

The Methodist Church in Great Britain
Consolidated Report and Financial Statements
for the year ended 31 August 2023

Table of Contents

Welcome from the Revd Dr Jonathan Hustler	2
The Methodist Church in Great Britain Trustees' Report	3-40
Strategic objectives, aims and purposes of The Methodist Church in Great Britain	3
Public benefit requirement	3
Structure	3
Overview of the work of The Methodist Church In Great Britain	9
Key activities	9
Grants	23
Plans for the future	24
The environment	25
Remuneration of key management personnel	26
Fundraising activities	26
Financial review	27
Reserves policy	28
Investments	31
Risk management	32
Data protection	35
Going concern	35
Related parties	36
Statement of Trustees' responsibilities	37
Independent Auditor's report to the Trustees of The Methodist Church in Great Britain	38
Consolidated Financial Statements	41-92
Statement of financial activities	42
Statement of financial activities – The Connexional Funds	43
Balance sheets	44
Cash flow statements	45
Notes to the Consolidated Financial Statements	47
Trustees and committee memberships	93
Reference and administrative details	95

Welcome from the Revd Dr Jonathan R Hustler

Brothers and Sisters

It is my privilege to introduce to you the annual report for 2022-23. With events of the past year shaping the work of the Church, this report demonstrates the variety of work that has been carried out and how it reflects Our Calling to respond to the Gospel of God's love in Christ and to live out our discipleship.

The priorities of the Methodist Church, which are embedded within Our Calling, underpin everything we do with God at our centre and this report gives us an insight not only to the financial resources of the Church, but the wider work done that has had an impact in the world as well as the Connexion.

The Annual Report gives us the opportunity to engage with the processes followed and enable us to focus on the resources at our disposal. We live in challenging times and this report documents the many ways in which the Methodist Church in Great Britain has faced the challenges. As we discover what it means to live on the other side of a global pandemic, wrestle with the opportunities and risks of the digital world, and accept that in many places the Church of the future will be very different from the church of the past, the responsible stewardship of our resources is a vital task.

This report is an account of that stewardship. Thanks are owed to all involved throughout the Connexion as we use what we have received to be an inclusive, evangelistic, growing, justice-seeking church.

The Revd Dr Jonathan R Hustler

Secretary of the Methodist Conference

January 2024

The Methodist Church in Great Britain Trustees' Report

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

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

Public Benefit Requirement

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

This guidance sets out two key principles:

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

The Church exists, *inter alia*, to:

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

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

Structure

The entities included in this report are not a record of all the financial activities of the wider 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 on the group structure diagram in 'Note 1' of the financial statements on page 47 and include:

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

These financial statements are the consolidated financial statements for the Methodist Council (the Council) and entities under its control. The above-named organisations have purposes that are consistent with those of the Methodist Church and at least 50% of their trustees are appointed by the Council, thus demonstrating a level of control.

The Methodist Church registered as a charity on 20 October 2009 (charity number 1132208 – 'The Methodist Church in Great Britain') when it became necessary for excepted charities with a gross annual income over £100,000 to register.

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

Governance and Oversight

The Constitutional Practice and Discipline of The Methodist Church (2023 edition) Volumes 1 and 2 contain the governing documents of The Methodist Church. The authority under which the Conference acts is legally given by The Methodist Church Act 1976. The Deed of Union provides for the Conference to be the governing body of the Methodist Church. The next ‘tier’ of authority is given by the Model Trusts in the second Schedule of the Act and the Deed of Union. These derive their authority from the Act. Thirdly, there are the Standing Orders and guidelines adopted by the Conference, which are far more detailed and easily changed, provided that they are within the limits prescribed by the Act, the Model Trusts and the Deed.

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

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



The Methodist Conference

The Conference is the ultimate decision-making body of The Methodist Church. It sets policy for the Church, exercises discipline and ensures effective management and administration of the Church’s affairs. The Conference meets annually in Representative and Presbyteral Sessions (and there is, in addition, a Conference Diaconal Committee). The Conference is a representative body of 306 members comprising ministers and laypersons from the 29 districts of The Methodist Church as well as other sections of the Church.

The Methodist Council

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

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

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

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

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

- adopting and presenting to the Conference the unified statement of connexional finances;
- recommending the budget for the Methodist Church Fund (unrestricted general fund);
- employing lay members of the Connexional Team and being the responsible body recommending the stationing of the Church's ordained members within the team;
- administering Connexional Funds;
- making recommendations on expenditure and amounts to be contributed by the circuits through districts to fund the next connexional year;
- recommending to the Conference minimum stipends for ministers and probationers, including additional allowances to be paid to superintendent ministers, district chairs and the maximum to be reimbursed from the Connexional Sabbatical Fund;
- dealing with all model trust property affairs and the building, legal and financial aspects of shared schemes under the Sharing of Church Buildings Act 1969, where that act applies;
- acting generally in relation to property affairs and constituted to discharge the responsibilities of the former Property Division; and
- ensuring that the sale, lease, rental or lending of artefacts, publications and records which are model trust property and which in the view of the Council (on the recommendation of the Heritage Committee) are historically significant are scrutinised before going ahead.

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

The Strategy and Resources Committee

The Conference appoints annually the Strategy and Resources Committee (SRC), a sub-committee of the Methodist Council. The SRC advises the Council in relation to all matters that are within the SRC's terms of reference, having regard to advice of non-voting members. The Committee, which met four times in 2022/2023, has specific responsibility for detailed review and subsequent reporting to the Council on the following aspects of its work:

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

The Audit and Risk Assurance Committee

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

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

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

Oversight Committees

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

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

- The Fund for the Support of Presbyters and Deacons;
- The Methodist Medical Benevolent Fund;
- The Aspinall Robinson Trust, and
- The Benevolent Fund for Deaconesses.

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

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

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

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

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

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

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

Other Oversight Bodies

A comprehensive list of the subsidiaries whose financial statements are included in The Methodist Church Consolidated Financial Statements is provided on page 61. For each of them, a local governance committee or group of managing trustees is appointed by the Council to oversee the entity, within the terms of responsibility delegated to them by the Council. Ultimate control in all these cases resides with the Methodist Council. Through a governance scrutiny process overseen by the SRC, the Council aims to monitor standards of governance in all the entities that are accountable to the Council and the Conference.

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

The Council reviews and re-confirms the appointment of all the trustees to each of these bodies on an annual basis regardless of the term of office for each individual.

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

Proposed Governance and Oversight changes

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

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

Overview of the Work of The Methodist Church in Great Britain

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

- 3,332 places of worship, with around 136,891 members;
- the work of around 1,226 active Methodist ministers;
- pupils enrolled in 84 Methodist schools;
- innumerable hours of voluntary time given by our members, local preachers, office holders and others in the community, contributing to the diverse activities of local churches.

Without the support of volunteers across the connexion the Church would simply be unable to live out its calling to respond to the Gospel of God's love in Christ. Specifically in relation to the activities covered in this report, we are immensely grateful for the 842 volunteers (note 12 in the accounts) who serve on a whole range of Connexional committees, working groups, and other bodies that support the life of the Church.

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

Key Activities

The Methodist Conference

The government and discipline of the Methodist Church, along with the management and administration of its affairs, are vested in the Methodist Conference that meets annually. The Conference receives reports covering all aspects of the Church's life and witness. At its meeting hosted from Birmingham, in June 2023:

- 13 presbyters and 4 deacons were received into Full Connexion on Sunday 25 June, along with 10 presbyters by transfer and 1 presbyter by reinstatement and transfer. Later that day, ordination services took place in Coventry at Methodist Central Hall and Coventry Cathedral.
- The Conference received the Report on Oversight and Trusteeship proposals. Following consultation with the District Synods, the Conference confirmed changes to the Deed of Union which it agreed in 2022, to establish a Connexional Council from 1 September 2024. The Connexional Council will be the trustee body for the Church, and will undertake many of the functions of the present Methodist Council and Strategy and Resources Committee. Further to the decisions of the 2022 Conference in respect of reducing the size of the Conference from 2024, the Council brought a proposed allocation of seats in order to achieve that reduction. Among other changes, proposals were agreed to abolish the category of Conference-elected representatives and replace it with members of the Connexional Council.
- The Conference agreed to the establishment of a new District incorporating the present Cumbria, Lancashire, Liverpool and Bolton and Rochdale Districts, with a continuing consultation taking place in the Manchester and Stockport District concerning this proposal. The new District will come into being on 1 September 2024 and will be called the North West England District.
- There is Room – Triennial Membership Returns 2019-2022 were reported. For the years 2020 and 2021 attendances were not recorded due to the lockdown with many societies meeting online for that time. The attendance figures for 2022 (as for 2019) do not include

those who shared in online services. The numbers indicate a 3,000 reduction between 2021 and 2022, more typical of pre-pandemic trends.

- The report of the Walking with Micah project was presented to the Conference. Walking with Micah has been a two-year project helping the Methodist Church to explore what it means to be a justice-seeking Church. It draws on Methodist history, theology, current concerns and practice, and recommends a framework of principles for justice which underpin our understanding of God's justice and what it means to seek justice. The report recognised how much is being done in churches to tackle injustice and recommends a two-year programme to embed these principles, priorities and practices in order to support and encourage this work. The Conference commended the report for prayerful study and action throughout the Connexion.
- The Youth President highlighted the success of last year's 3Generate event that was bigger than ever before with 1,200 children and young people, 456 group leaders, and 252 volunteers joining together. The Conference received the report, which called upon all Methodists actively to engage in conversation with children and young people about faith and life.
- The Conference agreed to roll out a scheme to help resolve disputes in church communities across the Church following a successful pilot project. The Conference adopted the recommendation for the five-year programme, in partnership with Place for Hope, to offer an integrated approach in support of Positive Working Together and extending the Reconciliation and Mediation Team as a Connexion-wide programme.
- The Conference approved A Methodist Way of Life (methodist.org.uk/our-faith/a-methodist-way-of-life) and in workshops engaged with experiences and ideas of how this model of structured discipleship can help people to grow in faith and confidence.

Organisation of the work

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

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

Each of these is reviewed below.

1. Building Communities

The Methodist Church continues to work ecumenically where possible. All the ministries of the Local Churches, Circuits, Districts and Connexional team can only happen after the question is posed: 'Can this be done ecumenically?' Only after that question is considered can any further ministry of the Methodist Church be developed.

The Methodist Church continues to play its full role within the ecumenical bodies: Churches Together in England, former ACTS now the nascent Churches Together in Scotland, Cytun Churches Together in Wales and Churches Together in Britain and Ireland. It also keeps bi-lateral ecumenical relationships with several denominations. To name but a few: with the Church of England, the United Reformed Church (URC) and the Roman Catholic Church. With the Church of England it was agreed to re-start work on producing liturgy and legislation regarding mutual

recognition of ministries. The Methodist Church shares much in common with the URC, a group or representatives participated in the URC's 50th anniversary celebrations, and the MC shares with the URC in many Local Ecumenical Partnerships locally as well as in ecumenical areas. With the Roman Catholic Church, the National Dialogue Commission continues its work and the Methodist Church has contributed to the Synodical process that the URC is engaged with.

The Ecumenical desk of the Methodist Church supports with advice and guidance over 600 Local Ecumenical Partnerships (LEP) spread across the entire Connexion. There are around 28,000 Methodists worshipping in Local Ecumenical Partnerships. The LEPs offer a solid basis for ecumenical cooperation. They are resilient congregations. Figures from the United Reformed Church and the Methodist Church show a slower decline in number of LEPs than in numbers of single denominational congregations.

The Ecumenical desk has provided training and support for those wanting to create new forms of cooperation or to document existing ones. The 'A Flexible Framework for Unity in Mission' continues to guide ecumenical cooperation in establishing the level of complexity required for different forms of collaboration: working agreement, partnership agreement, or the more complex constitutional agreement.

The Ecumenical Officers (EOs) of different denominations meet once a month on zoom to share concerns, plan joint work, and to pray. There are two annual Churches Together in England Conferences that the Methodist ecumenical desk is involved in leading: the All EOs' Conference and the Conference for new EOs. Globally, the Methodist Church sent a delegation to the World Council of Churches 11th Assembly in Karlsruhe, Germany, 31st August to the 8th September 2022, under the theme: "Christ's love moves the world to reconciliation and unity".

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

They have led interfaith and civil society groups to campaign on rising levels of poverty in the UK, launching the Let's End Poverty movement to mobilise local communities to call on political leaders to prioritise tackling UK poverty. In doing so they have sought to amplify the perspectives of people in our communities with first-hand experience of poverty, particularly at the joint 'Dignity' conference with Church Action on Poverty and the APLE collective.

They have continued to speak out for welcome towards refugees and people seeking asylum, coordinating over 1,450 church leaders to write to the Prime Minister about the Illegal Migration Bill. They have supported churches to explore the issues raised by the war in Ukraine with a briefing about the ethical and theological implications of the war, and have continued to equip churches to tackle the climate crisis through Net-Zero in My Neighbourhood resources and responding to UN COP27. At the May 2023 elections, JPIT supported the Methodist Church to ensure congregations were aware of the introduction of Voter ID rules, and to support communities to ensure vulnerable groups were not disenfranchised by new rules.

JPIT have continued to equip local leaders to preach and pray about justice and peace, reaching three years of daily Stay and Pray calls to prayer online, running a 'Preaching the Good News' roadshow with All We Can as well as continuing to provide the weekly Politics in the Pulpit lectionary based preaching podcast.

The operation and output of the Publishing Services team has continued to shift significantly in two directions. First, towards closer collaboration and providing editorial and design services for the Digital Communications team in response to our 'digital first' publishing strategy. This supports both wider distribution and greater accessibility for many in the Church, and our drive towards net zero.

Second, there has been a marked increase in the proportion of unpriced resources being produced in print or equivalent formats (such as machine-readable plain text, downloadable pdf or PowerPoint), which support the delivery of mission and ministry programmes, rather than, for example, publishing stand-alone books for sale. One notable exception is the popular and profitable annual *Methodist Prayer Handbook* of which we sold around 20k in the standard edition and more than 1,600 in a large print edition, plus releasing an e-book edition.

Many of our so-called ‘free’ publications are essential to the safe and effective running of our churches and integrate content available online with printed resources, from training manuals for Safeguarding courses, to posters and cards to support outreach at Christmas with video and worship resources provided online. By far the greatest annual investment in unpriced print was the production and distribution to 65k subscribers of four issues of the flagship magazine, *the connexion*, that shares how local churches and our partner organisations are responding to our calling and engaging in the mission of the Methodist Church.

2. Children, Youth and Families

Direct work with children and young people and supporting local leaders

3Generate 2022 and preparation for 2023

3Generate 2022 took place in September. There were 1,200 children and young people, 456 group leaders, and 252 volunteers joining together at the NEC in Birmingham. The Methodist Children and Youth Assembly report the results of elections held, bring to attention the topics that are important to children and young people, and present resolutions that aim to break barriers which impact children and young people from being full participants in their local churches.

3Generate aims to encourage children and young people to ‘Tune in to God, the World and Each Other’ and to discern what actions need to be taken for themselves, with peers, in their local church or community. One of this year’s resolutions to the Conference from the Assembly asked everyone to speak to children and young people in their context and encouraged the Church to be in dialogue with children and young people. They offered and encouraged access to churches to attend a Youthscape Essentials training module that equips good dialogue. These were run across the year by the Connexional Team and some of the District Ambassadors.

The 2023 Children and Youth Assembly took place from the 6th until the 8th of October at The NEC Birmingham. In January 2023 groups of children and young people from across the Connexion gathered at an Influencers’ Day to shape that year’s Assembly. The Youth President and 3Generate Reps facilitated conversations with children and young people from across the Connexion at this event to explore potential topics for sessions and what experiences and discussions they wanted at this year’s Assembly.

The 2023 Assembly was attended by 1,300 children and young people supported by nearly 500 leaders and a further 230 volunteers and members of the team who facilitate the event. The event included a collaboration with The Methodist Arts Committee to create an immersive art experience based on Eularia Clark, *The Five Thousand*. This created opportunities to respond and be in dialogue about food, sustainability, spirituality and faith.

The 4-7years intergenerational Assembly area grew from 80 to 120 attendees. This is modelling intergenerational dialogue and faith formation.

Support, Equipping and growing Young leaders across the Connexion

The Leadership year is a programme for the development of 18-30 year olds in leadership consisting of three residential weekends across the year where there is the opportunity to explore the Characteristics needed for healthy Christian Leadership.

13 young adults from across the connexion completed the final Leadership Year weekend for 2022/23 in July.

In the Connexional year 2023/24 twelve funded places are being offered for the Leadership Year and plans include involving some of the new students at Cliff College.

One Programme

Of those who have finished the One Programme in August 2023, 2 have continued to be employed by their project, with 1 hoping to find funding to continue at their project, and 1 has just started the degree course at Cliff College.

The One Programme will be on hold for 2023/2024 as we develop with Cliff College a young adult plan and that will have a number of focus areas for leadership growth and experiences.

3Generate Reps programme

This group are elected into their roles and act as the Youth President Advisory group alongside a selection of focused roles. They attend three residentials across the year where they receive training, mentoring and support. Part of their role is to talk to children and young people and to be involved in consultations representing children and young people. There are currently 13 Repls with the following roles; Conference, Council, Agents of Change (Social Action), Global and Digital.

Training and equipping

We continue to equip leaders across the connexion in Youth Mental Health First Aid and deliver three sessions a year, training up to 48 people in these essential skills annually.

We now have 20 people on the list of trainers for Youthscape essentials Youth Ministry Training (a mix of local workers, Connexional team and District Ambassadors) available to deliver the Youthscape Essentials training course. The first Connexional online course is currently underway (being delivered collaboratively by a number of trainers) and Southampton District have been running a local offering. There are also plans for another Connexional course starting January 2024 and some other local courses, including in Cumbria, Solihull and Enfield.

3. Evangelism and Growth

It's been three years since *God for All: The Connexional Strategy for Evangelism and Growth* launched in September 2020. Overall engagement has deepened in the past year: participation in the key programmes has increased; all districts continue to use the formal process of planning new Christian communities (New Places for New People) to receive their allocated funding; accompanying and supporting superintendents as missional leaders remains a focus; and the Evangelism & Growth Team has continued to offer help to circuits online and onsite.

Some key highlights:

- **A Methodist Way of Life.** The Methodist Way of Life / Discipleship Pathways toolkit launched in September 2023 after a successful year of piloting. This is a suite of resources to help individuals and church communities to use MWOL as a framework for their discipleship based on Our Calling. The toolkit includes 40 new webpages with guidance and interactive activities, two animations, and a range of physical resources including Pocket Guides and floor mats. More information can be found at: www.methodist.org.uk/discipleship
- **Sunshine and Showers.** The new Sunshine and Showers prayer course launched in August 2023. It is a way for groups to explore and discuss prayer by considering six paradoxes. The resource includes a series of animations, conversation videos, and a booklet for journaling. More information can be found at: www.methodist.org.uk/sunshine
- **Evangelistic engagement.** As well as rolling out continued evangelistic training with churches, circuits and districts and reaching increasing numbers, this year we've increased engagement at events of national significance. In 2022 we were present at four events,

and in 2023 we have been present at seven events, with Connexion-wide teams, equipping diverse people for effective evangelism and outreach. We've also launched a new community of support for people creating new Christian communities online, such as podcasts alongside a funding stream. This year four communities have been funded, and a further three projects have been supported by the community.

- **Church at the Margins.** Online courses to begin a Church at the Margins are available, alongside a newly launched workbook to resource small groups with practices to begin a new Christian community at the economic margins. Further development of Faith Rooted Community Organising (FRCO) has taken place, including introductory courses on FRCO at Cliff College, and resourcing of a pilot project in the West Midlands accompanying congregations to develop FRCO core practices.
- **Coach Training.** We have been developing our coach training programme, offering regular online training to complement our annual Cliff College course. We've also put in place regular coaching practice sessions to raise the quality of coaching. Team coaching training is planned to take place in the next few months, upskilling our existing coaches to work with circuit teams. Coaching aims to help leaders and churches transform for the sake of transformation in the world God loves.
- **Rural Mission & Ministry.** Work continues to integrate 'rural' into all aspects of wider mission and ministry.
- **The Rural Hope network.** This is still expanding, offering an ecumenical space for encouragement, training and inspiration for lay and ordained rural leaders, covering a wide variety of content. One new strand, 'merging for mission', is being further developed this year, supporting the wider Connexional team's work with smaller churches.

As we begin the fourth year of God for All, the Evangelism and Growth Team is deepening its understanding of the impact of the Church's engagement of the strategy thus far, with two goals:

1. To reflect on the rich feedback gathered from across the church from the Connexional Team and local Methodist practitioners, and embed the significant learning;
2. To continue to hone the second major season of God For All (2025-2032), to be presented to Conference. It will build upon the energy of the first five years, and be a refocused strategy through to the centenary of the Deed of Union in 2032. It will seek to centre partnership and intersection with work of other Connexional Teams and the wider church.

4. Global relationships

The Methodist Church in Great Britain has over 100 partner churches and organisations in over 65 countries across the globe, and the continuing development of our relationships is overseen by the Global Relationships Committee (GRC).

The decision to end lay Mission Partner employment in August 2024 and review the stipend levels of ordained Mission Partners to look at the possibility of stipend levels closer to the level of local ministers, was reported to the Methodist Conference in 2023. The processes of consultation with Mission Partners on these different decisions began in autumn 2023, while the GR team continued to provide pastoral support for all Mission Partners during this period.

As well as supporting Mission Partners who commit to serve for a minimum of three years, the Global Relationships (GR) team also run a number of other programmes for people to serve the global Church.

One Global Mission Fellow (GMF) from the USA is served the Church until July 2023, this was another enriching placement both for participant and placement site at Wesley's Chapel and Leysian Mission. One British Methodist serving the Methodist Church in Ireland (MCI) completed his service in March 2023 and through this programme has further discerned his vocation and is now in employment with Coventry Central Hall.

Two successful 3 month Encounter Worldwide placements have taken place with partner churches in Namibia and Georgia (in Europe). These very different placements supported

partners in the setting up of children's groups in Namibia and in the support for Russian migrants to Georgia, one of the effects of the ongoing war in Ukraine. Both have served to strengthen ties of partnership, learning about the regions and the discernment of ongoing vocation for the newly retired participants.

Under the Encounter Together short-term group visits programme the 'Living Christianity in the Holy Land visit' was supported in January 2023. 13 people took part in this visit with 5 persons supported with qualifying bursaries from the World Mission Fund. Outcomes from this visit have been noted in vocational discernment for at least two participants.

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

With MCI we have jointly hosted online conversations with all our Partner Churches and Organisations, facilitated by a Partner, CREAS (Centro Regional Ecumenico de Asesoría y Servicio), to discern how we can best support one another in mission in our various contexts. This has now moved in to the implementation phase with the first pilot global conversations based around the topic of inequality to be led by partners and facilitated by Global Relationships from September 2023.

We are continuing to encourage British Districts to twin with Partner Churches or parts thereof and have seen district twinning partnership visits to districts in Britain from partners and to partners from British districts. This is an area of ongoing development.

We received representatives from several of our Partner Churches at this year's Methodist Conference and had fruitful discussions at a 2-day Pre-Conference Consultation around topics chosen by our Partners, with focus from partners around climate change, diversity and migration.

2022-23 Grants

One Year into the new grant payment process, the Essential grants no longer exist however Regional grants were made available to our partners as we continue to also honour our commitments to the existing Nationals in Mission Appointments and SALT for the agreed duration.

Notes:

- Solidarity Grants, a grant offered to show our support to a Partner in a crisis. This grant now continues the work of those grants previously called General Grants
- Regional Grants, a combination of Mission Initiative Grants, small grants to support a Partner in a new mission project and Capacity-building Grants given to Partners for building capacity, leadership, and long term stability

During 2023-23 we have stayed within the solidarity grants budget of £250,000 with support for 13 partners. Grants were given towards inter-faith and ecumenical peace building work in Cameroon, emergency relief after flooding events in Rwanda, Ecuador, Pakistan, Cyclone in Mozambique, water borehole construction in Tanzania, regional Methodist meetings and food programmes in Venezuela. Church staff wages to 3 partners where external support was deemed essential to the continued existence of the partner or its ability to operate at a minimal level.

55 applications totalling £3,1million in Regional Grants has been approved and sent to partners across four regions in 2022-23. In addition to that, there was a continuous downward trend in the number (23.8%) and amount of Solidarity grants given in 2022-23. It decreased from 21 Solidarity grant totalling £239k to 16 Solidarity grant totalling £197k (a decrease of 17.5% on 2021-22 amount and by 23.8% in number of applications agreed), There were no grants awarded in 2022-23 specifically for Covid-19 related work.

Due to unforeseen delays, the WMFGC were able to make decision on the combined regional grants for Partners in the Americas, Asia, Europe, only Mission Initiative grants for Pacific and none for Partner Organisations in Africa.

We are therefore anticipating spending £2.4million (£130k in Mission Initiative and £2.3m in Capacity-building) in regional grants for our partners in Africa, and £534k (Capacity-building) for the Pacific Partners within the first quarter of 2023/24.

The grants committee drawn with a majority of members from MCB partners around the world continues to function well online and process decisions in an efficient way.

To fulfil British Charity committee guidance, one of our Mission Partners, based in Togo is supporting any Partners who request help with the drafting of a safeguarding policy, or who request any support in Safeguarding training. During this year a West Africa regional safeguarding workshop was held with mission partner support in Sierra Leone.

All We Can supports locally-led community solutions and development to fulfil potential.

All We Can, Methodist relief and development, is a movement of people choosing to seek and bring hope, through committed and sustained support, action, and genuinely equal partnership. Being led by communities and partners in low- and middle-income countries means that the work we do together is driven by the hopes of those who seek it, to help drive them to overcome poverty and injustice and develop flourishing and resilient communities. This is what we do with our neighbours around the globe: we stand with them in hope of a better and more just future for them, for our whole world, for us all. We do this work as part of the Methodist family and as a means of enabling the church to respond to the issues and needs of people around the globe, who need support to enact their solutions to poverty and overcoming injustice.

Through its relational approach to partnership, All We Can believes local partner organisations rooted in their local communities are best placed to achieve meaningful and long-lasting change. By helping these organisations respond to the changing needs of their communities and supporting them with organisational capacity development, training, and resourcing, All We Can aims to leave a legacy of thriving, resilient partners who can continue to deliver impactful programmes long after our partnership ends.

In October 2022, we held a Partner Conference in Malawi to further deepen our partnership approach and bolster our policies and practice in the areas of emphasis for the current 2020-2025 strategy. The conference of Church and Non-Governmental organisational partners, hinged on our strategic pillar to: *'creating a legacy of resilient, thriving and impactful partners'*. A critical part of our capacity development approach is to foster relationship building between partners which cultivates a culture of shared learning and mutual support in country and internationally. An investment into an all-partner conference and gathering together is therefore not merely a nicety but a bedrock that catalyses our whole movement. Following the pandemic and a two-year period where no visits could take place, new entrants have joined our movement; and following a particularly challenging operating environment; this conference was needed more than ever to regroup, to recapitulate our values, vision and valour, and regalanise one another for even greater works, together.

All We Can has provided long-term development support to 24 local partners in eight countries over the last year, including two new focus countries, namely Sierra Leone and Liberia, where we have carried out extensive partner scoping and validation processes. As a result, we have established formal partnerships with four new Sierra Leonean partners and identified four Liberian organisations whose partnerships will commence in the 2022/23 financial year.

All We Can, in collaboration with the Global Relationships team of the Methodist Church in Britain is supporting various Methodist churches across different regions through the Church CAN initiative. These churches include the Methodist Church in the Caribbean and Americas (MCCA – covering multiple districts and national churches across the region), the Church of North India (CNI), the Methodist Church in Sierra Leone (MCSL), and the Methodist Church of Southern Africa (MCSA- covering multiple districts and national churches within the region). The support involves developing and implementing strategic plans, ultimately towards self-sustaining churches establishing policies and guidelines, training pastors and staff, and investing in digital resources. The impact of the support includes improved governance structures, strengthened departments, and enhanced outreach to communities. This year was the final year of support to the Methodist Church in Sierra Leone and the grant was used to establish a resource centre to improve virtual communication and online training for pastors across the conference and including training organised by Cliff College, UK. This resource centre is solar powered to ensure continuous power and internet connectivity.

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

Our emergency response work remains a critical part of our organisational impact. Utilising specialist responders and situational analysis, we responded to a variety of disasters and emergencies in the past year. Our decision to respond is based on the premise of added value.

Our joint Ukraine Emergency Appeal response with the Methodist Church in Britain continues to support several humanitarian partners provide vital housing, medicine, mental health and psychosocial support in multiple surrounding countries.

Through the joint Emergency Pakistan Flood Appeal, All We Can and the Methodist Church in Britain responded with food packages, hygiene kits and supported medical camps through our partners. Support continued through the winter months, providing blankets and quilts due to the extreme cold weather.

We responded to the Turkey & Syria Earthquake in February this year, choosing to focus on the less resourced response in Syria, working closely with our humanitarian aid partner supporting some of the most marginalised communities still affected by war in that country.

Through our flexible funding approach, enabling partners to repurpose their development grants, we also responded to the impact of Cyclone Freddy in Malawi which caused widespread flooding in March this year. We also launched our regional East Africa appeal, responding to the impact of the drought the countries of Somalia, Kenya and Ethiopia.

All We Can have an ongoing focus on building resilience, with a key focus of our work being on Disaster Risk Reduction (DRR), including disaster preparedness and management. DRR seeks to ensure response work doesn't just hold people over until the next disaster (returning to pre-disaster levels of risk and vulnerability), but rather enables and supports solutions that will withstand them.

Our ongoing commitment to work with refugees, continues to be part of our operational impact. This focus, deriving from our very first Methodist appeal in 1938, continues to focus on work of humanitarian aid partners working in the camps of Cox's Bazar, Bangladesh alongside Rohingya refugees, as well as with Syrian refugees in Za'atari refugee camp in Jordan.

This All We Can movement, will continue to work tirelessly towards our vision, doing all the good we can, wherever we can, as long as ever we can.

5. Learning network

The last year has continued to see the successful development of a joined-up delivery programme of online learning and development across the Learning Network team. This programme offers a range of options for local church leaders, lay and ordained, to engage with learning and development consistently across the connexion. The programme includes: Line Management and Lay Employees, Theological Literacy, Circuit & Church Stewards training, Explore, Positive Working Together courses, Supervisors and Supervisees, Supporting Rural Churches, Unconscious Bias and Worship Leading and Preaching support. A brochure was created to advertise these programmes, which was shared online and at synods in September 2022.

The Learning Network has worked through a reconfiguration over the year, moving away from a regional structure to operating as a single Learning Network team, with a new management structure. These changes come into effect from 1 September 2023 and will enable the Learning Network to more effectively support, resource and equip lay and ordained leaders across the church through a wide range of learning and development opportunities.

The online learning platform, MCBX was launched, with the mandatory EDI module, Unconscious Bias, and Safeguarding Advanced Module training currently on the platform. There are plans to include the Church & Circuit Steward training later in the year.

Learning Network staff continue to work closely with colleagues in both the Ministries and Mission team, in supporting and resourcing learning and development in all aspects of the church's life. This includes working closely with the Evangelism and Growth team on the development and delivery of the God for All strategy, Children, Youth and Families, Chaplaincy, Supervision and Worship Leading and Preaching.

The pilot phase of the Reconciliation and Mediation Team (RMT) is drew to an end in October 2023. The project was approved for a five-year rollout across the connexion at Conference in 2023. Work has begun on this.

We continue to develop a programme of Mental Health First Aid training and recently added Mental Health Aware, a half-day course.

6. The Methodist Council and Governance

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

The following are just a few of the actions that the Council carried out during 2022/2023 in accordance with its governance responsibilities.

- It adopted an updated risk management policy and the corporate risk register.
- The Council received reports from many committees and revised their terms of reference, and made appointments and nominations to various bodies and committees.
- It approved amended memoranda of understanding with linked organisations.
- It adopted the Modern Slavery Transparency Statement for 2022/2023.
- It received the report of the Pension Fund valuation and ratified the completed actions.
- It received a report concerning the scrutiny of the annual governance returns of Methodist entities.

Safeguarding

Safeguarding has continued to be an area of concern that is being incorporated across all our church activities. This has been enhanced with the new study guide encouraging all groups to engage with the Theology of Safeguarding report and understand how this is integral to our values and practice. Work has continued in refreshing our core training (updated Advanced Module introduced earlier this year and Foundation early next year) and preparing a new senior leadership course. Alongside this, work is underway to review safeguarding structures with a report to next year's conference on the employment of DSOs and the benefits of introducing a single connexional safeguarding structure. The safeguarding committee is undertaking a programme of district audit and also addressing the areas of independence in decision making and governance with expected proposals from this emerging next year.

7. Ministries: Vocations & Worship

The Ministries: Vocations & Worship Team has continued to work on the implementation of the Candidating Review: this represents a major moment of change in the life of the Church, requiring a great deal of care, skill and attention. It has been hugely encouraging to witness and experience the ways in which it is producing increased interest and engagement, with higher than expected numbers participating in the Discerning Ordained Ministry first stage (DOV1) of discernment. The year 2023-24 will involve work on the rollout of an 'Explore' phase which will enable people to reflect deeply on their vocation and calling to ministry.

During the year, there was continued work in the development of a number of key projects within the team's responsibilities. These included:

- Reflective Supervision, and the beginning of exploration towards bringing the next iteration of the policy to the 2026 Conference, including a major research project;
- Local Preachers and Worship Leaders: including the ongoing review of training materials, portfolio moderation processes and work among congregations of a particular cultural character;
- The encouragement and equipping of those leading worship with resources, including via the Singing the Faith Plus website;
- Lay ministries, including the embedding of Local Lay-Pastors as a new authorised ministry in the Church's life;
- Chaplaincy, connecting and resourcing the various networks of Methodist chaplains in a variety of contexts;
- The two Superintendents' Conferences, which are now well-established as crucial spaces for the formation, encouragement, resourcing and networking of those in superintendency;
- The induction of those coming into superintendency and those beginning an appointment as a District Chair;
- Shared work with the Learning Network and Network Centres on the development of theological and practical resources on leadership in the Church's life and ministries;

- Oversight of the Church’s work in theological education and ministerial formation, including partnership at both Network Centres, at Southlands College, and in fostering a forum of Methodist-related centres of higher education and research (see also the reports on those places of learning);
- The Higher Education Awards programme, encouraging Methodist scholars in a range of theological disciplines and fields, which this year included the creation of new doctoral scholarships at the Network Centres and the University of Roehampton;
- Continued development of guidance for those exercising a wide range of ministries, including Superintendents, Circuit and Church Stewards, and those tutoring, mentoring and training Local Preachers and Worship Leaders.

The Ministries: Vocations & Worship Team has continued to work hard at being intentional in listening to and learning from those in all kinds of ministry across the Connexion. This has included the ongoing “Voices of Identity” project, which has gathered the voices of ministers in specific contexts and situations, as well as forums for those engaged in local ministry, ministerial formation, preaching and worship leading, and lay ministry in all its forms.

The Queen’s Foundation

Foremost in its work as a Network Centre, Queen’s leads the Church’s responsibility for initial ministerial training (IMT), with three basic pathways available: full-time, part-time (The Queen’s Connexional Course), and circuit-based learning (CBLP). In the year 2022/23, the Foundation worked with 51 student presbyters and deacons and 46 probationer ministers, along with 17 ministers continuing to work towards degrees after ordination. These groups combined represent around 40% of Queen’s learning and formational community, alongside Anglicans, Pentecostal Christians and other independent students, particularly from black-led churches. Queen’s offers a probation studies pathway for those entering circuit ministry, which is aligned with Connexional guidelines and allows for continued reflection and study, on either an accredited or not-for-credit basis, with continuity from IMT. Almost all those leaving Queen’s now choose this option as they enter a circuit appointment.

Queen’s continues to offer postgraduate degrees and awards through its validating university partners in Durham and Birmingham (Newman University). The research department offers doctoral awards, through continuing partnership with the Free University of Amsterdam, whose theology department is ranked as one of the world’s best. Queen’s continues also to cherish its connections to and work with the global Church, both in offering student ministers experiences of Christian life and ministry in other parts of the world, and in receiving postgraduate students from overseas to join the college community for a period, especially through projects and initiatives funded through the Methodist Church’s Global Relationships work. The Centre for Black Theology was launched in 2019, and is a vital and urgent initiative in the Foundation’s life, offering courses at undergraduate and postgraduate levels to students across Britain. The re-launched Centre for Discipleship and Theology offers a range of courses in a variety of formats aimed primarily at those exercising lay ministry or interested in deepening their theological learning and reflection.

Cliff College

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

They also deliver projects in evangelism and digital engagement; global theological education; and online learning and new pedagogies for the worldwide Church's emerging needs.

Recent work better to align Cliff's work with the wider Connexion, and to operate more closely together, has begun to bear fruit. There is now a shared set of priorities for work to be delivered in the coming year. The year 2022/23 saw continued embedding of the senior leadership team of Cliff into the Connexional Team, and the ongoing development of new governance plans and business and ministry strategies. MCBX is now established as the online learning site of the Connexion. Closer collaboration in the areas of global theological education, children, youth and family ministry, and evangelism are now consolidated, and continued developmental work is under way on integrated training programmes for Local Preachers and Local Lay Pastors. Cliff's new BA degree has proved very attractive, with undergraduate recruitment looking very promising through the year.

A growing number of Connexional gathering and meetings now take place on site at Cliff, including work with Ministers of other Churches and Conferences, the pre-ordination retreat for presbyters, committee meetings and Stationing Matching Group. In addition, Cliff has expanded its offer as a conference centre and has been successful in attracting new clients including the annual gathering of the Church of the Nazarene and collaboration with the Chatsworth Estate during its major events.

Southlands Methodist Trust

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

The SMT's main research and educational activities continue to focus on the Susanna Wesley Foundation (www.susannawesleyfoundation.org.uk). Alongside this, grants from the Trust also supported research and research-related activities across a range of subject areas deemed to be of importance and interest to the Church and society. During the year, there has been continued and deepening collaboration between the SWF and the Connexion in some key areas of current interest and priority, including ecumenical collaboration and the JDS Strategy. In April 2023 Southlands hosted a global gathering of Methodist educators as part of the 'Transforming Lives' Conference.

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

The SMT retains ownership of the college's historic records and continues to upgrade the archive to make it more accessible to the public as a resource for studying teacher training and the Methodist Church's involvement in education. The SMT acts as a resource and a catalyst for the Methodist Church's contemporary engagement with education at every stage and level, working with the Connexional Team, and the various Methodist schools-related bodies (MAST, MIST, Wesley Trust, MSC) to offer insight, advice and support. The Trust nurtures and cherishes its relationships with the global Church and its connections to worldwide Methodist educational ministries. The Head of College is currently a director of the International Association of Methodist Schools, Colleges and Universities, a trustee of MAST, and a member of the Methodist Schools Committee.

8. Property

During the year, the Connexional Property Team (CPT) has continued to provide a wide range of direct and indirect support across the Connexion, from connexional properties through to local church buildings.

Direct support to Managing Trustees and Ministers considering property matters such as redevelopment, reordering or disposal has increased during the year. This has been provided in a hybrid form involving online meetings where practical, alongside more traditional in person site visits. By year end, support covered the following broad themes:

- 7% property leases and legal agreements
- 14% redevelopment projects
- 21% redevelopment where a new church is to be built
- 10% mission driven development projects
- 10% circuit portfolio reviews
- 10% church reordering projects
- 4% property management guidance and support
- 10% general property advice
- 14% property disposals

The team provided support for ongoing Connexional property projects including:

- Completion of RIBA Stage 3 designs and appointment of a contractor for the refurbishment of the new Church House at 25 Tavistock Place, with a view to commencement on site in the early part of the new Connexional Year 2023;
- The conversion and fit out of Camden Town Methodist Church as the new Wesley Camden hotel was completed towards the end of 2022 with the hotel officially opening in January 2023.

Indirect support in the form of written guidance and advice for a general audience supported the wider work of the connexional team:

- Accessibility and Property: new guidance for accessibility was published in June to support the report to Conference on the JDS strategy work. This is a significant resource and can be found in a designated area on the property webpage – Making Buildings Accessible (methodist.org.uk)
- Church and Circuit Property Stewards Handbook: the team completed the final draft of a new Church and Circuit Property Steward's Handbook. This will be produced in the same format as the existing 'Handbooks' so they form a suite of information for those with different responsibilities in the church. The final version will be published during the 23/24 Connexional Year.
- Closing Church Property Guidance: the existing guidance was reviewed during the year to update the content and include more detailed sections for heritage and legal matters. It will be published during the 23/24 Connexional Year.
- Energy Buying: during the year the team worked with procurement colleagues to set in place a provision for managing trustees to access cheaper energy sources. Following a process of interviews and due diligence, an organisation will be in place for Autumn/Winter 2023. They will be able to offer a broker type service, to ensure the best possible deals on the day of renewal of an energy contract.

The team continue to provide support and input into numerous working areas of the Connexion including Central Hall Manchester and its redevelopment project; the Superintendents' Conferences; Listed Building Advisory Committee; Property Development Committee and Connexional Manse Committee, Trustees Legal and Governance Committee and Probationer Minister training at Queens Foundation.

The team continue to value the network of District Property colleagues, and at the beginning of the year established a monthly online event for DPS's which has run throughout the year. They vary between formal speakers or more informal forums for questions and discussions.

In terms of connexional resources, the Property Feasibility Fund, by the end of this year had distributed £49,384 to those who applied; this provided funding to churches exploring future uses of their property for mission (60% of the total costs up to max. £10,000).

Grants

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

World Mission Fund (WMF) grants (2022-23)

One Year into the new grant payment process, the Essential grants no longer exist however Regional grants were made available to our partners as we continue to also honour our commitments to the existing NMA and SALT for the agreed duration.

Notes:

- Solidarity Grants, a grant offered to show our support to a Partner in a crisis. This grant now continues the work of those grants previously called General Grants
- Regional Grants, a combination of Mission Initiative Grants, small grants to support a Partner in a new mission project and Capacity-building Grants given to Partners for building capacity, leadership, and long term stability

55 applications totalling £3.1million in Regional Grants has been approved and sent to partners across four regions in 2022-23. In addition to that, there was a continuous downward trend in the number (23.8%) and amount of Solidarity grants given in 2022-23. It decreased from 21 Solidarity grant totalling £239k to 16 Solidarity grant totalling £197k (a decrease of 17.5% on 2021-22 amount and by 23.8% in number of applications agreed), There were no grants awarded in 2022-23 specifically for Covid-19 related work.

Due to unforeseen delays, the WMF Grants Committee were able to make decisions on the combined regional grants for Partners in the Americas, Asia, Europe, only Mission Initiative grants for Pacific and none for Partner Organisations in Africa. We are therefore anticipating spending £2.4million (£130k in Mission Initiative and £2.3m in Capacity-building) in regional grants for our partners in Africa, and £534k (Capacity-building) for the Pacific Partners within the first quarter of 2023/24.

Plans for the future

The Methodist Council continues to be shaped by and committed to this vision which was reaffirmed as the strategic driver of the Church's work in 2021, collectively known as 'Reaffirming Our Calling':

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.

The Church does this through: Worship, Learning and Caring, Service, and Evangelism:

WORSHIP - Ensuring our worship and ministry is effective, relevant and gives glory to God.

LEARNING & CARING - We are an inclusive Church

SERVICE - We are a justice-seeking Church

EVANGELISM - We are an evangelistic people

The Council is also committed to A Methodist Way of Life (MWOL) which provides a further level of detail to the four aspects of Our Calling by elaborating aspects of each. A Methodist Way of Life aims to provide a clear, detailed, and practical framework for what Methodist discipleship can look like in the 21st century. A Methodist Way of Life seeks to connect the diverse work of the Church in the world and to communicate it clearly to the world:

A MWOL commits us as people to;

Worship

We will pray daily. We will worship with others regularly.

We will look and listen for God in Scripture, and the world.

Learning & Caring

We will care for ourselves and those around us. We will learn more about our faith.

We will practise hospitality and generosity.

Service

We will help people in our communities and beyond. We will care for creation and all God's gifts.

We will challenge injustice.

Evangelism

We will speak of the love of God.

We will live in a way that draws others to Jesus. We will share our faith with others.

The Methodist Council's work therefore continues to centre around how the work of the Connexional Team and the policies of the Council specifically support the four headings of Our Calling. Alongside this our Strategy for Evangelism and Growth (as agreed by the Methodist Conference in 2020) emphasises being an inclusive, evangelistic and justice-seeking Church to fulfil our calling.

The Methodist Conference affirmed that with the guiding principles of Our Calling and MWOL it seeks to become a growing Church once again: growing spiritually, growing in outreach and influence, growing in the depth of our commitment, and growing numerically.

The Environment

Action for Hope: care for creation

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

An Action for Hope Implementation Officer was appointed in early 2023 to co-ordinate and support this work across the Connexion, and to ensure that the priority is embedded in the work of the Connexional Team. A Working Group has been established with representatives from the mission; ministries; finance; property; procurement and communications teams, as well as the Learning Network.

Assets

Work is underway to establish a baseline figure for the carbon footprint of the Connexional Team, and a variety of avenues are being explored for estimating the footprint of churches and other buildings throughout the Connexion.

A variety of guidance for property has been produced, with guides in production and planned. A working group is being established to consider the role of property in mission, and Action for Hope will be part of that work, ensuring a strategic approach to the journey to net zero is offered. Conversations have begun with the Joint Advisory Committee on the Ethics of Investment and the Central Finance Board around the production of guidance on ethical investment and use of money.

Wisdom

At The Methodist Conference in 2023 it was agreed that a process would be established to review and update [Hope in God's Future](#). The report has the status of a Statement of Conference, so it is vital that this process be undertaken in a way which culminates in a decision of the Conference to accept (or reject) the update. A timeline is in place for this to return to the Conference in 2025, with a contingency built in for an additional year if the review group believes that more fundamental change is required.

The Action for Hope Faith Plan document outlines a goal of 50% of Methodist Churches having signed up to Eco Church or Eco Congregation by 2026. This figure currently stands at approximately 27%, and both Eco Church and Eco Congregation have been valued partners in encouraging participation.

Work is currently underway to gather good examples of worship materials, prayers and small group resources which can be shared and used throughout the Connexion. As and when gaps are identified work will be undertaken to create resources to fill these niches.

Lifestyles

Conversations are taking place with the team developing the Methodist Way of Life materials to ensure that we offer a coherent approach to the lifestyle aim which brings together these key priorities for the Church.

Work towards how best we measure the impact of this work, as well as the carbon footprint of Methodist members, is currently ongoing, but the production and dissemination of resources will take place while our approach to measurement is developed.

Co-operation with JPIT and the Justice Seeking Church team are also valued in this area.

Remuneration of Key Management Personnel

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

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

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

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

Fundraising Activities

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

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

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

The Methodist Church is very grateful for all who contribute financially to the work of the Church through whatever means. It also acknowledges the generous support of the Benefact Trust which has provided grants of £1.15m during the 2022/23 financial year.

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

Financial Review

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

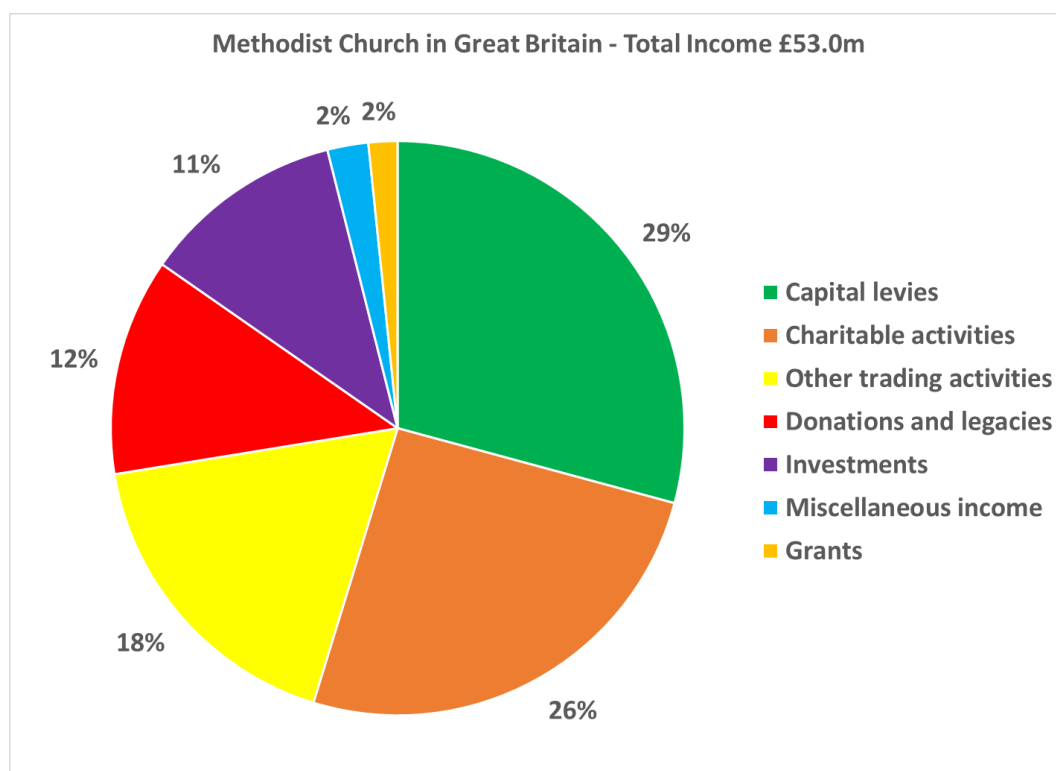
The net income for the year was a deficit of £4.5m (2022: £2.6m deficit), including net investment losses of £5.6m (2022: £12.0m loss). This investment loss largely reflected the deterioration in the value of investments held by the Church in units invested by the Central Board of Finance of the Methodist Church. These reductions reflected the unstable market conditions in the wider economy.

Other recognised losses for the year were £5.0m (2022: £8.4m loss). A £1.7m loss (2022: £1.9m loss) arose from the actuarial revaluation of the Pension and Assurance Scheme for Lay Employees of The Methodist Church. A detailed disclosure on the Scheme's financial position is provided in Note 28 (page 87). A £3.3m loss (2022: £6.6m loss) resulted from the revaluation of the Church's charitable properties.

Income

The total income for the year was £53.0m (2022: £56.2m). The reduction of £3.2m was mainly due to the following:

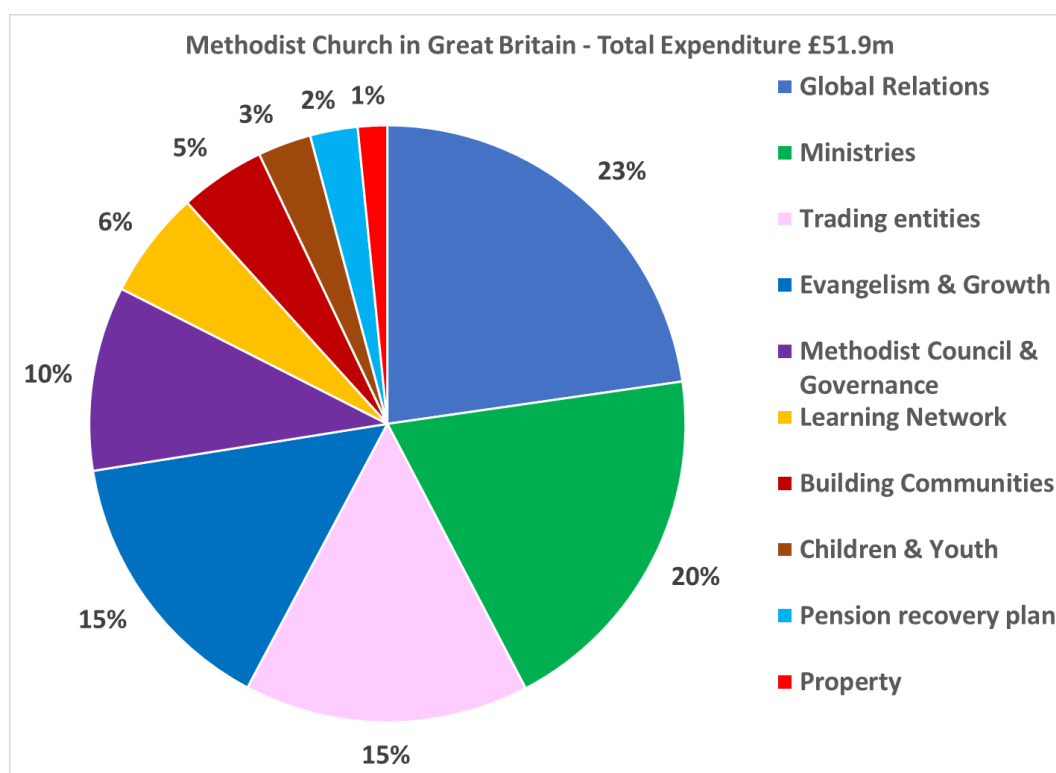
1. A £9.2m reduction in donations significantly due to: the one off appeal for the Pension Reserve Fund of £7.2m in 2021/22 and reduced donations to All We Can and Y Care International.
2. A £0.3m reduction in District Assessment income.
3. A £3.4m increase in trading income as the activities at MICL continue to recover following the pandemic and a new hotel opened in Camden.
4. A £5.4m increase in property levies as both the volume and average value of sales have increased.
5. A £1.8m reduction in gains on disposal of fixed assets.
6. A £0.4m reduction in grant income to the consolidated entities.



Expenditure

Total expenditure increased to £51.9m (2022: £46.8m). Of this, £43.9m was spent on direct charitable activities (2022: £41.2m). This was mainly due to the following:

1. A £2.4m increase in the cost of raising funds due to increased trading activity at MIC.
2. A £1.6m increase in the expenditure on Evangelism and Growth as implementation of the God For All strategy increased.
3. A £2.9m increase in Global Relations spend reflecting increased grant making as the approach to supporting capacity development of our partners continued.
4. A £2.1m increase in Ministries spend as one off cost of living payments were made to all ministers.
5. A £4.7m reduction in Property spend due to the one off loss in 2021/22.



Reserves Policy

The total value of funds held at 31 August 2023 was £270m (2022: £279m). There are restricted reserves of £123m (2022: £138m), unrestricted reserves of £127m (2022: £122m), and endowment reserves of £19m (2022: £20m). The Methodist Church in Great Britain does not have a blanket reserves policy to cover its operations. Rather, the policies are set locally by the relevant trustee bodies and take into account the unique risk factors faced by each entity. The unrestricted funds reported in these financial statements are under the trusteeship of the Methodist Council, therefore the reserves policy outlined below is that of the Methodist Council.

General funds

There are five main unrestricted funds:

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

At 31 August 2023, the balance of the unrestricted general funds was £56m (2022: £53m). Of this £51m (2022: £50m) is invested in fixed assets, used in the day-to-day running of the Council's activities and that of its subsidiary undertakings, which is therefore not available for use as a reserve. This consists of £17.7m of tangible fixed assets and £33.2m of investment properties. The trustees approved a reserves balance of £5 million. This would ensure that there is always sufficient cash or near cash at hand to enable operations to continue smoothly and without the disruption that might otherwise arise when receipts and payments occur irregularly or are delayed or accelerated. At 31 August 2023 the free reserves balance was £10.7m (2022: £10.7m). In line with a reduction in Assessment funding over the five year period from 2023/24 onwards, the reserves balance is planned to fall each year reaching the £5m target in 2027/28.

Designated funds

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

At 31 August 2023, the designated funds totalled £72 million (2022: £69 million) of which the main fund balances were as follows:

• The Connexional Priority Fund	£13 million
• Epworth Fund	£6 million
• The Pension Reserve Fund	£51 million
• Others	<u>£2 million</u>
Total:	£72 million

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

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

The Pension Reserve Fund exists to help mitigate the financial risks associated with the Methodist Ministers' Pension Scheme (MMPS) and the Pensions and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC). In 2021, the Methodist Conference made an appeal to Methodist churches, circuits and districts for voluntary donations to help fund the pension deficits on both MMPS and PASLEMC. Donations were received and recorded in the PRF. To date, the fund has received £7.2m. In 2023, the Methodist Conference passed Resolution 26/4 as follows – "The Conference approves that should circumstances allow over the coming years, the voluntary contributions to the Pension Reserve Fund be returned to the donors with interest paid at the CFB Deposit Rate." It remains uncertain when these repayments will be possible but the position will be reviewed later in 2023/24.

At 31 August 2023 the reserves position on the designated funds is above the policy by £16.5m (2022: £15.2m). Excess balances have been allocated to: the delivery of *Our Calling*; the God For All Strategy; the Action for Hope aspiration to achieve net-zero carbon by 2030, and investments

in Information Technology. The balance held in the smaller designated funds is detailed in Note 19c (page 74) in the notes to the financial statements.

Financial risks

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

The Council is faced with the following financial risks:

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

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

The assessment is a charge upon circuit receipts. The impact of the Covid-19 pandemic has left several circuits expressing doubts about their ability to meet the assessment. These concerns build upon the recent trends of decline in membership of local churches. In response, the Methodist Conference has started a process of reducing the Assessment (by 1% in 2021/22, a further 2% in 2022/23 and then a further additional 3% each year from 2023/24).

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

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

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

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

Due to the interim valuations, no conditional payments were paid to either scheme during 2022/23.

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

In addition, the Methodist Council has agreed a Framework Agreement with the trustee of both PASLEMC and MMPS. This covers the requirement for a long-term funding objective, a remedy mechanism should funding deviate from the long-term goal, and a contingent asset that provides the trustees security over Connexional properties should the Council or Conference ever default on payments due.

The level of reserves expected to be held in the Pension Reserve Fund (PRF) forms part of the 'employer covenant' with the pension trustee boards and is therefore currently considered appropriate. This fund is defined by SO 974(iA) and decisions regarding its use can only be taken by the Conference. Due to the considerable balance already held in the PRF and the reducing level of risk associated with the pension funding positions, further payments in to the fund have been suspended.

Investments

As at 31 August 2023, the Church held fixed asset investments with a fair value of £186 million (2022: £182 million). The Finance Sub-Committee is responsible for reviewing the investment portfolio and performs an annual review of the investment policy. The Church's investment objective is to seek an optimal return from income and capital combined. The Finance Sub-Committee is satisfied with the overall performance of the investment portfolio against agreed benchmarks.

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

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

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

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

In addition to marketable securities, some funds hold freehold property as investments. These tend either to have been given to the fund, or are redundant properties that are either rented out or are awaiting disposal.

Performance and holdings

Losses on investments in year were £5.6m (2022: £12.0m). This performance was linked to the global market conditions that were materially impacted by the war in Ukraine and the Church's ethical stance not to invest in oil and gas. The total returns as at 31 August 2023 for CFB managed funds are summarised as follows:

	1 year to 31.08.23	3 years to 31.08.23 (p.a.)	11.07.16 to 31.08.23 (p.a.)
Managed LT Methodist Council Fund	-1.0%	5.1%	6.1%
Managed MT Methodist Council Fund	-1.9%	1.1%	3.3%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	2.7%	7.0%	5.1%
FTSE All Share	5.2%	10.5%	5.5%
CFB Global Equity Fund	6.3%	8.3%	11.0%
Benchmark	5.1%	9.7%	11.7%
CFB Short Fixed Interest Fund	-2.9%	-4.4%	0.3%
Benchmark	-3.4%	-4.5%	0.4%
CFB Corporate Bond Fund	-2.2%	-6.1%	1.5%
Benchmark	-1.0%	-5.8%	1.9%
CFB Deposit Fund	3.5%	1.3%	0.8%
Composite index	3.8%	1.4%	0.7%

Property benchmarks

	1 year to 30.06.23	3 years to 30.06.23 (p.a.)	11.07.16 to 31.06.23 (p.a.)
Managed LT Methodist Council Fund	2.2%	5.6%	6.3%
Benchmark	1.5%	5.9%	3.6%
Managed MT Methodist Council Fund	-2.1%	1.1%	3.3%
Benchmark	-3.3%	0.5%	3.0%
	1 year	3 years (pa)	10 years (pa)
CFB UK Equity Fund	5.6%	7.5%	5.8%
FTSE All Share	7.9%	10.0%	5.9%
CFB Property Fund	-18.0%	3.1%	7.3%
IPD All Balanced Funds Index	-18.0%	3.1%	6.2%

Risk Management

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

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

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

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

Risk	Current mitigations
Failure to make new disciples means the membership of the Church continues to decline.	God For All strategy linked with the Justice, Dignity and Solidarity Strategy is signalling a desire to grow in new places.
Ineffective recruitment and training of those who fulfil ministerial/lay roles results in a shortage of people to take on key roles within the life of the institution.	Work on the formation of leaders in the Methodist Church continues alongside the ongoing work in other areas. Review of Stationing Processes set up by Ministries Committee. New candidating processes in place has led to increased interest. New candidating process is more open - particularly removing Local Preacher requirement.
Safeguarding failures (such as serious allegations of current or historic abuse).	Review of policy on responding to survivors, reflection on the role and nature of internal enquiries as well as a general review of the actions taken over the last period. Development of crisis management policy to support a more effective response to issues as they arise; review of JDS Committee Action plan to ensure safeguarding aspect is fully covered.
Breach of Immigration Rules due to not fulfilling Home Office criteria that will jeopardise sponsorship licence, and will require ministers and their dependents currently stationed to stop their appointments and to return to their home country.	The Connexional Team provide relevant and timely information to Districts and Circuits regarding their responsibilities relating to existing and /or potential individuals covered by the MCIB sponsorship licence. Regular review of all documentation for sponsored individuals to ensure compliance with Home Office criteria. Ongoing training and updates from UKVI and share relevant information with Districts and Circuits to enable licence compliance.
Inappropriate behaviour from Methodist leaders leads to reputational damage	Review of existing processes to determine further mitigations needed.

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

Risk appetite

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

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

Risk strategy and responsibilities

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

- determining the risk appetite for key drivers of the Church and which types of risk are acceptable and which are not;
- setting standards and expectations of staff with respect to conduct and probity;
- approving major decisions affecting the Church's risk profile or exposure;
- monitoring the management of significant risks on an annual basis by the Audit & Risk Assurance Committee and the Strategy and Resources Committee on behalf of the Council; and
- satisfying itself that the less significant risks are being managed actively, with the appropriate controls in place and working effectively.

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

- *Policies and procedures* Attached to significant risks are a series of policies that underpin the internal control system. Written procedures support the policies where appropriate.
- *Reports* The Senior Management Group of the Connexional Team, the Council and its committees (Audit & Risk Assurance Committee and the Strategy and Resources Committee) receive several key reports on a regular basis, which allow for the monitoring of key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Group and the Council, if appropriate.
- *Strategic planning and budgeting* The strategic planning and budgeting process, undertaken by the Strategy and Resources Committee, is used to set objectives, agree action plans and allocate resources. Progress towards meeting strategic plan objectives is monitored regularly.
- *Risk registers* Registers exist for both the corporate and programme dimensions of the life of the Church. These documents are formally appraised annually and updated for emerging risks as they arise. Additionally, improvement actions and risk indicators are monitored regularly.
- *Team risk management* The senior managers are expected to use the framework of the plan to ensure that risk management is embedded within their areas of responsibility and that significant risks are identified, assessed and referred to the Connexional Secretary, who acts as the Church's 'Risk Champion'. This also includes

- the removal of any previously listed risks where the threat is no longer significant enough to be included in the document.
- *Audit and Risk Assurance Committee* In its report to the Council on internal controls, the Audit and Risk Assurance Committee alerts the Council to any issues of concern. A summary of the terms of reference of the committee can be found on page 6.
- *Internal audit programme* This is an important element of the internal control process and includes reviewing aspects of the effectiveness of the internal control system within the organisation.
- *External audit* The external auditor provides a report to the Audit & Risk Assurance Committee on the operation of the internal financial controls and the statutory requirements placed upon the trustee body.
- *Third party reports* From time to time, the use of external consultants will be necessary in areas such as health and safety and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.

Monitoring and review of the policy

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

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

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

Data Protection

In respect of enhancing our Data Protection Governance during 2022/2023, we continue our UK GDPR refresher training for staff, which also now forms part of requirement induction training for new starters. Data Protection handy hints by the Methodist church Data Protection officer have been a regular feature of Connexional meetings, so as to ensure that UK GDPR responsibilities are kept in the forefront of staff and church members minds during their day to day work.

We are continuing to update our IT Data Security Policy to improve our UK GDPR and Data Protection obligations for data processing and handling. We have also reviewed and are updating our Serious Incident Policy to be even more comprehensive and we are implementing new IT software to add to our outlook programme in order to reduce the number of data breaches caused by human error.

Going concern

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. In-year financial performance was favourable

to plan due to additional property levy income. Looking forward, the budget for 2023/24 has been set on the basis of a broadly breakeven position on the general fund with planned for reductions in restricted fund balances in line with reserves policy. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.2m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

Related Parties

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

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

Details of transactions with these related parties and any outstanding balances at the year-end are provided under Note 27 (page 85) of the financial statements.

Statement of Trustees' Responsibilities

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

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

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

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

Auditor

Following a competitive tender process in 2023, RSM UK Audit LLP were appointed for a further three years as auditor to the charity.

The Revd Sonia Hicks
Chair of the Council

January 2024

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

Opinion

We have audited the financial statements of The Methodist Church in Great Britain (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Connexional Funds Statement of Financial Activities, the Consolidated and Connexional Funds Balance Sheets, the Consolidated and Connexional Funds Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and charity's affairs as at 31 August 2023 and of their incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 37, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

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

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 2023**

The Methodist Church in Great Britain
Consolidated statement of financial activities
For the year ended 31 August 2023

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
Income and endowments from:									
Donations and legacies	3a	567	5,913	-	6,480	8,173	7,502	-	15,675
Charitable activities	3e	13,261	269	-	13,530	13,532	335	-	13,867
Investments	4a	2,322	3,714	-	6,036	2,032	4,109	-	6,141
Other trading activities	5a	7,816	1,555	-	9,371	4,566	1,384	-	5,950
Other									
Capital levies	6a	15,471	-	-	15,471	10,061	-	-	10,061
Grants	6b	2	864	-	866	15	1,282	-	1,297
Miscellaneous income	3c	608	428	-	1,036	826	384	-	1,210
Net gains/(losses) on the disposal of tangible fixed assets		139	46	-	185	(57)	2,083	-	2,026
Total income	19a, 20a	40,186	12,789	-	52,975	39,148	17,079	-	56,227
Expenditure on:									
Raising funds		6,952	1,066	6	8,024	4,682	964	19	5,665
Charitable activities									
Building communities	7a	1,456	957	-	2,413	1,229	759	-	1,988
Children & Youth	7a	1,505	1	-	1,506	1,520	33	-	1,553
Evangelism & Growth	7a	7,496	143	-	7,639	5,510	512	-	6,022
Global relations	7a	1,173	10,633	-	11,806	977	7,961	-	8,938
Learning Network	7a	3,019	2	-	3,021	2,719	59	-	2,778
Methodist Council & Governance	7a	5,168	19	-	5,187	4,777	85	-	4,862
Ministry	7a	3,404	6,772	-	10,176	3,356	4,674	-	8,030
Property	7a	681	146	-	827	655	4,850	-	5,505
Others - Pensions	7a	1,339	-	-	1,339	1,496	-	-	1,496
Total expenditure	19a, 20a, 21a	32,193	19,739	6	51,938	26,921	19,897	19	46,837
Net gains/(losses) on investments	14a	(2,162)	(2,839)	(579)	(5,580)	(7,304)	(1,046)	(3,603)	(11,953)
Net income		5,831	(9,789)	(585)	(4,543)	4,923	(3,864)	(3,622)	(2,563)
Transfers between funds	22	1,718	(1,985)	267	-	934	(1,305)	371	-
Net income after transfers		7,549	(11,774)	(318)	(4,543)	5,857	(5,169)	(3,251)	(2,563)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,813)	94	-	(1,719)	(2,201)	311	-	(1,890)
Gains(losses) on revaluation of charitable properties		74	(3,349)	-	(3,275)	-	(6,564)	-	(6,564)
Net movement in funds		5,810	(15,029)	(318)	(9,537)	3,656	(11,422)	(3,251)	(11,017)
Total funds at 1 September		121,632	137,909	19,584	279,125	117,976	149,331	22,835	290,142
Total funds at 31 August		127,442	122,880	19,266	269,588	121,632	137,909	19,584	279,125

The Methodist Church in Great Britain
Statement of financial activities – The Connexional Funds
For the year ended 31 August 2023

	Notes	Unrestricted £000	Restricted £000	Endowment £000	2023 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000
Income and endowments from:									
Donations and legacies	3b	677	2,522	-	3,199	8,173	2,532	-	10,705
Charitable activities	3f	13,261	269	-	13,530	13,532	335	-	13,867
Investments	4b	3,019	3,108	-	6,127	2,348	3,559	-	5,907
Other trading activities	5b	366	1,214	-	1,580	356	933	-	1,289
Other									
Capital levies	6a	15,471	-	-	15,471	10,061	-	-	10,061
Grants	6c	2	94	-	96	2	99	-	101
Miscellaneous income	3d	618	117	-	735	874	60	-	934
Net gains on the disposal of tangible fixed assets		139	46	-	185	(57)	2,083	-	2,026
Total income	19b, 20b	33,553	7,370	-	40,923	35,289	9,601	-	44,890
Expenditure on:									
Raising funds		1,511	1,066	6	2,583	1,443	964	19	2,426
Charitable activities									
Building communities	7b	1,455	957	-	2,412	1,229	759	-	1,988
Children & Youth	7b	1,504	1	-	1,505	1,520	33	-	1,553
Evangelism & Growth	7b	7,496	143	-	7,639	5,511	511	-	6,022
Global relations	7b	1,173	5,685	-	6,858	977	3,405	-	4,382
Learning Network	7b	3,019	2	-	3,021	2,719	59	-	2,778
Methodist Council & Governance	7b	5,168	18	-	5,186	4,777	85	-	4,862
Ministry	7b	4,029	3,610	-	7,639	3,918	1,616	-	5,534
Property	7b	681	146	-	827	655	4,850	-	5,505
Others - Pensions	7b	1,339	-	-	1,339	1,496	-	-	1,496
Total expenditure	19b, 20b, 21a	27,375	11,628	6	39,009	24,245	12,282	19	36,546
Net gains/(losses) on investments	14b	(2,162)	(1,494)	(579)	(4,235)	(7,304)	(4,485)	(3,603)	(15,392)
Net income		4,016	(5,752)	(585)	(2,321)	3,740	(7,166)	(3,622)	(7,048)
Transfers between funds	22	1,718	(1,985)	267	-	934	(1,305)	371	-
Net income after transfers		5,734	(7,737)	(318)	(2,321)	4,674	(8,471)	(3,251)	(7,048)
Other recognised gains and losses:									
Remeasurement of net defined benefit pension scheme liability	28	(1,813)	94	-	(1,719)	(2,201)	311	-	(1,890)
Gains on revaluation of charitable properties		74	(3,791)	-	(3,717)	-	(8,836)	-	(8,836)
Net movement in funds		3,995	(11,434)	(318)	(7,757)	2,473	(16,996)	(3,251)	(17,774)
Total funds at 1 September		118,294	113,062	19,584	250,940	115,821	130,058	22,835	268,714
Total funds at 31 August		122,289	101,628	19,266	243,183	118,294	113,062	19,584	250,940

The Methodist Church in Great Britain
Balance Sheets as at 31 August 2023

		The Methodist Church in Great Britain		The Connexional Funds	
	Notes	2023	2022	2023	2022
		£000	£000	£000	£000
Fixed assets					
Intangible assets	13c	178	62	106	43
Tangible fixed assets	13a&b	66,704	80,051	56,033	69,228
Investments	14a&b	186,469	182,267	173,482	167,766
		253,351	262,380	229,621	237,037
Current assets					
Stocks	17	42	44	30	29
Debtors	15	7,138	5,664	6,401	4,393
Short-term deposits		21,554	25,513	19,991	23,605
Cash at bank and in hand		7,539	5,022	4,657	3,012
Total current assets		36,273	36,243	31,079	31,039
Creditors					
Amounts falling due within one year	16a	(17,057)	(15,774)	(14,814)	(13,975)
Net current assets		19,216	20,469	16,265	17,064
Total assets less current liabilities		272,567	282,849	245,886	254,101
Creditors					
Amounts falling due after more than one year	16b	(1,748)	(2,356)	(1,472)	(1,792)
Net assets excluding pension liability		270,819	280,493	244,414	252,309
Defined benefit pension scheme liability	28	(1,231)	(1,368)	(1,231)	(1,368)
Net assets including pension liability	23	269,588	279,125	243,183	250,941
The funds of the charity					
Unrestricted funds					
General funds		55,585	52,706	51,866	50,531
Designated funds		71,857	68,926	70,423	67,763
Defined benefit pension scheme liability	28	-	-	-	-
Total unrestricted funds	19	127,442	121,632	122,289	118,294
Restricted funds	20	122,880	137,909	101,628	113,062
Endowment funds	21	19,266	19,584	19,266	19,584
Total funds		269,588	279,125	243,183	250,940

Total unrestricted funds include revaluation reserve of £7.3m (2022: £7.3m) for both The Methodist Church in Great Britain and the Connexional Funds. Total restricted funds include revaluation reserve of £45.2m (2022: £48.5m) for The Methodist Church in Great Britain and £39.6m (2022: £43.3m) for The Connexional Funds. (Note 24 Page 84)

The notes on pages 47 to 95 form an integral part of these accounts.

Approved and authorised for issue by the Board of Trustees on 29th January 2024 and signed on their behalf by:

The Revd. Sonia Hicks
Chair of the Council

Anne Bolton
Connexional Treasurer

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2023

Statement of cash flows	Note	The Methodist Church in Great Britain		The Connexional Funds	
		2023 £000	2022 £000	2023 £000	2022 £000
Cash flows from operating activities					
Net cash generated used in operating activities		(5,586)	488	(5,991)	(324)
Cash flows from investing activities					
Dividends, interest and rents from investments		6,036	6,141	6,127	5,907
Proceeds from the sale of property, plant and equipment		806	30,289	806	30,289
Purchase of property, plant and equipment		(1,652)	(23,970)	(1,244)	(23,806)
Purchase of intangible assets	13c	(186)	(16)	(98)	-
Proceeds from the sale of investments	14a, 14b	2,841	642	100	75
Purchase of investments	14a, 14b	(3,422)	(1,287)	(1,669)	(1,242)
Net cash provided by investing activities		4,423	11,799	4,022	11,223
Cash flows from financing activities					
Repayment of loans		(279)	(48)	-	-
Net cash from/(used in) financing activities		(279)	(48)	-	-
Change in cash and cash equivalents in the reporting period		(1,442)	12,239	(1,969)	10,899
Cash and cash equivalents at the beginning of the reporting period		30,535	18,296	26,617	15,718
Cash and cash equivalents at the end of the reporting period		29,093	30,535	24,648	26,617
		2023	2022	2023	2022
Reconciliation of net income to net cash flow from operating activities		£000	£000	£000	£000
Net income for the year		(4,543)	(2,563)	(2,321)	(7,048)
Adjustments for:					
Depreciation and amortisation charges	13a, 13c	346	283	127	80
Gain on revaluation of fixed asset		(113)	4,785	(113)	4,785
Realised loss on the sale of fixed assets		(185)	(2,026)	(185)	(2,026)
London Committee property donated to Kings Cross		209	-	209	-
Net (gains)/ losses on investments	14	5,580	11,953	4,235	15,392
Investment income		(6,036)	(6,141)	(6,127)	(5,907)
Decrease in stocks	17	2	10	(1)	7
(Increase) in debtors	15	56	(2,053)	(478)	(1,051)
(Decrease)/increase in creditors	16	954	(163)	519	(959)
Pension costs/difference between pension costs charged and paid		(1,856)	(3,597)	(1,856)	(3,597)
Net cash generated used in operating activities		(5,586)	488	(5,991)	(324)
		2023	2022	2023	2022
Analysis of cash and cash equivalents		£000	£000	£000	£000
Cash in hand and at bank		7,539	5,022	4,657	3,012
Short-term deposits (less than 3 months)		21,554	25,513	19,991	23,605
Total cash and cash equivalents		29,093	30,535	24,648	26,617

The Methodist Church in Great Britain

Cash flow statements for the year ended 31 August 2023 (continued)

Analysis of changes in net assets

The Methodist Church in Great Britain	01-Sep 2022	Cash flows	Non-cash changes	31-Aug 2023
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	25,513	(3,959)	-	21,554
Cash at bank and in hand	5,022	2,517	-	7,539
	30,535	(1,442)	-	29,093
Borrowings				
Debt due within one year	(257)	(37)	-	(294)
Debt due after one year	(391)	316	-	(75)
	(648)	279	-	(369)
Total	29,887	(1,163)	-	28,724
The Connexional Funds				
	01-Sep 2022	Cash flows	Non-cash changes	31-Aug 2023
	£000	£000	£000	£000
Cash and cash equivalents				
Short-term deposits	23,606	(3,615)	-	19,991
Cash at bank and in hand	3,011	1,646	-	4,657
Total	26,617	(1,969)	-	24,648

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023

1. Accounting policies

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

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

The financial statements have been prepared to give a "true and fair" view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a "true and fair" view. This departure has involved following "Accounting and Reporting by Charities preparing their financial statements in the UK and Republic of Ireland (FRS 102)" second edition effective from 1 January 2019, rather than "Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005" which has since been withdrawn. The preparation of the financial statements in accordance with FRS102 requires the trustees to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving higher degree of judgement, or areas where assumptions or estimates were significant to the financial statements are disclosed in Note 2 on page 54. The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts shown in these financial statements are rounded to the nearest £'000.

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

The trustees continue to prepare the financial statements on the basis that The Methodist Church in Great Britain is a going concern. Evidently, the Church has adequate financial resources and is able to manage business risks. The planning processes, including financial projections, take into consideration the prevailing economic climate and its potential impact on the various sources of income and planned expenditure. The trustees have looked at least 12 months ahead and are satisfied that the Church has adequate resources to continue in operational existence for the near future and there are no material uncertainties that call into doubt the Church's ability to continue in operation. In-year financial performance was favourable to plan due to additional property levy income. Looking forward, the budget for 2023/24 has been set on the basis of a broadly breakeven position on the general fund with planned for reductions in restricted fund balances in line with reserves policy. The more material risk remains as last year, namely the ability of churches to continue to pay their contribution to the District Assessment (£14.2m) and pay their ministers (c£45m). The current balances held by churches and circuits in their Central Finance Board deposit accounts total an estimated £240m. In addition, there are cash balances held in commercial bank accounts of tens of millions. Given an assumed turnover across the wider Church of c£90m there is approximately three years' worth of expenditure sitting in reserves. Consequently, there is no immediate threat to the District Assessment income and nor should circuits be defaulting in funding the payroll costs of ministers. The ongoing sale of churches across the Connexion continues to provide a flow of money into the Connexional Funds that further supports the medium-term financial viability of the charity. Improvements in the funding position of both pension schemes provide an opportunity to materially reduce risk on a permanent basis.

c) Group financial statements

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the Church and its subsidiary undertakings as set out in the diagram below. The consolidation principles applied are based on the SORP, whereby the parent charity consolidates the subsidiaries it controls. Control in this context is the power to govern the financial and operating policies of an entity in order to benefit from its activities. This control is the power to appoint and remove trustees. The Methodist Council, as managing trustee, has the ability to govern the financial and operating policies of the entities.

The Methodist Church in Great Britain

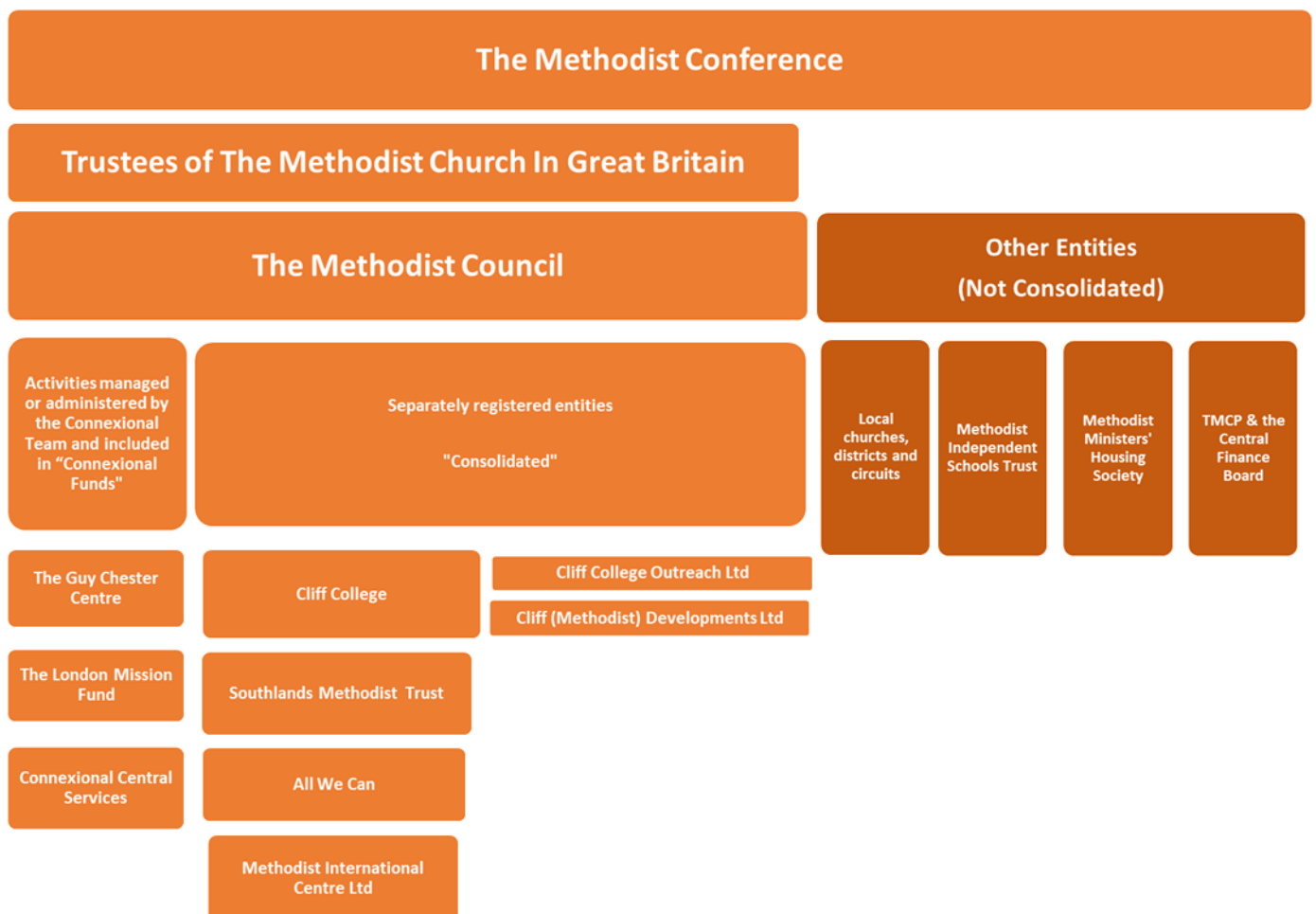
Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

For consolidated companies limited by shares, control is by virtue of shareholdings. For consolidated companies limited by guarantee, control is by virtue of sole or majority membership.

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

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

d) The group structure



The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

e) Excluded entities

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

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

f) Recognition of income and endowments

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

All income is reported gross.

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

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

District Assessment

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

Donations

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

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

Legacies

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

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

Capital (property) levies

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

Grants

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

g) Accounting for leases

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

h) Recognition of expenditure

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

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

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

Grant commitments

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

i) Fund accounting

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

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

j) Pension costs

Defined benefit pension schemes

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

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

The pension assets and liabilities in respect of the PASLEMC and SSMP schemes are recorded in line with FRS 102, with scheme valuations undertaken by independent actuaries. FRS 102 measures the value of pension assets and liabilities at the balance sheet date and determines the benefits accrued in the year and the interest on assets and liabilities. Current service costs, together with the net interest cost for the year, are allocated to relevant expenditure headings within the SOFA. The MMPS scheme assets and liabilities are excluded for reasons set out on pages 55-56.

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

The MMPS is a group scheme as all of the participating entities, mainly the circuits and the Council, are under the common control of the Conference. However, the Council has adopted a different accounting policy for this Scheme set out in detail in Note 12 for the reasons set out on pages 55-56. 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.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Defined contribution pension schemes

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

k) Stocks

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

l) Foreign currencies

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

m) Tangible fixed assets

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

n) Depreciation

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

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

o) Impairment

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

p) Intangible fixed assets and amortisation

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

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

q) Heritage assets

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

r) Investments

Investments are stated at fair value at the balance sheet date and the statement of financial activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals during the year. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Subsequently, investment properties are measured at fair value. The surplus or deficit on revaluation is recognised in the statement of financial activities for the year. Investment properties are normally revalued triennially by independent professionals who hold recognised and relevant professional qualifications and have recent experience in the location and class of the investment property being valued. In the intervening periods, the trustees carry out the valuations. Investments held in units in the Central Finance Board are stated at the Board's published valuations. The value of the unlisted investments in William Leech (Investments) Ltd are stated at the underlying value of the net assets based on the company's audited balance sheet at 31 March 2023, updated by the value of any share acquisitions (at cost) up to 31 August 2023. The assets are held at fair value.

s) Irrecoverable VAT

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

t) Cash and cash equivalents

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

u) Financial instruments

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

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

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

v) Concessionary loans made

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

w) Termination benefits and payments

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

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

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

2. Accounting estimates and judgments

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

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

Grant commitments

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Cost allocation

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

Actuarial assumptions in respect of defined benefit pension schemes

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

Defined benefit pension scheme commitments

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

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

The Methodist Ministers' Pension Scheme (MMPS)

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

- a) There are approximately 1,136 ministers who are active members of MMPS of whom the Council is responsible for the pension contributions of around 64, the majority of 'employer' contributions coming from the circuits to which they are stationed annually by The Conference. The actual contributions made by the Methodist Council for the year were £0.44 million compared to £7.4m million paid by the circuits.
- b) The diagram on page 48 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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

responsibility for current payments and for the deficit/surplus in the pension scheme is shared between the Council and the circuits with the bulk of the contributions coming from the circuits.

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

- d) At the last triennial valuation 31 August 2020, the scheme was in deficit by £14m. The Council agreed a recovery plan and long term funding objective for the Scheme in April 2022. The Recovery Plan consists of conditional payments (determined by the Scheme Actuary each year having regard to scheme experience) of between £0 and £2.64m per annum for 6 years, and a further £0.8m per annum to cover the increase in the rate of future accrual. All the amounts are being funded from the Pension Reserve Fund. In addition, a framework agreement was agreed that sets out a trajectory to move the Scheme to a lower risk funding basis of gilts plus 0.5% by 2035, with a remedy mechanism if investment returns do not provide adequate funding for this trajectory. Charges on Connexional properties were put in place to provide funding of last resort should remedy payments not be made. Material increases in long term interest rates have significantly reduced pension liabilities as at 31 August 2023 meaning no recovery plan conditional payments have been required. It has also led to a significant de-risking of the Pension Scheme's investment portfolio.

As stated in the reserves policy section of the Trustees' Report on page 28, the Pension Reserve Fund was set up following a Conference decision to establish a fund outside of the pension schemes, which could be used to meet future funding deficits. The fund was designated by the Conference and has been funded by a transfer of 45% of property sales income levy from the Connexional Priority Fund. Given the current level of funding relative to the decreased risk, these funding transfers have been stopped from 1 September 2023. Hence, the liability is not funded solely from general funds of the Council. It is probable that, if the deficit were to be required to be settled in full, the cost would be allocated at the discretion of the Conference across the Connexion and not from funds of the Council, except to the extent of the Pension Reserve.

Useful economic lives

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

Revaluation of functional property assets and investment properties

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

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

Leases

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

3a. Donations and legacies - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Donations	500	4,256	4,756	8,063	5,107	13,170
Legacies	67	1,657	1,724	110	2,395	2,505
Total	567	5,913	6,480	8,173	7,502	15,675

3b. Donations and legacies - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Donations	610	2,136	2,746	8,063	1,990	10,053
Legacies	67	386	453	110	542	652
Total	677	2,522	3,199	8,173	2,532	10,705

3c. Miscellaneous income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Student fees	-	165	165	-	132	132
Seminars and events	148	49	197	131	-	131
Conference income	20	-	20	18	-	18
Administration & IT services	2	-	2	20	-	20
Bureau & Accountancy services	8	-	8	84	-	84
Others	430	214	644	573	252	825
Total	608	428	1,036	826	384	1,210

3d. Miscellaneous income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Seminars and events	148	-	148	131	-	131
Conference income	21	-	21	18	-	18
Administration & IT services	2	-	2	20	-	20
Bureau & Accountancy services	8	-	8	548	-	548
Others	439	117	556	157	60	217
Total	618	117	735	874	60	934

3e. Charitable activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,261	121	13,382	13,532	125	13,657
Rental Income	-	148	148	-	210	210
Total	13,261	269	13,530	13,532	335	13,867

3f. Charitable activities - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
District assessment	13,261	121	13,382	13,532	125	13,657
Rental Income	-	148	148	-	210	210
Total	13,261	269	13,530	13,532	335	13,867

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

4a. Investment income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	2,176	1,774	3,950	1,863	1,568	3,431
Interest and other investment income	16	4	20	4	12	16
Rental Income	130	952	1,082	165	870	1,035
William Leech Charities Fund	-	984	984	-	1,659	1,659
Total	2,322	3,714	6,036	2,032	4,109	6,141

4b. Investment income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Central Finance Board	2,175	1,664	3,839	1,863	1,492	3,355
Interest and other investment income	16	4	20	4	-	4
Rental Income	828	456	1,284	481	408	889
William Leech Charities Fund	-	984	984	-	1,659	1,659
Total	3,019	3,108	6,127	2,348	3,559	5,907

5a Other trading activities - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Publishing	357	-	357	347	-	347
Room and conference hire	7,450	1,555	9,005	4,210	1,384	5,594
Advertising and fees	9	-	9	9	-	9
Total	7,816	1,555	9,371	4,566	1,384	5,950

5b Other trading activities - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Publishing	357	-	357	347	-	347
Room and conference hire	-	1,214	1,214	-	933	933
Advertising and fees	9	-	9	9	-	9
Total	366	1,214	1,580	356	933	1,289

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

6a Capital levies

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

6b Grant income - The Methodist Church in Great Britain	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
Chiesa Valdese - All We Can	-	253	253	-	253	253
The Aldershot Military Trust	-	75	75	-	75	75
Other*	2	536	538	15	954	969
Total	2	864	866	15	1,282	1,297

* Cliff College (£24k) have undertaken the government furlough scheme of which £24k has been included in other incoming grants, (2022: £31k).

There are no unfulfilled conditions or contingencies attached to the grants. Cliff College has also received other forms of government assistance of which they have benefitted in 2021/22. Cliff College received £39k (2022: £39k) from the Office of Students and Derbyshire County Council.

6c Grant income - The Connexional Funds	Unrestricted	Restricted	2023 Total	Unrestricted	Restricted	2022 Total
	£000	£000	£000	£000	£000	£000
The Aldershot Military Trust	-	75	75	-	75	75
Other	2	19	21	2	24	26
Total	2	94	96	2	99	101

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

7a. Expenditure - The Methodist Church in Great Britain	Grant Costs	Direct Costs	Support Costs	2023 Total	Grant Costs	Direct Costs	Support Costs	2022 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds	-	7,704	320	8,024	-	5,375	290	5,665
Charitable activities								
Building communities	540	1,507	366	2,413	522	1,122	344	1,988
Children & Youth	96	1,015	395	1,506	95	1,086	372	1,553
Evangelism & Growth	5,055	1,933	651	7,639	4,006	1,434	582	6,022
Global relations	5,395	5,557	854	11,806	2,798	5,372	768	8,938
Learning Network	119	2,215	687	3,021	113	2,014	651	2,778
Methodist Council & Governance	-	4,137	1,050	5,187	97	3,779	986	4,862
Ministry	4,903	4,683	590	10,176	3,245	4,251	534	8,030
Property	120	555	152	827	-	5,365	140	5,505
Others - Pensions	-	1,339	-	1,339	-	1,496	-	1,496
	16,228	22,941	4,745	43,914	10,876	25,919	4,377	41,172
Total	16,228	30,645	5,065	51,938	10,876	31,294	4,667	46,837

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

The Charitable activities breakdown was updated to align with Church's current activities.

7b. Expenditure - The Connexional Funds	Grant Costs	Direct Costs	Support Costs	2023 Total	Grant Costs	Direct Costs	Support Costs	2022 Total
	£000	£000	£000	£000	£000	£000	£000	£000
Raising funds	-	2,263	320	2,583	-	2,136	290	2,426
Charitable activities								
Building communities	540	1,506	366	2,412	522	1,122	344	1,988
Children & Youth	96	1,014	395	1,505	95	1,086	372	1,553
Evangelism & Growth	5,055	1,933	651	7,639	4,006	1,434	582	6,022
Global relations	3,385	2,620	853	6,858	976	2,638	768	4,382
Learning Network	119	2,215	687	3,021	113	2,014	651	2,778
Methodist Council & Governance	-	4,136	1,050	5,186	97	3,779	986	4,862
Ministry	5,047	2,001	591	7,639	3,220	1,780	534	5,534
Property	120	555	152	827	-	5,365	140	5,505
Others - Pensions	-	1,339	-	1,339	-	1,496	-	1,496
	14,362	17,319	4,745	36,426	9,029	20,714	4,377	34,120
Total	14,362	19,582	5,065	39,009	9,029	22,850	4,667	36,546

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

Note * The expenditure incurred in raising funds for the Methodist Church in Great Britain - £8.0m (2022: £5.7m) and for the Connexion - £2.6m (2022: £1.7m) is broken down as follows:

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Cost of raising voluntary income	£0.3m	£0.3m	£0.3m	£0.3m
Cost of investment management	£0.4m	£0.4m	£0.4m	£0.4m
Cost of other trading activities	£7.3m	£5.0m	£1.9m	£1.7m

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

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

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2023 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	90	72	108	161	81	27	233	45	898
Development & Personnel	Per capita	83	92	73	110	165	83	28	239	46	919
Financial Services	Per capita	111	112	425	516	180	334	67	316	179	2,240
Information Technology	Per capita	91	101	81	120	181	92	30	262	50	1,008
Total		366	395	651	854	687	590	152	1,050	320	5,065

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

		Building communities	Children & Youth	Evangelism & Growth	Global relations	Learning Network	Ministry	Property	Methodist Council & Governance	Raising funds	2023 Total
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Facilities	Per capita	81	91	72	109	163	81	27	235	45	904
Development & Personnel	Per capita	89	98	79	118	177	89	30	256	49	985
Financial Services	Per capita	95	95	360	436	152	284	57	265	152	1,896
Information Technology	Per capita	79	88	71	105	159	80	26	230	44	882
Total		344	372	582	768	651	534	140	986	290	4,667

9. Subsidiaries

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

	Cliff College	Southlands Methodist Trust	All We Can	Methodist International Centre Ltd	Y Care International		
2023	2023	2023	2023	2023	2023		
	£000	£000	£000	£000	£000		
Income from:							
Donations and legacies		428	-	2147	-	816	
Investments		96	451	60	1	-	
Other trading activities		374	16	-	7,469	-	
Other:							
Grants			554	-	842	-	7
Miscellaneous income			522	-	-	-	-
Total income		1,974	467	3,049	7,470	823	
Expenditure on:							
Raising funds			305	47	942	6,250	224
Charitable activities							
Ministry			2,453	359	-	-	-
Global relations			-	296	3,053	-	730
Total expenditure on charitable activities			2,453	655	3,053	-	730
Total expenditure			2,758	702	3,995	6,250	954
Net gains/(losses) on investments			441	(1,352)	7	-	-
Net income/(expenditure)			(343)	(1,587)	(939)	1,220	(131)
Distribution under Gift aid			-	-	-	-	-
Net movement in funds			(343)	(1,587)	(939)	1,220	(131)
Net assets							
Fixed assets			10,229	11	3	500	-
Investments			15	12,330	641	-	-
Current assets			637	47	2,061	2,659	1,275
Creditors and loans			(479)	(406)	(453)	(2,103)	(561)
Total			10,402	11,982	2,252	1,056	714

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

9. Subsidiaries (continued)

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

Cliff College

Charity Number 529386

Cliff College Outreach Limited

Company Number 2331438

Cliff (Methodist) Developments Limited

Company Number 4934377

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

All We Can

Charity Number 291691

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

Southlands Methodist Trust

Charity Number 1100660

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

Methodist International Centre Limited

Company Number 3866984

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

Y Care International

Company Number 3997006

Y Care international is a subsidiary of All We Can.

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

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

Activity	Individuals	Institutions	2023	2022
			Total	Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	3,152	3,152	568
Scholarship programmes	-	196	196	365
Ministerial and personnel support grants	-	36	36	43
Annual grants	-	2,011	2,011	1,823
Total	-	5,395	5,395	2,799
Other grants	£000	£000	£000	£000
Building communities	205	335	540	522
Children & Youth	-	96	96	95
Evangelism & Growth	-	5,055	5,055	4,006
Learning Network	-	119	119	113
Methodist Council & Governance	-	-	-	97
Ministry	3,979	924	4,903	3,244
Property	-	120	120	-
Total	4,184	6,649	10,833	8,077
Grand Total	4,184	12,044	16,228	10,876

10b. Grant expenditure: The Connexional Funds

Activity	Individuals	Institutions	2023	2022
			Total	Total
	£000	£000	£000	£000
Global relations				
Regional grants	-	3,152	3,152	568
Scholarship programmes	-	196	196	365
Ministerial and personnel support grants	-	37	37	43
Total	-	3,385	3,385	976
Other grants	£000	£000	£000	£000
Building communities	205	335	540	522
Children & Youth	-	96	96	95
Evangelism & Growth	-	5,055	5,055	4,006
Learning Network	-	119	119	113
Methodist Council & Governance	-	-	-	97
Ministry	3,952	1,095	5,047	3,220
Property	-	120	120	-
Total	4,157	6,820	10,977	8,053
Grand Total	4,157	10,205	14,362	9,029

The figures in Note 10 are not intended to be the same as those listed for grants on page 23.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

11. Included in the SOFA are the following:	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Audit and consultancy fees	£000	£000	£000	£000
Payable to RSM UK Audit LLP	86	79	86	79
Payable to RSM UK Tax & Accounting Ltd for taxation advice	21	10	21	10
Payable to other auditors - for internal audit services	25	30	25	30
Payable to other auditors - for audit of consolidated entities	74	68	-	-
Payable to other auditors - for financial advice to consolidated entities	9	7	-	-
Depreciation	276	253	92	60
Amortisation	0	30	0	20
Foreign exchange differences	-	3	-	3
Loan interest payable	46	87	-	-

12. Stipends and salary costs

The Methodist Council appointed or employed on average 431 (2022:378) people during the year, of which Connexional Funds had 263 (2022: 268) and the costs were:

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Stipends and salaries	14,596	13,449	10,077	9,784
Redundancy costs (loss of office)	118	154	89	116
Temporary staff costs	160	158	61	59
Social security costs	1,403	1,340	986	956
Pension costs - (defined contribution schemes)	2,148	1,340	1,962	1,120
Defined benefit pension costs excluding interest	3,013	5,607	2,988	5,582
Total	21,438	22,048	16,163	17,617

The Methodist Church in Great Britain

23 employees were paid £60k or more during the year (2022: 16 employees). The total aggregate pension contributions for these employees for the year were £202k (2022: £139k).

The Connexional Funds

17 employees were paid £60k or more during the year (2022: 9 employees). The total aggregate pension contributions for these employees for the year were £170k (2022: £106k).

	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Basic salary plus bonus	Number of employees	Number of employees	Number of employees	Number of employees
£60,001 - £70,000	10	6	8	4
£70,001 - £80,000	8	6	5	3
£80,001 - £90,000	3	3	1	1
£90,001 - £100,000	1	-	1	-
£100,001 - £110,000	-	1	1	1
£110,001 - £120,000	1	-	1	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

12. Stipends and salary costs (continued)

Actual average number of staff by activity	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
Methodist Council & Governance	54.8	56.5	54.8	56.5
Global Relations	54.3	51.3	26.5	26.7
Evangelism & Growth	17.8	18.7	17.8	18.7
Learning Network	40.6	40.9	40.6	40.9
Children & Youth	12.6	13.8	12.6	13.8
Ministry	77.3	65.2	26.6	25.7
Building Communities	17.7	17.8	17.7	17.8
Administration & Support	44.7	48.9	44.7	48.9
Property	4.7	5.8	4.7	5.8
Fundraising	106.4	59.4	16.9	13.4
Total	430.9	378.3	262.9	268.2

The average number of volunteers working for the Council during the year was 842 (2022: 1,092).

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

Key management personnel

The key management personnel of the Church comprise the Secretary and Assistant Secretary of the Conference, the Connexional Secretary, the Head of Mission, the Head of Ministries (for 9 months of the year) the Head of Ministries & Learning, the Director of Communications, the Executive Director of Finance and Resources and the Director of Human Resources. A number of these posts are undertaken by Trustees (as set out in Note 26) and the remuneration of these individuals is included in the amounts below. Their total remuneration inclusive of benefits and employer's national insurance, but excluding pension contributions was £645k (2022: £623k). In addition, pension contributions of £95k were paid into defined contribution pension schemes on behalf of these personnel (2022: £94k).

Pension costs

The Methodist Council operates three main pension schemes:

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

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

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

12. Pension costs (continued)

The Methodist Ministers' Pension Scheme

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

The Methodist Church in Great Britain is the sole statutory employer for purposes of pension law, that is The Church as defined in the Methodist Church Act 1976 and the Deed of Union 1939 of which the Conference is the supreme governing body. There are approximately 1,136 ministers who are active members of MMPS of whom the Council (the 'reporting entity') is responsible for the pension contributions of 64 ministers. The majority of 'employer' pension contributions coming from the circuits to which they are stationed annually by the Conference, that also pay their stipends and employer national insurance contributions.

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

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

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

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

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

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

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Superannuation Scheme for Lay Mission Partners (SSMP)

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

There are 22 members in total, 6 of whom are deferred pensioners. The scheme has been accounted for as a defined benefit scheme in accordance with FRS 102. The Scheme is now closed to new entrants.

The scheme provides a pension of £205.63 per year of qualifying service to a single retired mission partner or widow / widower, £274.25 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 £136.65 (single) / £182.65 (married) per year of qualifying service for those mission partners who withdraw before completing 10 years qualifying service. Mission partners who retire after completing 10 but less than 15 years qualifying service are given the option of receiving a withdrawal grant or a retirement pension at the appropriate retirement age. Mission partners who withdraw or retire after completing 15 years qualifying service receive a retirement grant and a pension at the appropriate retirement age.

The calculations for the FRS 102 disclosures have been carried out by running actuarial calculations as at 31 August 2023 by the Scheme's actuary and shown in Note 28.

Other pension schemes

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

The Pensions Trust

There are 17 members in the scheme participating in the Trust's two defined contribution schemes: the Ethical Fund and the Flexible Retirement Plan. The pension charge for the year was £132k (2022: £138k). Further disclosures are deemed unnecessary on the grounds of immateriality.

The Retirement Benefit Scheme (Ireland)

There are currently 2 members in this scheme. The pension charge for the year was £5.3k (2022: £9.7k). 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 2023 (continued)

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

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2022	80,105	1,958	1,920	33	84,016
Additions during the year	1,674	42	152	13	1,881
Revaluations	283	-	-	-	283
Transfers (to Investment property)	(9,790)	-	-	-	(9,790)
Disposals	(5,435)	(36)	-	-	(5,471)
Total	66,837	1,964	2,072	46	70,919
Depreciation					
At 1 September 2022	329	1,845	1,766	25	3,965
Charge for the year	103	62	107	4	276
Disposals	-	(26)	-	-	(26)
Total	432	1,881	1,873	29	4,215
Net book value as at 31 August 2023	66,405	83	199	17	66,704
Net book value as at 31 August 2022	79,776	113	154	8	80,051

13b. Tangible fixed assets - The Connexional Funds

	Freehold land and buildings	Furniture and fittings	Computer equipment	Motor vehicles	Total
At cost or valuation	£000	£000	£000	£000	£000
At 1 September 2022	69,040	944	1,382	-	71,366
Additions during the year	1,143	8	93	-	1,244
Transfers	(9,790)	-	-	-	(9,790)
Revaluations	113	-	-	-	113
Disposals	(4,660)	(36)	-	-	(4,696)
Total	55,846	916	1,475	-	58,237
Depreciation					
At 1 September 2022	-	900	1,238	-	2,138
Charge for the year	-	15	77	-	92
Disposals	-	(26)	(26)	-	(52)
Total	-	889	1,315	-	2,204
Net book value as at 31 August 2023	55,847	27	160	-	56,034
Net book value as at 31 August 2022	69,040	44	144	-	69,228

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

Contigent asset

During the year, the London Committee entered into an agreement to transfer a property in Kings Cross to the Church Council of King's Cross Methodist Church. The terms of the agreement were to transfer the property in exchange for a loan which would be payable at a point where either the property was sold or utilised for activities outside the objectives of the Methodist Church, with the value payable based on the proceeds achieved or an indexed value starting from £2,800k which was a valuation of the property in May 2011.

Any future loan repayments are under the control of the Church Council of King's Cross Methodist Church which will not be required to transfer funds unless it takes a decision to change the use of the building, either via sale or use.

We have recognised the disposal but no corresponding debtor will be recognised until the use changes and amounts are due for the transfer. The potential future receipt is estimated at £4,483k as at 31st August 2023.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

13c. Intangible fixed assets

At cost	£000	£000
At 1 September 2022	418	353
Additions during the year	186	98
Total	604	451
Amortisation		
At 1 September 2022	356	310
Charge for the year	70	35
Total	426	345
Net book value as at 31 August 2023	178	106
Net book value as at 31 August 2022	62	43

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

13d. Revaluation of charitable land and buildings

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

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

The manses, which are residential and have a well established market, were revalued internally by reference to current market prices on 31 August 2019. The trustees consider the valuation of these properties and consider that there is no material difference between amounts in the accounts and the current individual valuations.

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

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

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

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

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

Current value of Guy Chester Centre in the accounts is based on the valuation carried out by Savills. The valuation was done in September 2022. The property was valued at £14,865.5k.

The place of worship part of the Wesley Hotel Camden located at 89 Plender Street, Camden Town, London NW1 0JN was valued as £1,134k by Savills on 31 August 2023. The current market value is £1,134k.

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 £35,800k (2022: £45,500k) for the Methodist Church in Great Britain and £27,800k (2022: £38,100k) for Connexional Funds.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

14a. Investments - The Methodist Church in Great Britain

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	41,377	130,086	9,809	995	182,267	193,575
Additions	-	2,572	261	-	2,833	1,287
Transfers (from Charitable property)	9,790	-	-	-	9,790	-
Disposals	-	(2,841)	-	-	(2,841)	(642)
Investment (losses)/gains	(353)	(4,703)	(524)	-	(5,580)	(11,953)
Fair value as at 31 August	50,814	125,114	9,546	995	186,469	182,267

14b. Investments - The Connexional Funds

	Investment properties	Central Finance Board Units	William Leech Charities Fund	Other Investments	2023 Total	2022 Total
	£000	£000	£000	£000	£000	£000
Fair value at 1 September	29,453	127,604	9,809	900	167,766	181,991
Additions	-	-	261	-	261	1,242
Transfers	9,790	-	-	-	9,790	-
Disposals	-	(100)	-	-	(100)	(75)
Investment (losses)/gains	947	(4,658)	(524)	-	(4,235)	(15,392)
Fair value as at 31 August	40,190	122,846	9,546	900	173,482	167,766

Investment additions and disposals

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

William Leech Charities Fund

The Methodist Church holds investments valued at £9.5m (2022: £9.8m) in William Leech (Investments) Ltd which represents 20% of the company's net assets as at 31 August 2023. The holding is based on the company's audited accounts to 31 March 2023, updated with management accounts to 31 August 2023. 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 2023 (continued)

14c. Analysis of movement of investment properties	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Fair value at 1 September	41,377	39,446	29,453	31,178
Additions	-	-	-	-
Transfers	9,790	-	9,790	-
Revaluation gain/(loss)	(353)	1,931	947	(1,725)
Disposals	-	-	-	-
Fair value at 31 August	50,814	41,377	40,190	29,453

Included within investment properties are the following revalued properties:

i) London Mission Fund

The London Mission property portfolio was valued by G Parks MRICS for and on behalf of Cluttons LLP.

The valuation was done in July 2022 for 229 King St, Hammersmith and July 2023 for the other three properties.

- a) Hove Residential at 20 Bigwood Avenue: £285k (2022: £270k)
- b) Hostel at 229 King Street Hammersmith, London W6 9JT: £575k (2021: £550k)
- c) Maida Vale Library, Sutherland Avenue, London W9 2QT: £400k (2022: £425k)
- d) Central Hall Buildings, Archway, London N19 3UB: £1,870k (2022: £1,700k)

ii) Guy Chester Centre

A property known as the Hazlehyrst, 7 Colney Hatch Lane, London N10 1PN was valued on 24 July, 2023 by James Gilmartin MRICS from Gilmartin Ley Ltd. The fair value is £3,785k (2022: £3,620k).

iii) The Wesley Hotel, Camden

The property is located at 89 Plender Street, Camden Town, London NW1 0JN. It was valued on 31 August 2023 by Savills and the current market value for the hotel is £10.866m.

iv) The Wesley Hotel, Euston Street

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

v) 4 John Wesley Road

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

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

15. Debtors	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Prepayments and accrued interest	3,710	2,965	2,185	1,342
Loans to other entities	19	-	805	786
Concessionary loans due within one year	182	167	182	167
Concessionary loans due after more than one year	406	406	406	406
Other debtors	2,821	2,126	2,823	1,692
Total	7,138	5,664	6,401	4,393

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

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

16a. Creditors: amounts due within one year	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Accruals	1,969	1,283	708	462
Loans	294	257	-	-
Tax and social security	718	565	279	255
Grant commitments	8,387	6,530	7,763	6,169
Other creditors	5,689	7,139	6,064	7,089
Total	17,057	15,774	14,814	13,975

16b. Creditors: amounts due after more than one year	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Loans	75	391	-	-
Grant commitments	1,673	1,965	1,472	1,792
Total	1,748	2,356	1,472	1,792

Loans

Cliff College - The Methodist Church in Great Britain

At 31 August 2023, the balance on the loan is £140k (2022: £163k) which was secured by a legal charge over the property known as 26 Ashenhurst Way, Leek, Staffordshire. ST13 5SB, with a carrying value of £407k. The loan is repayable in 20 equal capital instalments on the 30 June and 31 December each year plus interest accrued in the 6 month period at the rate of 2.94% (APR) variable.

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

MIC Ltd obtained a Coronavirus Business Interruption Loan (CBIL) of £500k, this amount is interest-free in the first 12 months, and the loan term is six years from the date of drawdown - 14 July 2021. The loan balance as at 31 August 2023 is £229k (2022: £479k).

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

17. Stocks	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Finished goods and goods for resale	42	44	30	29
Total	42	44	30	29

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

Stock recognised as an expense in the year were 9k (2022 £19k).

18. Financial instruments	The Methodist Church in Great Britain		The Connexional Funds	
	2023	2022	2023	2022
	£000	£000	£000	£000
Financial assets at fair value through profit or loss				
Listed investments	125,114	130,086	122,846	127,604
William Leech Charities Fund and other investments	10,541	10,804	10,446	10,709
Total	135,655	140,890	133,292	138,313

Financial assets that are debt instruments measured at amortised cost

Debtors	2,821	2,126	2,823	1,692
Total	2,821	2,126	2,823	1,692

Financial liabilities measured at amortised cost

Loans	369	648	-	-
Accruals	1,969	1,283	708	462
Other creditors	5,689	7,139	6,064	7,089
Total	8,027	9,070	6,772	7,551

Concessionary loans (at cost plus accrued interest less impairment)

Loans to ministers	182	167	182	167
Loan to Lesnes Abbey Circuit	19	-	805	786
Total	201	167	987	953

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19a. Unrestricted funds							
General	52,706	22,747	(22,568)	-	390	2,310	55,585
Designated 19c	68,926	17,439	(11,438)	-	(2,478)	(592)	71,857
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	121,632	40,186	(32,193)	(1,813)	(2,088)	1,718	127,442

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19b. Unrestricted funds							
General	50,531	16,118	(17,483)	-	390	2,310	51,866
Designated 19d	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423
Defined Benefit Pension Scheme	-	-	1,813	(1,813)	-	-	-
Total	118,294	33,553	(27,375)	(1,813)	(2,088)	1,718	122,289

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £2.3m to the general fund principally comprise the net balance of the management levy received (£1.8m) and other MIC contributions (£0.6m) Note 22 page 88.

The Methodist Church in Great Britain

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19c. Designated funds							
1) The Connexional Priority Fund	10,584	15,879	(6,535)	-	(511)	(6,625)	12,792
2) The Epworth Fund	7,135	172	(538)	-	(242)	(347)	6,180
3) The Designated Training Fund	1,129	1	(566)	-	-	841	1,405
4) The Pension Reserve Fund	50,078	1,387	(3,798)	-	(1,725)	5,539	51,481
Total	68,926	17,439	(11,438)	-	(2,478)	(592)	71,857

The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains/(losses) & revaluation reserve movements	Transfers	Balance as at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
19d. Designated funds							
1) The Connexional Priority Fund	10,558	15,878	(6,570)	-	(511)	(6,625)	12,730
2) The Epworth Fund	7,126	171	(538)	-	(242)	(347)	6,170
3) The Designated Training Fund	1	-	(800)	-	-	841	42
4) The Pension Reserve Fund	50,078	1,386	(3,797)	-	(1,725)	5,539	51,481
Total	67,763	17,435	(11,705)	-	(2,478)	(592)	70,423

The transfers to the designated training fund is the contribution from the income generating centres (Guy Chester & MIC) towards the Learning Network. Transfers out of the Connexional Priority Fund principally relate to £0.96m management levy paid to the general fund and £5.6m to the Pension Reserve Fund (PRF). See Note 22 page 88.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

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

The Connexional Funds

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

Intercompany transfers occur as MCF pay on behalf of most other funds. Transfers in of £0.9m to the general fund principally comprise the net balance of the management levy received (£2.0m), payment to the Long-term Renewal Fund (£0.1m), donations made to Pension Reserve Fund (£0.5m) for contribution toward pension deficit and other MIC contributions (£0.5m) Note 22 page 88.

The Methodist Church in Great Britain

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

The Connexional Funds

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

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

1) The Connexional Priority Fund (CPF)

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

2) The Epworth Fund

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

3) The Designated Training Fund

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

4) The Pension Reserve Fund

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20a. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,383	1,033	(264)	-	(227)	(70)	6,855
3) Centenary Hall Trust	27,460	351	(23)	-	23	(349)	27,462
4) The Fund for Training	2,412	472	(244)	-	(23)	(68)	2,549
5) The World Mission Fund *	16,997	2,422	(5,770)	-	(384)	(735)	12,530
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre *	20,399	1,535	(937)	-	241	(350)	20,888
8) Cliff College *	6,897	1,274	(2,758)	-	442	-	5,855
9) Southlands Methodist Trust	13,569	467	(702)	-	(1,352)	-	11,982
10) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
11) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	127,747	8,435	(14,696)	-	(5,848)	(1,538)	114,100
Other - 28 funds with balances < £2m *	10,162	4,354	(5,043)	94	(340)	(447)	8,780
Total	137,909	12,789	(19,739)	94	(6,188)	(1,985)	122,880

The Connexional Funds

	Balance at 31 August 2022	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000	£000
20b. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	9,294	194	(3,169)	-	(261)	38	6,096
2) Mission in Britain Fund	6,385	1,033	(264)	-	(227)	(70)	6,857
3) Centenary Hall Trust	27,749	351	(23)	-	23	(349)	27,751
4) The Fund for Training	2,367	472	(244)	-	(23)	(68)	2,504
5) The World Mission Fund *	15,437	2,422	(5,770)	-	(384)	(735)	10,970
6) The London Mission Fund	19,659	593	(734)	-	(4,182)	-	15,336
7) The Guy Chester Centre *	20,403	1,535	(937)	-	241	(350)	20,892
8) Methodist Medical Benevolent Fund	2,385	48	(90)	-	(67)	(2)	2,274
9) Special Extension Fund	2,292	46	(5)	-	(58)	(2)	2,273
Total funds with balances > £2m	105,971	6,694	(11,236)	-	(4,938)	(1,538)	94,953
Other - 27 funds with balances < £2m *	7,091	676	(392)	94	(347)	(447)	6,675
Total	113,062	7,370	(11,628)	94	(5,285)	(1,985)	101,628

Transfers out of the World Mission Fund principally relate to £0.46m management levy paid to the general fund and £0.27m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

Note* : A prior period adjustment has been processed in the restricted funds to reflect property valuations which were incorrectly allocated in prior years. The impact of the adjustment has been to reduce the opening reserves for the World Mission Fund, The London Mission Fund and The Guy Chester Centre with the balance for other funds increasing by a similar amount. The overall value of restricted funds is not impacted by this change.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
20C. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	10,804	367	(1,207)	-	(609)	(61)	9,294
2) Mission in Britain Fund	6,521	977	(502)	-	(548)	(65)	6,383
3) Centenary Hall Trust	25,216	353	(328)	-	2,219	-	27,460
4) The Fund for Training	7,035	289	(68)	-	(4,835)	(9)	2,412
5) The World Mission Fund	18,835	2,974	(2,986)	-	(1,020)	(806)	16,997
6) The London Mission Fund	20,683	539	(434)	-	(1,129)	-	19,659
7) The Guy Chester Centre	29,349	1,240	(811)	-	(9,049)	(330)	20,399
8) Cliff College	8,312	1,358	(2,770)	-	(3)	-	6,897
9) Southlands Methodist Trust	10,418	517	(862)	-	3,496	-	13,569
10) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
11) Special Extension Fund	2,415	57	(7)	-	(171)	(2)	2,292
Total funds with balances > £2m	142,168	8,733	(10,056)	-	(11,824)	(1,274)	127,747
Other - 28 funds with balances < £2m	7,163	8,346	(9,841)	311	4,214	(31)	10,162
Sub-total	149,331	17,079	(19,897)	311	(7,610)	(1,305)	137,909

The Connexional Funds

	Balance at 31 August 2021	Income	Expenditure	Actuarial losses on DB pension scheme	Investment gains and revaluation reserve movements	Transfers	Balance at 31 August 2022
	£000	£000	£000	£000	£000	£000	£000
20d. Restricted funds							
1) The Fund for the Support of Presbyters and Deacons	10,804	367	(1,207)	-	(609)	(61)	9,294
2) Mission in Britain Fund	6,523	977	(502)	-	(548)	(65)	6,385
3) Centenary Hall Trust	25,505	353	(328)	-	2,219	-	27,749
4) The Fund for Training	6,990	289	(4,853)	-	(50)	(9)	2,367
5) The World Mission Fund	17,845	2,974	(3,556)	-	(1,020)	(806)	15,437
6) The London Mission Fund	20,686	539	(437)	-	(1,129)	-	19,659
7) The Guy Chester Centre	29,353	1,240	(811)	-	(9,049)	(330)	20,403
8) Methodist Medical Benevolent Fund	2,580	62	(81)	-	(175)	(1)	2,385
9) Special Extension Fund	2,415	57	(7)	-	(171)	(2)	2,292
Total funds with balances > £2m	122,701	6,858	(11,782)	-	(10,532)	(1,274)	105,971
Other - 27 funds with balances < £2m	7,357	2,743	(500)	311	(2,789)	(31)	7,091
Total	130,058	9,601	(12,282)	311	(13,321)	(1,305)	113,062

Transfers out of the World Mission Fund principally relate to £0.55m management levy paid to the general fund and £0.25m to William Leech for investment purposes. Guy Chester transfers out £0.35m towards the Learning Network.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

Notes on the purposes of the main funds

1) Fund for the Support of Presbyters and Deacons

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

2) Mission in Britain Fund

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

3) Centenary Hall Trust

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

4) The Fund for Property

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

5) The Fund for Training

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

6) The World Mission Fund

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

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.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

8) The Guy Chester Centre

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

9) Cliff College

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

10) Southlands Methodist Trust

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

11) 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 2023 (continued)

The Methodist Church in Great Britain and The Connexional Funds

	Balance at 1 September 2022	Income	Expenditure	Investment gains & losses	Transfers	Balance at 31 August 2023
	£000	£000	£000	£000	£000	£000
21a. Endowment funds						
Permanent						
Rank Endowment Fund	7,314	-	(2)	(3)	(4)	7,305
Barratt Memorial	1,273	-	(4)	(44)	4	1,229
Bories Bequest	27	-	-	(1)	-	26
Sub-total	8,614	-	(6)	(48)	-	8,560
Expendable						
William Leech Charities Fund	9,808	-	-	(524)	261	9,545
Other - 4 funds with balances <£1m	1,162	-	-	(7)	6	1,161
Sub-total	10,970	-	-	(531)	267	10,706
Total	19,584	-	(6)	(579)	267	19,266

Transfers of £0.26m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain and The Connexional Funds

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

Transfers of £0.24m to William Leech are principally for investment purposes.

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

22. Fund Transfers		2023			2022		
		Transfers in £000	Transfers out £000	Net transfer £000	Transfers in £000	Transfers out £000	Net transfer £000
Unrestricted							
Connexional Priority Fund	(Note 19)	-	(6,625)	(6,625)	-	(5,164)	(5,164)
Pension Reserve Fund	(Note 19)	5,669	(130)	5,539	5,027	(543)	4,484
Designated Training Fund	(Note 19)	841	-	841	789	-	789
General Fund	(Note 19)	2,425	-	2,425	1,957	(600)	1,357
Methodist International Centre	(Note 19)	398	(513)	(115)	-	(505)	(505)
Epworth Fund	(Note 19)	-	(347)	(347)	-	(27)	(27)
Total		9,333	(7,615)	1,718	7,773	(6,839)	934
Restricted							
Long-term Renewal Fund		-	347	347	100	-	100
World Mission Fund	(Note 20)	-	(735)	(735)	-	(806)	(806)
Guy Chester Centre	(Note 20)	-	(350)	(350)	-	(330)	(330)
Fund for Training	(Note 20)	-	(68)	(68)	-	(9)	(9)
Mission in Britain	(Note 20)	-	(70)	(70)	-	(65)	(65)
Fund for Support of Presbyters & Deacons		65	(27)	38	-	(61)	(61)
Fund for property	(Note 20)	-	(426)	(426)	23	(89)	(66)
Centenary Hall Trust	(Note 20)	-	(349)	(349)	-	-	-
Others		-	(25)	(25)	1	(69)	(68)
Total		(282)	(2,397)	(1,985)	124	(1,429)	(1,305)
Endowments							
William Leech Charities Fund	(Note 21)	271	(10)	261	253	(13)	240
Rank Endowment	(Note 21)	3	(7)	(4)	70	(7)	63
Others	(Note 21)	11	(1)	10	71	(3)	68
Total		285	(18)	267	394	(23)	371
Grand Total		9,336	(10,030)	-	8,291	(8,291)	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Methodist Church in Great Britain

23a. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	135	43	-	178
Tangible fixed assets	17,720	48,984	-	66,704
Investments	107,781	67,218	11,470	186,469
Current assets	21,137	15,093	43	36,273
Creditors due within one year	(19,132)	(5,678)	7,753	(17,057)
Creditors due after more than one year	(199)	(1,549)	2,978.00	(4,726)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	127,442	122,880	19,266	269,588

The Connexional Funds

23b. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2023 Total £000
Intangible fixed assets	106	-	-	106
Tangible fixed assets	17,249	38,784	-	56,033
Investments	107,781	54,231	11,470	173,482
Current assets	19,768	11,268	43	31,079
Creditors due within one year	(22,370)	(197)	7,753	(14,814)
Creditors due after more than one year	(245)	(1,227)	-	(1,472)
Defined benefit pension scheme liability	-	(1,231)	-	(1,231)
Total	122,289	101,628	19,266	243,183

The Methodist Church in Great Britain

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

The Connexional Funds

23d. Analysis of net assets between funds	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	2022 Total £000
Intangible fixed assets	43	-	-	43
Tangible fixed assets	27,173	42,055	-	69,228
Investments	96,534	59,441	11,791	167,766
Current assets	14,916	15,900	223	31,039
Creditors due within one year	(20,079)	(1,467)	7,570	(13,976)
Creditors due after more than one year	(293)	(1,499)	-	(1,792)
Defined benefit pension scheme liability	-	(1,368)	-	(1,368)
Total	118,294	113,062	19,584	250,940

24. Revaluation reserves

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

The Methodist Church in Great Britain

24a. Revaluation reserve	1 September 2022 £000	Movement £000	31 August 2023 £000
Unrestricted	7,240	74	7,314
Restricted	48,501	(3,349)	45,152
Total	55,741	(3,275)	52,466

The Connexional Funds

24b. Revaluation reserve	1 September 2022 £000	Movement £000	31 August 2023 £000
Unrestricted	7,237	74	7,311
Restricted	43,347	(3,791)	39,556
Total	50,584	(3,717)	46,867

The Methodist Church in Great Britain

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

The Connexional Funds

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

25. Expenses reimbursed to the trustees	2023		2022	
	Number of trustees	£000	Number of trustees	£000
Travel and other expenses reimbursed	43	45	44	23

26. Trustees' remuneration	Pension Contributions		Total Remuneration including Pensions	
	Total	Total	Total	Total
	2023	2022	2023	2022
	£000	£000	£000	£000
Doug Godfrey-Swanney	17	17	140	137
Joanne Anderton	12	12	100	97
The Revd Dr Jonathan R Hustler	7	7	47	44
Deacon Karen McBride	7	7	45	43
The Revd Gillian M Newton	7	7	45	43
The Revd Leslie M Newton	7	7	45	43
The Revd Michaela A Youngson	7	7	45	43
The Revd Helen R Kirk	7	7	45	43
The Revd Graham Thompson	7	7	47	43
The Revd S Mark Slaney	7	-	45	-
The Revd Richard M Andrew	7	-	45	-
The Revd Angela Long	7	-	41	-
Deacon Kerry Scarlett	7	-	37	-
The Revd Dr Jongikaya Zihle	-	7	-	43
Total	106	85	727	579

Of the trustees listed above, 13 were in the Connexional team or District Chairs (2022: 10). Their aggregate total emoluments including pension contributions and national insurance for this work and not in their role as trustees amounted to £0.7m (2022: £0.6m). Their appointment as trustees is in accordance with Standing Order No. 210 of the Methodist Church.

27. Trustees, related parties and connected organisations

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

	2023		Loans from related party	Amount owed by/(to) related party
	Income from related party	Payments to/(from) related party		
	£000	£000	£000	£000
Trustees for Methodist Church Purposes (a)	19	216	-	-
Methodist Ministers' Housing Society (b)	1	18	-	-
Methodist Ministers' Pension Scheme (c)	67	206	-	-
Pension Assurance Scheme for the Lay Employees of the Methodist Church (PASLEMC)	16	53	-	-
The Queen's Foundation for Ecumenical & Theological Education (d)	120	1,105	-	-
Methodist International Centre Ltd (e)	698	27	-	786

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

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

(b) The payments relate to the contributions made toward rents of the ministers staying in MMHS properties.

(c) The income received from MMPS (£67k) and from PASLEMC (£16k) is for rent and accountancy services.

Both schemes made payments to MCF (MMPS: £206k and PASLEMC:£53k) to reimburse salaries for Pensions Schemes staff.

(d) A payment of £1.10m (2022: £1.04m) was made to The Queen's Foundation for Ecumenical Theological Education being tuition fees for the 2022-23 academic year. Rent of £120k was received from The Queen's Foundation for the period Sep 22 to Aug 23.

(e) Income receivable from Methodist International Centre Ltd for rent chargeable for the use of building owned by Connexional Funds £698k (2022: 316k) . The £27k relates to accommodation expenses (2022: £20k).

In May 2020, the Methodist Council made a loan of £786k to MIC Ltd to support it through the Covid-19 lockdown. It is due to for repayment starting from May 2024.

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

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

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

- The annual assessment on local circuits (which are collected via the districts) to pay for the work of the Connexional Team and other Conference activities (e.g. District chairs and committee expenses) amounts to £13.4m (2022: £13.7m)
- The awarding and distribution of grants to other Methodist entities amounts to £3.6m in 2023 (2022: £4m)
- Investment charges (TMCP & CFB) amounts to 375k in 2023 (2022: £403k)

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments

The PASLEMC Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members - Pensionable Service as at the closure date and Final Pensionable Earnings at date of retirement or earlier date of leaving service (with subsequent deferred revaluation until retirement); and Pensionable Service and Pensionable Earnings as at the closure date with statutory deferred revaluation until retirement.

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

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

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Fair value of scheme assets	57,176	-	57,176	69,991
Present value of scheme liabilities	(53,226)	(1,231)	(54,457)	(68,283)
Sub Total	3,950	(1,231)	2,719	1,708
Unrecognised assets	(3,950)	-	(3,950)	(3,076)
Net defined benefit liability	-	(1,231)	(1,231)	(1,368)

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

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Service cost (before contributions from other group employers)	84	-	84	135
Interest cost on scheme liabilities	2,568	54	2,622	1,651
Interest income on plan assets	(2,735)	(71)	(2,806)	(1,669)
Net finance costs	(167)	(17)	(184)	(18)
Total	(83)	(17)	(100)	117

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

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

	Unrestricted PASLEMC £000	Restricted SSMP £000	2023 Total £000	2022 Total £000
Actual return on scheme assets	(12,543)	(166)	(12,709)	(27,144)
Amounts included in net interest on the net defined liability	(2,735)	166	(2,569)	(1,423)
Other actuarial gains/losses	14,220	94	14,314	29,753
Movement in unrecognised assets	(755)	-	(755)	(3,076)
Re-measurement gains and losses recognised in SoFA	(1,813)	94	(1,719)	(1,890)

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

Liabilities	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2023	2022	2023	2022	2023	2022
	£000	£000	£000	£000	£000	£000
At 1 September	66,915	96,433	1,368	1,746	68,283	98,179
Service cost	84	135	-	-	84	135
Interest on obligation	2,568	1,624	54	27	2,622	1,651
Contributions by members	-	-	-	-	-	-
Benefits paid	(2,121)	(1,835)	(97)	(94)	(2,218)	(1,929)
Actuarial gains/losses	(14,220)	(29,442)	(94)	(311)	(14,314)	(29,753)
At 31 August	53,226	66,915	1,231	1,368	54,457	68,283

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

Assets	Unrestricted PASLEMC		Restricted SSMP		TOTAL	
	2023	2022	2023	2022	2023	2022
	£000	£000	£000	£000	£000	£000
At 1 September	69,991	95,103	-	-	69,991	95,103
Interest on assets	2,735	1,636	-	-	2,735	1,636
Contributions by employers	2,384	4,110	-	-	2,384	4,110
Contributions by members	-	-	-	-	-	-
Administration expenses	(535)	(456)	-	-	(535)	(456)
Benefits paid	(2,121)	(1,836)	-	-	(2,121)	(1,836)
Actuarial return less interest income on plan assets	(15,278)	(28,566)	-	-	(15,278)	(28,566)
At 31 August	57,176	69,991	-	-	57,176	69,991
Unrecognised assets	(3,950)	(3,076)	-	-	(3,950)	(3,076)
Net Defined Benefit Liability	-	-	1,231	1,368	1,231	1,368

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

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

	PASLEMC		SSMP	
	2023 % pa	2022 % pa	2023 % pa	2022 % pa
Discount rate at end of year	5.2	3.9	5.4	4.1
Discount rate at start of year	3.9	1.7	4.1	1.6
RPI Inflation	3.4	3.5	3.5	3.9
CPI Inflation	2.8	3.0	-	-
Rate of increase in Pensionable earnings	2.8	3.0	-	-
Rate of increase in deferred pensions pre 2009 LPI 5%	2.8	3.0	3.5	3.7
Rate of increase in deferred pensions post 2009 LPI 2.5%	2.5	2.5	3.5	3.7
Rate of increase in pension in payments fixed 5%	5.0	5.0	-	-
Rate of increase in pension in payments LPI 5% 1 September 2019	3.3	3.4	-	-
Rate of increase in pension in payments LPI 2.5% 1 September 2019	2.2	2.3	-	-

Mortality assumptions for the two schemes:

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

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

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

Analysis of scheme assets

	PASLEMC		SSMP	
	2023	2022	2023	2022
Equities	-	12.5	16.5	20.0
Gilts	-	-	58.0	56.1
Corporate Bonds	45.6	36.6	12.7	12.3
Property	-	9.7	6.3	7.2
Cash	19.3	16.6	6.5	4.4
Liability Driven Investment	30.7	19.8	-	-
Annuities	4.4	4.8	-	-

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

The Methodist Ministers' Pensions Scheme (MMPS)

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

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

	2023	2022
	£000	£000
Service cost	9,696	9,696
Interest cost on scheme liabilities	15,712	8,496
Interest Income on plan assets	(18,248)	(9,122)
Interest on unrecognised assets	-	-
Net Finance Costs	(2,536)	(626)

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

	2023	2022
	£000	£000
Actual Return on Scheme assets	(54,583)	(103,537)
Amounts included in net interest on the net defined liability	(18,248)	(9,122)
Other Actuarial gains/losses	72,374	138,573
Movement in unrecognised assets	(2,414)	(23,943)
Re-measurement gains and losses recognised in SOFA	(2,871)	1,971

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

	2023	2022
	£000	£000
Opening defined benefit obligation	403,424	541,543
Service cost	5,040	9,696
Interest cost	15,712	8,496
Cost of benefit Changes	-	-
Contributions by members	3,140	3,294
Benefits paid	(21,260)	(21,032)
Actuarial (gains)/losses	(72,374)	(138,573)
Closing defined benefit obligation	333,682	403,424

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

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

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

	2023 £000	2022 £000
Opening fair value of scheme assets	460,862	574,510
Interest income on plan assets	18,248	9,121
Contributions by employers	8,808	8,926
Contributions by members	3,140	3,294
Benefits paid	(21,260)	(21,032)
Administration expenses	(1,136)	(1,298)
Actual return less interest income on plan assets	(72,831)	(112,659)
Closing fair value of scheme assets	395,831	460,862

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

	2023 £000	2022 £000
Closing defined benefit obligation	(333,681)	(403,424)
Closing fair value of scheme assets	395,831	460,862
Net defined benefit scheme asset	62,150	57,438
Assets that would not have been recognised had the scheme been included	(2,414)	(23,943)
Net defined benefit asset	59,736	33,495

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

	2023 % pa	2022 % pa
Discount rate at end of year	5.3	4.0
Discount rate at start of year	4.0	1.6
Inflation	3.5	3.6
Rate of increase in pensionable earnings	3.6	3.8
Rate of increase in deferred pensions pre 2009	3.1	3.3
Rate of increase in deferred pension post 2009	2.5	2.5
Rate of increase in pension in payment main benefits CPI LPI 5%	3.0	3.2
Rate of increase in pension in payment main benefits CPI LPI 2.5%	2.2	2.2
Rate of increase in pension in payment AVCs RPI LPI 5%	3.3	3.5
Rate of increase in pension in payment AVCs RPI LPI 2.5%	2.3	2.3

The Methodist Church in Great Britain

Notes to the consolidated financial statements for the year ended 31 August 2023 (continued)

28. Defined benefit pension scheme commitments (continued)

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

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

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

	2023	2022
	%	%
Equities	12.8	33.4
Gilts	0.1	0.1
Corporate Bonds	46.6	29.7
Property	-	10.1
Cash	1.5	3.5
Liability driven Investment	29.7	16.8
Impact investing	9.3	6.4

The Methodist Church in Great Britain

The membership 2022/2023 and 2023/2024 are listed below.

Methodist Council:

2022 / 2023

New Members from 1 September 2022 are marked with one asterisk (*)

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

2023 / 2024

New Members from 1 September 2023 are marked with two asterisks (**)

Joanne Anderton	Matt Hays**	Dr Helen Okello
The Revd Richard M Andrew	Bet Holmes	The Revd Romeo R Pedro**
Stephen Arnold	Carolyn Hothersall**	Sheila Pollard
Marianne Barrett Rogers**	The Revd Dr Jonathan R Hustler	Miss Bridget Quint
The Revd Dr Moira Biggins**	The Revd Stephen Ingrouille**	The Revd Dr Calvin T Samuel
Anthony Boateng	David James**	Deacon Kerry R Scarlett
Anne Bolton**	The Revd Marie-Anne Kent**	The Revd S Mark Slaney
Mark Braithwaite	The Revd Helen R Kirk	The Revd Luke G S Smith**
The Revd Helen D Cameron**	Joseph Lambert	Sandie Smith
The Revd Deborah L Caulk	Professor David Matthews	The Revd Rebekah Stennett
The Revd Steven R M Cooper	Val Mayers	The Revd Howard J Stringer
The Revd Dr Joanne Cox-Darling	Deacon Karen McBride	Jenny Taylor
Gill Dascombe**	Dr Daleep Mukarji	The Revd Graham Thompson
Eleanor Dixon	The Revd Gillian M Newton	The Revd Marcus Torchon
The Revd Simon C Edwards	Keith Norman	Elizabeth Ward**
The Revd Ann Fox**	The Revd Charity Nzegwu	The Revd Michaela A Youngson
The Revd Jennifer M Gill**	Peter Gregson	
Carolyn Godfrey**		
Doug Godfrey-Swanney		

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

The Methodist Church in Great Britain

The Strategy and Resources Committee

The membership for the 2023-24 year is listed below:

Voting Members

Janet Arthur
Anne Bolton
Nick Garrett
Professor David Matthews
Shelagh Morgan

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

Non-voting members

Joanne Anderton
The Revd Dr Jonathan R Hustler
Douglas Godfrey-Swanney
The Revd Michaela A Youngson

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

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

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

The membership of the committee is:

Voting Members

Helen Blair
Sue Haworth
Anne Bolton (Chair)

Malcolm Pearson
The Revd Stephen J Radford

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

The Audit and Risk Assurance Committee

The membership of the committee is:

Voting Members

Sarah Atwell-King
Adrian Burton
Alan Kershaw (Chair)

Susan M Mortimer
Michael Rickard

Non-voting members

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

The Methodist Church in Great Britain

Reference and Administrative Details

Names and addresses

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

The Methodist Church
25 Tavistock Place
London WC1H 9SF
Tel: 020 7486 5502
Web: www.methodist.org.uk

Executive Officers

The Revd Dr Jonathan R Hustler
The Revd Michaela A Youngson
Douglas Godfrey-Swanney
Joanne Anderton

Custodian Trustee:

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

Methodist Missionary Trust Association
25 Tavistock Place
London WC1H 9SF

Investment Managers:

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

Bankers:

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

Independent Auditor:

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

Solicitors:

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