

# Consolidated Report and Financial Statements

for the year ended  
31 August **2017**

*“The best  
of all is,  
God is  
with us”*

*The final words of  
John Wesley, one of the  
founders of Methodism,  
who died March 1791*

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## Sisters and brothers in Christ,



This year, following the publication of our triennial statistical returns, the Methodist Church has thought a great deal about the numbers that represent our common life. This report contains more numbers that provide a snapshot of our financial resources. But the figures in this report represent far more than our bank balance – they paint a picture of the many and varied ways in which the Methodist Church is seeking to live out its calling to worship, to learning and caring, to service, and to evangelism, in the British Connexion and across the world.

Among the work considered by the 2017 Conference in Birmingham (p. 5) was a report on ‘the gift of connexionalism in the 21st century’. It reminded us that connexionalism has a strong missionary dynamic, enabling the effective deployment of resources (financial and otherwise) in the service of God’s mission.

This Trustees’ Report touches on the work of a number of connexional bodies and committees to ensure that the resources of the Church are deployed connexionally for the purposes of God’s mission. As one example, the Connexional Grants Committee has continued to provide financial support for projects furthering the mission and ministry of the Methodist Church. It is a tangible expression of our connexional nature that a total of £5.3 million was distributed through Mission and Ministry in Britain grants in 2016/2017 (p. 13).

The mission of the Methodist Church is, of course, a sharing in God’s mission to the whole world. The ‘Partnership, Focus and Evolution’ strategy that was approved by the Methodist Council in January 2016 now guides the Methodist Church in Britain as we seek to work in partnership with churches across the globe (p. 11-12).

The Connexional Team exists to support Local Churches, Circuits and Districts as they work to fulfil the calling of the Methodist Church. Some of the ways in which the Team has sought to do this are outlined in this report, from the provision of resources through the Joint Public Issues Team to guide conversations around the complex issues raised by the EU Referendum (p. 12) to work behind the scenes to enable children and young people to participate effectively with issues of social justice through 3Generate (p.10).

The numbers in our triennial statistical returns and in this report highlight both the challenges and the opportunities facing the Methodist Church in Great Britain today. I commend this report to you; it is a report that demonstrates how the Methodist Church is seeking to deploy the resources within its power to fulfil its God-given calling, both today and in the future.

**God of power,  
may the boldness of your Spirit transform us,  
may the gentleness of your Spirit lead us,  
and may the gifts of your Spirit equip us,  
to serve and worship you  
now and always. Amen.**

Prayer from Holy Communion for the Day of Pentecost and Times of Renewal in the Life of the Church,  
The Methodist Worship Book, p. 183.

**The Revd Canon Gareth J Powell**  
Secretary of the Conference

# The Methodist Church in Great Britain Trustees' Report

## Strategic objectives, aims and purposes

The activities covered in these financial statements fall within the work of The Methodist Church ("The Methodist Church"). The aim of The Methodist Church in Great Britain is to fulfil its calling, which is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. It does this via its strategic objectives, which 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** – to be a good neighbour to people in need and to challenge injustice; and
4. **Evangelism** – to make more followers of Jesus Christ.

## Public benefit requirement

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

This guidance sets out two key principles:

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

The Church exists, *inter alia*, to:

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

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

## Structure

The entities included in this report are not a record of all the financial activities of The Methodist Church as they do not include local church, circuit and district financial statements. The names of the entities included in this report are listed in 'Note 1' of the financial statements on page 36 and include:

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

<b>Cliff College</b>	(a separately registered charity)
<b>Cliff College Outreach Limited</b>	(a separately registered company)
<b>Cliff (Methodist) Developments Limited</b>	(a separately registered company)
<b>All We Can</b>	(a separately registered charity)
<b>Southlands Methodist Trust</b>	(a separately registered charity)
<b>Methodist International Centre Limited</b>	(a separately registered company)
<b>Westminster College Oxford Trust Limited</b>	(a separately registered company)
<b>Westminster College Oxford Trust</b>	(a separately registered charity)

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



The Methodist Church registered as a charity on 20 October 2009 (1132208; “The Methodist Church in Great Britain”) when it became necessary for excepted charities with a gross annual income over £100,000 to register. The members of the Methodist Conference are the trustees and their names are publicly available on the Charity Commission website. The Methodist Council is appointed annually by the Conference to undertake ongoing work on behalf of the Conference (which only meets once a year). Amongst other functions, the Council is responsible for the adoption annually of a unified statement of connexional finances, clearly distinguishing between restricted and unrestricted funds, and conforming to the law and accounting regulations so as to give an overall view of those monies and other assets for which the Council is responsible. The Council is further responsible for presenting that unified statement of connexional finances to the Conference. The names of the members of the Methodist Council are appended at the end of these financial statements.

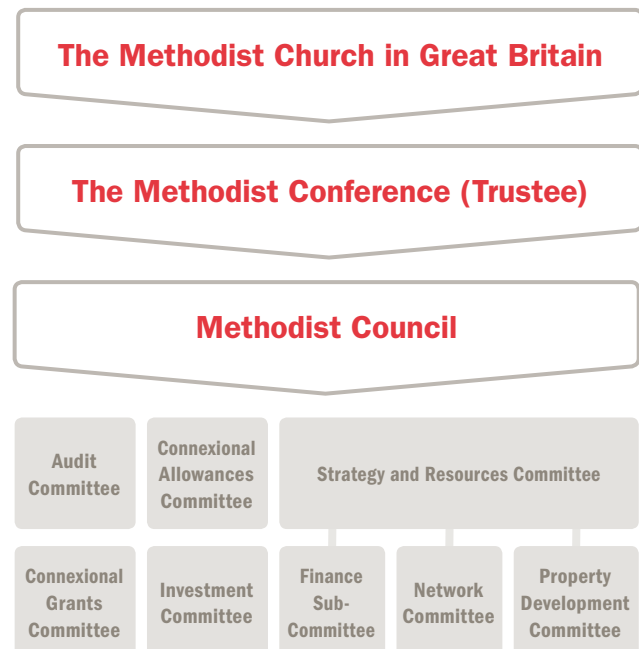
## Governance and oversight

*The Constitutional Practice and Discipline of The Methodist Church* (2017 edition) volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of The Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and more easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

Much of the day-to-day work for which the Methodist Council is responsible is delegated to the Connexional Secretary and other members of the Senior Leadership Group of the Connexional Team, for matters relating to the objectives of the Connexional Team, and to local trustees in the case

of the self-accounting entities. These local trustees are accountable to the Methodist Council.

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



## The Methodist Conference

This is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church’s affairs. The Conference meets annually in

## Governance and oversight (continued)

Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 30 Districts of The Methodist Church as well as other sections of the Church.

### The Methodist Council

The Methodist Council consists of 56 members, most of whom hold office for four years. It meets at least three times a year and its terms of reference are to:

- continuously review the life of The Methodist Church;
  - study the work of The Methodist Church and witness throughout the Connexion;
  - indicate what changes are necessary or what steps should be taken to make the work of the Church more effective;
  - give spiritual leadership to the Church;
  - implement Conference decisions;
  - report annually to the Conference, bringing to the notice of the Conference matters to which it believes the Conference ought to give urgent attention; and
  - protect the assets of The Methodist Church.
- the Fund for the Support of Presbyters and Deacons
  - the Sabbatical Fund;
  - making recommendations on expenditure and amounts to be contributed by the Circuits through Districts to fund the next connexional year;
  - recommending to the Conference minimum stipends for ministers and probationers including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
  - dealing with all model trust property affairs 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; and
  - ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council are historically significant are scrutinised before going ahead.

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

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members;
- administering the following funds:
  - the Methodist Church Fund
  - the Connexional Priority Fund
  - the World Mission Fund
  - the Mission in Britain Fund
  - the Fund for Training
  - the Fund for Property
  - the Epworth Fund



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

## The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2016/2017, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

- detailed examination of the annual consolidated financial statements and budgets;
- recommending to the Methodist Council the three year connexional finance budgets;
- supervising the work of the Secretary of the Conference and the Connexional Team;
- exercising oversight of the general work of the Connexional Team and reporting to the Council and the Conference;
- ensuring that a collaborative style of working is adopted throughout the Connexional Team;
- identifying and managing risks.

## The Audit Committee

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

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

- advising the Council on the appointment of external and internal auditors;
- reviewing, with the auditors, the consolidated financial statements;
- reviewing the effectiveness of procedures relating to risks;

- reviewing the effectiveness of the financial and other internal control systems with regards to monies and other assets for which the Council is responsible;
- approving the annual risk-based internal audit plan, receiving internal audit reports, regular progress reports and risk updates; and
- submitting an annual report to the Council.

## The Investment Committee

The Investment Committee is appointed by the Methodist Council. It meets up to four times a year and has a membership of six people, including the Connexional Treasurers. Its remit is to:

- supervise the management of all the investment assets;
- manage the assets agreed to be under the direction of the Investment Committee; and
- liaise with other boards or committees that report to the Methodist Council to ensure that all investment assets are subject to appropriate oversight and day-to-day management.

## 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 the Council as the employer in discussions with the trustees of connexional pension schemes.

## Governance and oversight (continued)

- **The Connexional Allowances Committee which is responsible for recommending allowances for ministers and awarding grants from the following funds:**
    - The Fund for the Support of Presbyters and Deacons;
    - The Methodist Medical Benevolent Fund;
    - The Methodist Ministers' Children's Relief Association; and
    - The Connexional Travel Fund.
  - **The Connexional Grants Committee which is responsible for:**
    - all connexional grants;
    - monitoring all grants made by subcommittees and grant streams;
    - operating within the annual budget set by the Council;
    - monitoring the use of District Advance Funds (DAFs); and
    - establishing clear processes for the longer term monitoring and evaluation of grant expenditure.
  - **The Network Committee which is responsible for:**
    - developing and maintaining the learning and training of lay people and ministers and the pursuit of scholarship, research and innovation throughout the Connexion;
    - ensuring the generation of income from those centres for which the committee has managing trustee responsibilities and the appropriate use of the resources so generated;
    - reviewing and monitoring of the fulfilment of the terms of all agreements reached between the Council and any training institutions with which the Council has agreements; and
    - working collaboratively with the Ministries Committee to ensure the implementation of connexional policy as respects learning, training, scholarship, research and innovation.
  - **The Property Development Committee which works to develop and maintain a connexional property strategy, and will:**
    - develop and propose to the Council policies in respect of the use of Methodist Property;
    - exercise such managing trustee responsibilities and duties as may be delegated to it by the Council;
    - be responsible for identifying funding sources from across the range of Methodist investments and financial resources and from external sources for the development of Methodist property;
    - review and monitor the use of all property held by bodies reporting to the Council, advising the Council on the effectiveness of current and planned use of property held by such bodies; and
    - offer advice to any Methodist trustees body that so requests it regarding any development, disposal or mortgage of any property or part of any property held on the Model Trust.
  - **The trustees of All We Can (the operating name of the Methodist Relief and Development Fund), whose remit is to receive, hold and transmit monies for relief, rehabilitation and development under Methodist, ecumenical or other appropriate oversight primarily overseas.**
  - **Local managing trustees for those bodies which report to the Council but are not administered by the Connexional Team ('self accounting entities').**
- A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Report and Financial Statements is provided on page 36. For each of them, with the exception of Westminster College Oxford Trust Ltd, 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. In the case of Westminster College Oxford Trust Ltd the Conference appoints the trustees, subject to the approval of the Methodist Council and they in turn report to the Conference. 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 and the Conference.



## Governance and oversight (continued)

Appointments to the various trustee bodies are appointed by the Methodist Council or the Conference on the recommendations of existing 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 but each trustee body will have its own governing document that will set out the terms of appointment and re-appointment.

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

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

The calling of The Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. Most of the work of the Church occurs week in, week out, within, or associated with, Local Churches throughout the Connexion:

- 4,512 places of worship, with around 188,000 members;
- the work of around 1,600 active Methodist ministers, of whom around 180 are in chaplaincy roles;
- approximately 202,000 visits to a Methodist service each week, including 28,000 by children and young people;
- 495,000 additional visits to groups and outreach activities associated with the Church;
- 25,000 pupils enrolled in 86 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community contributing to the diverse activities of the Local Church.

This report cannot capture in detail the breadth and depth of the Church's work. This 'key activities' section lists a range of activities from around the Connexion as samples of that work.

## Key activities

### The work of the Church in 2016/2017 as reported to the Methodist Conference

The government and discipline of The Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference which meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting in Birmingham in June 2017, these included:

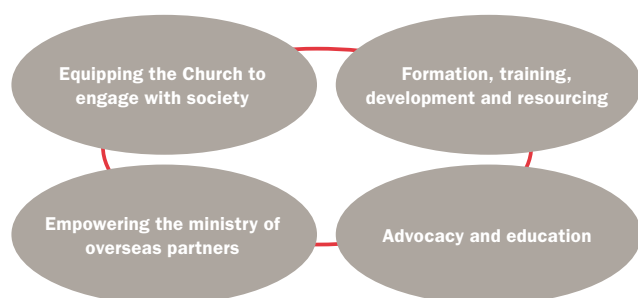
- a report of the work of the Joint Advisory Committee on the Ethics of Investment (JACEI) which seeks to ensure that the Church's finances are invested ethically;
- training and ordination of ministers: 35 new presbyters and 5 deacons, having completed their training, were received into Full Connexion and subsequently ordained; 9 presbyters were additionally received into Full Connexion by transfer, and 1 by reinstatement;
- receipt of the consolidated financial statements of the Church for the previous year (2015/2016);
- adoption of proposals brought by the Methodist Council committing The Methodist Church to become a more inclusive and multicultural community of faith;
- the work of the Joint Covenant Advocacy and Monitoring Group (JCAMG) aimed at helping The Methodist Church deepen its relationship with the Church of England;
- reports from the Faith and Order Committee, engaged *inter alia* in exploring the theological and practical gift of connexionalism in the 21st century;
- implementation of an Interim Supervision Policy for ministers;
- the wide-ranging report on statistics for mission containing the Church's triennial statistical returns;
- several reports reflecting the Methodist Church's ongoing commitment to Safeguarding, including a formula for calculating the capacity of support required in each district and recommendations arising from a review of Covenants of Care;

## Key activities (continued)

- an update on the extensive work of the Methodist Council, which acts on behalf of the Conference when the latter is not sitting;
- reports from 3Generate, Methodist Children and Youth Assembly 2017, on issues affecting children and young people including social justice and on mental health.

## Organisation of the work

In 2016/2017 The Methodist Church in Great Britain, in response to its calling and in pursuit of the strategic objectives shown at the start of this report, organised its work in the following four key areas:



Each of these is reviewed in turn below, followed by a summary of the grants programmes which supports the Church's work across all of the above.

## 1. Equipping the Church to engage society

- Taking the theme of 'Holiness and Justice', the President and Vice President of the Methodist Conference, the Revd Dr Roger Walton and Rachel Lampard MBE, travelled extensively across the Connexion encouraging the Church to engage effectively with issues of poverty and exclusion within their communities.
- Work in rural communities – a new ecumenical resource, *A Discipling Presence*, was published.
- Past Cases Review implementation – new policies/training.
- Provision of chaplaincies in further and higher education institutions and the armed forces.
- 628 delegates aged 8-23 attended the 2016 3Generate event exploring different aspects of the '#Wonderful' theme – Wonderful me,

Wonderful church, Wonderful world, Wonderful prophetic.

## Supporting local work through grants

The missional work of The Methodist Church in Great Britain is enabled in part by grants administered by the Connexional Grants Committee. This committee distributes money held by: the Mission in Britain Fund, the World Mission Fund, the Fund for Property, the Epworth Fund and the Connexional Priority Fund. It looks to support well organised and costed project and building initiatives aimed at equipping the Church and making a real difference to the work of Christian mission. (See also Grant programmes, pages 13 and 14, and for criteria in detail, [www.methodist.org.uk/mission/connexional-grants/apply-for-a-grant](http://www.methodist.org.uk/mission/connexional-grants/apply-for-a-grant).)

A few examples follow of how grants are used across the Church and beyond:

- Chaplaincy to new housing developments in Wantage and Abingdon Circuit, £30,000;
- Christians Against Poverty Debt Centre, Welwyn Garden City and Hatfield, £45,776;
- Cameroonian Community Christian Fellowship, Birmingham Methodist District, £93,335;
- Derbyshire Agricultural Chaplaincy, £144,263; and
- Women Breaking Free, Touchstone Centre, Bradford, £136,446;
- The Hope Journey, the Wirral Circuit, £114,600;
- Heritage Open Doors project, Oxford, £99,000.

## 2. Formation, training, development and resourcing

### The Queen's Foundation

Queen's leads the Church's responsibility for initial ministerial training (IMT) and continues to embed the Common Awards into its training. The use of a single institution for IMT has enabled a more strategic approach to formation and first appointments. There are currently 66 students in IMT (42 full-time and 24 part-time).

## Cliff College

Cliff College continues to act as a focus for lay ministry development. In the last few years, members of the Discipleship and Ministries Learning Network (DMLN) have joined Cliff College faculty in the delivery of courses – some of which are shaped specifically to the needs of The Methodist Church.

2016/2017 saw the highly successful launch of the Certificate in Pioneer Ministry, developed in partnership between Cliff College and The Methodist Church. Other new initiatives were the new one-day course focused on 'Dementia Friendly Church', and a three-day training course on 'Digital Evangelism'.

Failure to appoint a replacement for the Revd Dr Chris Blake as Principal led to the secondment of the DMLN Directors for part of their work during 2016/2017. This provided an opportunity for a review of the College's purpose and strategic direction, which will now be taken forward by the Revd Ashley Cooper, appointed as Principal from 1 September 2017.

## Southlands Methodist Trust

The Southlands Methodist Trust continues to support both the development of the community at Southlands College and also research and learning activities which address issues of significance to the life of the Church and to wider society. It supports the appointment of the college Assistant Chaplain and chaplaincy activities, student volunteer programmes, community music awards, scholarships, performances and more. The Trust's goal of supporting learning and research is achieved through the Susanna Wesley Foundation, which focuses on practical theology and organisational practice within faith institutions (see [www.susannawesleyfoundation.org](http://www.susannawesleyfoundation.org)).

Other key achievements during the year included:

- The growth of the use of a Virtual Learning Environment (VLE) by those undertaking the Worship: Lead & Preach course.
- Reimagining church events held around the Connexion.
- Supervision training undertaken as a pilot scheme with the District Chairs.

## 3. Empowering the ministry of overseas partners

In January 2016, the Methodist Council approved a new strategy for the Church's global relationships under the heading of 'Partnership, Focus and Evolution'. It set out a vision that The Methodist Church in Great Britain will be a distinctive and highly effective global participant in mission by means of true **partnership** with sister churches around the world, a **focus** on the places and programmes where our participation can make a real difference locally and globally, and **evolution** that encourages new initiatives while maintaining the best of what has gone before. A new Global Relationships Strategic Oversight Sub-Committee was established to oversee the implementation of the strategy, which has shaped much of the work in 2016/2017.

The Methodist Church in Great Britain has Partner Churches in over 65 countries across the globe. Being in partnership does not in itself imply that we will provide grant funding, which is only one way of expressing that partnership. However, grants do play a valuable role in building the capacity of our partners and assisting them in other ways.

The new strategy defined the following priorities for grants from the World Mission Fund:

- **building the capacity, leadership, and long-term stability of Partner Churches;**
- **encouraging evangelism, outreach and engagement with the wider society (including interfaith and peace initiatives);**
- **supporting partners who have a special emphasis on issues of justice, inclusion, education, health and empowerment, and support for those who have been marginalised because of their identity, faith, ethnicity, gender or economic status;**
- **assisting Partner Churches in responding to emergencies, natural disasters and where there has been human violence or ethnic conflict; and**

## Key activities (continued)

- supporting partner organisations that have close relationships with Partner Churches overseas and are used by them for the ministry and mission of that Church.

While the development and implementation of this strategy was underway, our activities aimed at supporting partners in 2016/2017 included the following achievements:

- Haiti – hurricane solidarity grant, October 2016, £7,500
- Pakistan – annual grant, women’s health project, £10,750
- Benin – annual grant, church reconciliation work, £20,000
- Cuba – annual grant, conferences and events, £9,000
- Colombia – annual grant, strengthening ministries, £14,000
- Myanmar – annual grant, local mission initiatives, £55,000
- Colombia – CEPALC National Mission Appointment, Promoter of Rights and Social Inclusion, £5,000
- Zimbabwe – Matthew Rusike Children’s Home annual grant, outreach programmes, £8,500

### Capacity building

All We Can and World Church Relationships have agreed to work jointly on capacity building with the Methodist Church of Sierra Leone, signing a Memorandum of Understanding to that effect.

## 4. Advocacy and education

### The EU referendum

Following the EU referendum, the *Conversation Welcome* JPIT resource was designed to bring people, with their many different thoughts, hopes and concerns, together and help churches explore the important underlying questions about the sort of society we wish to live in and wish to leave to future generations. *Conversation Welcome* resource: [http://methodist.org.uk/media/2553057/conversation\\_welcome\\_final.pdf](http://methodist.org.uk/media/2553057/conversation_welcome_final.pdf)

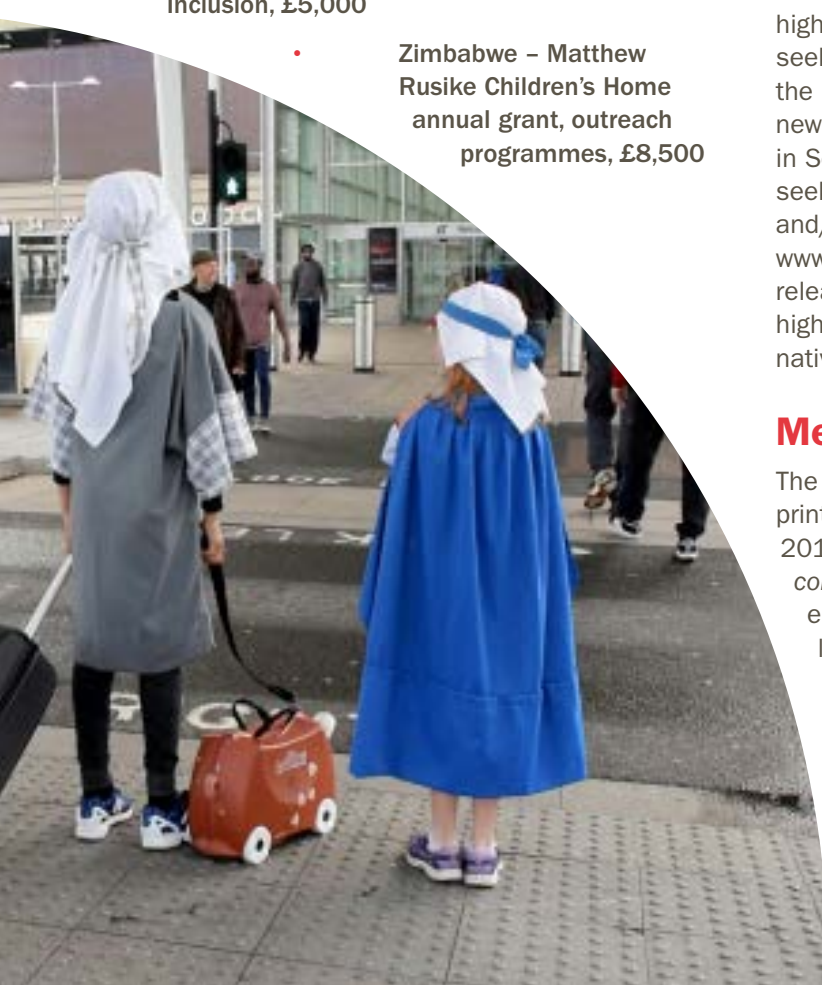
### Highlighting challenges facing asylum seekers

A film entitled *A Very British Nativity* was made to highlight some of the challenges facing asylum seekers in the UK through a modern retelling of the nativity story. Its release came the day after new figures from the government were published in September 2016 revealing that 37,958 asylum seekers in the UK were in receipt of accommodation and/or financial support of less than £6 per day. [www.methodist.org.uk/news-and-events/news-releases/uks-hostile-environment-for-asylum-seekers-highlighted-by-children-in-modern-retelling-of-the-nativity-story](http://www.methodist.org.uk/news-and-events/news-releases/uks-hostile-environment-for-asylum-seekers-highlighted-by-children-in-modern-retelling-of-the-nativity-story)

### Methodist Publishing

The Connexional Team produces a wide range of printed and online materials to resource the Church. 2016/2017 saw the continued development of *the connexion* magazine, which aims to share stories, encourage the Methodist people and inspire new local initiatives, under the editorship of the Revd Dr David Perry.

The Presidential year theme of Holiness and Justice was supported by dedicated resources which featured artwork produced by the Revd Ric Stott, stimulating thought, reflection and debate throughout 2016/2017.





## Supporting the advocacy of All We Can

In July and August 2017, the new President, the Revd Loraine Mellor, and Vice-President, Jill Baker travelled to Uganda and Ethiopia respectively. Loraine met with Ugandan island communities addressing the issue of a lack of access to clean, safe water and spent time with the Methodist Church of Uganda witnessing their way of working through All We Can's Church CAN initiative. Jill visited highland communities in Central Ethiopia, farming families learning to cope with a changing climate and being supported in finding new ways to improve their livelihoods. After the visit, Jill said, "I learnt so much from the people in Ethiopia through conversation and in travelling together. I know that through the work of All We Can that day by day, people's lives are getting better."

## Grant programmes

All connexional grants are only offered to projects in line with the Calling and Priorities of The Methodist Church – and with the understanding that the One Mission of God is the same across the UK and the world.

When considering grant applications, the Connexional Grants Committee (CGC) examined how applicants intended to fulfil the calling of The Methodist Church in Great Britain:

- to increase awareness of God's presence and to celebrate God's love through worship;
- to help people to grow and learn as Christians, through mutual support and care;
- to be a good neighbour to people in need and

to challenge injustice; and  
to make more followers of Jesus Christ.

The CGC sought to concentrate its resources on projects that:

- underpin every activity with God-centred worship and prayer;
- support community development and action for justice, especially among the most disadvantaged in Britain and worldwide;
- develop confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved;
- encourage fresh ways of being Church; and
- nurture a culture in the Church which is people-centred and flexible.

## Mission and Ministry in Britain grants £5.3m (2016: £5.1m)

The Connexional Grants Committee (CGC) receives applications for funding for Mission and Ministry projects, Chaplaincy and Methodist Action on Poverty and Justice. The CGC assesses these applications against criteria for eligibility and impact. The first allows the committee to assess whether the project should be funded from its resources; the second enables the committee to prioritise competing applications on the basis of potential impact.

## Key activities (continued)

### Property grants £2.6m (2016: £2.5m)

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.

### Mission and Ministry in the World Church grants £4.0m (2016: £4.5m)

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

### All We Can – Methodist Relief and Development grants £1.4m (2016: £1.2m)

All We Can awards grants through local partners in its 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 All We Can partners, Methodist churches, or through Action by Churches Together (ACT).

### Personnel support grants £1.4m (2016: £1.2m)

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

These figures disclosed above in key activities do not link directly with Note 10 because the activities are not classified in the same way.



## Plans for the future

Throughout the coming year The Methodist Council plans to continue pursuing the objectives of the Methodist Church by:

- implementing the agreed interim policy for the supervision of ministers;
- developing and adopting a strategy for the use, redevelopment and disposal of properties in order to support the mission of the Methodist Church;
- launching a paid ONE Intern programme, providing young people with the chance to explore and live out their faith in a variety of workplace settings;
- devising programmes that will provide short-term service opportunities for British Methodists to engage with partner churches overseas; and
- initiating work to enable lay and ordained Methodists to explore their vocation, with a particular emphasis on widening and deepening the diversity of those engaged in leadership across the Church.

## Remuneration of key management personnel

The Methodist Council oversees the operation of the Church on a day-to-day basis. It acts as the employing body for staff and the appointing body for ministers serving within the Connexional Team. It delegates the monitoring of the Connexional Team to its Strategy and Resources Committee (SRC).

The Senior Leadership Group of the Connexional Team comprises the key management personnel of the Church in charge of directing and controlling, running and operating the Team on a day-to-day basis.

Two senior leadership posts, the Secretary of the Conference and the Assistant Secretary of the Conference, have to be held by ordained ministers. They each receive the standard stipend plus a fixed percentage allowance. The levels of both are set annually by the Methodist Conference. The pay of the senior employed staff is set by a job grading panel by reference to the Hays Pay and Grading Scale. In view of the nature of the Church's work, the salaries are benchmarked against pay levels in other charities of a similar size run on a voluntary basis. The salaries for senior staff posts are determined as part of the same salary scale as is used for all staff posts.

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

Details of the expenses reimbursed and related party transactions relating to the Council and the SRC are disclosed in Note 26 and 27 to the financial statements.



## Key activities (continued)

### Financial review

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

At the end of the year, the Church recorded a net surplus of £16 million (2016: £14 million), an increase of 14%. The total income for the year was £46 million, an increase of 7% compared to the previous year (2016: £43 million). Total expenditure increased by 4% to £48 million (2016: £46 million). The surplus includes net investment gains before other recognised gains and losses of £18 million (2016: £17 million). The “other recognised gains” for the year of £9 million (2016: £12m loss) are principally the actuarial gains on the Pension and Assurance Scheme for Lay Employees of The Methodist Church. This was caused by changes in the assumptions used to value the Scheme’s liabilities, the result of changes in financial market conditions and resulting in an overall decrease in the Scheme’s deficit. A detailed disclosure on the Scheme’s financial position is provided in Note 28 (page 78).

### Income

Total income increased by 7% this year due to mainly an increase in property levies of 24% compared to the previous year. There was also a 9% increase in income from donations and legacies. There was however a 15% reduction in investment income compared to the previous year. This was largely due to the planned use of reserves to bring them to policy levels and substantial direct investment in one property, both of which reduced the amount of income bearing investments held as Central Finance Board (CFB) units. A detailed analysis of the income is provided in Notes 3-6 (pages 44-45).

### Expenditure

Total expenditure increased by 4% to £48 million (2016: £46 million). Of this, £39 million was spent on direct charitable activities. This includes all amounts spent in furtherance of our mission including grants and direct programme activities. Spending from restricted funds was greater than income, reflecting the decision by the Council to reduce reserves to new policy levels and use excess reserves in a planned manner over three years. A detailed analysis of expenditure by activity is presented in Notes 7-8 (pages 46-47).





# The Methodist Church in Great Britain reserves

The total value of funds held at 31 August 2017 was £273 million (2016: £248 million). There are restricted reserves of £172 million (2016: £164 million); unrestricted reserves of £82 million (2016: £66 million) and endowment reserves of £19 million (2016: £17 million). The reserves of the Methodist International Centre (MIC) (£17.3 million) have been reclassified from restricted to unrestricted funds (Note 25) pages 73-74. The Trust deed of MIC no longer prescribes restrictions for this fund hence the reclassification. A detailed breakdown of the funds is set out in Notes 19, 20 and 21 on pages 62-69.

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

- the Methodist Church Fund (also the general fund);
- Methodist International Centre;
- the Connexional Priority Fund;
- the Pension Reserve Fund; and
- the Epworth Fund.

## Financial risks

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

- **Worship – to increase awareness of God's presence and to celebrate God's love;**

- **Learning and caring – to help people to learn and grow as Christians, through mutual support and care;**
- **Service – supporting community development and action for justice, especially among the most deprived and poor in Britain and worldwide; and**
- **Evangelism – developing confidence in evangelism and in the capacity to speak of God and faith in ways that make sense to all involved.**

The Council is faced with the following financial risks:

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

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

The assessment is a charge upon circuit receipts. The impact of a reduction in membership and a turbulent economic environment has left a number of circuits expressing doubts about their ability to meet the assessment. If these trends continue there is a risk that the annual increases in the assessment will not be sustainable and in a few years we could see a decline. If this decline were to happen it would be gradual, and with the three-year planning processes in place, the Council would have time to adjust.

# The Methodist Church in Great Britain

## reserves (continued)

Other sources of income available to the Council are donations, legacies and investment income. Legacy income, when received, is significant but prone to fluctuation. Unrestricted donations have been mainly from a single donor, whose support is provided on a year by year basis.

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

### General funds

At 31 August 2017 the balance was £45.4 million (2016: £42.9 million). Of this, £16.9 million is invested in fixed assets used in the day to day running of the Council's activities and therefore not available for use as a reserve. The trustees approved a reserves balance of £7.5 million to be held, which is approximately six months of expenditure. This would ensure that there is sufficient cash or near cash at hand at all times to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2017 the free general reserves balance was £7 million.

### Designated funds

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

At 31 August 2017 the designated funds totalled £47 million (2016: £40 million) of which there were three main funds with balances as follows:

• The Connexional Priority Fund	£11 million
• Epworth Fund	£7 million
• The Pension Reserve Fund	£27 million
• Others	£2 million
<b>Total</b>	<b>£47 million</b>

The Connexional Priority Fund (CPF) as a large designated fund reflects the connexional nature of The Methodist Church. Its income is derived from levies on property sales. It serves to redistribute money around the Connexion as a proportion of money released in one area becomes available for new mission and ministry elsewhere. This happens via District Advance Funds (27.5% of the net levies). It has been used to promote the establishment of new church communities via the Church's pioneer ministries project Venturefx, and the ecumenical partnership 'Fresh Expressions'. More recently it has begun to contribute to the general expenses of the Church through funding of the Pension Reserve Fund (45% of the net levies) and a contribution of £1 million per annum towards the work of the DMLN. The Methodist Council in 2015 approved a reserves policy for this fund setting the long-term uncommitted reserves level of the CPF at £5 million. Around £3 million of this will cover the potential claims for levy refunds as applications can be made regarding replacement projects for up to five years under Standing Order (SO) 973. The remaining £2 million will cover year-to-year fluctuations in levy income and investment values.

A key financial risk faced by the Church is the level of the deficit of the defined benefit pension schemes. In order to mitigate this risk, the Pension Reserve Fund was established by the 2009 Conference to establish a fund outside of the schemes, which could be used to meet future funding deficits. This fund has the benefit of providing comfort to the Pension Fund trustees of the financial support of the Church for the schemes and enables them to follow an investment policy more likely to generate higher returns than would a more conservative policy. The fund is currently making annual contributions of £1 million for 10 years (ending in 2020) to the Methodist Ministers' Pension Scheme (MMPS)

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

The Epworth Fund was set up with the proceeds from the sale of Epworth House, City Road, London in 1987. The Church wanted the fund to be used in the long term for innovative projects, expenditure for which could not always be justified using other resources and designated an amount of £5 million for this purpose. It receives approximately £0.2 million annually from investments and has the potential for some capital appreciation. The current expenditure policy is in line with the reserves policy and serves to ensure that the fund balance does not fall below £5 million.

At 31 August 2017 the reserves position on the designated funds is above the policy by £9 million. The CPF's reserves are above the policy by £6 million, partly due to income being significantly higher than expected, and the Epworth Fund is also above policy by £2 million. As part of the annual budgeting process the Council is considering further ways in which these accumulated reserves can be utilised in furthering the Church's objectives. The balance held in the smaller designated funds is detailed in Note 19c (page 62) in the notes to the financial statements.



# Investments

## Investments

As at 31 August 2017, the Church held securities and fixed asset investments with a total market value of £181 million (2016: £167 million). The Investment Committee regularly reviews the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Investment Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

## 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:

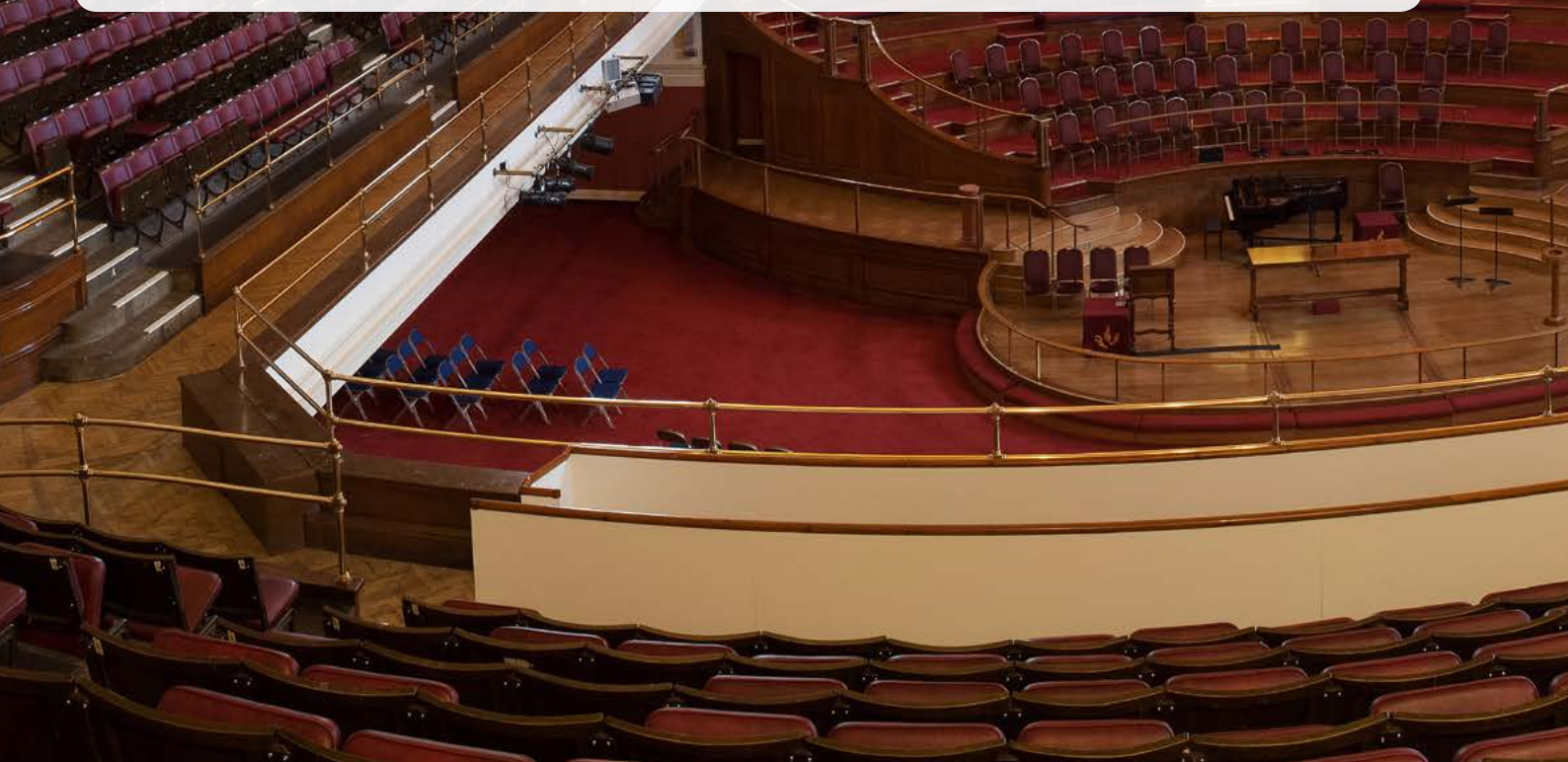
- provide a high quality investment service, seeking above average returns for long-term investors;
- follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- construct investment portfolios which are consistent with the moral stance and teachings of the Christian 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 ethical stance of the Church.

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

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 £48 million vs £181 million (2016: £40 million vs £167 million).



## Investments (continued)

### Performance and holdings

The total returns as at 31 August 2017 for CFB managed funds are summarised as follows:

Index	3 months to 31.08.17 % p.a.	1 year to 31.08.17 % p.a.	Since 11.07.16 % p.a.
<b>Managed Long-Term Methodist Council Fund</b>	<b>+1.9</b>	<b>+12.7</b>	<b>+14.1</b>
Proprietary ethical Benchmark	+1.9	+12.7	+14.2
Traditional ethical Benchmark	+2.0	+13.0	+14.7
Benchmark without ethical adjustment	+1.9	+13.0	+14.6
<b>Managed Medium-Term Methodist Council Fund</b>	<b>+1.3</b>	<b>+6.9</b>	<b>+9.2</b>
Proprietary ethical Benchmark	+1.1	+5.9	+8.0
Traditional ethical Benchmark	+1.1	+6.1	+8.2
Benchmark without ethical adjustment	+1.1	+6.1	+8.2
Index	3 months to 31.08.17 % p.a.	1 year to 31.08.17 % p.a.	10 years to 31.08.17 % p.a.
<b>CFB UK Equity Fund</b>	<b>+0.4</b>	<b>+13.6</b>	<b>+6.0</b>
FTSE All-Share Benchmark	+0.0	+14.2	+6.0
Benchmark Traditional Ethical Adjustment	+0.4	+14.4	+5.4
Benchmark Proprietary Ethical Adjustment)	+0.1	+13.3	+5.8
<b>CFB Overseas Fund</b>	<b>+3.5</b>	<b>+18.3</b>	<b>+9.9</b>
FTSE All World ex UK Benchmark	+4.1	+20.1	+10.0
<b>Fixed Interest</b>			
<b>CFB Short Fixed Interest Fund <sup>1</sup></b>	<b>+0.2</b>	<b>+0.0</b>	<b>+4.8</b>
Short Fixed Interest Composite	+0.2	-0.1	+4.7
<b>CFB Corporate Bond Fund <sup>1</sup></b>	<b>+0.7</b>	<b>-0.6</b>	<b>+6.9</b>
Corporate Bond Composite Index	+0.6	-0.5	+6.0
<b>Property</b>			
<b>CFB Property Fund <sup>1,3</sup></b>	<b>+2.8</b>	<b>+8.1</b>	<b>+2.6</b>
IPD All Balanced Funds Index <sup>2,3</sup>	+2.3	+6.0	+2.2
<b>CFB Deposit Fund <sup>1</sup></b>	<b>+0.1</b>	<b>+0.4</b>	<b>+1.6</b>
Benchmark	+0.0	+0.1	+1.0

## Principal risks and uncertainties

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

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

The trustees recognise that it is neither possible nor appropriate to seek to eliminate risk entirely. We recognise that risk taking is inherent within the task of communicating the gospel; John Wesley himself took risks in establishing the Methodist communities. Our task, therefore, is to embrace risks that aim to advance the Church's purposes while ensuring that we avoid or minimise those risks that might have a negative impact. Effective risk management processes will help to increase the likelihood of the Church fulfilling its mission.

The most significant risks faced by the Church are (see table below):

### Risk management

The trustees consider that the following framework provides the Church with adequate measures to minimise the impact of identified risks.

### Risk appetite

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

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

Risk	Mitigation
Inability to create new Methodist disciples resulting in further decline in membership and ultimately the Church ceasing to exist.	Enhancing the Church's understanding and engagement in One Mission. Working on more effectively directing resources to better support evangelism as a component of the Church's Calling.
Ineffective recruitment and training of individuals to fulfil ordained ministerial and lay employee roles.	Increased emphasis on work in support of vocations, plus code of conduct for ministers. Ongoing work on inducting lay employees and on increasing the diversity of those involved in leadership.
Reputational damage hinders engagement with society and Church growth, or results in litigation.	Review of Safer Recruitment policy and launch of new Safeguarding Foundation Module training programme, being phased into Leadership Module. Emphasis on worship as the front line of engaging with society.
The impact of economic fluctuations on the Church's assets, liabilities and ability to raise funds to continue its work.	Investment Management Committee proactive in oversight of diversity of investments. SRC working on strategic approach to broadening income streams, including improving yields from property assets.
An unforeseen increase in the actuarial shortfall on the Connexional pension funds.	Regular updates between pension trustees and Finance Sub-committee. Continued build-up of the Pension Reserve Fund.

## Principal risks and uncertainties (continued)

### Risk strategy and responsibilities

The Council's role in the oversight of risk is to set the ethos for risk management and to promote a culture of risk management within the activities of The Methodist Church in Great Britain on behalf of the trustees, including:

- determining the risk appetite for key drivers of the Church; which types of risk are acceptable and which are not; setting of standards and expectations of staff with respect to conduct and probity;
  - approving major decisions affecting the Church's risk profile or exposure;
  - monitoring the management of significant risks on an annual basis by the Audit Committee and the Strategy and Resources Committee on behalf of the Council;
  - satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively; and
  - annually reviewing the Connexional Team's approach to risk management; approving changes or improvements to key elements of its processes and procedures; forming an opinion on whether or not the Team has complied with expected risk management practice. For example:
    - Policies and procedures: attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
    - Reporting: the Senior Leadership Group of the Connexional Team, the Council and its committees (Audit Committee and the Strategy and Resources Committee) receive a number of key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Leadership Group and the Council if appropriate.
    - Strategic planning and budgeting: the strategic planning and budgeting process, undertaken by the Strategy and Resources Committee,
- is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- Risk register: registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as these arise. Additionally, improvement actions and risk indicators are monitored regularly.
  - Team risk management: the senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
  - Audit Committee: in its report to the Council on internal controls, the Audit Committee alerts the Council to any emerging issues. In addition, the Committee oversees internal audit, external audit and management as required in its review of the internal controls. The Committee is therefore well placed to provide advice to the Council on the effectiveness of the internal control system, including the Team's system for the management of risk.
  - Internal audit programme: internal audit is an important element of the internal control process. Apart from the normal programme of work, the internal audit is responsible for aspects of the annual review of the effectiveness of the internal control system within the Church.
  - External audit: the external audit provides a report to the Audit Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
  - Third party reports: from time to time, the use of external consultants will be necessary in

## Principal risks and uncertainties (continued)

areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

### Monitoring and review of the policy

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

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

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

### The environment

The Methodist Church takes its responsibility towards the environment seriously (as detailed in *Hope in God's Future*). The Methodist Church has set itself an ambitious target of an 80% reduction of carbon emissions by 2050. Interim targets will need to be reviewed annually against a carbon management plan and budgets.

### Our environmental goals

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

### Related parties

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

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

Full details of transactions with these related parties and any outstanding balances at the year end are provided under Note 27 (pages 76-77) of the financial statements.



## Statement of trustees' responsibilities

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the

charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

### Auditor

A resolution proposing the reappointment of RSM UK Audit LLP as auditor to the charity will be put to the Methodist Council.

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

### **The Reverend Ruth M Gee**

Chair of the Council

*January 2018*

# Independent Auditor's Report to the Trustees of The Methodist Church in Great Britain

## Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'charity') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Consolidated Statement of Financial Activities, the Connexional ('parent charity') Statement of Financial Activities, the Consolidated and parent charity Balance Sheets, the Consolidated and parent charity Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 August 2017 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## Basis for opinion

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

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

## Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

# Independent Auditor's Report to the Trustees of The Methodist Church in Great Britain (continued)

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

## Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 26, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

A further description of our responsibilities for the audit of the financial statements is provided on the

Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

**RSM UK Audit LLP**  
**Statutory Auditor**  
**Chartered Accountants**  
**St Philips Point**  
**Temple Row, Birmingham**  
**West Midlands B2 5AF**

Date:

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

## Consolidated statement of financial activities

For the year ended 31 August 2017

	Notes	Unrestricted £000	Restricted £000	Endowment £000
<b>Income and endowments from:</b>				
<b>Donations and legacies</b>	<b>3a</b>	653	6,699	-
<b>Charitable activities</b>				
District Assessment		13,325	71	-
<b>Investments</b>	<b>4a</b>	1,320	3,318	-
<b>Other trading activities</b>	<b>5a</b>	8,049	2,214	-
<b>Other</b>				
Capital levies	<b>6a</b>	8,742	-	-
Grants	<b>6b</b>	-	585	-
Miscellaneous income	<b>3c</b>	572	485	-
Net gains on the disposal of tangible fixed assets		-	2	-
<b>Total income</b>		<b>32,661</b>	<b>13,374</b>	-
<b>Expenditure on:</b>				
<b>Raising funds</b>	<b>7a</b>	6,404	1,977	15
<b>Charitable activities</b>				
Equipping the church to engage society	<b>7a, 20a, 21a</b>	12,551	6,174	-
Formation, training, development and resourcing	<b>7a, 20a, 21a</b>	7,106	3,518	-
Empowering the ministry of overseas partners	<b>7a, 20a, 21a</b>	1,534	6,103	-
Advocacy and education	<b>7a, 20a, 21a</b>	2,322	97	-
Net loss on the disposal of tangible fixed assets		37	-	-
<b>Total expenditure on charitable activities</b>		<b>23,550</b>	<b>15,892</b>	-
<b>Total expenditure</b>		<b>29,954</b>	<b>17,869</b>	<b>15</b>
Net gains on investments	<b>14a</b>	3,444	13,044	1,376
<b>Net income</b>		<b>6,151</b>	<b>8,549</b>	<b>1,361</b>
Transfers between funds	<b>22</b>	1,187	(1,340)	153
<b>Net income after transfers</b>		<b>7,338</b>	<b>7,209</b>	<b>1,514</b>
<b>Other recognised gains and losses:</b>				
Actuarial gains/(losses) on defined benefit pension schemes	<b>28</b>	8,644	63	-
Gains on revaluation of charitable properties		55	-	-
<b>Net movement in funds</b>		<b>16,037</b>	<b>7,272</b>	<b>1,514</b>
<b>Total funds at 1 September</b>		<b>66,336</b>	<b>164,229</b>	<b>17,446</b>
<b>Total funds at 31 August</b>		<b>82,373</b>	<b>171,501</b>	<b>18,960</b>

## Consolidated statement of financial activities

For the year ended 31 August 2017

2017 Total £000	Restated Unrestricted £000	Restated Restricted £000	Endowment £000	2016 Total £000
7,352	785	5,963	-	6,748
13,396	13,067	-	-	13,067
4,638	1,296	4,160	-	5,456
10,263	7,073	1,801	-	8,874
8,742	7,035	-	-	7,035
585	-	757	-	757
1,057	438	721	-	1,159
2	-	322	-	322
46,035	29,694	13,724	-	43,418
8,396	6,209	1,940	13	8,162
18,725	11,114	5,964	-	17,078
10,624	7,113	3,745	2	10,860
7,637	1,560	6,115	-	7,675
2,419	2,376	118	-	2,494
37	10	-	-	10
39,442	22,173	15,942	2	38,117
47,838	28,382	17,882	15	46,279
17,864	4,383	11,010	1,440	16,833
16,061	5,695	6,852	1,425	13,972
-	946	(1,131)	185	-
16,061	6,641	5,721	1,610	13,972
8,707	(12,226)	(115)	-	(12,341)
55	-	-	-	-
24,823	(5,585)	5,606	1,610	1,631
248,011	71,921	158,623	15,836	246,380
272,834	66,336	164,229	17,446	248,011

## Statement of financial activities – The Connexional Funds

For the year ended 31 August 2017

	Notes	Unrestricted £000	Restricted £000	Endowment £000
<b>Income and endowments from:</b>				
<b>Donations and legacies</b>	<b>3b</b>	653	3,924	-
<b>Charitable activities</b>				
District Assessment		13,325	71	-
<b>Investments</b>	<b>4b</b>	3,761	2,815	-
<b>Other trading activities</b>	<b>5b</b>	863	1,762	-
<b>Other</b>				
Capital levies	<b>6a</b>	8,742		-
Grants	<b>6c</b>	-	180	-
Miscellaneous income	<b>3d</b>	617	65	-
Net gains on the disposal of tangible fixed assets		-	2	-
<b>Total income</b>		<b>27,961</b>	<b>8,819</b>	-
<b>Expenditure on:</b>				
<b>Raising funds</b>	<b>7b</b>	1,611	1,425	15
<b>Charitable activities</b>				
Equipping the church to engage society	<b>7b, 20b, 21b</b>	12,553	6,172	-
Formation, training, development and resourcing	<b>7b, 20b, 21b</b>	7,669	949	-
Empowering the ministry of overseas partners	<b>7b, 20b, 21b</b>	1,569	3,642	-
Advocacy and education	<b>7b, 20b, 21b</b>	2,322	70	-
Net loss on the disposal of tangible fixed assets		37	-	-
<b>Total expenditure on charitable activities</b>		<b>24,150</b>	<b>10,833</b>	-
<b>Total expenditure</b>		<b>25,761</b>	<b>12,258</b>	<b>15</b>
Net gains on investments	<b>14b</b>	3,444	5,886	1,376
<b>Net income</b>		<b>5,644</b>	<b>2,447</b>	<b>1,361</b>
Transfers between funds	<b>22</b>	1,187	(1,340)	153
<b>Net income after transfers</b>		<b>6,831</b>	<b>1,107</b>	<b>1,514</b>
Other recognised gains and losses:				
Actuarial gains/(losses) on defined benefit pension schemes	<b>28</b>	8,644	63	-
Gains on revaluation of charitable properties		52	-	-
<b>Net movement in funds</b>		<b>15,527</b>	<b>1,170</b>	<b>1,514</b>
Total funds at 1 September as restated		66,116	138,701	17,446
<b>Total funds at 31 August</b>		<b>81,643</b>	<b>139,871</b>	<b>18,960</b>

## Statement of financial activities – The Connexional Funds

For the year ended 31 August 2017

2017 Total £000	Unrestricted £000	Restricted £000	Endowment £000	Restated 2016 Total £000
4,577	785	4,009	-	4,794
13,396	13,067	-	-	13,067
6,576	2,630	3,650	-	6,280
2,625	1,337	1,022	-	2,359
8,742	7,035	-	-	7,035
180	-	196	-	196
682	463	110	-	573
2	-	-	-	-
36,780	25,317	8,987	-	34,304
3,051	1,514	1,284	13	2,811
18,725	11,402	4,757	-	16,159
8,618	7,113	1,870	2	8,985
5,211	1,560	5,072	-	6,632
2,392	2,376	92	-	2,468
37	10	-	-	10
34,983	22,461	11,791	2	34,254
38,034	23,975	13,075	15	37,065
10,706	4,383	5,981	1,440	11,804
9,452	5,725	1,893	1,425	9,043
-	696	(881)	185	-
9,452	6,421	1,012	1,610	9,043
8,707	(12,226)	(115)	-	(12,341)
52	-	-	-	-
18,211	(5,805)	897	1,610	(3,298)
222,263	71,921	137,804	15,836	225,561
240,474	66,116	138,701	17,446	222,263

## The Methodist Church in Great Britain

Balance Sheets as at 31 August 2017

	The Methodist Church in Great Britain			The Connexional Funds	
	Notes	2017 £000	Restated 2016 £000	2017 £000	Restated 2016 £000
<b>Fixed assets</b>					
Intangible Assets	<b>13c</b>	178	171	176	171
Tangible fixed assets	<b>13a,b</b>	96,210	93,101	88,853	85,931
Investments	<b>14a,b</b>	181,424	166,509	158,694	151,022
		<b>277,812</b>	<b>259,781</b>	<b>247,723</b>	<b>237,124</b>
<b>Current assets</b>					
Stocks	<b>17</b>	119	145	103	145
Debtors	<b>15</b>	6,112	7,133	5,215	6,378
Short term deposits		24,133	20,518	21,456	16,810
Cash at bank and in hand		6,612	1,349	2,049	1,078
<b>Total current assets</b>		<b>36,976</b>	<b>29,145</b>	<b>28,823</b>	<b>24,411</b>
<b>Creditors</b>					
Amounts falling due within one year	<b>16a</b>	(20,751)	(15,964)	(18,578)	(14,323)
<b>Net current assets</b>		<b>16,225</b>	<b>13,181</b>	<b>10,245</b>	<b>10,088</b>
<b>Total assets less current liabilities</b>		<b>294,037</b>	<b>272,962</b>	<b>257,968</b>	<b>247,212</b>
<b>Creditors</b>					
Amounts falling due after more than one year	<b>16b</b>	(9,476)	(6,343)	(5,767)	(6,341)
<b>Net assets excluding pension liability</b>		<b>284,561</b>	<b>266,619</b>	<b>252,201</b>	<b>240,871</b>
Defined benefit pension scheme liability	<b>28</b>	(11,727)	(18,608)	(11,727)	(18,608)
<b>Net assets including pension liability</b>	<b>23</b>	<b>272,834</b>	<b>248,011</b>	<b>240,474</b>	<b>222,263</b>
<b>The funds of the charity:</b>					
Unrestricted funds					
General funds		45,440	42,895	44,710	42,675
Designated funds		46,543	39,776	46,543	39,776
Defined benefit pension scheme liability	<b>28</b>	(9,610)	(16,335)	(9,610)	(16,335)
<b>Total unrestricted funds</b>	<b>19, 24</b>	<b>82,373</b>	<b>66,336</b>	<b>81,643</b>	<b>66,116</b>
Restricted funds	<b>20a,b, 24</b>	171,501	164,229	139,871	138,701
Endowment funds	<b>21b,c</b>	18,960	17,446	18,960	17,446
<b>Total funds</b>		<b>272,834</b>	<b>248,011</b>	<b>240,474</b>	<b>222,263</b>

Total unrestricted funds include revaluation reserve of £6.5m (2016: £6.5m).

Total restricted funds include revaluation reserve of £58.5m (2016: £58.5m) for the Methodist Church in Great Britain and £56.6m (2016: £56.6m) for The Connexional Funds.

The notes on pages 35 to 83 form an integral part of these accounts

Approved and authorised for issue by the Board of Trustees on 24 January 2018 and signed on their behalf by:

The Reverend Ruth M Gee  
Chair of the Council

The Reverend Timothy Swindell  
Connexional Treasurer



## The Methodist Church in Great Britain

Consolidated cash flow statement for the year ended 31 August 2017

Statement of cash flows	Note	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash generated from/(used in) operating activities		5,784	(3,608)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		4,594	5,297
Proceeds from the sale of property, plant and equipment		333	627
Investment cash withdrawn	14a	-	1,633
Purchase of property, plant and equipment	13a	(3,744)	(3,586)
Purchase of intangible assets	13c	(81)	(138)
Proceeds from the sale of investments	14a	8,434	4,794
Purchase of investments	14a	(5,485)	(3,079)
<b>Net cash provided by investing activities</b>		<b>4,051</b>	<b>5,548</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		(957)	(1,014)
<b>Net cash used in financing activities</b>		<b>(957)</b>	<b>(1,014)</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>8,878</b>	<b>926</b>
Cash and cash equivalents at the beginning of the reporting period		21,867	20,941
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>30,745</b>	<b>21,867</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>			
<b>Net income for the reporting period (as per the statement of financial activities)</b>		<b>16,061</b>	<b>13,972</b>
<b>Adjustments for:</b>			
Depreciation and amortisation charges		376	353
Gain on the sale of fixed assets		(2)	(322)
Loss on the sale of fixed assets		37	10
Gains on investments		(17,864)	(16,833)
Investment income		(4,638)	(5,456)
Decrease in stocks		26	44
Decrease/(increase) in debtors		1,021	(1,318)
Increase in creditors		10,191	5,337
Difference between pension costs charged and paid		576	605
<b>Net cash generated from/(used in) operating activities</b>		<b>5,784</b>	<b>(3,608)</b>
<b>Analysis of cash and cash equivalents</b>			
Cash in hand and at bank		6,612	1,349
Short term deposits (less than 3 months)		24,133	20,518
<b>Total cash and cash equivalents</b>		<b>30,745</b>	<b>21,867</b>

## The Methodist Church in Great Britain

The Connexional Funds cash flow statement for the year ended 31 August 2017

<b>Statement of cash flows</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	(1)	(3,761)
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	6,532	5,760
Proceeds from the sale of property, plant and equipment	333	475
Purchase of property, plant and equipment	<b>13b</b> (3,404)	(3,253)
Purchase of intangible assets	<b>13c</b> (81)	(138)
Proceeds from the sale of investments	<b>14b</b> 8,347	4,707
Purchase of investments	<b>14b</b> (5,313)	(2,982)
<b>Net cash provided by investing activities</b>	<b>6,414</b>	<b>4,569</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(796)	(800)
<b>Net cash used in financing activities</b>	<b>(796)</b>	<b>(800)</b>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>5,617</b>	<b>8</b>
Cash and cash equivalents at the beginning of the reporting period	17,888	17,880
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>23,505</b>	<b>17,888</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Reconciliation of net income to net cash flow from operating activities</b>		
<b>Net income for the reporting period (as per the statement of financial activities)</b>	9,452	9,043
<b>Adjustments for:</b>		
Depreciation and amortisation charges	225	227
Loss on the sale of fixed assets	37	10
Gain on the sale of fixed assets	(2)	-
Gains on investments	(10,706)	(11,804)
Investment income	(6,576)	(6,280)
Decrease in stocks	42	33
Decrease/(increase) in debtors	1,163	(1,007)
increase in creditors	5,788	5,373
Difference between pension costs charged and paid	576	644
<b>Net cash used in operating activities</b>	<b>(1)</b>	<b>(3,761)</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand and at bank	2,049	1,078
Short term deposits (less than 3 months)	21,456	16,810
<b>Total cash and cash equivalents</b>	<b>23,505</b>	<b>17,888</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017

### 1 Accounting policies

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

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 42.

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

These financial statements have been prepared on the basis that The Methodist Church in Great Britain is a going concern. A comprehensive review of The Church's financial performance and general reserves position is covered in the financial statements and Trustees' Report. Evidently, The Church has adequate financial resources and is able to manage the business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that The Church has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt The Church's ability to continue in operation.

#### c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram on page 36.

The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities listed on page 36.

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

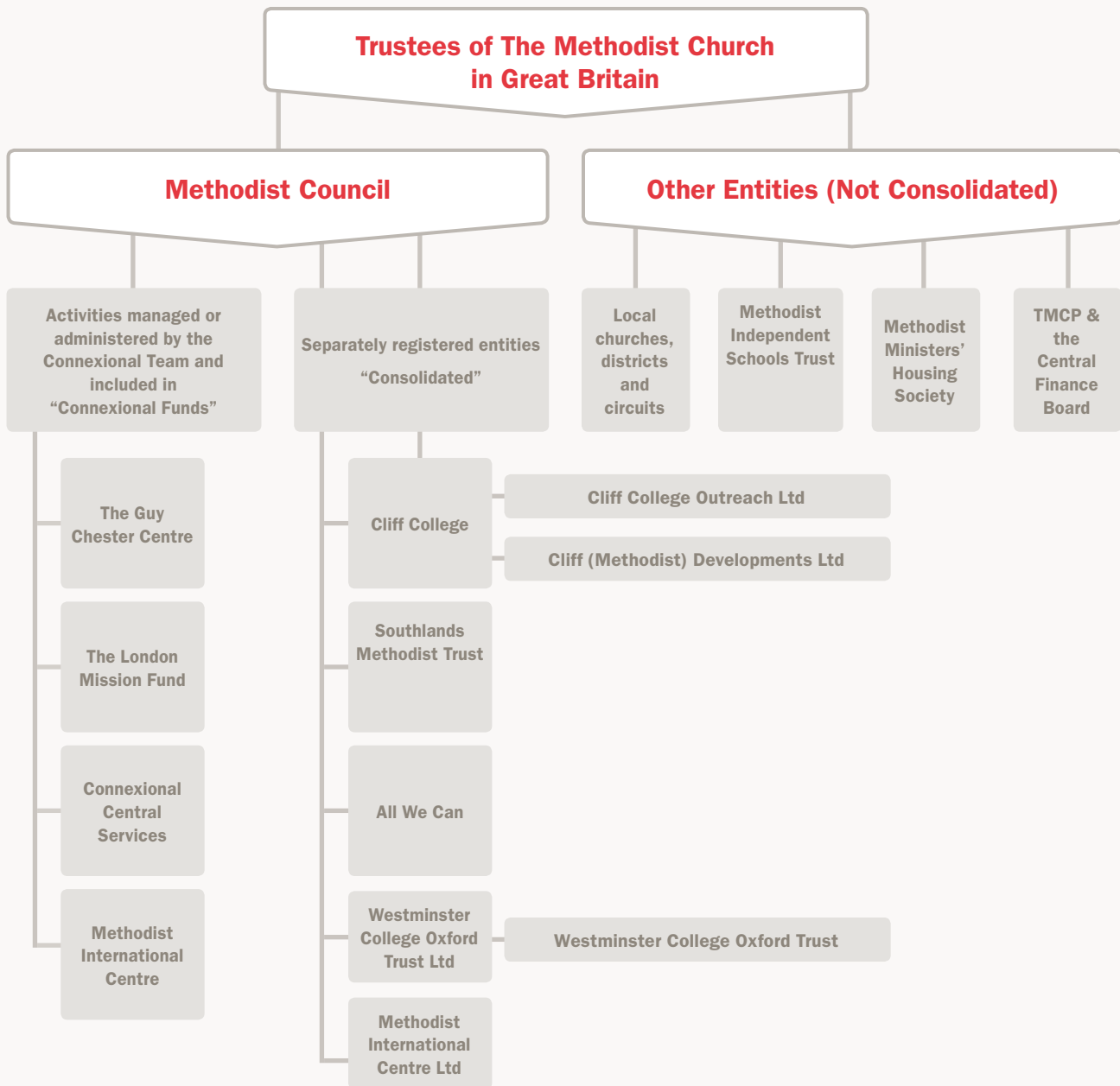
The results of the subsidiary entities are consolidated on a line by line basis in accordance section 9 of FRS 102. Any inter-entity balances and transactions have been eliminated on consolidation. All the entities have the same reporting date and uniform group accounting policies have been adopted.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting policies (continued)

### d) The group structure



### e) Excluded entities

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

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

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting policies (continued)

### f) Recognition of income and endowments

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

All income is reported gross. Any fee charged for fundraising by third parties and deducted from the amount collected before it is remitted to the Church is not offset against the fundraised income recognised in the financial statements but is reported as a fundraising expense.

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

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

### District Assessment

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

### Donations

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

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

### Legacies

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

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

### Capital (property) levies

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

### Grants

Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably. To this end, evidence of entitlement is assumed to exist when the

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting policies (continued)

formal offer of funding is communicated in writing to the Church. Where there is a performance condition attached to the grant, entitlement is only recognised when the conditions have been met.

### g) Accounting for leases

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

### h) Recognition of expenditure

All expenditure is accounted for on an accruals basis when an obligation that can be measured or reliably estimated exists at the reporting date and it is more likely than not that payment will be made in settlement. There are two main categories of expenditure shown in the statement of financial activities: expenditure on raising funds and charitable activities.

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

### Grant commitments

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

### i) Fund accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general charitable objectives. Designated funds are a portion of the unrestricted funds that have been set aside for a particular purpose by the trustees. Restricted funds are donated for a particular purpose, the use of which is restricted to that purpose. The purposes of the main restricted and designated funds are set out in the notes to the financial statements on pages 67-68 (Note 20) and 64 (Note 19) respectively. Endowment funds are either permanent or expendable. Permanent funds are normally held indefinitely, while Trustees have the power to convert expendable funds into income. The endowment funds held by the Church are shown on page 69 (Note 21). The return on endowment investments is made up of income earned.

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

### j) Pension costs

#### Defined benefit pension schemes

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

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### Accounting policies (continued)

The PASLEMC scheme is treated as a group plan for accounting purposes, with the Methodist Council as the sponsoring employer with legal responsibility for the plan. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual group entities and therefore the Council has recognised the entire net defined benefit cost and the relevant net defined benefit liability in its individual financial statements. Participation in a group pension plan is a related party transaction. The Council's policy is to recognise the contributions paid to the Scheme by other group employers as a credit in the Statement of Financial Activities.

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out pages 42-43.

Scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The change in value of assets and liabilities arising from asset valuation, changes in benefits, actuarial assumptions, or change in the level of deficit attributable to members is recognised in the consolidated statement of financial activities within actuarial gains/losses on defined benefit pension schemes. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

The MMPS is also a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However the Council has adopted a different accounting policy for this Scheme set out in detail on pages 42-43. For the MMPS, costs equal to the contributions paid are recognised in the accounts as they fall due. Pension costs are allocated to activities and between funds according to an employee's normal job function.

### Defined contribution pension schemes

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

### k) Stocks

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

### l) Foreign currencies

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

### m) Tangible fixed assets

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

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting policies (continued)

### n) Depreciation

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

Freehold land	nil
Freehold buildings	over 75 years
Computer equipment	over 3 years
Motor vehicles	over 5 years
Furniture and fittings	over 5 years

### o) impairment

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

### p) Intangible fixed assets and amortisation

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

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

### q) Heritage assets

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

### r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods the valuations are carried out by the trustees.



## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting policies (continued)

Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2017, updated by the value of any share acquisitions (at cost) up to 31 August 2017. The assets are held at fair value.

### s) Irrecoverable VAT

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

### t) Cash and cash equivalents

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

Cash and cash on deposit are cash and cash equivalents for the purposes of the cash flow statements.

### u) Financial Instruments

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

### v) Concessionary loans made

Methodist ministers or probationers appointed for the first time to a station within the control of the Church are eligible to receive financial assistance from the Methodist Church Fund. This assistance may be given by way of grant or interest free loan or a combination of both according to criteria set by the Methodist Council. The maximum amount for a loan is £6,000 repayable over 6 years. Ministers aged 55 and over (taking age as at 31 August next following acceptance as candidate) are not eligible to apply for the loan. Additionally, loans may be advanced to other Methodist bodies from trusts under the control of the Methodist Council in line with the trust's individual objectives. Initial recognition and measurement of the loans is based on the actual value of the loan advanced. In subsequent years, the carrying amount is adjusted to reflect repayments. If a loan that has been made is found to be irrecoverable an adjustment will be made for impairment.

### w) Termination benefits and payments

The Council may be committed, by legislation, contractual or other agreements with employees or their representatives or by a constructive obligation based on business practice, custom or a desire to act equitably, to make payments to employees when it terminates their employment. Termination benefits that arise as a result of either the Council's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy during an organisational restructure are recognised as an expense and charged to the Statement of Financial Activities when the Council is demonstrably committed to terminating the employment of an employee or group of employees before the normal retirement date; or to providing termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits that arise as part of a settlement agreement are recognised once the period of consultation between the employee and their representative is completed and terms are agreed upon.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting estimates and judgements

### 2. Accounting estimates and judgments

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

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

#### Grant commitments

The Church empowers and supports the mission of overseas partners by way of annual support grants over a number of years. In addition to the expenditure recognised in the financial statements, the Church has commitments in respect of these programmes at the year end. The partner churches are obliged to report back to the Connexional Grants Committee on the use of the grants before the next instalment is released. Judgment is exercised as to satisfactory progress being made against the agreed project outcomes.

#### Cost allocation

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

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

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

#### Defined benefit pension scheme commitments The Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC)

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

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

The MMPS is a defined benefit pension scheme for Methodist Ministers. It should be accounted for as a group plan as all the participating employers, namely the circuits and Council, are under the common control of the Conference. At the end of the year, the Scheme is in deficit by approximately £5.4 million and whilst making full disclosure for this liability, it has not been included in these financial statements for the reasons set out below.

- a) There are approximately 1,600 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 70, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £2 million compared to £8 million paid by the circuits.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

Accounting estimates and judgements (continued)

- b) The diagram on page 38 shows a simple structure of the Church - the entities that have been consolidated and the reasons for that as well as the entities that have been excluded. Hence, the Church as generally recognised, comprising the individual local churches and circuits and other entities reporting to The Conference, does not prepare consolidated financial statements. Each local church/circuit/district is an individual charity (those with annual income over £100k being registered as such) which shares the same governing document as the Methodist Church in Great Britain.
- c) According to the Scheme rules, the MMPS is intended to be a single-employer scheme and the Methodist Church is the sole statutory employer for the purposes of pension law. The Scheme Rules further require member contributions to be paid by the person responsible for the Member's remuneration. This is effectively the circuits where the individual ministers are stationed. As such the responsibility for current payments and for the deficit in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual circuits and other participating employers; such a decision would be made by the Conference.
- d) The Recovery Plan to reduce the MMPS deficit comprises 9.8% per annum of stipends paid by the employing bodies plus a fixed lump sum contribution of £1 million per annum from the Pension Reserve Fund. As stated in the reserves policy section of the Trustees' report on page 18, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes which could be used to meet future funding deficits. The fund was designated by the Conference (see Note 20c) and is funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

### Useful economic lives

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

### Revaluation of functional property assets and investment properties

The Church carries its functional property assets and investment properties at fair value, with changes in fair value being recognised the Statement of Financial Activities. The Church obtains valuations to determine fair value. Some of the key assumptions used to determine the fair value of these assets are based on the valuer's knowledge and experience of the market, values of similar properties which could be deemed subjective. Revaluation gains on functional properties and investment properties are shown in notes 24 and 14 respectively, and the relevant assets are included in notes 13 and 14.

### Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the lessee, where the Group is the lessor. This is relevant to the lease between Westminster College Oxford Trust and Oxford Brookes University as shown in Note 16b.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

<b>3a. Donations and legacies</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Donations	577	5,346	<b>5,923</b>	576	4,733	<b>5,309</b>
Legacies	76	1,353	<b>1,429</b>	209	1,230	<b>1,439</b>
<b>Total</b>	<b>653</b>	<b>6,699</b>	<b>7,352</b>	<b>785</b>	<b>5,963</b>	<b>6,748</b>

### The Connexional Funds

<b>3b. Donations and legacies</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Donations	577	3,204	<b>3,781</b>	576	3,281	<b>3,857</b>
Legacies	76	720	<b>796</b>	209	728	<b>937</b>
<b>Total</b>	<b>653</b>	<b>3,924</b>	<b>4,577</b>	<b>785</b>	<b>4,009</b>	<b>4,794</b>

### The Methodist Church in Great Britain

<b>3c. Miscellaneous income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Student fees	-	421	<b>421</b>	-	546	<b>546</b>
Seminars and events	182	2	<b>184</b>	125	72	<b>197</b>
Conference income	28	-	<b>28</b>	27	-	<b>27</b>
Bureau & Accountancy services	270	-	<b>270</b>	251	-	<b>251</b>
Others	92	62	<b>154</b>	35	103	<b>138</b>
<b>Total</b>	<b>572</b>	<b>485</b>	<b>1,057</b>	<b>438</b>	<b>721</b>	<b>1,159</b>

### The Connexional Funds

<b>3d. Miscellaneous income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Seminars and events	182	-	<b>182</b>	125	72	<b>197</b>
Conference income	28	-	<b>28</b>	27	-	<b>27</b>
Administration & IT services	48	-	<b>48</b>	34	-	<b>34</b>
Bureau & Accountancy services	270	-	<b>270</b>	251	-	<b>251</b>
Others	89	65	<b>154</b>	26	38	<b>64</b>
<b>Total</b>	<b>617</b>	<b>65</b>	<b>682</b>	<b>463</b>	<b>110</b>	<b>573</b>

### The Methodist Church in Great Britain

<b>4a. Investment income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Central Finance Board	1,261	1,976	<b>3,237</b>	1,239	3,269	<b>4,508</b>
Interest and other investment income	59	147	<b>206</b>	57	129	<b>186</b>
Rental Income	-	510	<b>510</b>	-	-	<b>-</b>
William Leech (Investments) Ltd	-	685	<b>685</b>	-	762	<b>762</b>
<b>Total</b>	<b>1,320</b>	<b>3,318</b>	<b>4,638</b>	<b>1,296</b>	<b>4,160</b>	<b>5,456</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

<b>The Connexional Funds</b>						
<b>4b. Investment income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Central Finance Board	2,095	1,919	<b>4,014</b>	1,239	2,812	<b>4,051</b>
Interest and other investment income	59	102	<b>161</b>	57	76	<b>133</b>
Gift aid received from Methodist International Centre Ltd	1,607	-	<b>1,607</b>	1,334	-	<b>1,334</b>
Rental income	-	109	<b>109</b>	-	-	-
William Leech (Investments) Ltd	-	685	<b>685</b>	-	762	<b>762</b>
<b>Total</b>	<b>3,761</b>	<b>2,815</b>	<b>6,576</b>	<b>2,630</b>	<b>3,650</b>	<b>6,280</b>

<b>The Methodist Church in Great Britain</b>						
<b>5a Other trading activities</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Publishing	677	-	<b>677</b>	670	-	<b>670</b>
Room and conference hire	7,359	2,213	<b>9,572</b>	6,391	1,800	<b>8,191</b>
Advertising and fees	13	1	<b>14</b>	12	1	<b>13</b>
<b>Total</b>	<b>8,049</b>	<b>2,214</b>	<b>10,263</b>	<b>7,073</b>	<b>1,801</b>	<b>8,874</b>

<b>The Connexional Funds</b>						
<b>5b Other trading activities</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Publishing	677	-	<b>677</b>	670	-	<b>670</b>
Room and conference hire	173	1,762	<b>1,935</b>	655	1,019	<b>1,674</b>
Advertising and fees	13	-	<b>13</b>	12	3	<b>15</b>
<b>Total</b>	<b>863</b>	<b>1,762</b>	<b>2,625</b>	<b>1,337</b>	<b>1,022</b>	<b>2,359</b>

### 6a Capital levies

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

<b>The Methodist Church in Great Britain</b>						
<b>6b Grant income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
Chiesa Valdese - All We Can	-	238	<b>238</b>	-	427	<b>427</b>
The Aldershot Military Trust	-	150	<b>150</b>	-	150	<b>150</b>
Other	-	197	<b>197</b>	-	180	<b>180</b>
<b>Total</b>	-	<b>585</b>	<b>585</b>	-	<b>757</b>	<b>757</b>

<b>The Connexional Funds</b>						
<b>6c Grant income</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2017</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>			<b>£000</b>
The Aldershot Military Trust	-	150	<b>150</b>	-	150	<b>150</b>
Other	-	30	<b>30</b>	-	46	<b>46</b>
<b>Total</b>	-	<b>180</b>	<b>180</b>	-	<b>196</b>	<b>196</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

The Methodist Church in Great Britain	Grant Costs £000	Direct Costs £000	Support Costs £000	2017 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2016 Total £000
<b>7a. Expenditure</b>								
<b>Raising funds</b>	-	8,122	274	<b>8,396</b>	-	7,907	255	<b>8,162</b>
<b>Total</b>	-	<b>8,122</b>	<b>274</b>	<b>8,396</b>	-	<b>7,907</b>	<b>255</b>	<b>8,162</b>
<b>Charitable activities</b>								
Equipping the church to engage with society	9,818	7,891	1,016	<b>18,725</b>	8,811	7,318	949	<b>17,078</b>
Formation, training, development and resourcing	2,517	6,630	1,477	<b>10,624</b>	3,340	6,053	1,467	<b>10,860</b>
Empowering the ministry of overseas partners	3,994	3,256	387	<b>7,637</b>	4,459	2,805	411	<b>7,675</b>
Advocacy and education	30	1,414	975	<b>2,419</b>	-	1,490	1,004	<b>2,494</b>
Net loss on the disposal of tangible fixed assets	-	37	-	<b>37</b>	-	10	-	<b>10</b>
<b>Total charitable activities</b>	<b>16,359</b>	<b>19,228</b>	<b>3,855</b>	<b>39,442</b>	<b>16,610</b>	<b>17,676</b>	<b>3,831</b>	<b>38,117</b>
<b>Total</b>	<b>16,359</b>	<b>27,350</b>	<b>4,129</b>	<b>47,838</b>	<b>16,610</b>	<b>25,583</b>	<b>4,086</b>	<b>46,279</b>

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

The Connexional Funds	Grant Costs £000	Direct Costs £000	Support Costs £000	2017 Total £000	Grant Costs £000	Direct Costs £000	Support Costs £000	2016 Total £000
<b>7b. Expenditure</b>								
<b>Raising funds</b>	-	2,777	274	<b>3,051</b>	-	2,556	255	<b>2,811</b>
<b>Total</b>	-	<b>2,777</b>	<b>274</b>	<b>3,051</b>	-	<b>2,556</b>	<b>255</b>	<b>2,811</b>
<b>Charitable activities</b>								
Equipping the church to engage with society	9,818	7,891	1,016	<b>18,725</b>	9,336	5,874	949	<b>16,159</b>
Formation, training, development and resourcing	2,636	4,505	1,477	<b>8,618</b>	3,233	4,285	1,467	<b>8,985</b>
Empowering the ministry of overseas partners	2,545	2,279	387	<b>5,211</b>	3,323	2,898	411	<b>6,632</b>
Advocacy and education	30	1,387	975	<b>2,392</b>	-	1,464	1,004	<b>2,468</b>
Net loss on the disposal of tangible fixed assets	-	37	-	<b>37</b>	-	10	-	<b>10</b>
<b>Total charitable activities</b>	<b>15,029</b>	<b>16,099</b>	<b>3,855</b>	<b>34,983</b>	<b>15,892</b>	<b>14,531</b>	<b>3,831</b>	<b>34,254</b>
<b>Total</b>	<b>15,029</b>	<b>18,876</b>	<b>4,129</b>	<b>38,034</b>	<b>15,892</b>	<b>17,087</b>	<b>4,086</b>	<b>37,065</b>

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

The Methodist Church in Great Britain		Equipping the church to engage society	Formation, training, development and resourcing	Empowering the ministry of overseas partners	Advocacy & education	Raising funds	2017 Total
<b>8a. Support costs by activity</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Facilities	Floor space	14	125	48	185	-	372
Development & Personnel	Per capita	174	430	101	95	89	889
Information Technology	Per capita	118	293	69	64	61	605
Financial Services	Per capita	240	592	139	130	124	1,225
Governance	Direct	470	37	30	501	-	1,038
<b>Total</b>		<b>1,016</b>	<b>1,477</b>	<b>387</b>	<b>975</b>	<b>274</b>	<b>4,129</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

The Methodist Church in Great Britain		Equipping the church to engage society	Formation, training, development and resourcing	Empowering the ministry of overseas partners	Advocacy & education	Raising funds	2016 Total
8b. Support costs by activity		£000	£000	£000	£000	£000	£000
Facilities	Floor space	19	162	61	238	-	480
Development & Personnel	Per capita	191	472	111	104	98	976
Information Technology	Per capita	115	285	67	63	59	589
Financial Services	Per capita	190	468	110	103	98	969
Governance	Direct	434	80	62	496	-	1,072
<b>Total</b>		<b>949</b>	<b>1,467</b>	<b>411</b>	<b>1,004</b>	<b>255</b>	<b>4,086</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 9. Subsidiaries

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

	Cliff College	Cliff College	Southlands Methodist Trust	Southlands Methodist Trust
	2017 £000	2016 £000	2016 £000	2015 £000
<b>Income from:</b>				
Donations and legacies	151	90	1	1
Investments	16	19	35	40
Other trading activities	508	497	402	401
Other:				
Grants	539	573	-	-
Miscellaneous income	582	593	-	-
Net gains on the disposal of tangible fixed assets	-	322	-	-
<b>Total income</b>	<b>1,796</b>	<b>2,094</b>	<b>438</b>	<b>442</b>
<b>Expenditure on:</b>				
Raising funds	163	160	-	-
<b>Charitable activities</b>				
Equipping the church to engage society	-	-	-	-
Formation, training, development and resourcing	1,698	1,590	398	423
Empowering the ministry of overseas partners	-	-	-	-
Advocacy and education	-	-	-	-
<b>Total expenditure on charitable activities</b>	<b>1,698</b>	<b>1,590</b>	<b>398</b>	<b>423</b>
<b>Total expenditure</b>	<b>1,861</b>	<b>1,750</b>	<b>398</b>	<b>423</b>
Net gains/(losses) on investments	(3)	48	65	4,846
<b>Net income/(expenditure)</b>	<b>(68)</b>	<b>392</b>	<b>105</b>	<b>4,865</b>
Distribution under gift aid	-	-	-	-
<b>Net income/(expenditure) after gift aid distribution</b>	<b>(68)</b>	<b>392</b>	<b>105</b>	<b>4,865</b>
Fixed assets	7,236	7,170	-	-
Investments	596	599	9,187	9,123
Current assets	1,398	1,618	1,380	1,528
Creditors	(198)	(287)	(132)	(321)
<b>Total</b>	<b>9,032</b>	<b>9,100</b>	<b>10,435</b>	<b>10,330</b>



All We Can	All We Can	Westminster College Oxford Trust Ltd	Westminster College Oxford Trust Ltd	Methodist International Centre Ltd	Methodist International Centre Ltd
2017 £000	2016 £000	2017 £000	2016 £000	2017 £000	2016 £000
2,976	2,385	-	-	-	-
28	31	61	21	-	-
-	-	-	-	7,191	6,186
35	-	-	-	-	-
-	-	-	-	48	23
-	-	-	-	-	-
<b>3,039</b>	<b>2,416</b>	<b>61</b>	<b>21</b>	<b>7,239</b>	<b>6,209</b>
552	514	-	-	5,632	4,875
-	-	-	-	-	-
-	-	449	38	-	-
2,596	2,370	-	-	-	-
27	-	-	-	-	-
<b>2,623</b>	<b>2,370</b>	<b>449</b>	<b>38</b>	-	-
<b>3,175</b>	<b>2,884</b>	<b>449</b>	<b>38</b>	<b>5,632</b>	<b>4,875</b>
41	84	7,056	50	-	-
<b>(95)</b>	<b>(384)</b>	<b>6,668</b>	<b>33</b>	<b>1,607</b>	<b>1,334</b>
-	-	-	-	(1,607)	(1,334)
<b>(95)</b>	<b>(384)</b>	<b>6,668</b>	<b>33</b>	-	-
-	-	-	-	123	-
948	912	11,744	4,732	254	122
818	1,006	3,857	51	900	958
(313)	(370)	(4,162)	(12)	(1,277)	(1,080)
<b>1,453</b>	<b>1,548</b>	<b>11,439</b>	<b>4,771</b>	-	-

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 9. Subsidiaries (continued)

#### Cliff College

Charity Number 529386

#### Cliff College Outreach Limited

Company Number 2331438

#### Cliff (Methodist) Developments Limited

Company Number 4934377

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

#### All We Can

Charity Number 291691

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

#### Southlands Methodist Trust

Charity Number 1100660

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

#### Methodist International Centre Limited

Company Number 3866984

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

#### Westminster College Oxford Trust Limited

Company Number 3714361

#### Westminster College Oxford Trust

Charity Number 309672

Westminster College Oxford Trust Ltd (WCOT) is the charitable company that acts as the managing trustee of the Westminster campus at Harcourt Hill, Oxford. WCOT oversees the continuing relationship between Oxford Brookes University and the Methodist Church, in relation to the physical developments on the campus. The lease of land and buildings was renewed for a term of ninety nine years on 24 July 2017.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

Activity			2017	2016
	Individuals	Institutions	Total	Total
Equipping the church to engage with society	£000	£000	£000	£000
Property grants	-	2,578	2,578	2,536
Ministerial and personnel support grants	1,426	475	1,901	1,154
Mission & ministry grants	-	5,339	5,339	5,121
<b>Total</b>	<b>1,426</b>	<b>8,392</b>	<b>9,818</b>	<b>8,811</b>
<b>Formation, training, development &amp; resourcing</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
The Discipleship & Ministries Learning Network	1,064	1,453	2,517	3,340
<b>Total</b>	<b>1,064</b>	<b>1,453</b>	<b>2,517</b>	<b>3,340</b>
<b>Empowering the ministry of overseas partners</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Annual grants	-	3,067	3,067	3,205
Nationals in mission appointment	-	532	532	851
Scholarship programmes	-	347	347	379
Other	-	48	48	24
<b>Total</b>	<b>-</b>	<b>3,994</b>	<b>3,994</b>	<b>4,459</b>
<b>Advocacy and education Total</b>	<b>-</b>	<b>30</b>	<b>30</b>	<b>-</b>
<b>Grand Total</b>	<b>2,490</b>	<b>13,869</b>	<b>16,359</b>	<b>16,610</b>

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

Activity			2017	2016
	Individuals	Institutions	Total	Total
Equipping the church to engage with society	£000	£000	£000	£000
Property grants	-	2,578	2,578	2,536
Ministerial and personnel support grants	1,426	475	1,901	1,154
Mission & ministry grants	-	5,339	5,339	5,646
<b>Total</b>	<b>1,426</b>	<b>8,392</b>	<b>9,818</b>	<b>9,336</b>
<b>Formation, training, development &amp; resourcing</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
The Discipleship & Ministries Learning Network	1,064	1,572	2,636	3,233
<b>Total</b>	<b>1,064</b>	<b>1,572</b>	<b>2,636</b>	<b>3,233</b>
<b>Empowering the ministry of overseas partners</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Annual grants	-	1,618	1,618	1,850
Nationals in mission appointment	-	532	532	851
Scholarship programmes	-	347	347	379
Other	-	48	48	243
<b>Total</b>	<b>-</b>	<b>2,545</b>	<b>2,545</b>	<b>3,323</b>
<b>Advocacy and education Total</b>	<b>-</b>	<b>30</b>	<b>30</b>	<b>-</b>
<b>Grand Total</b>	<b>2,490</b>	<b>12,539</b>	<b>15,029</b>	<b>15,892</b>

The figures in Note 10 are not intended to be the same as those listed for grants on page 14.

A detailed list of institutional grant recipients can be viewed using the following link: [bit.ly/grantstoinstitutions](http://bit.ly/grantstoinstitutions)

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

11. Net income before transfers	The Methodist Church in Great Britain		The Connexional Funds	
	2017 £000	2016 £000	2017 £000	2016 £000
<b>This is stated after charging for the year ended 31 August as follows:</b>				
<b>Audit and consultancy fees</b>				
The Connexional Funds - payable to RSM UK Audit LLP	61	60	61	60
Other self accounting entities - payable to RSM UK Audit LLP	24	30	3	-
Payable to other auditors - for audit of self accounting entities	35	20	4	4
Payable to RSM UK Tax & Accounting Ltd for financial advice	11	11	-	-
Payable to RSM UK Tax & Accounting Ltd for taxation advice	3	3	3	3
<b>Depreciation</b>	297	321	148	195
<b>Amortisation</b>	79	32	77	32
<b>Foreign exchange differences</b>	4	6	4	6
<b>Loan interest payable</b>	58	123	55	114

### 12. Stipends and salary costs

The Methodist Council appointed or employed on average 431 (2016: 404) Connexional funds 285 (2016: 273) people during the year, and the costs were charged to the financial statements as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2017 £000	2016 £000	2017 £000	2016 £000
Stipends and salaries	12,601	12,306	8,966	8,775
Redundancy costs	4	266	4	266
Temporary staff costs	356	405	325	339
Social security costs	1,165	1,169	834	832
Pension costs - (defined contribution schemes)	1,481	1,733	1,324	1,614
Defined benefit pension costs excluding interest (Note 28)	1,603	1,568	1,603	1,568
<b>Total</b>	<b>17,210</b>	<b>17,447</b>	<b>13,056</b>	<b>13,394</b>

#### The Methodist Church in Great Britain

23 employees were paid £60k or more during the year (2016: 21 employees). The total aggregate pension contributions for these employees for the year were £233k (2016: 226k).

#### The Connexional Funds

16 employees were paid £60k or more during the year (2016: 16 employees). The total aggregate pension contributions for these employees for the year were £197k (2016: 191k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2017 Number of employees	2016 Number of employees	2017 Number of employees	2016 Number of employees
£60,001 - £70,000	14	12	11	11
£70,001 - £80,000	6	4	4	4
£80,001 - £90,000	2	4	1	1
£90,001 - £100,000	1	1	-	-

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

Actual average number of staff by activity	2017	2016
Governance	27.3	21.8
Raising funds	89.5	88.0
Administration and support	109.5	93.3
Equipping the church to engage society	57.0	52.2
Formation, training development and resourcing	71.9	79.8
Empowering the ministry of overseas partners	61.2	60.4
Advocacy and education	15.0	8.0
<b>Total</b>	<b>431.4</b>	<b>403.5</b>

The average number of volunteers working for the Council during the year was 139 (2016:158)

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

#### Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Support Services, the Head of Mission and Advocacy and the Head of Discipleship and Ministries, collectively the Senior Leadership Group of The Connexional Team. Their total remuneration inclusive of benefits and 13.8% employer's national insurance, but excluding pension contributions was £400k (2016: £362k). In addition, pension contributions of £64k were paid into defined benefit pension schemes on behalf of these personnel (2016: £57k).

### 12. Pension costs

The Methodist Council operates three main pension schemes:

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

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

#### Defined Benefit Pension Scheme Actuary

The actuarial valuations for all the defined benefit schemes were performed by Debra Smith, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

#### The Methodist Ministers' Pension Scheme

The MMPS is treated as a group scheme for accounting purposes as all of the entities participating in the scheme, mainly the Circuits and the Council, are under the common control of the Conference. There is no contractual arrangement or stated policy for charging the net defined benefit cost of the plan as a whole to individual circuits and the Council. A detailed explanation of the accounting treatment is provided in Note 2 on pages 42-43 with further information as required by FRS 102 included on pages 81-83.

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which The Conference is the supreme governing body. There are approximately 1,600 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of around 70, the majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

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

FRS 102 requires that if the net defined benefit pension cost is not reflected in the individual financial statements of the participating entities, it should be reflected in the individual financial statements of the group entity which is legally responsible for the plan. However, the Council is not legally responsible for the plan and so the liability has not been included in these financial statements.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

The Church is the sole employer for the purposes of pension law of which the Conference is the supreme governing body. The agreement with the Trustees of MMPS for the making good of the technical deficit is with the Conference and not the Council.

### The Pension and Assurance Scheme for Lay Employees of the Methodist Church

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

The calculations for the FRS 102 disclosures have been carried out by running full actuarial calculations as at 31 August 2017 by the Scheme's actuary. Details are included in Note 28. The most recent actuarial valuation for the Scheme for funding purposes was carried out as at 1 September 2014, indicated that the Scheme had a deficit. The Church agreed to eliminate this deficit by paying a lump sum of £0.4 million during the year ended 31 August 2015.

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

The Superannuation Scheme for Lay Mission Partners of the Methodist Church operated by the Methodist Church is a defined benefit arrangement which provides retirement benefits calculated as fixed pension amounts for each year of service. The Scheme closed to the future accrual of benefits in 2007, when all remaining active members became deferred pensioners. The most recent actuarial valuation of the Scheme, carried out as at 1 January 2017, indicated that the Scheme had a deficit. The Church agreed to eliminate this deficit by paying a lump sum of £78k during the year ended 31 August 2018.

There are 45 members in total, 5 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £155.03 per year of qualifying service to a single retired mission partner or widow / widower, £206.75 per year of qualifying service to a married mission partner. The rates are increased annually in line with the retail price index. There are also retirement grants of £103.02 (single) / £137.70 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running full actuarial calculations as at 31 August 2017 by the Scheme's actuary and shown in Note 28.

### Other pension schemes

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

#### The Pensions Trust

There are 27 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £0.2m (2016: £0.2m). Further disclosures are deemed unnecessary on the grounds of immateriality.

#### The Scottish Public Pensions Agency (SPPA)

The Scheme is an unfunded multi employer defined benefit scheme. The scheme has not been accounted for as a defined benefit scheme but as a defined contribution scheme in accordance with FRS 102. There is currently one member in this scheme. The pension charge for the year was £3k (2016: 3k). Further disclosures are deemed unnecessary on the grounds of immateriality.

#### The Retirement Benefit Scheme (Ireland)

There is currently one member in this scheme. The pension charge for the year was £8k (2016: 13k). Further disclosures are deemed unnecessary on the grounds of immateriality.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

At cost or valuation	Asset under construction £000	Freehold land and buildings £000	Furniture and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 September 2016	3,111	89,400	2,301	1,732	36	96,580
Additions during the year	2,795	813	89	47	-	3,744
Transfers	13c (5,906)	5,906	-	(5)	-	(5)
Disposals	-	(326)	(7)	-	-	(333)
<b>Total</b>	<b>-</b>	<b>95,793</b>	<b>2,383</b>	<b>1,774</b>	<b>36</b>	<b>99,986</b>
<b>Depreciation</b>						
At 1 September 2016	-	57	1,774	1,614	34	3,479
Charge for the year	-	59	180	57	1	297
<b>Total</b>	<b>-</b>	<b>116</b>	<b>1,954</b>	<b>1,671</b>	<b>35</b>	<b>3,776</b>
<b>Net book value as at 31 August 2017</b>	<b>-</b>	<b>95,677</b>	<b>429</b>	<b>103</b>	<b>1</b>	<b>96,210</b>
<b>Net book value as at 31 August 2016</b>	<b>3,111</b>	<b>89,343</b>	<b>527</b>	<b>118</b>	<b>2</b>	<b>93,101</b>

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

At cost or valuation	Asset under construction £000	Freehold land and buildings £000	Furniture and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
At 1 September 2016	3,111	82,395	1,862	1,441	19	88,828
Additions during the year	2,795	559	31	19	-	3,404
Transfers	13c (5,906)	5,906	-	(1)	-	(1)
Disposals	-	(326)	(7)	-	-	(333)
<b>Total</b>	<b>-</b>	<b>88,534</b>	<b>1,886</b>	<b>1,459</b>	<b>19</b>	<b>91,898</b>
<b>Depreciation</b>						
At 1 September 2016	-	-	1,494	1,385	18	2,897
Charge for the year	-	-	120	27	1	148
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,614</b>	<b>1,412</b>	<b>19</b>	<b>3,045</b>
<b>Net book value as at 31 August 2017</b>	<b>-</b>	<b>88,534</b>	<b>272</b>	<b>47</b>	<b>-</b>	<b>88,853</b>
<b>Net book value as at 31 August 2016</b>	<b>3,111</b>	<b>82,395</b>	<b>368</b>	<b>56</b>	<b>1</b>	<b>85,931</b>

### 13c. Intangible fixed assets

Software	The Methodist Church in Great Britain £000	The Connexional Funds £000
<b>At cost</b>		
At 1 September 2016	223	223
Additions during the year	11	11
Assets under construction	70	70
Transfers	13a,13b 5	1
<b>Total</b>	<b>309</b>	<b>305</b>
<b>Amortisation</b>		
At 1 September 2016	52	52
Charge for the year	79	77
<b>Total</b>	<b>131</b>	<b>129</b>
<b>Net book value as at 31 August 2017</b>	<b>178</b>	<b>176</b>
<b>Net book value as at 31 August 2016</b>	<b>171</b>	<b>171</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 13d. Historical cost and revaluation of charitable land and buildings:

The freehold land and buildings on hand at 1 September 2014 were revalued at that date.

The manses, which are residential and have a well established market were valued by reference to residential property sales websites. The valuations were undertaken by the Methodist Council's Facilities and Property Co-ordinator, Richard Farmery, RICS membership number 1274419 and BIFM number 0028518. All valuations and appraisals were carried out in accordance with the RICS Valuation - Professional Standards, January 2014, also known as The Red Book.

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

25 Marylebone Road, London - valuation by Andrew Low, Partner, Knight Frank (Commercial Business), BA, MSc, RICS;

93 Dollis Park N3 1BT - valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU;

Kings Cross Complex London WC1 - valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU;

1-5 Lambeth Road SE1 - valuation by Tony Harris LLM FRICS FCIArb of Cluttons, Portman Street, London W1H 6DU;

The Shrubbery, 35 Frindsbury Road, Strood, Kent, ME2 4TD - valuation by Adrian Male FRICS, Adrian Male Associates, Chartered Surveyors, Midtrees, The Green, Hambridge, Langport, Somerset TA10 0AT;

Elderfield Main Road, Otterbourne, Winchester, Hampshire SO21 2EQ - valuation by Adrian Male FRICS, Adrian Male Associates, Chartered Surveyors, Midtrees, The Green, Hambridge, Langport, Somerset TA10 0AT;

Colinwood, 79 Weston Road, Rochester, Kent, ME2 3HB - valuation by Adrian Male FRICS, Adrian Male Associates, Chartered Surveyors, Midtrees, The Green, Hambridge, Langport, Somerset TA10 0AT;

Cliff College, Calver, Hope Valley, Derbyshire S32 3XG - Valuation by M J Hull Bsc (Hons) MRICS from SMC Chartered Surveyors, 54 Campo Lane, Sheffield S1 2EG;

North Bank Portfolio, Pages Lane/Meadow Drive, Muswell Hill N10 1PR - Valuation by James Gilmartin MRICS and Joe Salmon MRICS of Gilmartin Ley.

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

The carrying value that would have been recognised had the assets been carried under the historical cost model is £24.3m (2016: 24.3m) for the Methodist Church in Great Britain and £19.3m (2016: £19.3m) for The Connexional Funds.



## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

	Investment properties	Central Finance Board units	William Leech (Investments) Ltd	Other investments	2017	Restated 2016
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September 2016</b>	39,648	115,845	10,047	969	166,509	153,024
Additions	233	5,059	193	-	5,485	3,079
Transfers	-	-	-	-	-	(1,633)
Disposals	(188)	(8,242)	-	(4)	(8,434)	(4,794)
Investment gains	8,687	8,433	744	-	17,864	16,833
<b>Fair value as at 31 August 2017</b>	<b>48,380</b>	<b>121,095</b>	<b>10,984</b>	<b>965</b>	<b>181,424</b>	<b>166,509</b>

### 14b. Investments The Connexional Funds

	Investment properties	Central Finance Board units	William Leech (Investments) Ltd	Other investments	2017	Restated 2016
	£000	£000	£000	£000	£000	£000
<b>Fair value at 1 September 2016</b>	27,376	112,699	10,047	900	151,022	140,943
Additions	102	5,018	193	-	5,313	2,982
Disposals	(188)	(8,159)	-	-	(8,347)	(4,707)
Investment gains	1,687	8,276	743	-	10,706	11,804
<b>Fair value as at 31 August 2017</b>	<b>28,977</b>	<b>117,834</b>	<b>10,983</b>	<b>900</b>	<b>158,694</b>	<b>151,022</b>

Included in the Central Finance Board Units is £33.4m (2016: £31.0m) invested in the CFB Overseas Fund.

#### Investment additions and disposals

During the year the Investment Committee reviewed the investment portfolio in line with the current investment policy.

#### William Leech (Investments) Ltd

The Methodist Church holds investments valued at £11.0m (2016: £10.0m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2017. The holding is based on the company's audited accounts to 31 March 2017, updated with management accounts to 31 August 2017. The Methodist Church has a representative on the board of the company but cannot exert significant influence over it.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

	The Methodist Church in Great Britain		The Connexional Funds	
	2017 £000	2016 £000	2017 £000	2016 £000
<b>c) Analysis of movement of investment properties</b>				
<b>Fair value at the beginning of the year</b>	39,648	33,480	27,376	25,970
Additions to investment properties at cost	233	1,216	102	1,216
Transfers out	-	(60)	-	(60)
Disposals	(188)	-	(188)	-
Net gain on revaluation	8,687	5,012	1,687	250
<b>Fair value at the end of the year</b>	<b>48,380</b>	<b>39,648</b>	<b>28,977</b>	<b>27,376</b>

Included within investment properties are the following properties which were revalued during the year:

### i) Westminster College Oxford Trust

A property at Harcourt Hill Campus, Harcourt Hill, Oxford OX2 9AT:

The current fair value of this property is £11m (2016:£4m). The property was revalued on 31 July 2017 by: Andrew Lockhart BSc FRICS MCI Arb from Venables Sherrott Lockhart and Partners Ltd.

### ii) London Committee

The London Committee property portfolio was valued by Richard Moss MRICS and John Barrett FRICS from Cluttons LLP on 31 July, 2017.

- a) Hove Residential at 20 Bigwood Avenue with a fair value of £170k (2016:£90k)
- b) 213 Streatham High Road London, SW16 6EG: £345k (2016:£270k)
- c) Hostel at 229 King Street Hammersmith, London W6 9JT: £500k (2016:£385k)
- d) Maida Vale Library, Sutherland Avenue, London W9 2QT: £300k (2016:£270k)
- e) Central Hall Buildings, Archway, London N19 3UB: £1,750k (2016:£845k)

### iii) Guy Chester Center

A property known as the Hazlehyrst, 7 Colney Hatch Lane, London N10 1PN was valued on 31 August 2017 by James Gilmartin MRICS from GILMARTIN LEY Ltd. The fair value is £3,690k (2016: £3,230k).

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

The following properties were revalued during the year ended 31 August 2016:

### i) Southland Methodist Trust

A property at Mount Clare Estate, Minstead Gardens, Roehampton SW15 4EB:

The current fair value of this property is £8,150k (2015: £3,388k). The property was revalued on 31 October 2016. The property was revalued by Giles Sutcliffe MRICS and Richard Moss MRICS from Cluttons LLP.

### ii) 4 John Wesley Road

This property is located in Werrington, Peterborough PE4 6ZP. The current market value is £1,25m (2015: £1m). The property was revalued by M A Hughes BSc (Hons) MRICS from Barker Storey Matthews, Chartered Surveyors, Town planners and Property Consultants on 31 August 2016.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2017	Restated 2016	2017	Restated 2016
	£000	£000	£000	£000
Prepayments and accrued interest	1,913	1,478	1,297	1,282
Concessionary loans	585	563	585	623
Other debtors	3,614	5,092	3,333	4,473
<b>Total</b>	<b>6,112</b>	<b>7,133</b>	<b>5,215</b>	<b>6,378</b>

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2017	2016	2017	2016
	£000	£000	£000	£000
Accruals	1,531	754	779	412
Loans	850	1,014	794	800
Tax and social security	551	607	235	284
Grant commitments	7,618	8,066	7,399	7,771
Other creditors	10,201	5,523	9,371	5,056
<b>Total</b>	<b>20,751</b>	<b>15,964</b>	<b>18,578</b>	<b>14,323</b>

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2017	2016	2017	2016
	£000	£000	£000	£000
Loans	1,296	2,087	1,296	2,085
Deferred income	3,709	-	-	-
Grant commitments	4,471	4,256	4,471	4,256
<b>Total</b>	<b>9,476</b>	<b>6,343</b>	<b>5,767</b>	<b>6,341</b>

### Grant commitment creditors

Grant commitment creditors represent grants approved that are yet to be paid. Some grants agreed in principle via All We Can – Methodist relief and development, a separately registered subsidiary charity of The Methodist Church in Great Britain, are for grants to project delivery partners for two, three or five years. These subsequent grants represent planned future commitments, but are not recognised as a liability when they are approved, as payment is conditional upon certain performance and financial milestones.

### Deferred income

Deferred Income in the group relates to a lease premium received by Westminster College Oxford Trust from Oxford Brookes University. A new 100-year lease commenced on 1 August 2017. A premium of £3.75m was paid and this is being spread over the life of the lease as per FRS 102 requirements.

The total future minimum lease income receivable under non-cancellable operating leases was:

	The Methodist Church in Great Britain	The Connexional Funds
	2017	2017
	£000	£000
Operating lease income receivable not later than 1 year	420	-
Operating lease income receivable later than 1 year but not later than 5 years	1,680	-
Operating lease income receivable later than 5 years	39,445	-
<b>Total</b>	<b>41,545</b>	<b>-</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### Loans

#### Methodist International Centre

At the balance sheet date there is a bank loan of £2.1m (2016: £2.9m) secured by a mortgage over the property known as Euston House, 81-103 Euston Street, London.

The carrying value of this property as at the balance sheet date is £20.7 million.

#### Repayment terms

11 quarterly payments over 3 years, with a quarterly £200k principal loan repayment. The final quarterly payment is due on 31 May 2020 (£85k only). Interest is charged on a quarterly basis on the last calendar day of August, November, February and May at a fixed annual rate of 1.84%.

#### Southlands Methodist Trust

At the balance sheet date there is a loan of £56k (2016: £216k) secured by a mortgage over freehold property known as Mount Clare House and the Temple, Minstead Gardens, Roehampton, London SW15; freehold land and buildings on the west side of Minstead Gardens, Roehampton, London SW15; freehold property known as land on the west side of Roehampton Lane adjoining Digby Stuart College, Roehampton, London SW15. The interest charged is 2% above base rate. The current quarterly repayment of capital is £53.5k (2016: £53.5k). The carrying value of this property as at the balance sheet date is £8 million. Current annual interest is £3k (2016: £4.5k).

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2017	2016	2017	2016
	£000	£000	£000	£000
Raw materials and consumables	3	3	-	3
Finished goods and goods for resale	116	142	103	142
<b>Total</b>	<b>119</b>	<b>145</b>	<b>103</b>	<b>145</b>

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

Stocks recognised as an expense in the period were £77k (2016 - £80k).

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2017	Restated 2016	2017	Restated 2016
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	121,095	115,845	117,834	112,699
William Leech (Investments) Ltd and other investments	11,949	11,016	11,883	10,047
<b>Total</b>	<b>133,044</b>	<b>126,861</b>	<b>129,717</b>	<b>122,746</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>				
Debtors	3,614	5,092	3,333	4,533
<b>Total</b>	<b>3,614</b>	<b>5,092</b>	<b>3,333</b>	<b>4,533</b>
<b>Financial liabilities measured at amortised cost</b>				
Loans	2,146	3,101	2,090	2,885
Accruals	1,531	754	779	412
Other creditors	10,201	5,523	9,371	5,056
<b>Total</b>	<b>13,878</b>	<b>9,378</b>	<b>12,240</b>	<b>8,353</b>
<b>Concessionary loans (at cost plus accrued interest less impairment)</b>				
Loans to ministers	531	499	531	499
Loan to Interhealth	4	4	4	4
Loan to Lesnes Abbey Circuit	50	60	50	60
<b>Total</b>	<b>585</b>	<b>563</b>	<b>585</b>	<b>563</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

19a. Unrestricted funds	Balance at 1 September 2016 Restated	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2017
	£000	£000	£000	£000	£000	£000	£000
General	42,895	22,481	(21,004)	-	196	872	45,440
Designated 19c	39,776	10,180	(7,031)	-	3,303	315	46,543
Defined Benefit Pension Schemes	(16,335)	-	(1,919)	8,644	-	-	(9,610)
<b>Total</b>	<b>66,336</b>	<b>32,661</b>	<b>(29,954)</b>	<b>8,644</b>	<b>3,499</b>	<b>1,187</b>	<b>82,373</b>

### The Connexional Funds

19b. Unrestricted funds	Balance at 1 September 2016 Restated	Income	Expenditure	Actuarial gains on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2017
	£000	£000	£000	£000	£000	£000	£000
General	42,675	17,781	(16,811)	-	193	872	44,710
Designated 19c	39,776	10,180	(7,031)	-	3,303	315	46,543
Defined Benefit Pension Schemes	(16,335)	-	(1,919)	8,644	-	-	(9,610)
<b>Total</b>	<b>66,116</b>	<b>27,961</b>	<b>(25,761)</b>	<b>8,644</b>	<b>3,496</b>	<b>1,187</b>	<b>81,643</b>

Transfers in of £1.4m in the general fund comprise of a management levy received (£1.5m) and a payment to the long term renewal fund (100k) Note 22 page 70.

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

19c. Designated funds	Balance at 1 September 2016	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2017
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	10,315	9,070	(4,494)	-	785	(4,481)	11,195
2) The Epworth Fund	6,945	199	(605)	-	560	(21)	7,078
3) The Connexional Travel Fund	261	5	(21)	-	11	-	256
4) The Designated Training Fund	-	-	(705)	-	-	954	249
5) The Computers in Ministry Fund	284	203	(164)	-	-	(21)	302
6) The Pension Reserve Fund	21,971	703	(1,042)	-	1,947	3,884	27,463
<b>Total</b>	<b>39,776</b>	<b>10,180</b>	<b>(7,031)</b>	<b>-</b>	<b>3,303</b>	<b>315</b>	<b>46,543</b>

Transfers out of the Connexional priority fund relate to £547k management levy paid to the general fund and £3,934k to the Pension Reserve Fund (PRF). The PRF paid £50k management levy to the general fund (Note 22 page 70).

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

19d. Unrestricted funds	Balance at 1 September 2015 Restated	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2016 Restated
	£000	£000	£000	£000	£000	£000	£000
General	40,014	21,087	(20,297)	-	571	1,520	42,895
Designated 19f	35,899	8,607	(7,968)	-	3,812	(574)	39,776
Defined Benefit Pension Schemes	(3,992)	-	(117)	(12,226)	-	-	(16,335)
<b>Total</b>	<b>79,921</b>	<b>29,694</b>	<b>(28,382)</b>	<b>(12,226)</b>	<b>4,383</b>	<b>946</b>	<b>66,336</b>

### The Connexional Funds

19e. Unrestricted funds	Balance at 1 September 2015 Restated	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains and revaluation reserve movements	Transfers	Balance as at 31 August 2016 Restated
	£000	£000	£000	£000	£000	£000	£000
General	40,014	16,710	(15,890)	-	571	1,270	42,675
Designated 19f	35,899	8,607	(7,968)	-	3,812	(574)	39,776
Defined Benefit Pension Schemes	(3,992)	-	(117)	(12,226)	-	-	(16,335)
<b>Total</b>	<b>71,921</b>	<b>25,317</b>	<b>(23,975)</b>	<b>(12,226)</b>	<b>4,383</b>	<b>696</b>	<b>66,116</b>

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

19f. Designated funds	Balance at 1 September 2015	Income	Expenditure	Actuarial losses on DB pension schemes	Investment gains	Transfers	Balance as at 31 August 2016
	£000	£000	£000	£000	£000	£000	£000
1) The Connexional Priority Fund	11,178	7,461	(5,488)	-	1,103	(3,939)	10,315
2) The Epworth Fund	6,570	371	(604)	-	608	-	6,945
3) The Connexional Travel Fund	258	8	(24)	-	19	-	261
4) The Designated Training Fund	14	-	(214)	-	-	200	-
5) The Computers in Ministry Fund	230	211	(157)	-	-	-	284
6) The Pension Reserve Fund	17,649	556	(1,481)	-	2,082	3,165	21,971
<b>Total</b>	<b>35,899</b>	<b>8,607</b>	<b>(7,968)</b>	<b>-</b>	<b>3,812</b>	<b>(574)</b>	<b>39,776</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

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

### 2) The Epworth Fund

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

### 3) The Connexional Travel Fund

This fund has two purposes: (a) to award grants to ministers on long term sick leave to compensate them for the absence of business reimbursements and (b) to make grants for island and long mainland journeys.

### 4) The Designated Training Fund

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

### 5) The Computers in Ministry Fund

This fund was set up following a decision by Conference to create a fund from which ministers and deacons would be able to purchase a computer for their work. Ministers and deacons are eligible to claim every 4 years.

### 6) The Pension Reserve Fund

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



## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

20a. Restricted funds	Restated balance at 1 September 2016 £000	Income £000	Expenditure £000	Actuarial gains on DB pension schemes £000	Investment gains £000	Transfers £000	Balance at 31 August 2017 £000
1) The Fund for the Support of Presbyters and Deacons	9,098	515	(591)	-	708	(50)	9,680
2) Mission in Britain Fund	7,481	881	(2,089)	-	292	(57)	6,508
3) Centenary Hall Trust	24,867	358	(98)	-	-	100	25,227
4) The Fund for Property	4,413	642	(2,147)	-	214	(28)	3,094
5) The Fund for Training	7,814	376	(716)	-	59	(146)	7,387
6) The World Mission Fund	28,816	3,486	(3,804)	-	1,427	(828)	29,097
7) The London Mission Fund	17,384	524	(457)	-	1,816	-	19,267
8) The Guy Chester Centre	29,142	1,422	(1,536)	-	678	(300)	29,406
9) Cliff College	9,099	1,796	(1,861)	-	(3)	-	9,031
10) Southlands Methodist Trust	10,330	439	(398)	-	65	-	10,436
11) Westminster College Oxford Trust	4,771	61	(449)	-	7,056	-	11,439
12) Medical Benevolent Fund	1,952	53	(57)	-	154	(2)	2,100
<b>Total funds with balances &gt; £2m</b>	<b>155,167</b>	<b>10,553</b>	<b>(14,203)</b>	<b>-</b>	<b>12,466</b>	<b>(1,311)</b>	<b>162,672</b>
Other - 28 funds with balances < £2m	9,062	2,821	(3,666)	63	578	(29)	8,829
<b>Total</b>	<b>164,229</b>	<b>13,374</b>	<b>(17,869)</b>	<b>63</b>	<b>13,044</b>	<b>(1,340)</b>	<b>171,501</b>

### The Connexional Funds

20b. Restricted funds	Restated balance at 1 September 2016 £000	Income £000	Expenditure £000	Actuarial gains on DB pension schemes £000	Investment gains £000	Transfers £000	Balance at 31 August 2017 £000
1) The Fund for the Support of Presbyters and Deacons	9,098	515	(591)	-	708	(50)	9,680
2) Mission in Britain Fund	7,481	881	(2,089)	-	292	(57)	6,508
3) Centenary Hall Trust	24,867	358	(98)	-	-	100	25,227
4) The Fund for Property	4,413	642	(2,147)	-	214	(28)	3,094
5) The Fund for Training	7,814	376	(716)	-	59	(146)	7,387
6) The World Mission Fund	28,816	3,486	(3,804)	-	1,427	(828)	29,097
7) The London Mission Fund	17,384	524	(457)	-	1,816	-	19,267
8) The Guy Chester Centre	29,142	1,422	(1,536)	-	678	(300)	29,406
<b>Total funds with balances &gt; £2m</b>	<b>129,015</b>	<b>8,204</b>	<b>(11,438)</b>	<b>-</b>	<b>5,194</b>	<b>(1,309)</b>	<b>129,666</b>
Other - 27 funds with balances < £2m	9,686	615	(820)	63	692	(31)	10,205
<b>Total</b>	<b>138,701</b>	<b>8,819</b>	<b>(12,258)</b>	<b>63</b>	<b>5,886</b>	<b>(1,340)</b>	<b>139,871</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

20c. Restricted funds	Balance at 1 September 2015 Restated £000	Income £000	Expenditure £000	Actuarial losses on DB pension schemes £000	Investment gains £000	Transfers £000	Balance at 31 August 2016 Restated £000
1) The Fund for the Support of Presbyters and Deacons	8,642	481	(549)	-	546	(22)	9,098
2) Mission in Britain Fund	7,358	999	(1,543)	-	754	(87)	7,481
3) Centenary Hall Trust	24,714	205	(152)	-	-	100	24,867
4) The Fund for Property	4,479	729	(1,352)	-	603	(46)	4,413
5) The Fund for Training	9,270	230	(1,802)	-	116	-	7,814
6) The World Mission Fund	28,176	3,872	(4,933)	-	2,327	(626)	28,816
7) The London Mission Fund	16,600	611	(450)	-	623	-	17,384
8) The Guy Chester Centre	29,125	1,326	(1,264)	-	155	(200)	29,142
9) Cliff College	8,708	2,094	(1,751)	-	48	-	9,099
10) Southlands Methodist Trust	5,465	441	(422)	-	4,846	-	10,330
11) Westminster College Oxford Trust	4,738	21	(38)	-	50	-	4,771
<b>Total funds with balances &gt; £2m</b>	<b>147,275</b>	<b>11,009</b>	<b>(14,256)</b>	<b>-</b>	<b>10,068</b>	<b>(881)</b>	<b>153,215</b>
Other - 29 funds with balances < £2m	11,348	2,715	(3,626)	(115)	942	(250)	11,014
<b>Total</b>	<b>158,623</b>	<b>13,724</b>	<b>(17,882)</b>	<b>(115)</b>	<b>11,010</b>	<b>(1,131)</b>	<b>164,229</b>

### The Connexional Funds

20d. Restricted funds	Balance at 1 September 2015 Restated £000	Income £000	Expenditure £000	Actuarial losses on DB pension Schemes £000	Investment gains £000	Transfers £000	Balance at 31 August 2016 Restated £000
1) The Fund for the Support of Presbyters and Deacons	8,642	481	(549)	-	546	(22)	9,098
2) Mission in Britain Fund	7,358	999	(1,543)	-	754	(87)	7,481
3) Centenary Hall Trust	24,714	205	(152)	-	-	100	24,867
4) The Fund for Property	4,479	729	(1,352)	-	603	(46)	4,413
5) The Fund for Training	9,270	230	(1,802)	-	116	-	7,814
6) The World Mission Fund	28,176	3,872	(4,933)	-	2,327	(626)	28,816
7) The London Mission Fund	16,600	611	(450)	-	623	-	17,384
8) The Guy Chester Centre	29,125	1,326	(1,264)	-	155	(200)	29,142
<b>Total funds with balances &gt; £2m</b>	<b>128,364</b>	<b>8,453</b>	<b>(12,045)</b>	<b>-</b>	<b>5,124</b>	<b>(881)</b>	<b>129,015</b>
Other - 28 funds with balances < £2m	9,440	534	(1,030)	(115)	857	-	9,686
<b>Total</b>	<b>137,804</b>	<b>8,987</b>	<b>(13,075)</b>	<b>(115)</b>	<b>5,981</b>	<b>(881)</b>	<b>138,701</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### Notes on the purposes of the main funds

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

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

#### 2) Mission in Britain Fund

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

#### 3) Centenary Hall Trust

This trust exists to manage Church House at 25 Marylebone Road.

#### 4) The Fund for Property

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

#### 5) The Fund for Training

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

#### 6) The World Mission Fund

This fund has five main purposes:

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

#### 7) The London Mission Fund

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

#### 8) The Guy Chester Centre

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

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 9) Cliff College

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

### 10) Southlands Methodist Trust

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

### 11) Westminster College Oxford Trust

This trust exists to ensure that the property and assets used by the former Westminster College Oxford, and belonging to the Methodist Church, are committed to the objectives and activities authorised by the Church. The principal objects of the Trust are the advancement of education, in particular teacher training and the advancement of further and higher education.

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

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

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

<b>21a. Endowment funds</b>	<b>Balance at 1 September 2016 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Investment gains £000</b>	<b>Transfers £000</b>	<b>Balance at 31 August 2017 £000</b>
Rank Endowment Fund	5,574	-	(11)	463	(38)	5,988
William Leech Charities' Fund	10,047	-	-	744	193	10,984
Other - 8 funds with balances <£2m	1,825	-	(4)	169	(2)	1,988
<b>Total</b>	<b>17,446</b>	<b>-</b>	<b>(15)</b>	<b>1,376</b>	<b>153</b>	<b>18,960</b>

### The Connexional Funds

<b>21b. Endowment funds</b>	<b>Balance at 1 September 2016 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Investment gains £000</b>	<b>Transfers £000</b>	<b>Balance at 31 August 2017 £000</b>
Rank Endowment Fund	5,574	-	(11)	463	(38)	5,988
William Leech Charities' Fund	10,047	-	-	744	193	10,984
Other - 8 funds with balances <£2m	1,825	-	(4)	169	(2)	1,988
<b>Total</b>	<b>17,446</b>	<b>-</b>	<b>(15)</b>	<b>1,376</b>	<b>153</b>	<b>18,960</b>

### The Methodist Church in Great Britain

<b>21c. Endowment funds</b>	<b>Balance at 1 September 2015 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Investment gains £000</b>	<b>Transfers £000</b>	<b>Balance at 31 August 2016 £000</b>
Rank Endowment Fund	5,021	-	(10)	563	-	5,574
William Leech Charities' Fund	9,190	-	-	672	185	10,047
Other - 7 funds with balances <£2m	1,625	-	(5)	205	-	1,825
<b>Total</b>	<b>15,836</b>	<b>-</b>	<b>(15)</b>	<b>1,440</b>	<b>185</b>	<b>17,446</b>

### The Connexional Funds

<b>21d. Endowment funds</b>	<b>Balance at 1 September 2015 £000</b>	<b>Income £000</b>	<b>Expenditure £000</b>	<b>Investment gains £000</b>	<b>Transfers £000</b>	<b>Balance at 31 August 2016 £000</b>
Rank Endowment Fund	5,021	-	(10)	563	-	5,574
William Leech Charities' Fund	9,190	-	-	672	185	10,047
Other - 7 funds with balances <£2m	1,625	-	(5)	205	-	1,825
<b>Total</b>	<b>15,836</b>	<b>-</b>	<b>(15)</b>	<b>1,440</b>	<b>185</b>	<b>17,446</b>

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

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

#### 22. Fund Transfers

	2017			2016		
	Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
<b>Unrestricted Funds</b>						
Connexional Priority Fund	-	(4,481)	(4,481)	-	(3,939)	(3,939)
Pension Reserve Fund	3,934	(50)	3,884	3,165	-	3,165
General Fund	1,522	(100)	1,422	1,620	(100)	1,520
Designated Training Fund	954	-	954	200	-	200
Methodist International Centre	-	(550)	(550)	-	-	-
Others	-	(42)	(42)	-	-	-
<b>Total</b>	<b>6,410</b>	<b>(5,223)</b>	<b>1,187</b>	<b>4,985</b>	<b>(4,039)</b>	<b>946</b>
<b>Restricted</b>						
Centenary Hall Trust	2,673	(14)	2,659	-	-	-
Long-term Renewal Fund	115	(2,673)	(2,558)	100	-	100
World Mission Fund	-	(828)	(828)	-	(626)	(626)
Guy Chester Centre	-	(300)	(300)	-	(200)	(200)
Fund for Training	-	(146)	(146)	-	-	-
Mission in Britain	-	(57)	(57)	-	(87)	(87)
Fund for Support of Presbyters & Deacons	-	(50)	(50)	-	(22)	(22)
Fund for Property	-	(28)	(28)	-	(46)	(46)
Others	-	(32)	(32)	-	(250)	(250)
<b>Total</b>	<b>2,788</b>	<b>(4,128)</b>	<b>(1,340)</b>	<b>100</b>	<b>(1,231)</b>	<b>(1,131)</b>
<b>Endowments</b>						
William Leech (Investments) Ltd	193	-	193	185	-	185
Rank Endowment	-	(37)	(37)	-	-	-
Others	-	(3)	(3)	-	-	-
<b>Total</b>	<b>193</b>	<b>(40)</b>	<b>153</b>	<b>185</b>	<b>-</b>	<b>185</b>
<b>Grand Total</b>	<b>9,391</b>	<b>(9,391)</b>	<b>-</b>	<b>5,270</b>	<b>(5,270)</b>	<b>-</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

#### 23a. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2017 Total £000
Intangible fixed assets	176	2	-	178
Tangible fixed assets	16,717	79,493	-	96,210
Investments	70,437	92,307	18,680	181,424
Current assets	19,960	16,736	280	36,976
Creditors due within one year	(13,305)	(7,446)	-	(20,751)
Creditors due after more than one year	(2,002)	(7,474)	-	(9,476)
Defined benefit pension scheme liability	(9,610)	(2,117)	-	(11,727)
<b>Total</b>	<b>82,373</b>	<b>171,501</b>	<b>18,960</b>	<b>272,834</b>

### The Connexional Funds

#### 23b. Analysis of net assets between funds

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2017 Total £000
Intangible fixed assets	176	-	-	176
Tangible fixed assets	16,594	72,259	-	88,853
Investments	70,183	69,831	18,680	158,694
Current assets	17,918	10,625	280	28,823
Creditors due within one year	(11,616)	(6,962)	-	(18,578)
Creditors due after more than one year	(2,002)	(3,765)	-	(5,767)
Defined benefit pension scheme liability	(9,610)	(2,117)	-	(11,727)
<b>Total</b>	<b>81,643</b>	<b>139,871</b>	<b>18,960</b>	<b>240,474</b>

### The Methodist Church in Great Britain

#### 23c. Analysis of net assets between funds

	Unrestricted Funds Restated £000	Restricted Funds Restated £000	Endowment Funds £000	2016 Total £000
Intangible fixed assets	171	-	-	171
Tangible fixed assets	16,981	76,120	-	93,101
Investments	64,121	85,277	17,111	166,509
Current assets	14,636	14,174	335	29,145
Creditors due within one year	(7,120)	(8,844)	-	(15,964)
Creditors due after more than one year	(6,118)	(225)	-	(6,343)
Defined benefit pension scheme liability	(16,335)	(2,273)	-	(18,608)
<b>Total</b>	<b>66,336</b>	<b>164,229</b>	<b>17,446</b>	<b>248,011</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

<b>The Connexional Funds</b>				
<b>23d. Analysis of net assets between funds</b>				
	<b>Unrestricted Funds Restated £000</b>	<b>Restricted Funds Restated £000</b>	<b>Endowment Funds £000</b>	<b>2016 Total £000</b>
Intangible fixed assets	171	-	-	171
Tangible fixed assets	16,981	68,950	-	85,931
Investments	64,121	69,790	17,111	151,022
Current assets	14,466	9,610	335	24,411
Creditors due within one year	(7,159)	(7,164)	-	(14,323)
Creditors due after more than one year	(6,132)	(209)	-	(6,341)
Defined benefit pension scheme liability	(16,335)	(2,273)	-	(18,608)
<b>Total</b>	<b>66,116</b>	<b>138,701</b>	<b>17,446</b>	<b>222,263</b>

### 24. Revaluation reserves

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

<b>The Methodist Church in Great Britain</b>			
<b>24a. Revaluation reserve</b>			
	<b>01-Sep-16 £000</b>	<b>Movement £000</b>	<b>31-Aug-17 £000</b>
Unrestricted	6,484	55	6,539
Restricted	58,500	-	58,500
<b>Total</b>	<b>64,984</b>	<b>55</b>	<b>65,039</b>

<b>The Connexional Funds</b>			
<b>24b. Revaluation reserve</b>			
	<b>01-Sep-16 £000</b>	<b>Movement £000</b>	<b>31-Aug-17 £000</b>
Unrestricted	6,484	52	6,536
Restricted	56,564	-	56,564
<b>Total</b>	<b>63,048</b>	<b>52</b>	<b>63,100</b>

<b>The Methodist Church in Great Britain</b>			
<b>24c. Revaluation reserve</b>			
	<b>01-Sep-15 £000</b>	<b>Movement £000</b>	<b>31-Aug-16 £000</b>
Unrestricted	6,489	(5)	6,484
Restricted	58,500	-	58,500
<b>Total</b>	<b>64,989</b>	<b>(5)</b>	<b>64,984</b>

<b>The Connexional Funds</b>			
<b>24d. Revaluation reserve</b>			
	<b>01-Sep-15 £000</b>	<b>Movement £000</b>	<b>31-Aug-16 £000</b>
Unrestricted	6,489	(5)	6,484
Restricted	56,564	-	56,564
<b>Total</b>	<b>63,053</b>	<b>(5)</b>	<b>63,048</b>



## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### The Methodist Church in Great Britain

#### 25. Prior period adjustments

	2016 as previously reported £000	31 August 2016 restated £000	Prior period adjustments £000	Note
Investments: Central Finance Board units	164,250	166,509	2,259	1
Debtors: prepayments and accrued interest	6,986	7,133	147	1
Defined benefit pension scheme liability	16,202	18,608	(2,406)	1
			-	
<b>Funds</b>				
Unrestricted funds	48,948	66,336	17,388	2
Restricted funds	181,617	164,229	(17,388)	2
			-	

Note 1: The assets of the Superannuation Scheme for Lay Mission Partners (SSMP) were deducted from the defined benefit pension scheme liabilities in the 2016 financial statements. The presentation has now been corrected by including the SSMP assets gross within investments and accrued income because the SSMP is an unfunded scheme. There is no overall impact on the group or Connexional net assets as a result of this presentational restatement.

Note 2: Methodist International Centre was included in the 2016 financial statements as a restricted fund. Methodist International Centre should have ceased to be treated as a special trust under Charities SORP (FRS 102) when the Methodist Conference passed a resolution varying the object of the trust deed in 2014. Accordingly, this fund (and the income and expenditure arising from it) is now classified within unrestricted general funds. There is no overall impact on group or Connexional net assets or income and expenditure as a result of this presentational restatement.

	Year ended 31 August 2016 as previously reported £000	31 August 2016 restated £000	Prior period adjustments £000	Note
Other trading income: restricted – room and conference hire	7,987	1,801	(6,186)	2/3
Other trading income: unrestricted – room and conference hire	887	7,073	6,186	2/3
Miscellaneous income: restricted – seminars and events	415	438	23	2/3
Miscellaneous income: unrestricted – seminars and events	744	721	(23)	2/3
Expenditure on raising funds: unrestricted	1,517	6,209	(4,692)	2/3
Expenditure on raising funds: restricted	6,632	1,940	4,692	2/3
Charitable expenditure – equipping the Church to engage with Society: unrestricted	10,853	11,114	(261)	2/3

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 25. Prior period adjustments (continued)

Charitable expenditure –

equipping the Church to engage with Society:

restricted	6,225	5,964	261	2
			<u>-</u>	

Note 3: The results of Methodist International Centre Limited, a trading subsidiary, had previously been classified as restricted in the consolidated results. This has now been corrected and the results have now been categorised as unrestricted, together with the gift aid arising has also been reclassified as unrestricted (rather than restricted) within the Connexional Funds. There is no overall impact on group income, expenditure and net assets as a result of this presentational restatement.

### Connexional Funds

	Year ended 31 August 2016 as previously reported £'000	31 August 2016 restated £'000	Prior period adjustments £'000	Note
Investments: Central Finance Board units	148,763	151,022	2,259	1
Debtors: prepayments and accrued interest	6,231	6,378	147	1
Defined benefit pension scheme liability	16,202	18,608	(2,406)	1
			<u>-</u>	
<b>Funds</b>				
Unrestricted funds	48,728	66,116	17,388	2
Restricted funds	156,089	138,701	(17,388)	2
			<u>-</u>	

### Connexional Funds

	Year ended 31 August 2016 as previously reported £'000	31 August 2016 restated £'000	Prior period adjustments £'000	Note
Investment income: unrestricted – gift aid	1,296	2,630	1,334	2/3
Investment income: restricted – gift aid	4,984	3,650	(1,334)	2/3
Other trading income: unrestricted – room and conference hire	907	1,337	430	2/3
Other trading income: restricted – room and conference hire	1,452	1,022	(430)	2/3
Charitable expenditure - equipping the Church to engage with society: unrestricted	11,141	11,402	(261)	2/3
Charitable expenditure - equipping the Church to engage with society: restricted	5,018	4,757	261	2/3
			<u>-</u>	

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

<b>26a. Expenses reimbursed to the trustees</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Travel and other expenses reimbursed	57	62
Number of trustees reimbursed	No. 68	No. 71

<b>26b. Trustees' remuneration</b>	<b>Pension Contributions</b>		<b>Remuneration</b>	
	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
The Revd Sheryl M Anderson	6	-	38	-
The Revd Helen Cameron	6	6	39	39
The Revd Ruth Gee	6	6	38	38
The Revd Philip J Jackson	6	-	31	-
Deacon Karen McBride	6	-	31	-
The Revd Loraine Mellor	6	6	38	38
The Revd Gareth Powell	6	6	39	39
Mr Doug Swanney	17	16	100	99
The Revd Dr Roger L Walton	6	6	38	38
The Revd Stephen Wigley	-	6	-	38
The Revd S Wild	6	6	38	38
Mrs Louise Wilkins	14	-	85	-
The Revd Andrew Wood	6	6	38	38
The Revd Michaela A Youngson	6	6	38	38
<b>Total</b>	<b>97</b>	<b>70</b>	<b>591</b>	<b>443</b>

Of the trustees listed above, 13 were in the Connexional team (2016: 10). Their aggregate total emoluments including pension contributions for this work and not in their role as trustees amounted to £0.7m (2016: 0.5m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 27. Trustees and connected persons

Outlined below is a list of those bodies considered to be the main related parties, which together with The Methodist Church in Great Britain report separately each year to the Methodist Conference, the ultimate controlling body.

Details of the transactions occurring during the year and amounts owing by or to the related parties as at 31 August are stated for each one as appropriate.

	<b>2017</b>			
	<b>Income from related party £000</b>	<b>Payments to related party £000</b>	<b>Loans to related party £000</b>	<b>Amount owed by related party £000</b>
<b>Related party</b>				
Trustees for Methodist Church Purposes (a)	4	203	-	-
Methodist Ministers' Housing Society (MMHS) (b)	90	102	-	-
Methodist Ministers Pension Scheme (MMPS) (c)	173	-	-	-
Lesnes Abbey Circuit (d)	-	-	50	50
The Queen's Foundation for Ecumenical & Theological Education (e)	-	1,251	-	-

(a) The payment to Trustees for Methodist Church Purposes (TMCP) is for various administration charges, including legal services rendered during the year. The income is for payroll administration charges.

(b) The income received from MMHS was for rent and service charges. A payment of £102k was made to purchase a share in an investment property.

(c) The income received from the MMPS was for rent and accountancy services.

(d) A loan advanced to the Lesnes Abbey Circuit in order to purchase the London Mission Fund's interest in a manse at 11 Eaglesfield Road, London. The loan is repayable in equal instalments over 9 years.

(e) A payment of £1.2m to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2016-17 academic year.

	<b>2016</b>			
	<b>Income from related party £000</b>	<b>Payments to related party £000</b>	<b>Loans to related party £000</b>	<b>Amount owed by related party £000</b>
<b>Related party</b>				
Trustees for Methodist Church Purposes (a)	4	167	-	-
Methodist Ministers' Housing Society (MMHS) (b)	85	82	-	-
Methodist Ministers' Pension Scheme MMPS (c)	27	-	-	-
Lesnes Abbey Circuit (d)	-	-	60	60
The Queen's Foundation for Ecumenical & Theological Education (e)	1	1,426	-	-

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### Trustees and connected persons (continued)

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

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

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses);
- The awarding and distribution of grants to other Methodist entities;
- Investment charges (TMCP & CFB);
- The operation of the Gift Aid Bureau Service to claim gift aid on the behalf of local churches and circuits;
- The operation of Central Stipends Bureau for the payment of ministerial and local staff stipends and salaries;
- The maintenance of the accounting records for various Methodist entities.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

### 28. Defined benefit pension scheme commitments

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

The assets and liabilities of the schemes for both the group and the connexional funds at 31 August are:

	(Unrestricted) PASLEMC £000	(Restricted) SSMP £000	2017 Total £000	2016 Restated £000
Fair value of scheme assets	72,778	-	72,778	-
Present value of scheme liabilities	82,388	2,117	84,505	18,608
<b>Net defined benefit liability</b>	<b>(9,610)</b>	<b>(2,117)</b>	<b>(11,727)</b>	<b>(18,608)</b>

The net defined benefit liability of the MMPS (£5.4m) has not been included in these financial statements, as set out in Note 2.

The amounts charged to the statement of financial activities (group and connexional funds) in respect of the two schemes are:

	(Unrestricted) PASLEMC £000	(Restricted) SSMP £000	2017 Total £000	2016 Total £000
<b>Service cost (before contributions from other group employers)</b>	<b>3,191</b>	<b>-</b>	<b>3,191</b>	<b>1,793</b>
Interest cost on scheme liabilities	1,747	37	1,784	2,321
Interest income on plan assets	(1,431)	(40)	(1,471)	(2,230)
<b>Net finance costs</b>	<b>316</b>	<b>(3)</b>	<b>313</b>	<b>91</b>
<b>Total</b>	<b>3,507</b>	<b>(3)</b>	<b>3,504</b>	<b>1,884</b>

The amounts recognised as other gains/(losses) in the group and connexional statement of financial activities:

	(Unrestricted) PASLEMC £000	(Restricted) SSMP £000	2017 Total £000	2016 Total £000
Actual return on scheme assets	4,296	57	4,353	9,212
Amounts included in net interest on the net defined liability	(1,431)	(40)	(1,471)	(2,230)
Other actuarial gains/(losses)	5,779	46	5,825	(19,323)
<b>Re-measurement gains and losses recognised in SoFA</b>	<b>8,644</b>	<b>63</b>	<b>8,707</b>	<b>(12,341)</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

The changes in present value of defined benefit pension obligations for both group and connexional funds are analysed as follows:

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	TOTAL
	2017	2016	2017	2016	2017	2016
	£000	£000	£000	£000	£000	£000
<b>At 1 September</b>	<b>83,860</b>	<b>61,602</b>	<b>2,273</b>	<b>2,096</b>	<b>86,133</b>	<b>63,698</b>
Service cost	3,191	1,793	-	-	3,191	1,793
Interest cost	1,747	2,253	37	68	1,784	2,321
Member contributions	717	579	-	-	717	579
Benefits paid	(1,348)	(1,423)	(147)	(158)	(1,495)	(1,581)
Actuarial (gain) / loss	(5,779)	19,056	(46)	267	(5,825)	19,323
<b>At 31 August</b>	<b>82,388</b>	<b>83,860</b>	<b>2,117</b>	<b>2,273</b>	<b>84,505</b>	<b>86,133</b>

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

	Unrestricted PASLEMC		Restricted SSMP		TOTAL	TOTAL
	2017	2016	2017	2016	2017	2016
	£000	£000	£000	£000	£000	£000
<b>At 1 September</b>	<b>67,525</b>	<b>57,610</b>	<b>-</b>	<b>-</b>	<b>67,525</b>	<b>57,610</b>
Interest income on plan assets	1,431	2,153	-	-	1,431	2,153
Employer contributions	1,847	2,018	-	-	1,847	2,018
Member contributions	717	579	-	-	717	579
Administration expenses	(260)	(243)	-	-	(260)	(243)
Benefits paid	(1,348)	(1,423)	-	-	(1,348)	(1,423)
Actual return less interest income on plan assets	2,866	6,831	-	-	2,866	6,831
<b>At 31 August</b>	<b>72,778</b>	<b>67,525</b>	<b>-</b>	<b>-</b>	<b>72,778</b>	<b>67,525</b>
<b>Net Defined Benefit Asset / (Liability)</b>	<b>(9,610)</b>	<b>(16,335)</b>	<b>(2,117)</b>	<b>(2,273)</b>	<b>(11,727)</b>	<b>(18,608)</b>

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

	PASLEMC		SSMP	
	2017 % pa	2016 % pa	2017 % pa	2016 % pa
Discount rate at end of year	2.5	2.1	2.3	1.7
Discount rate at start of year	2.1	3.7	1.7	3.4
Inflation	3.6	3.2	3.3	2.9
Rate of increase in Pensionable earnings	3.6	3.2		-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.6	2.2	3.2	2.8
Rate of increase in deferred pensions pre 2009 LPI 2.5%	2.6	2.2	3.2	2.8
Rate of increase in pension in payments fixed 5% to 1st September 2017	5.0	5.0	3.2	2.8
Rate of increase in pension in payments LPI 2.5% 1st September 2017	2.3	2.1	-	-
Rate of increase in pension in payments LPI 5% 1st September 2018	3.5	3.1	-	-
Rate of increase in pension in payments LPI 2.5% 1st September 2018	2.3	2.1	-	-

Mortality assumptions for the two schemes:

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

The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female.

For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 90 if they are male and until age 92 if female.

Analysis of scheme assets

	PASLEMC		SSMP	
	2017 %	2016 %	2017 %	2016 %
Equities	51.7	54.2	22.5	19.8
Gilts	-	2.7	55.6	54.0
Corporate Bonds	12.9	17.2	12.2	13.1
Index linked Bonds	-	2.6	-	-
Property	7.8	4.7	5.7	5.3
Cash	8.3	4.6	4	7.8
Liability Driven Investment	13	6.4	-	-
Annuities	6.3	7.6	-	-



## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

The accounting treatment and judgements made in respect of the MMPS are set out in Note 2. The defined benefit pension scheme liabilities in respect of the MMPS that would have been charged to these financial statements had the Scheme been included are set out below. The FRS 102 calculations were carried out by Diana Simon, Fellow of the Institute and Faculty of Actuaries, BWCI Consulting Ltd.

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

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Service cost</b>	7,823	4,743
Interest cost on scheme liabilities	9,587	15,294
Interest income on plan assets	(8,808)	(14,195)
<b>Net finance costs</b>	<b>779</b>	<b>1,099</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Actual return on scheme assets	32,644	63,661
Amounts included in net interest on the net defined liability	(8,808)	(14,195)
Other actuarial gains/losses	14,723	(102,684)
<b>Re-measurement gains and losses recognised in SoFA</b>	<b>38,559</b>	<b>(53,218)</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Opening defined benefit obligation</b>	<b>489,062</b>	<b>423,064</b>
Service Cost	7,823	4,743
Interest Cost	9,587	15,294
Cost of benefit changes	(1,219)	(40,710)
Contribution by members	3,430	3,432
Benefits paid	(19,426)	(19,445)
Actuarial (gains) / losses	(14,723)	102,684
<b>Closing defined benefit obligation</b>	<b>474,534</b>	<b>489,062</b>

The cost of benefit changes for 2016 are comparatively high due to the 2016 Conference decision to base the MMPS pension increases on the increase in the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) resulting in a reduction of the liabilities by £41 million.

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme asset	443,480	386,691
Interest income on plan assets	8,808	14,195
Contributions by employer	9,818	9,916
Contributions by members	3,430	3,432
Benefits paid	(19,426)	(19,445)
Administration expenses	(849)	(775)
Actual return less interest income on plan assets	23,837	49,466
<b>Closing fair value of scheme assets</b>	<b>469,098</b>	<b>443,480</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Closing defined benefit obligation	(474,534)	(489,062)
Closing fair value of scheme assets	469,098	443,480
<b>Net defined benefit scheme obligation</b>	<b>(5,436)</b>	<b>(45,582)</b>

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

	<b>2017</b>	<b>2016</b>
	<b>% pa</b>	<b>% pa</b>
Discount rate at end of year	2.4	2.0
Discount rate at start of year	2.0	3.7
Inflation	3.5	3.0
Rate of increase in pensionable earnings	3.25	2.75
Rate of increase in deferred pensions pre 2009	2.5	2.0
Rate of increase in deferred pension post 2009	2.5	2.0
Rate of increase in pension in payment main benefits CPI LPI 5%	2.5	2.1
Rate of increase in pension in payment main benefits CPI LPI 2.5%	1.9	1.7
Rate of increase in pension in payment AVCs RPI LPI 5%	3.3	2.9
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.1

## The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2017 (continued)

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

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 89 if they are male and until age 90 if female. For a member currently aged 55 the assumptions are that if they attain age 65 they will live on average until age 90 if they are male and until age 92 if female.

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

	<b>2017</b>	<b>2016</b>
	%	%
Equities	55.9	58.2
Gilts	2.0	6.4
Corporate Bonds	16.0	15.7
Index linked Bonds	4.2	6.8
Property	9.2	5.4
Cash	6.4	3.9
Liability driven investment	6.3	3.6

## The Methodist Church in Great Britain

### Trustees and committee memberships

The memberships for 2016/17 and for 2017/18 are listed below.

#### Methodist Council:

2016/2017 New Members from 1 September 2016 are marked with one asterisk (\*)

The Revd Caroline R Ainger	Miss Ruth E Hall*	The Revd Canon Gareth J Powell
Mr Michael Anderson	Professor Peter D Howdle	The Revd Stephen J Poxon*
The Revd Sheryl M Anderson*	The Revd Dr Jennifer A Hurd*	Mr Pete Prescott*
Mrs E Jill Baker*	The Revd Eleanor G Jackson	Mrs Anne Pryke*
Ms Janet Baker	The Revd Philip J Jackson*	The Revd Sally A Ratcliffe*
Mr Timothy J Baker*	Ms Rachel J Lampard	The Revd Helen L Roberts*
Dr B Jill Barber	Mrs Carolyn Lawrence	The Revd Mary V B Shannahan*
The Revd J A Jade Bath	Mr Dean Lawson	The Revd Peter D Sheasby
Mrs Carole Burgess	The Revd Henry J Lewis	Mrs Heather Shipman*
The Revd Helen D Cameron	Professor David R Matthews	The Revd David Shirtliff
The Revd Linda J Catlow*	Deacon Karen McBride*	Mr Douglas Swanney
The Revd Olufemi R W Cole-Njie	The Revd Loraine Mellor*	The Revd Timothy A Swindell
Ms Gillian M Dascombe	Deacon Jonathan Miller*	Dr Valerie Turner
The Revd Linda Day	Dr Daleep S Mukarji	The Revd Dr Roger L Walton
Mr Jack Delbridge	Mrs Anita Nicholson	The Revd Steven J Wild
Ms Sue Draper*	Mrs Idy Osibodu	Mrs Louise C Wilkins*
Mrs Aileen Fox*	Mr Brian Park*	The Revd Andrew D Wood
The Revd Catherine Gale	The Revd Mary M Patterson*	The Revd Michaela A Youngson
The Revd Ruth M Gee (Chair)	The Revd Gareth P Phillips	

2017/2018 New Members from 1 September 2017 are marked with two asterisks (\*\*)

Mr Michael Anderson	Miss Ruth E Hall	The Revd Mary M Patterson
Mrs E Jill Baker	The Revd Novette Headley**	The Revd Gareth P Phillips
Ms Janet Baker	The Revd Beverly Hollings**	The Revd Canon Gareth J Powell
Mr Timothy J Baker	Professor Peter D Howdle	The Revd Stephen J Poxon
The Revd Peter E Barber**	The Revd Dr Jennifer A Hurd	Mr Pete Prescott
Mrs Carole Burgess	The Revd Dr Jonathan R Hustler**	Mrs Anne Pryke
The Revd Linda J Catlow	The Revd Eleanor G Jackson	The Revd Sally A Ratcliffe
The Revd Olufemi R W Cole-Njie	The Revd Philip J Jackson	The Revd Peter D Sheasby
Ms Gemma Curtis**	The Revd Dr Vincent M Jambawo**	Mrs Heather Shipman
The Revd Rory J Dalglish**	Ms Rachel J Lampard	The Revd David Shirtliff
Ms Gillian M Dascombe	Mrs Carolyn Lawrence	Mr Douglas Swanney
Mr Jack Delbridge	Mrs Heather Lovelady**	The Revd Timothy A Swindell
Ms Sue Draper	Deacon Karen McBride	The Revd Dr Roger L Walton
The Revd Mark Dunn-Wilson**	The Revd Loraine Mellor	Mrs Louise C Wilkins
The Revd Dr Andrew M Fox**	Deacon Jonathan Miller	Mr Richard Wills**
Mrs Aileen Fox	Professor Ken Mortimer**	The Revd Andrew D Wood
The Revd Catherine Gale	Dr Daleep S Mukarji	The Revd Michaela A Youngson
The Revd Ruth M Gee (Chair)	Mrs Idy Osibodu	
Mr Bala Gnanapragasam**	The Revd Rachel E Parkinson**	

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

## The Methodist Church in Great Britain

### The Strategy and Resources Committee

#### The membership for 2016/17 and current year are listed below:

##### *Voting Members*

Ms Janet Arthur	The Revd Loraine N Mellor
Mr Edward Awty (Connexional Treasurer)	Dr Daleep S Mukarji
The Revd David M Goodall	The Revd Michael D Parker
Mr Robert J Harrison	Mrs Heather Shipman
Professor Peter D Howdle (Chair)	The Revd Timothy A Swindell
The Revd Susan Keegan Von Allmen	The Revd Dr Andrew D Wood
	Ms Helen Woodall

##### *Non-voting members*

Mr Martin Ashford	The Revd Canon Gareth J Powell
The Revd Dr Jonathan R Hustler [from 1 September 2017]	Mr Douglas Swanney
Ms Jude Levermore	Mr Nick Moore
Revd Helen Cameron (to 31 August 2017)	

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

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

#### The membership of the committee is:

##### *Voting Members*

Mr Edward Awty	Mr Malcolm Pearson
Mr Roger Davies	The Revd Stephen J Radford
Mr Iain E M Farquhar	The Revd Timothy A Swindell (Chair)
Mrs Sue Haworth [from 1 September 2017]	

##### *Non-voting members*

Mr Ian D McClelland [from 1 October 2017]  
 Mr Nick Moore  
 Mrs Maureen Sebanakitta [to 30 September 2017]

### The Audit Committee

#### The membership of the committee is:

##### *Voting Members*

Mr Adrian Burton [from 1 September 2017]  
 Mr Rodney Betts [to 31 August 2017]  
 Mr Alan Kershaw (Chair) [from 1 September 2017]  
 Mr Peter A Mills [to 31 August 2017]  
 Mr David Stubbs  
 Mr Andrew Whitley

##### *Non-voting members*

Mr Edward Awty  
 Mr Ian D McClelland [from 1 October 2017]  
 Mr Nick Moore  
 Mrs Maureen Sebanakitta [to 30 September 2017]  
 The Revd Timothy A Swindell

## The Methodist Church in Great Britain

### Reference and Administrative Details

#### Names and addresses

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

#### The Methodist Church

Methodist Church House  
25 Marylebone Road  
London NW1 5JR  
Tel: 020 7486 5502  
Web: [www.methodist.org.uk](http://www.methodist.org.uk)

#### Executive Officers

The Revd Canon Gareth J Powell  
Mr Douglas Swanney  
The Revd Dr Jonathan R Hustler

#### Custodian Trustee:

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:

RSM UK Audit LLP  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

#### Solicitors:

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