revd Stephen Charman	The Revd Ward Jones**
Mr Dudley Coates*	The Revd Ermal Kirby*
Mr John Colenutt**	Mrs Sue Millman*
Mr Stephen Cooper	Mrs Nwabueze Nwokolo
Deacon Susan Culver	The Revd Lionel Osborn**
Mrs Gill Dascombe	Mr Andrew Owen
The Revd Dr Keith Davies	The Revd David Perkins
Mr Gerry Davis**	Mrs Ruth Pickles**
The Revd Rachel Deigh*	The Revd Eileen Sanderson
Ms Christine Elliott	The Revd Elizabeth Smith
Mr John Ellis	The Revd Dr Joseph Basappa Suray
Ms Christy-Anna Errington**	The Revd Simon Sutcliffe
Mrs Angela Evans	The Revd Alison Tomlin
Mr Clive Falla	Dr Richard Vautrey
Miss Margaret Faulkner*	The Revd Dr Mark Wakelin
The Revd Eden Fletcher**	Mr Kenvyn Wales
The Revd David Gamble	Mr David Walton (Chair)
The Revd Ruth M Gee	The Revd Dr Roger Walton
Mr Andrew Gibbs**	The Revd David Warnock
Mr John Goacher	Mr Richard Wills
Miss Mandy Godridge	Mr John Woosey

The Strategy and Resources Committee

The current members of the Strategy and Resources Committee and those who served in 2009/2010 are listed below. Ex-members are denoted with an asterisk:

Voting Members

Miss Margaret Best	Dr Ian Harrison
The Revd James Booth	Mrs Margaret Havers
Mr Adrian Burton	The Revd Gareth Hill
Ron Calver (Connexional Treasurer 2009/10)*	Ms Alison Jackson
Mr Dudley Coates*	The Revd Stuart Jordan

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

The Strategy and Resources Committee (continued)

The Revd Eden Fletcher	Mrs Susan Millman*
Mrs Rachael Fletcher	Mr Andrew Moore*
Mr Andrew Gibbs (Connexional Treasurer 10/11)	Mr Kenvyn Wales (Chair)
<i>Non-voting members</i>	
The Revd Dr Martyn Atkins	Mr John Ellis
Ms Christine Elliott	The Revd Dr Mark Wakelin

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 and in the induction programme for new Connexional Team staff.

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

The membership of the committee is:

Mr Ted Awty (2010/11)	Mr Andrew Gibbs (Chair 2010/11)
Mr Ron Calver (Chair 2009/10)	Mrs Alison Jackson
Mr Iain Farquhar	Mr Malcolm Pearson
Miss Margaret Faulkner	

The Audit Committee

Members during the years 2009/10 and 2010/11 were:

Mr John Chastney (Chair 2010/11)	Mr Malcolm Pearson
Mr Iain Farquhar	Ms Dzifa Tay
Mr Norman Mann (Chair 2009/10)	Mr David Teckoe
Mr Peter Mills	

In attendance:

Mr Ron Calver	Mr Nick Moore
Mr Peter Fei (2009/10)	Ms Maureen Ndagire (2010/11)
Mr Andrew Gibbs	

The Methodist Church in Great Britain

Notes to the consolidated Financial Statements for the year ended 31 August 2010 (continued)

Reference and Administrative Details

Names and addresses

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

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

Executive Officers

The Revd Dr Martyn Atkins
Ms Christine Elliott
Mr John Ellis
The Revd Dr Mark Wakelin

Custodian Trustees:

Trustees for the Methodist Connexional Funds (Registered)
9 Bonhill Street
London EC2A 4PE

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

Methodist Missionary Trust Association
Methodist Church House
25 Marylebone Road
London NW1 5JR

Investment Managers:

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

Bankers:

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

Independent Auditor:

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

Solicitors:

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