

Trustees for Methodist Church Purposes
Report and Financial Statements
For the Year Ended 31st August 2009

Trustees for Methodist Church Purposes

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Report of the Board for the Year Ended 31st August 2009

Membership of the Board

The Revd James Booth	Mr Duncan Booth (<i>resigned May 2009</i>)
The Revd Dr Keith Davies (<i>appointed Conference 2009</i>)	Mr Graham Danbury (<i>appointed Conference 2009</i>)
The Revd Paul Flowers (<i>appointed Conference 2009</i>)	Mr Ralph Dransfield (<i>appointed Conference 2009</i>)
The Revd David G Gamble	Dr Ian Harrison (<i>appointed Conference 2009</i>)
The Revd Doreen Hare	Mrs Susan Howdle (<i>resigned May 2009</i>)
The Revd Jennifer A Impey	Mr John Jefferson
The Revd Ian D Johnson (<i>resigned May 2009</i>)	Mr David Moore
The Revd G Michael Sparrow	Mr Malcolm Pearson
The Revd Kenneth E Street (Chair)	Mr G Alan Pimlott
The Revd David Willie (<i>resigned May 2009</i>)	Mrs Eunice Shepherd (<i>resigned May 2009</i>)
	Mr Terry Wynn (Deputy Chair)

The Revd Dr Keith Davies, Revd Paul Flowers and Messrs Ralph Dransfield, Graham Danbury and Dr Ian Harrison were appointed to the Board of Trustees for Methodist Church Purposes at the July 2009 Methodist Conference to comply with Section 4(3) of the Methodist Church Act 1939 (under which the Board is constituted) provides "that the Board shall consist of ministers and laymen (sic) in equal numbers". The following Board members resigned during the last Connexional year:- Mr Duncan Booth, Mrs Susan Howdle, Mrs Eunice Shepherd and the Revds Ian Johnson and David Willie.

TMCP Staff Members

Joanne Broadbridge	David Phillips
Kate Cocking	Kathrin Rosenfeld
Brian Couch	Sven Sandal
Amanda Flynn	Simon Speechley
Rachael Griffiths	Janet Street
Anne Hughes-Holmes (Chief Executive)	Catherine Wood
Neville Johnson (<i>deceased 24th March 2009</i>)	

Temporary Contracts

Jatinder Kandola
Richard Price

Office and Advisers

Office

Central Buildings
Oldham Street
Manchester
M1 1JQ

Bankers

HSBC
8 Victoria Street
Westminster
London
SW1H 0NJ

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

Auditors

Beever & Struthers
St Georges House
215-219 Chester Road
Manchester
M15 4JE

Solicitors

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

Stockbrokers

Gerrard
1 St James's Square
Manchester
M2 6DN

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board of Trustees for Methodist Church Purposes (TMCP) is a corporate body which acts as custodian or full trustee of Methodist property and was incorporated by the Methodist Church Act 1939.

The Board has an established recruitment and appointment procedure. The Board consists of 16 members with equal numbers of ministers and lay persons, who are drawn from all walks of life, to maintain a balance of skills in discharging trustee duties.

Board members are appointed by the Methodist Conference on the nomination of the Board which seeks to maintain a balance of appropriate professional experience, Methodist experience and Connexional representation. As from February 2001, present members are invited to retire at 75 and new members at 70 years of age. The Board has successfully filled five positions, which had become vacant, during this last Connexional year. The Executive believes that the balance of extensive skills and experience amongst Board members has been maintained.

The Board is responsible for all the functions of the Trustees for Methodist Church Purposes. In practice, much of the work of the Board is discharged through committees and by staff.

The Board occupies offices at Central Buildings, Manchester which is a Model Trust property used also by the Connexional Team, the Manchester Circuit and the Methodist Centre (a local church in the circuit). The property is managed under a Joint Management Agreement to which the Methodist Council is party. Connexional Managing Trustees appointed by the Council are responsible for the area occupied by the Team and the Board. The Board nominates one of the Connexional Trustees for appointment by the Methodist Council.

The Board is served by two committees:-

The Executive Committee

This is a committee of three members, meeting at least three times a year. The Executive Committee report to the Board. Primarily the Executive oversee the management arrangements and Board meetings. It considers and approves management accounts, deals with all full trust applications and takes any action on behalf of the Board between meetings.

The Audit Committee

This is also a committee of three members, meeting at least twice a year. The Audit Committee make recommendations in respect of financial and other processes to give effect to internal and external audit reports. It meets annually with the auditors to review and discuss the annual financial statements.

Relationships with Other 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 Methodist Conference to handle specific aspects of the Church's work and/or discharge a specific power of the Church.

- a) The Connexional Team provides the Board with services in regard to personnel, payroll and other administrative services used in common with the Resourcing Mission Office in Manchester.
- b) The Central Finance Board of the Methodist Church (CFB) was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management. There are regular meetings with officers of the CFB to discuss matters of mutual interest.

Relationships with Other Parties (cont'd)

In the list below are those bodies considered to be related parties, which together with the Methodist Council report separately to the Methodist Conference, the ultimate controlling body, each year. Details of transactions occurring during the year and amounts owing by or to our principal related party (the Methodist Connexional Team) at 31st August 2009 is given as appropriate.

	Income from related party	Purchases from related party	Amount owed by / (to) related party
Connexional Team	£107,672	£ 90,538	£ 28,018

In addition to this, the related party transactions with the Central Finance Board include the operations in the administration of the Board's custodian trustee responsibility.

OBJECTIVES AND ACTIVITIES

The principal function of the Board, incorporated by the Methodist Church Act 1939, is to act as the Custodian Trustee of all property held on the Model Trusts of the Methodist Church Act 1976. This includes nearly all the property held by the 5,370 or so local churches, 554 Circuits and 31 districts, together with a number of properties used for Connexional purposes.

The Board is also custodian of the Funds held in 8,515 separate trusts. These Funds are held for Methodist purposes for the Managing Trustees who may be local Church Councils, Circuit Meetings or other bodies of trustees. Some trusts, such as Circuit Advance Funds, are held on the Model Trusts. The trusts of other Funds, such as Permanent Endowments, are determined by the terms of the will or other settlement.

Activities include:-

- effecting all sales, purchases and leases of property by Church bodies and checking legal documents before signature by Managing Trustees.
- Investing funds received from sales or bequests and transmitting funds for purchases or to meet the cost of a project as instructed by Managing Trustees.

The Board is full Trustee of a small number of trusts where it has discretion over the use of income and, in some cases the capital, and is responsible for the investment of the funds. The purposes for which grants may be made are specified in the trust documents and in others the Board is able to make grants for any Methodist charitable purpose.

ACHIEVEMENTS AND PERFORMANCES

The Board is happy to report that all activities continue to be performed in an efficient and effective manner. At the Financial year end, the Board held 8,515 trusts with a total value of £242 million.

Permanent Endowments

The Board is working to help release capital from permanent endowments under the Charities Act 1993 (as amended by the Charities Act 2006) Section 75 Resolutions.

The Board is currently holding 2,427 permanent endowments on behalf of local churches and other managing trustees.

Permanent Endowments cont.....

For 99% of endowments where annual income is less than £1,000, capital may be released without formal application to the Charity Commission. For endowments with an annual income which exceeds £1,000, it is necessary in all cases to make a formal application to the Charity Commission.

Annual Statement Distribution

This year 8,320 (92%) were sent by email and 708 (8%) sent by post - this equates to 4096 emails being sent in batches. The statements were successfully sent out, on schedule, on the 9th September, and to date we have received minimal feedback. It took approx 24 hours for all the statements to leave the office. Printed statements were sent out on the 10th September. We can hopefully assume that the low number of responses and the nature of these responses, again shows that this year's emailing of annual trust statements was a success. We are hoping to provide remote computer access to statements and this is something we are working on with the target to deliver by 2010.

Team Focus

Following a period of consultation and review, the Methodist Council has now almost completed the assessment of the future shape of the Connexional Team.

Property "Consents" Scheme

The Property Consents process had reached a crucial stage in Autumn 2009 and Conference 2009 resolved that on 1st January 2010 all Districts would "go live".

A number of "Familiarisation Training Sessions" were held to ensure core issues were conveyed. TMCP helped in the planning and content of any matters which were specific to TMCP and affect our day to day work both as Custodian Trustees and in support of the Connexional Team.

It has been particularly difficult for both TMCP's legal and finance team over the latter part of this Connexional year. As the daily work performed is compliance and must be turned around, there has simply not been the capacity within the team resources to accommodate fully the tasks required to advance the consents process systems as adequately as the Board would wish. Given the complexity of the processes and the requirement for detailed knowledge, it was not possible to "buy-in" professional help. The Connexional Team did assist by funding a temporary Legal Secretary as from April 2009 and the Board is very grateful for this. It allowed the Legal Administrator to be the consents co-ordinator for our legal team and their help has been invaluable.

We value greatly our working relationship with our colleagues both here in Central Buildings, Manchester and in Methodist Church House, London.

Land Registration

Our Land Registry voluntary registration project continues apace with 14 Districts already involved in the process. A considerable number of individual Circuits have also approached TMCP and asked to be registered in advance of being invited to do so under the district arrangements. TMCP has agreed to this in every case.

Land Registration cont....

TMCP has prepared a "Fact Sheet" which explains the registration procedure and answers several frequently asked questions. This is sent to all Managing Trustees and solicitors who enquire about the project.

It is anticipated that the majority of the project will have been completed by the end of 2010.

Data Protection

TMCP has a group registration with the Information Commissioner in respect of all personal data held within certain categories by TMCP, Districts, Circuits and Churches.

TMCP's notification does not cover the Methodist Conference, which is separately registered with the Commissioner.

TMCP has notified the Commissioner under the following categories:

- Staff Administration
- Administration of Membership Records
- Fundraising
- Realising the Objectives of a Charitable Organisation or Voluntary Body
- Crime Prevention and Prosecution of Offenders

Standing Order 019 requires all groups registered under TMCP's notification to indemnify TMCP for any consequences of any breach of the Data Protection Act 1998. It also requires Districts, Circuits and Churches to register directly with the Commissioner if TMCP's block registration is not sufficiently comprehensive for their purposes, and to notify TMCP that they have done so.

Charity Registration

The Board has submitted an application for registration following detailed correspondence with the Charity Commission. The Charity Commission has advised that our application will be accepted and the Board awaits receipt of its registration number.

FINANCIAL REVIEW

The Trustees for Methodist Church Purposes ended the year to 31st August 2009 with net outgoing resources, before revaluations of investment assets, of £109,208. After adjusting for a net loss on investments of £166,006 there was a net movement in funds of £ 275,214 .

The Management Charge for year end 31st August 2009 was 0.155% and this remains the same for the following year.

Staff and administration costs remained in line with budget and included an agreed contribution to the Methodist Council in respect of Personnel and Administration support.

In 2009 the office had been refurbished, but the costs have been written off to expenditure in the year.

Financial Review cont.....

Reserves Policy

The Board is keenly aware of the need, not only to secure their viability in the immediate future, but to provide reliable services over the longer term. More specifically, their policy in respect of use of the Administration Fund is:-

- i. Subsidise the work of the Board and benefit the managing trustees.
- ii. Contribute to the cost of additional services which otherwise would be funded wholly by the Methodist Council or Districts.
- iii. Support and uphold the rights of trustees. The fund is available for unforeseen circumstances in these litigious days. It provides a safety net should the Board be called upon to meet additional obligations as part of its custodian trusteeship responsibilities.

The Board's policy is to use the income of £78,677 in 2008/09 (£95,407 in 2007/08) from the Administration Fund together with an annual allocation of capital to contribute towards the cost to managing trustees of the operation of the Board's responsibilities.

It is considered prudent to ensure that no dependence is placed upon an annual increase in the Administration Fund which may arise as a result of investment gains.

When the Annual Budget is prepared, the Reserves Policy is reviewed to ensure the appropriate allocation of the Administration Fund for the forthcoming year.

The Board also reviews the level of capital in the Administration Fund annually and makes a judgment as to the level below which it should not fall in case the Board is called upon to meet unforeseen obligations as part of its custodian trusteeship responsibilities.

Investment Policy

The Board has agreed investment objectives for each of the trusts for which it is full trustee and reviews annually the criteria for the investment of the Trustees Interest Fund in collaboration with the Central Finance Board. The policy is reviewed annually.

The Board adopted an Ethical Investing Policy on 19th May 2004 which applies to the full trusts for which it has managing trustee responsibility. The policy is reviewed annually. The investment policy for trusts of which TMCP is solely custodian is in the hands of managing trustees.

Risk Assessment Management

The Board, through the Executive, regularly reviews the risks to which its operation is subject and maintains appropriate arrangements to mitigate those risks. The primary risks are loss of premises, loss of data, loss of key staff, fraud and the volatility of the current investment market. A full statement of the Risk Management policy is available on request.

Accounting and Reporting Responsibilities

Law applicable to churches in England and Wales requires the Board to prepare financial statements for each financial year, which give a true and fair view of its financial activities during the year and of its financial position at the end of the year. In preparing the financial statements, the Trustees should follow best practice and:

Accounting and Reporting cont.....

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards and the Statement of Recommended Practice 2005, Accounting and Reporting by Charities have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that activities will continue.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of The Trustees for Methodist Church Purposes and which, in order to adhere to good practice, will enable it to ensure that the financial statements comply with the Charities Act 1993. It is also responsible for taking reasonable steps to safeguard the assets of the organisation and to prevent and detect fraud and other irregularities.

In so far as the Board Members are aware:

- There is no relevant audit information of which the auditors are unaware;
- The Board Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board on: 11thFebruary 2010 and signed on its behalf by:



.....

Board Member



.....

Board Member

INDEPENDENT AUDITOR'S REPORT TO THE BOARD

We have audited the financial statements of the Trustees for Methodist Church Purposes for the year ended 31st August 2009 on pages 11 to 20 which comprise the Statement of Financial Activities, the Balance Sheet and notes 1 to 15. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out therein.

This report is made solely to the Board, as a body. Our audit work has been undertaken so that we might state to the Board 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 Board as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of the Board and Auditors

The Board is required by law to keep accounts of the assets and liabilities of each Trust fund and of its income and expenditure; and to prepare Annual Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice) and cause them to be audited.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with applicable law. We also report to you if, in our opinion, the Board's report is consistent with the financial statements, if the Board has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read other information contained in the Board Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

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

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

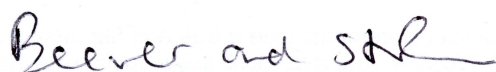
INDEPENDENT AUDITOR'S REPORT TO THE BOARD (continued)

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the Board's affairs as at 31st August 2009 and of its incoming resources and resources expended for the year then ended and have been properly prepared.

Custodian Trustees

In our opinion the investments referred to in note 1, detailed in certificates as at 31st August 2009 and circulated to the Managing Trustees, were in existence at that date and the income received has been accounted for to the respective Managing Trustees and listed on these statements.



St George's House
215/219 Chester Road
Manchester
M15 4JE

BEEVER & STRUTHERS
Chartered Accountants
Registered Auditors

Dated: 11th February 2010

Statement of Financial Activities
For the Year Ended 31st August 2009

	Note	Unrestricted Funds 2009 £	Unrestricted Funds 2008 £
Incoming Resources			
Incoming resources from generated funds			
Voluntary Income	3 (a)	16,210	-
Investment Income	3 (b)	78,677	95,407
Incoming resources from charitable activities	3 (c)	<u>425,644</u>	<u>408,813</u>
Total Incoming Resources		<u>520,531</u>	<u>504,220</u>
Resources Expended			
Charitable Activities	4(a) (b)	617,689	545,341
Governance Costs	4(c)	<u>12,050</u>	<u>17,561</u>
Total Resources Expended		<u>629,739</u>	<u>562,902</u>
Net outgoing resources		(109,208)	(58,682)
Other Recognised Gains and Losses			
Losses on investment assets	7	<u>(166,006)</u>	<u>(180,938)</u>
Net movement in funds	10	(275,214)	(239,620)
Reconciliation of Funds			
Fund balances brought forward at 1 st September		2,249,455	2,489,075
Fund balances carried forward 31 st August	10	<u>1,974,241</u>	<u>2,249,455</u>

The above results all relate to continuing operations.

All recognised gains and losses are included in this statement.

The notes on pages 13 - 20 form an integral part of these accounts.

Balance Sheet as at 31st August 2009

	Note	2009 £	2008 £
Fixed Assets			
Tangible fixed assets	6	-	-
Investments	7	<u>1,938,512</u>	<u>2,194,904</u>
Total Fixed Assets		<u>1,938,512</u>	<u>2,194,904</u>
Current Assets			
Debtors and prepayments	8	50,387	30,514
Cash in hand and at bank		<u>9,904</u>	<u>54,974</u>
Total current assets		<u>60,291</u>	<u>85,488</u>
Liabilities:			
Creditors:			
Amounts falling due within one year	9	<u>(24,562)</u>	<u>(30,937)</u>
Net Current Assets		<u>35,729</u>	<u>54,551</u>
Net Assets		<u>1,974,241</u>	<u>2,249,455</u>
The Funds of the Charity			
Unrestricted income funds	10	<u>1,974,241</u>	<u>2,249,455</u>
Total Charity Funds		<u>1,974,241</u>	<u>2,249,455</u>

Approved by the Board on: 11th February 2010 and signed on its behalf by:



..... Board Member



..... Board Member

The notes on pages 13 - 20 form an integral part of these accounts.

Notes to the Accounts
For the Year Ended 31st August 2009**1. Trustees for Methodist Church Purposes (The Board)**

These accounts reflect only the state of affairs and income and expenditure of the Board in relation to its own direct affairs. The Board also acts as either custodian trustee in respect of all property held on model trust or full trustee of a number of other trusts.

These accounts do not include investments of some £242 million (2008: £256 million) at market value held by the Board in its capacity as trustee or custodian trustee. Of the £242 million, approximately £4.3 million is in the form of trusts over which the Board has full discretion in accordance with the objects of the Trust.

2. Statement of Accounting Policies**(a). Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments described in 2 (e). Although the Board is not legally bound to comply with charity legislation, it chooses to accept the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005) issued in March 2005 in recognition of good practice.

(b). Cash flow statement

The Board is similar to a small company and in accordance with FRS1 has not prepared a cash flow statement.

(c). Tangible Fixed assets

Fixed assets purchased in the year costing over £5,000 are capitalised.

Existing Fixtures and Fittings have been written off.

Depreciation on assets in use has been provided at rates calculated to write down their cost or valuation to their residual values over the period of their estimated useful economic lives.

The principal rates of depreciation used during the year are as follows:

Fixtures and Fittings	20% on straight line basis
Computer	20% on straight line basis

(d). Taxation

The Trustees for Methodist Church Purposes is exempt from Income and Corporation Tax because of its charitable status.

(e). Investments

Investments are stated at the market value provided by the Central Finance Board of the Methodist Church. The net gains / (losses) on the revaluation of the investments are shown in note 7a.

Notes to the Accounts
For the Year Ended 31st August 2009

2. Statement of Accounting Policies (Continued)

(f). Incoming Resources

- Voluntary income, including donations, gifts and legacies, are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.
- Dividends received from the Central Finance Board are recorded on a cash basis.
- Interest from investments is recognised on an accruals basis.
- The management charge represents amounts invoiced in the year, exclusive of Value Added Tax.

(g). Resources Expended

Expenditure is recognised when a liability is incurred.

- Charitable activities include the direct costs of the Board's activities, for example, wages and salary costs for staff employed by the Board and direct costs and support costs.
- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements and include internal and external audit and trustees' expenses.
- All amounts are stated net of Value Added Tax.

(h). Pension Costs

The Board is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, which is a multi-employer, defined benefit scheme for lay employees. As it is not possible to identify the share of the underlying assets and liabilities of the scheme attributable to the Trustees for Methodist Church Purposes on a consistent and reasonable basis, it is accounted for as a defined contribution scheme. Accordingly, contributions payable to this scheme are charged to the statement of financial activities in the period to which they relate.

3. Incoming Resources from Generated funds

	2009	2008
	£	£
(a) Voluntary Income		
Trust 18529 bequest of M A Rose further to Conference resolution of 1999	16,210	-
	<hr/>	<hr/>
(b) Investment Income		
Deposit Interest	11,570	23,156
Dividends	67,107	72,251
	<hr/>	<hr/>
	78,677	95,407
	<hr/>	<hr/>

Notes to the Accounts
For the Year Ended 31st August 2009

3(c) Incoming Resources from Charitable activities	2009	2008
	£	£
Management Charge	337,024	342,480
Methodist Council Contribution	87,267	63,750
Legal income and recovery of bank charges	1,353	2,583
	<u>425,644</u>	<u>408,813</u>

4(a) Analysis of Resources Expended

	Staff costs	Support costs	2009	2008
	£	£	£	£
Direct charitable expenditure	465,430	152,259	617,689	545,341
Governance costs (note 4(c))	-	12,050	12,050	17,561
	<u>465,430</u>	<u>164,309</u>	<u>629,739</u>	<u>562,902</u>

4(b) Staff Costs

	2009	2008
	£	£
Wages, Salaries and Agency costs	372,786	313,912
Social Security costs	35,934	31,201
Pension & PHI costs	56,710	39,870
	<u>465,430</u>	<u>384,983</u>
Average number of employees (all administration)	14	12

There are no employees with emoluments above £60,000.

4(c) Governance Costs

	2009	2008
	£	£
Trustees Expenses (note 13)	868	960
Committee Expenses (sundry costs)	438	204
Professional and Legal fees	-	135
Auditors Remuneration:		
In their capacity as external auditors	5,850	5,600
Charges for other services:	4,894	10,662
	<u>12,050</u>	<u>17,561</u>

Notes to the Accounts
For the Year Ended 31st August 2009

5. Net movement in funds for the year	2009	2008	
Net movement in funds for the year is stated after charging:-	£	£	
Depreciation	<u>-</u>	<u>924</u>	
6. Tangible Fixed Assets			
	Fixtures & Fittings £	Computer £	Total £
Cost			
At 1 st September 2008	12,701	47,731	60,432
Disposals	<u>(12,701)</u>	<u>-</u>	<u>(12,701)</u>
At 31st August 2009	<u>-</u>	<u>47,731</u>	<u>47,731</u>
Depreciation			
At 1 st September 2008	12,701	47,731	60,432
Disposals	<u>(12,701)</u>	<u>-</u>	<u>(12,701)</u>
At 31st August 2009	<u>-</u>	<u>47,731</u>	<u>47,731</u>
Net Book Values			
At 31st August 2009	<u>-</u>	<u>-</u>	<u>-</u>
At 31 st August 2008	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Accounts
For the Year Ended 31st August 2009

7. Investments

(a). Movement on Investments

	2009	2008
	£	£
Market value 1 st September	2,194,904	2,375,683
Acquisitions	85,441	45,035
Disposal proceeds	(50,467)	(9,998)
Net Transfers from Trustees Interest Fund	(125,360)	(34,878)
Net Investment losses	(166,006)	(180,938)
	<hr/>	<hr/>
Market value at 31 st August	<u>1,938,512</u>	<u>2,194,904</u>

(b). Analysis of Investments

Market value is that provided by the Central Finance Board of the Methodist Church.

	2009	2008
	Market Value	Market Value
	£	£
Central Finance Board		
Trustees Interest Fund	79,530	204,890
Managed Mixed Fund	17	19
Overseas Investment Fund	250,233	268,949
UK Equity Fund	1,159,480	1,238,865
Short Fixed Interest Fund	385,769	395,643
Property Investment Fund	63,483	86,538
	<hr/>	<hr/>
	<u>1,938,512</u>	<u>2,194,904</u>

8. Debtors

	2009	2008
	£	£
Debtors and prepayments	40,139	24,154
VAT	10,248	6,360
	<hr/>	<hr/>
	<u>50,387</u>	<u>30,514</u>

Notes to the Accounts
For the Year Ended 31st August 2009

9. Creditors

	2009 £	2008 £
Trade creditors	9,733	5,756
Accruals	<u>14,829</u>	<u>25,181</u>
	<u>24,562</u>	<u>30,937</u>

10. Unrestricted - Administration Fund

	2009 £	2008 £
Accumulated fund at 1 st September	2,249,455	2,489,075
Net movement in funds	<u>(275,214)</u>	<u>(239,620)</u>
At 31 st August	<u>1,974,241</u>	<u>2,249,455</u>

11. Unrestricted Funds

All funds are unrestricted. That is, they are expendable at the discretion of the Board in furtherance of the objects of the Trust.

12. Pension Costs

The Board is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church, which is a multi-employer, defined benefit scheme.

The assets of the pension scheme are held separately from those of the Trustees for Methodist Church Purposes in independently administered funds.

The actuaries are of the opinion that it is not possible to identify on a consistent and reasonable basis, the share of the underlying assets and liabilities of the scheme attributable to the Trustees for Methodist Church Purposes. As such, it is accounted for as a defined contribution scheme under FRS17. Accordingly, the FRS 17 pension disclosures are limited to the information set out below.

FRS17 Disclosures

A valuation for the purposes of this disclosure was carried out at 31st August 2009 by an independent actuary. The major assumptions used by the actuary were:-

	2009	2008
	%	%
Rate of increase in salaries	4.3	5.5
Rate of increase in pension payments	2.1/3.2/5.0	2.5/3.9/5.0
Discount rate	5.4	6.4
Inflation rate assumed	3.3	4.0

Notes to the Accounts
For the Year Ended 31st August 2009

12. Pension Costs (continued)

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

	31st August 2009	31st August 2008
	%	%
Equities	62	60
Gilts	8	12
Corporate Bonds	17	14
Index Linked Bonds	5	6
Property	4	4
Cash	4	4

The following amounts at 31st August 2009 were measured in accordance with the requirements of FRS17.

	£ million
Total market value of assets	28.4
Present value of scheme liabilities	<u>(30.7)</u>
Net Pension Liability	<u>(2.3)</u>

The expected rate of return on the Scheme assets as at 31st August 2009 (for the following year) amounts to 6.7% pa.

The Lay Employees' Pension Scheme operated by the Methodist Church is a defined benefit scheme. However, the Board is not the only participating employer in the scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the Board. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer. Approximately 5.2% of the active membership of the scheme are employees of the Board.

The total employer contributions paid to the scheme during the year were £0.985m (2008: £0.934m), of which the Board's contributions totalled £49,328 (2008: £36,430).

A full actuarial valuation of the scheme was carried out at 1st September 2008 by an independent actuary. The valuation disclosed a past service deficit of £2.2m. The Scheme Actuary recommended a contribution rate of 24.1% of pensionable earnings for the employers with 8% of pensionable earnings from members, which is intended to meet the cost of benefits accruing to members from 1st September 2009 and to eliminate the past service deficit.

Notes to the Accounts
For the Year Ended 31st August 2009

13. Transactions with Members of the Board and Connected Persons

Under the requirements of Accounting by Charities - Statement of Recommended Practice 2005, it is necessary to disclose details of certain transactions with members and connected persons.

	2009	2008	2009	2008
Nature of transaction	£	£	No	No
Travel expenses reimbursed	868	960	12	12

14. Landfill Grants

During the year, as part of the Board's custodian responsibilities, the following transactions took place with regard to landfill grants:

	2009	2008	2009	2008
Nature of transaction	£	£	No	No
Grants received	316,587	601,749	29	50
Grants paid	377,684	535,112	33	51

These amounts are not included in these financial statements.

15. Post Balance Sheet event

Following the fall in the stock market in the previous year, the increase in value of investments as at 31st August 2009 has continued upwards.

Investments held at 31st December 2009 show a 7% increase since the year end.

Following Financial Reporting Standard (FRS) 21, this is not reflected in the balance sheet.