

District  
Accruals Accounts  
2015-16

**THE METHODIST CHURCH**  
**STANDARD FORM OF ACCOUNTS**  
**ACCRUALS BASIS**  
for the year ended 31 August 2016

<b>Beds, Essex and Herts</b>	<b>District</b>	District no	<b>34</b>
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Registered Charity - Registration number

1133921
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District Chairs

Rev Anne Brown to 31 August 2016
Rev Dr David Chapman from 1 September 2016

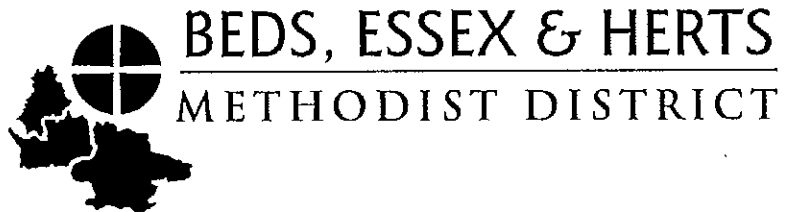
Synod Secretary

Mrs Catherine Roots
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Treasurer

Mr John Chastney
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# **TRUSTEES' ANNUAL REPORT**

**for the year ended**

**31 AUGUST 2016**



## 1 Objectives and activities

The Bedfordshire, Essex and Hertfordshire Methodist District exists to serve the mission of the Methodist Church of Great Britain. The District comprises 180 local Methodist churches in these three counties, grouped into 12 circuits that are served by a ministerial team of some 70 presbyters and deacons.

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

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

The District Synod meets at least twice in each year to fulfil its governance and oversight responsibilities. As a registered charity, the Synod takes seriously its responsibilities to the charity commissioners and adheres closely to their guidelines concerning public benefit in relation to charitable objectives.

## 2 Achievements and Performance

The District Synod, through the District Policy Committee acting as an executive, has pursued a number of specific objectives in 2015-16. In particular, the District has supported the Methodist Church's review of Safeguarding practice by following up a number of historic cases identified during the Past Cases Review. Some of this work is ongoing. The District has provided a number of Safeguarding training events so that church workers are appropriately trained for youth and children's work, as well as work with vulnerable adults.

Through its grants committee, the District has supported a number of imaginative mission initiatives in circuits by making financial resources available for youth and children's work, church property redevelopment, and social action projects. The District has supported and monitored the introduction of revised audit procedures in circuits and churches in order to fulfil the requirements of the latest SORP in 2015.

The District Annual Report contains a comprehensive summary of activities undertaken by the District in fulfilment of its governance responsibilities.

## 2.1 Plans for 2016-17

In addition to fulfilling its normal governance responsibilities, the District Synod intends to:

- (a) increase substantially the role of District Safeguarding Officer in order to meet present and future needs in the District arising from enhanced awareness of the importance of Safeguarding children, young people and vulnerable adults;
- (b) monitor and improve compliance with Safeguarding procedures throughout the District;
- (c) continue to provide substantial financial support for young people in the District wishing to attend the annual 3Generate Methodist event;
- (d) implement a new procedure for applications from ministers and lay people for training grants;
- (e) investigate ways in which the District can work more effectively in partnership with the East Anglia Methodist District;
- (f) develop and provide a range of appropriate training opportunities in conjunction with the Eastern Region of the Discipleship, Learning and Ministries Network of the Methodist Church.

## 3 Financial review

There has been a fundamental change to the accounts this year. For the first time we have brought into account the anticipated grant instalments which we expect to pay over the next three years.

During the year the District received total income of £306k (2014-15: £389k) and dispersed £265k (2014-15: £663k). The resulting excess was enhanced by a net unrealised profit of £8k (2014-15: loss of £1k) on the Rock Trust (a restricted reserve) to produce a net excess of £187k masking the real surplus of £48k (2014-15: excess of £39k). Total reserves carried forward are £1,024k (2014-15: £1,211k). It should be noted that the unrestricted reserves funded the purchase cost of the manse (£500k in 2006) and, as a result, the unrestricted readily available reserves total £391k after taking account of future instalments of grant.

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

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

The District has the following principal sources of funds:

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

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

### **Methodist Ministers' Pension Fund**

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

### **3.1 Investment Policy and Performance**

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

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

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

### **3.2 Reserves policy**

The District has a reserves policy covering all its unrestricted funds which is reviewed annually. Although grants are made annually out of the District Advance Fund (DAF), it is recognised that some grants will be paid by annual instalments and that there will be applications repeated in future years. The trustees seek to ensure that there is sufficient in the DAF to meet these anticipated requests and show such sums as long term liabilities in the Balance Sheet.

The minimum level of the General Fund is such as to pay for six months' payroll costs and closing costs of staff redundancies, rent and the like. At 31 August 2016 this sum amounted to £45k. Unrestricted reserves were substantially in excess of this amount at the end of the year. The trustees are, however, mindful that future income from the Circuit Model Trust Funds (CMTFs) is not secure and it is judged prudent to retain a buffer beyond the quantified need of £245k. Furthermore, some Circuits may find it difficult to meet their future assessments. As in some previous years, if the aggregate sum collected from the CMTFs is not all given out as grants in the same year, there could be a return of levy to the Circuits. It is expected that the DAF will decrease, year on year, in the foreseeable future.

The existence of substantial reserves at District level may indicate to Circuits within the District that they do not need massive reserves themselves.

BEDFORDSHIRE, ESSEX and HERTFORDSHIRE DISTRICT of the METHODIST CHURCH  
Year ended 31 August 2016

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

	£
<i>Unrestricted funds</i>	
General Fund	701,786
District Advance Fund	179,128
	880,914
<i>Designated fund</i>	
Manse Fund	10,449
<i>Total unrestricted funds</i>	891,363
Rock Trust (a restricted fund)	132,734
<i>Total funds</i>	1,024,097
Total unrestricted funds	891,363
Less: Tied up in freehold property	(500,000)
<b>Total readily available reserves</b>	<b>391,363</b>

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

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

### 3.3 Purposes of the funds

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

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

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

Manse Fund: although no charge has been made against this fund in 2015-16, it is expected that the fund will be wound up in 2016-17 following major refurbishments to the District manse costing more than is in this fund.

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



### **3.4 Collaborative arrangements with connected charities**

The District's main source of funding was the assessments obtained from each Circuit within the District based on the membership and staffing levels of the Circuit and this was used to defray most of the cost of administering the District. This sum amounted to £105k (2014-15: £88k).

Each year the District is allocated a sum by the London Mission Fund (LMF). In 2015-16 this amounted to £63k (2014-15: £63k) which can be used to pay for or contribute to the cost of certain activities within the District. This sum is not remitted to the District and does not appear in the accounts of the District because the District acts as agent for the LMF. Instead, the District nominates some grant applications which can be met by the LMF and passes these to the LMF so that the LMF can pay the grant directly to the grantee. Grants were awarded to various projects around the District.

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the connexional year (01 September). In 2015-16 this sum was £142k (2014-15: £141k) and was credited to the District Advance Fund.

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

## **4 Trustees' responsibilities**

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

- selected suitable accounting policies and applied them consistently using the accruals method
- made judgements and estimates that are reasonable and prudent
- followed applicable accounting standards, including the FRSSE
- prepared the financial statements on the going concern basis
- prepared accounts to comply with SORP 2015

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **5 Structure, governance and management**

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

### **5.1 Structure**

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

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

### **5.2 Purpose of the District**

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

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

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

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

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

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

### **5.3 Governance**

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

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

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

### **5.4 Responsibilities of the District Policy Committee**

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

## **6 Reference and Administrative Details**

### **6.1 Name of the charity**

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

### **6.2 Charity registration number**

1133921, registered in England and Wales

### **6.3 Principal Office**

Room 1  
Stansted House  
Third Avenue  
Stansted Airport  
Essex  
CM23 1AE  
01279 681976  
[www.behddistrict.org.uk](http://www.behddistrict.org.uk)

### **6.4 Chair of the District**

Rev Anne E Brown until 31 August 2016;  
Rev Dr David M Chapman from 1 September 2016

### **6.5 Secretary of the Synod**

Mrs Catherine Roots appointed from 1 September 2013

### **6.6 Assistant Secretary of the Synod (Presbyteral)**

Rev Rachael Hawkins from 1 September 2014

### **6.7 District Treasurer**

Mr John Chastney from 25 September 2013

### **6.8 Names of trustees**

The following served as trustees throughout part or all of the year 2014-15 or were trustees at the time of this report being approved:

Mr Richard Armiger (East of England Learning Network Regional Co-ordinator).  
Appointed 01 September 2013  
Rev Anne Brown *ex officio* (Chair, *ex officio*, until 31 August 2016).  
Appointed 01 September 2006  
Rev Hannah Bucke (County Representative Essex). Appointed 01 September 2015  
Mr Bob Butcher (Grants Secretary). Appointed 01 September 2007  
Rev Richard Byass (County Representative Herts). Appointed 01 September 2013  
Rev Dr David Chapman *ex officio* (Chair, *ex officio*, from 01 September 2016).  
Appointed 01 September 2016  
Mr Steve Carter (Secretary to DPC). Appointed 21 June 2016  
Mr John Chastney (District Treasurer). Appointed 25 September 2013  
Mr David Germany (County Representative Beds). Appointed 01 September 2011  
Mrs Angela Hillary (Secretary to DPC). Resigned 21 June 2016  
Mr Ian Hume (Property Secretary). Appointed 01 September 2006  
Mr Keith Norman (Lay Stationing Representative). Appointed 27 April 2013  
Mrs Idy Osibodu *ex officio* as the Synod's nominated member of the Methodist Council.  
Appointed 01 September 2014  
Rev Malcolm Peacock (Deputy Chair of the District). Appointed 01 September 2013  
Mrs Catherine Roots *ex officio* (Synod Secretary). Appointed 01 September 2013

BEDFORDSHIRE, ESSEX and HERTFORDSHIRE DISTRICT of the METHODIST CHURCH  
Year ended 31 August 2016

The attendance rate for all 13 trustees and all four meetings of the DPC during the year was 79%.

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

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

The Chair of District during the year 2015-16, Rev Anne Brown, left the District in August 2016 in order to take up a position as Chair of the Leeds District. We wished her well and thanked her for her contribution to the development of this new District as its first Chair. We have been pleased to welcome Rev Dr David Chapman who moved from Haywards Heath to his first position as District Chair at the beginning of September 2016 and we look forward to working with him.

### **6.9 Chair's PAs**

Miss Carol Griggs & Mrs Sarah Sutherland

### **6.10 Bankers**

HSBC plc  
Town Centre  
Danestrete  
Stevenage  
Herts  
SG1 1BY

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

### **6.11 Investment managers and custodian trustees**

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

### **6.12 Independent Examiner appointed 16 September 2014**

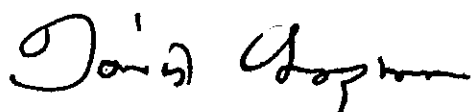
Vincent Chandler of Moore Green, Chartered Accountants  
22 Friars Street  
Sudbury  
Suffolk  
CO10 2AA

BEDFORDSHIRE, ESSEX and HERTFORDSHIRE DISTRICT of the METHODIST CHURCH  
Year ended 31 August 2016

**Approvals**

The Trustees' Report and the Financial Statements were approved by the District Policy Committee on 21 March 2017 and will be presented to the Synod on 06 May 2017.

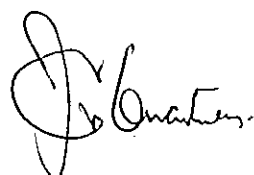
David Chapman (signed)



Rev Dr DM Chapman  
District Chair

Date: 8 June 2017

John Chastney (signed)



JG Chastney  
District Treasurer

Date: 8 June 2017

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# Statement of Financial Activities for the year ended 31 August 2016

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Total 2015-16 £	Total 2014-16 (restated) £
<b>Income and Endowments from:</b>							
1 Donations and legacies				1,075	498	1,573	30,569
2 Income from investments		1,025	3,550	243	3,443	8,261	8,524
3 Income from charitable activities							
4 Assessments on circuits		105,198				105,198	87,884
5 From Circuit Model Trust Funds			141,485			141,485	140,897
6 Contribution to the cost of the Chair	5	37,548				37,548	37,177
7 Connexional Advance & Property Fund			4,770			4,770	
8 Recovery of misappropriation							62,250
9 Contributions to Baptist pension deficit							18,473
10 Other	6	6,963				6,963	2,945
11 Total income		150,734	149,785	1,318	3,941	305,778	388,719
<b>Expenditure on charitable activities:</b>							
12 Grants and donations	7	10,825	102,889	2,680	3,691	120,085	416,315
13 Salaries and associated costs, inc Chair	8	81,962				81,962	104,100
14 Property	9	30,179				30,179	28,143
15 Office expenses	10	8,907	717	20	250	9,894	10,692
16 Synods, committees, Conference	11	13,307				13,307	13,778
17 Other outgoings	12	1,862		7,882		9,724	39,827
18 Baptist Union pension deficit							25,377
19 Misappropriation written off							26,403
20 Total expenditure		147,042	103,606	10,562	3,941	265,151	662,636
21 Net income/(expenditure)		3,692	46,179	-9,244	0	40,627	-273,916
22 Transfers between funds	14	59,266	-40,000	-19,266	0	0	0
23 Other recognised gains / (losses):		62,958	6,179	-28,510	0	40,627	-273,916
24 Gains/(Losses) on revaluation of fixed assets							
25 Gains/(Losses) on investment assets					7,556	7,556	-871
Actuarial gains/(losses) on defined benefit pension schemes							
27 Net movement in funds		62,958	6,179	-28,510	7,556	48,183	-274,787
<b>Reconciliation of funds:</b>							
28 Total funds brought forward		638,828	172,949	38,959	125,178	975,914	1,248,640
29 Prior year adjustment							2,081
30 Total funds carried forward		701,786	179,128	10,449	132,734	1,024,097	976,914

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*John Christy*  
8 June 2017

## Balance Sheet at 31 August 2016

	Notes to the Accounts	General Fund £	DAF £	Designated Funds £	Restricted Fund £	Total £	Total 31-Aug-16 (restated) £
<b>a Fixed assets</b>							
b Tangible fixed assets	15	500,000				500,000	500,000
c Investment properties							
d Investments with TMCP			374,495	10,449	132,734	517,678	494,094
<b>e Total fixed assets</b>		<b>500,000</b>	<b>374,495</b>	<b>10,449</b>	<b>132,734</b>	<b>1,017,678</b>	<b>994,094</b>
<b>f Current assets</b>							
g Debtors and prepayments	16	9,030				9,030	55,748
h Loan to Church			50,000			50,000	50,000
i Central Finance Board deposits		188,763				188,763	123,877
j Cash at bank		11,464				11,464	3,920
<b>k Total current assets</b>		<b>209,257</b>	<b>50,000</b>			<b>259,257</b>	<b>233,545</b>
<b>l Current liabilities</b>							
m Creditors due in under one year	19	7,471				7,471	16,144
n Grants payable in 2016-17			161,288			161,288	173,437
<b>p Total current liabilities</b>		<b>7,471</b>	<b>161,288</b>			<b>168,759</b>	<b>189,581</b>
<b>q Net current assets/liabilities</b>		<b>201,786</b>	<b>-111,288</b>			<b>90,498</b>	<b>43,964</b>
<b>r Total assets less current liabilities</b>		<b>701,786</b>	<b>263,207</b>	<b>10,449</b>	<b>132,734</b>	<b>1,108,176</b>	<b>1,038,058</b>
<b>s Long term liabilities</b> (due after more than one year)							
Grants payable from 2017-18			84,079			84,079	62,144
<b>t Net assets</b>		<b>701,786</b>	<b>179,128</b>	<b>10,449</b>	<b>132,734</b>	<b>1,024,097</b>	<b>975,914</b>
<b>u Funds of the District</b>							
v General Fund (unrestricted)	21.1	701,786				701,786	638,828
w District Advance Fund (unrestricted)	20		179,128			179,128	172,949
x Designated Funds (unrestricted)	21.2			10,449		10,449	38,959
<b>y Total unrestricted funds</b>						<b>891,363</b>	<b>850,737</b>
z Restricted Fund	22				132,734	132,734	125,178
<b>Total Funds</b>	23	<b>701,786</b>	<b>179,128</b>	<b>10,449</b>	<b>132,734</b>	<b>1,024,097</b>	<b>975,914</b>

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Doris Chapman  
District Chair  
8 June 2017

Hen Treasurer  
8 June 2017



Year ended 31 August 2016

## Notes to the Accounts

### 1 Basis of accounting and accounting policies

#### i Accounting standard

The financial statements have been prepared in accordance with *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) 2015*. See also **v Accounting framework**, below.

#### ii Public benefit entity

The Bedfordshire, Essex and Hertfordshire (BEH) District meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

#### iii Basis

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

#### iv Content

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

#### v Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities applicable in the UK (effective from 1 January 2015) – the Charities SORP (FRSSE) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein.

#### vi Going concern

Based on the monetary assets and human resources available at 31 August 2016, the trustees believe that the District is a going concern.

#### vii Consolidation

The District oversees the work of ministers and lay workers in Churches and Circuits within the District but does not seek to control Circuits or Churches, ministers or lay workers except in extreme circumstances. For this reason, the financial performances of Churches and Circuits within the District are not consolidated into these financial statements. This conforms to the District's status as an excepted charity.

#### viii Income recognition

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

Year ended 31 August 2016

## Notes to the Accounts

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

The District acts as agent in four matters:

- the collection of quarterly assessments from circuits which are paid to the MCF
- the payment of expenses of delegates from the District to the Methodist Conference
- the collection taken at the spring synod on behalf of the Methodist Minsters' Children's Relief Association
- the cost of ministerial health checks recovered from Circuits

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

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

### **ix Expenditure**

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as there is a legal or constructive obligation committing the District to pay out resources.

### **x Grants**

Grants are made annually even when an application is for a recurrent grant over more than one year. A satisfactory report of substance from the individual or grantee body on the previous year's activities and outcomes is critically reviewed by the Grants Committee and is necessary to trigger payment of any further instalment. Nonetheless grants that are payable in the future and were committed at 31 August 2016 are shown on the Balance Sheet either as a current liability (where the grants are payable by 31 August 2017) or in Long Term Liabilities (if payable after 31 August 2017).

### **xi VAT**

Since the District is not VAT registered, all input VAT is charged with the expenses to which it refers.

### **xii Tangible fixed assets**

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

### **xlii Investments**

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

Year ended 31 August 2016

## Notes to the Accounts

### xiv Debtors and Creditors; Bank and Cash

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

### xv Loans

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

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

### xvi Methodist Church Fund

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

### xvii Funds

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

### xviii Ministers' manse costs

The District is required to provide residential accommodation for the Chair and his/her family. The District bears the cost of repairs, maintenance, buildings insurance, Council Tax and water charges for the Chair. These figures are not separately disclosed as benefits-in-kind for ministers as HMRC does not seek to tax these receipts in the hands of the ministers.

## 2 Glossary of terms

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

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

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

**CMTF:** Circuit Model Trust Fund

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

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

**DAF:** District Advance Fund

**DPC:** District Policy Committee

Year ended 31 August 2016

## Notes to the Accounts

**FRS:** Financial Reporting Standard

**HMRC:** Her Majesty's Revenue and Customs

**MCF:** Methodist Church Fund

**MMPS:** Methodist Ministers' Pension Scheme

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

**SOFA:** Statement of Financial Activities

**SORP:** Statement of Recommended Practice

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

### 3 Prior year

#### 3.1 Restatement of comparative figures

In preparing these accounts the trustees have considered where, in applying the accounting policies required by the FRSSE, any comparative figures have needed restatement. The two major changes are bringing into account the value of the DAF grants for future years (part into current liabilities and part into long term liabilities) and the classification of balances at TMCP as Investments *vice* Current assets. Other restatements recognise the need for reclassification among categories of expenditure. A reconciliation of opening balances is therefore not required. The following adjustments show how the allocation of costs for 2014-15 has been restated so that the costs are shown on the same bases as the accounts for 2015-16.

Year ended 31 August 2016

## Notes to the Accounts

	Per 2014-15 published accounts	Adjustment	2014-15 restated as comparatives herein
	£	£	£
<b>SOFA Income</b>			
Donations for benevolence	606	Combined	)
Income for training	14,963	Combined	) 30,569
Grants for CCDO	15,000	Combined	)
Other income	120	+2,825	2,945
		(Conference refund)	
<b>Expenditure</b>			
Grants and donations	180,734	+173,437	) 416,315
		+62,144	)
		(Future liabilities)	
Synods, Cttees, Conference	10,953	+2,825	13,778
		(Conference)	
<b>Net income</b>	-38,335	-235,581	-273,916
		(Future liabs)	
	£	£	£
<b>Balance Sheet</b>			
Investments with TMCP	Current assets		Fixed assets
Held by TMCP	368,917		368,917
Held by CFB	123,877		123,877
	492,794		492,794
Fraud recovery		+1300	1,300
			494,094
Grants payable 2015-16	0	+173,437	173,437
Grants payable from 2016-17	0	+62,144	62,144
District Advance Fund	408,530	-235,581	172,949

Year ended 31 August 2016

## Notes to the Accounts

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

	General Fund	District Advance Fund	Other Designated Funds	Restricted Funds	Total
	£	£	£	£	£
<b>Income and Endowments</b>					
Circuit assessments	87,884				87,884
Investment income	1,091	3,965	149	3,320	8,524
Donations for benevolence				606	606
Contributions from CMTFs		140,897			140,897
Other income	2,945				2,945
For training			14,963		14,963
Grants			15,000		15,000
Recovery of misappropriation	62,250				62,250
Contributions to pension			18,473		18,473
Contribution to cost of Chair	37,177				37,177
	191,347	144,862	48,585	3,926	388,719
<b>Expenditure</b>					
Salaries	81,309		22,791		104,100
Accommodation	26,143				26,143
Office expenses	9,500	919	21	252	10,692
Synods, Committees, Conference	13,778				13,778
Grants and donations	13,977	397,224	2,652	2,462	416,315
Other outgo	27,285				27,285
Pension deficit			25,377		25,377
Misappropriation written off	26,403				26,403
Training			12,542		12,542
	198,396	398,143	63,383	2,714	662,635
<b>Net income</b>	<b>-7049</b>	<b>-252,381</b>	<b>-14,798</b>	<b>1,212</b>	<b>-273,917</b>
Interfund transfers	19,450	-37,000	17,550		
Loss on investments				-871	-871
Prior year adjustment	2,061				2,061
Funds brought forward	624,366	459,481	38,745	126,048	1,248,640
Funds carried forward	<b>638,828</b>	<b>169,200</b>	<b>41,497</b>	<b>126,389</b>	<b>975,914</b>

Year ended 31 August 2016

## Notes to the Accounts

**3.3 Balance Sheet at 31 August 2015**

	General Fund	District Advance Fund	Designated Funds	Restricted Fund	Total
	£	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	500,000				500,000
Investments at TMCP		368,916	10,387	125,178	494,094
<b>Total fixed assets</b>	<b>500,000</b>	<b>368,916</b>		<b>125,178</b>	<b>994,094</b>
Debtors and prepayments	55,748				55,748
Loan to Church		50,000			50,000
Deposits with CFB	63,015		28,572		123,877
Cash at bank	3,920				3,920
<b>Total current assets</b>					<b>233,545</b>
Creditors and accruals	16,144				16,144
Grants payable 2015-16		173,437			173,437
<b>Net current assets</b>	<b>138,828</b>				<b>43,964</b>
<b>Fixed and current assets</b>	<b>638,828</b>	<b>235,093</b>	<b>38,959</b>	<b>125,178</b>	<b>1,038,058</b>
Grants payable from 16-17		62,144			62,144
<b>Net assets</b>	<b>638,828</b>	<b>172,949</b>	<b>38,959</b>	<b>125,178</b>	<b>975,914</b>
<b>Funds</b>					
General Fund	638,828				638,828
District Advance Fund		172,949			172,949
Designated Funds			38,959		38,959
Restricted Fund				125,178	125,178
<b>Total Funds</b>	<b>638,828</b>	<b>172,949</b>	<b>38,959</b>	<b>125,178</b>	<b>975,914</b>

**3.4 Assessments on Circuits**

The District is made up of the following Circuits:

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

Year ended 31 August 2016

## Notes to the Accounts

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

### 4 Contributions to the Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £503k (2014-15: £513k) all of which were collected and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service

which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

### 5 Cost of Chair and trustees

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

	2015-16 £	2014-15 £
Stipend of Chair of District, Rev Anne Brown	28,575	28,290
Employer's National Insurance Contributions	2,824	2,799
Employer's pension contributions	6,149	6,088
<i>Cash cost paid by the Connexion (see SOFA)</i>	37,548	37,177
Chair's expenses	3,950	3,412
<b>Total cost</b>	<b>41,498</b>	<b>40,589</b>

Since the stipend-related costs above (*ie* £ 37,548; 2014-15 £37,177) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 8). The Chair of District is the sole paid key management person but is supported by members of the DPC.

No accrual is made for the Chair's entitlement to a sabbatical as Rev Anne Brown left the District as from 31 August 2016 and Rev Dr David Chapman started on 01 September 2016.

### Payments to trustees

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



Year ended 31 August 2016

## Notes to the Accounts

None of the trustees is an employee of the District. Travel expenses have been reimbursed to some three (2014-15: four) trustees (members of the District Policy Committee (DPC)) who, in aggregate, have received the cost of travel incurred in attending meetings of the DPC and this amounted to £322 (2014-15: £407). Some trustees declined to claim their expenses: had they done so at normal expense rates, their cost would have been £454 in the year (2014-15: £479).

### 6 Other income

The District does not undertake fundraising for its own purposes.

*Other income* (£6,963) in the SOFA includes:

	2015-16 £	2014-15 £
From MCF for costs of delegates from BEH attending the Annual Methodist Conference	1,542	2,825
Unpaid assessment recovered	4,666	0
Other	755	120
<b>Total</b>	<b>6,963</b>	<b>2,945</b>

Each year the District Synod invites donations from the members of synod for the Methodist Ministers' Children's Relief Association. The amount donated and paid over in the year was £682 (2014-15: £559).

### 7 Grants and donations and related support costs

Grants and donations of £120,085 were made during the year (2014-15: £180,734 in year).

		2015-16 £	2014-15 £
From General Fund		0	75
To Ecumenical Projects		10,825	15,948
From DAF	In year grants 93,103		157,893
	Increase in liabilities 9,786	102,889	235,581
From Designated Fund	Benevolence	2,680	3,750
From Restricted Funds	Benevolence 498		
	Rock Trust 3,193	3,691	3,068
<b>Total</b>		<b>120,085</b>	<b>416,315</b>

Details of the recipients of grants paid by the District during the year may be found on the District website, [www.behdistrict.org.uk](http://www.behdistrict.org.uk).

Year ended 31 August 2016

## Notes to the Accounts

### ***Expenditure on charitable activities through the District Advance Fund***

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

	2015-16	2014-15		2015-16	2014-15
	£	£		£	£
To Churches	44,263	117,002	For Projects	4,900	23,000
To Circuits	44,000	40,000	For Ministry	88,203	134,893
<i>To Institutions</i>	<i>88,263</i>	<i>157,002</i>			
To individuals	4,840	891			
<b>Total</b>	<b>93,103</b>	<b>157,893</b>		<b>93,103</b>	<b>157,893</b>

The income of the fund was £149,785 (2014-15 £144,861) during the year. The charge to the SOFA is the sum paid in grants during the year (£93,103) plus the uplift in the aggregate liabilities (current and long term) for future instalments of grant (£9,786) ie £102,889.

An amount of £40,000 (2014-15 £37,000) was used centrally within the District and is shown as a transfer in the SOFA at line 22.

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

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

## **8 Salaries and associated costs**

Gross salaries paid to three (2014-15: four) part time employees were as follows:

	2015-16	2014-15
	£	£
Gross pay	39,275	59,898
Employer's National Insurance Contributions	2,560	4,468
Employer's pension contributions to defined contribution schemes and death in service benefit	2,579	2,557
<b>Total costs of 3 (2014-15 4) part time staff</b>	<b>44,414</b>	<b>66,923</b>
Cost of Chair (see Note 5)	37,548	37,177
<b>Total staff costs</b>	<b>81,962</b>	<b>104,100</b>

Total weekly contracted hours for 3 (2014-15 4) staff	48	68
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Year ended 31 August 2016

## Notes to the Accounts

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

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

### Pensions

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

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

The Connexion accounts for both Methodist pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented.

## 9 Property costs

	2015-16	2014-15
	£	£
District office, rent and services	16,909	16,985
Chair's manse	13,270	9,158
<b>Total</b>	<b>30,179</b>	<b>26,143</b>

Year ended 31 August 2016

## Notes to the Accounts

**10 Office expenses (General fund and TMCP charges)**

	2015-16 £	2014-15 £
Printing, postage and stationery	1,705	2,576
Telephone	1,857	1,366
Insurance	975	976
Safeguarding	1,462	3,043
Other	2,908	1,539
<b>Total charged to General Fund</b>	<b>8,907</b>	<b>9,500</b>
TMCP charges	987	1,192
<b>Total</b>	<b>9,894</b>	<b>10,692</b>

**11 Synods, Committees, Conference**

	2015-16 £	2014-15 £
Synods	549	1,796
The Methodist Conference	123	271
Conference expenses reimbursed	1,542	2,825
Committees and Chair's travel	10,770	8,479
District Policy Committee, as charged	322	407
<b>Total</b>	<b>13,307</b>	<b>13,778</b>

**12 Other outgoings**

	2015-16 £	2014-15 £
Lawyers' fees		35,847
Provision for bad debts		-10,002
Other costs	1,862	1,440
<b>Total charged to General Fund</b>		<b>27,285</b>
Training (charged to Designated Fund)	7,862	12,542
<b>Total</b>	<b>9,724</b>	<b>39,827</b>

Year ended 31 August 2016

## Notes to the Accounts

### 13 Investment management

During the year the District paid £987 (2014-15 £1,192) to TMCP, the custodians of the District's investments (District Advance Fund, Manse Fund and Rock Trust. The sum of £988 was levied at 0.2% on the value of the funds at the end of the previous year and is shown as allocated to the three groups of funds: £717, £20 and £250 as Office expenses in the SOFA. See Note 10 above.

The sum of £7,556 (2014-15 a loss of £871) represents a net unrealised gain on the invested funds of The Rock Trust. The gross unrealised gains of £12,051 were reduced by losses of £4,166 and the impact of a revaluation to bid price which cost £329. More information can be found in Note 23 *Restricted Fund*.

### 14 Transfers between funds

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

During the year £40,000 (2014-15 £37,000) was withdrawn from the District Advance Fund to contribute to the funding of the following: ecumenical work, safeguarding, training and administrative assistance.

### 15 Manse and other property

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

	Land £	Buildings £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
<b>Cost or valuation</b>						
Balance brought forward at 1 September 2015, at cost	180,000	300,000	20,000			500,000
Additions in the year						
Revaluations in the year						
Less: Disposals in the year						
Transfers between categories						
<b>Balance carried forward at 31 August 2016</b>	<b>180,000</b>	<b>300,000</b>	<b>20,000</b>			<b>500,000</b>

Year ended 31 August 2016

## Notes to the Accounts

### 16 Debtors and prepayments

All sums shown as Debtors on the General Fund at 1 September 2015 were received during the following year. All sums paid in advance at 1 September 2015 were for activities (principally deposits for training courses) that have been held during 2015-16. Similarly, it is expected that payments in advance at 31 August 2016 will be expensed in 2016-17.

Debtors were made up as follows:

	2015-16 £	2014-15 £
<b>Trade debtors</b>		
New Communities donation received late		875
Ministers' health check reimbursements	1,372	1,032
		1,907
<b>Prepayments and accrued income</b>		
Payments in advance	4,110	1,592
<b>Other debtors</b>		
Debt arising from misappropriation		52,250
Included as Creditors for services to be expensed in 2016-17	3,548	
<b>Total debtors</b>	<b>9,030</b>	<b>55,749</b>

There is also an interest free loan of £50,000 to a church within the District and this was unchanged during the year. It was repaid in full after the year end.

### 17 Trustees for Methodist Church Purposes

The funds that support the District Advance Fund, the Manses Fund and The Rock Trust are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts. These are regarded as medium and long term investments and are shown on the Balance Sheet as Fixed assets.

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

Year ended 31 August 2016

## Notes to the Accounts

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

The District has two current accounts at HSBC plc, an authorised institution. The sums held on those accounts are immediately available. In addition the District has three deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid and are shown as Current assets on the Balance Sheet.

### 19 Creditors

	2015-16 £	2014-15 £
<b>Creditors</b>		
Expenses reimbursement	1,438	1,609
Independent examination	750	600
Publications	308	232
Health checks		702
Lawyer's fees <i>re</i> misappropriation		12,825
Ecumenical grant	1,250	
Manse refurbishment	3,548	
<i>Total trade creditors</i>	<i>7,294</i>	<i>15,968</i>
<b>Accruals</b>		
PAYE and pension contributions	177	176
<i>Taxation and Social Security</i>	<i>177</i>	<i>176</i>
<b>Total creditors</b>	<b>7,471</b>	<b>16,144</b>

#### Maturity analysis of financial instruments

	Accrued at 1 Sep 15	Written back	Paid In year	Accrual made In year	Accrued at 31 Aug 16
	£	£	£	£	£
<b>Trade creditors</b>					
Expenses reimbursable	1,607		1,607	1,438	1,438
Independent examination	600		600	750	750
Publications	233		233	307	307
Health checks	702	702			
Lawyer's fees	12,825		12,825		
Ecumenical grant				1,250	1,250
Manse refurbishment				3,548	3,548
<b>Taxation &amp; Social Security</b>	<b>177</b>		<b>177</b>	<b>177</b>	<b>177</b>
<b>Total</b>	<b>16,144</b>	<b>702</b>	<b>15,442</b>	<b>7,471</b>	<b>7,471</b>

It is expected that all sums accrued at 31 August 2016 will be paid during the year to 31 August 2017.

Year ended 31 August 2016

## Notes to the Accounts

### 20 Commitments

#### Expenditure on charitable activities: District Advance Fund

Some grants are payable in annual instalments. The District expects to receive a report of the outcomes of the first (or subsequent) year's activities funded by the grant. Future instalments are shown as Current liabilities (if payable within one year of 31 August 2016) and as Long term liabilities (where due after one year).

The following analyses are available:

	2015-16	2014-15
	£	£
End of year commitments to pay one off grants or the first instalment in a future year	100,238	84,081
Anticipated second or subsequent instalments where the first instalment was paid in 2015-16 or earlier	145,129	151,500
<b>Total anticipated commitment at 31 August 2016</b>	<b>245,367</b>	<b>235,581</b>

Grants payable by year	£	£
2015-16		173,437
2016-17	185,288	43,565
2017-18	57,579	18,579
2018-19	2,500	0
<b>Total anticipated commitment at 31 August 2016</b>	<b>245,367</b>	<b>235,581</b>

After recognising the liabilities for future grants payable through the DAF, there is still a sum of nearly £180k available for future grants. In the following year and subsequent years, further sums are expected to be credited to the DAF from the CMTF levies of those years.

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

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

### 21 Unrestricted Funds

#### 21.1 General Fund – balance £701,786 at 31 August 2016 (2015: £638,828)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. About 80% of this fund is held as a freehold property, the District manse for the Chair of District.



Year ended 31 August 2016

## Notes to the Accounts

### **21.2 Designated Funds – balance £10,449 at 31 August 2016 (2015: £38,959)**

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

The Manse Fund – balance £10,449 (2015: £10,387) is available to meet major upgrades in the accommodation at the District manse.

The Benevolence Fund – balance £Nil (2015: £12,377) provides financial support to ministers and lay people in the District in need of support. This fund was merged with the General Fund during the year.

The Training Fund – balance £Nil (2015: £15,985) meets some of the costs of training ministers and lay people in the district. This fund was merged with the General Fund during the year.

### **22 Restricted Fund - balance £132,734 at 31 August 2016 (2015: £125,178)**

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

Movements during the year were as follows:

	2015-16 £	2014-15 £
Market value at 01 September	125,178	126,049
Net income received during the year	3,443	3,068
Grant paid during the year	-3,443	-3,068
Net unrealised gain/loss on the value of investments in the year	7,556	-871
<b>Market value at 31 August</b>	<b>132,734</b>	<b>125,178</b>
This is made up as follows:		
CFB Managed Mixed Fund	100,342	92,458
Less: Adjustment to bid price	-330	
	100,012	92,458
Trustees Interest Fund	32,720	32,720
<b>Total</b>	<b>132,734</b>	<b>125,178</b>

Market valuations have been provided by TMCP.

Year ended 31 August 2016

## Notes to the Accounts

**23 Summary of fund movements**

Fund	Balance at 01-Sep-15	Income	Expenditure	Transfers	Change in Liabilities; Gains/Losses	Balance at 31-Aug- 2016
	£	£	£	£	£	£
General	638,828	150,734	147,042	59,266		701,786
District Advance (See Note 1 below)	172,949	149,785	93,820	-40,000	-9,786	179,128
<i>Total unrestricted and undesignated</i>	<i>811,777</i>	<i>300,519</i>	<i>240,862</i>	<i>19,266</i>	<i>-9,786</i>	<i>880,914</i>
Manse	10,387	83	21			10,449
Benevolence	12,587	70	2,680	-9,977		0
Training	15,985	1,075	7,861	-9,199		0
Development		90		-90		0
<i>Total designated</i>	<i>38,959</i>	<i>1,318</i>	<i>10,562</i>	<i>-19,266</i>		<i>10,449</i>
<i>Total unrestricted</i>	<i>850,736</i>	<i>301,837</i>	<i>251,424</i>	<i>0</i>	<i>-9,786</i>	<i>891,363</i>
Rock Trust	125,178	3,443	3,443		7,556	132,734
Benevolence		498	498			
<i>Total restricted</i>	<i>125,178</i>	<i>3,941</i>	<i>3,941</i>	<i>0</i>	<i>7,556</i>	<i>132,734</i>
<b>Total Funds</b>	<b>975,914</b>	<b>305,778</b>	<b>255,365</b>		<b>-2,230</b>	<b>1,024,097</b>

**Note 1** The DAF balance brought forward at the beginning of the year was £408,530. From this was deducted the then liabilities for future instalments of grant of £235,581, making the uncommitted balance £172,949. The liability for future grants at 31 August 2016 was £245,367 being an additional £9,786 over the balance brought forward.

**24 Analysis of net assets among funds**

Fund balances at 31 August 2016 are represented by:

	Unrestricted general and designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	500,000		500,000
Fixed asset investments	384,944	132,734	517,678
Current assets	259,257		259,257
Current liabilities	(168,759)		(168,759)
Payables due after one year	(84,079)		(84,079)
<b>Total</b>	<b>891,363</b>	<b>132,734</b>	<b>1,024,097</b>

Year ended 31 August 2016

## Notes to the Accounts

### 25 Related parties

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

Related parties include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Relief Association, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or directors.

Names of Connected Organisations	Receipts £	Payments £	Adjustments £	Closing balances £
Donee: Methodist Church Fund		(503,358)		(503,358)
Donee: Methodist Ministers' Children's Relief Association		(682)	682	0
Donor: Circuits within BEH (assessments)	608,556		(105,198)	503,358
Donor: Circuits within BEH (levies)	141,465			141,465
Donor/Donnee: Churches within BEH	498	(44,263)	(498)	(44,263)
Donee: Circuits within BEH		(44,000)		(44,000)
Donee: Individuals within BEH		(4,840)		(4,840)
<b>Total</b>	<b>750,519</b>	<b>(597,143)</b>	<b>(105,014)</b>	<b>48,362</b>

### 26 Volunteer contributions

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

### 27 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end (2014-15: nil).

### 28 Lease commitments

The District has contracts or obligations for the following:

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

In addition there are short term obligations as follows:

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

The total liability of these is not considered material.

Year ended 31 August 2016

## Notes to the Accounts

### **29 Independent examiner**

An accrual has been made for the fee of the independent examiner in the sum of £750 for the year (2014-15: £600). The charge in the SOFA represents the provision for this year's fee together with the under-provision of £150 last year for that year's scrutiny.

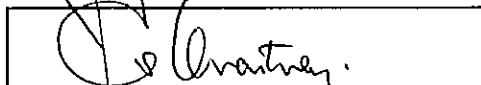
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## Bedfordshire, Essex and Hertfordshire District of the Methodist Church DECLARATIONS

### Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2016 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer



Date

08-Jun-17

Name of Treasurer

John G Chastney

Address

4 Benslow Rise, Hitchin, Herts SG4 9QX

### Presentation to the District Policy Committee for approval.

I confirm that the annual report and accounts for the year ended 31 August 2016 were , or will be\* presented to the District Policy Committee at its meeting on and were approved.

08-Jun-17

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev Dr David M Chapman

Date

08-Jun-17

### Independent Examiner's Report to the Trustees of the

Bedfordshire, Essex and Hertfordshire District

This Report is on the District Accounts for the year ended 31<sup>st</sup> August

2016

### Respective responsibilities of Trustees and Examiner

The District's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2016 present a true and fair view of the District's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under Section 145 of the Charities Act
- to follow the procedures laid down in the general Directions given by the Charity Commission (under Section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.

\* delete or circle as appropriate

## Basis of Independent Examiner's Report

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

## Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than that disclosed below\*):

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

- to keep accounting records in accordance with section 130 of the Charities Act 2011;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011 have not been met;

or

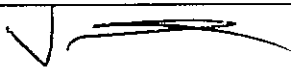
(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

I have /have not\* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Name of independent examiner

Vincent Chandler

Signature of independent examiner



Relevant Professional qualification of independent examiner

ACA, FCCA

Name of firm (where appropriate)

Moore Green

Address

22 Friars Street, Sudbury, Suffolk CO10 2AA

Date

12/6/17

\* Please delete or circle as appropriate