

TRUSTEES' ANNUAL REPORT

for the year ended

31 AUGUST 2017

Readers may wish to refer to the Glossary of Terms appearing in the Notes to the Accounts

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 181 local Methodist churches in these three counties, grouped into 12 circuits that are served by a ministerial team of some 48 (full-time equivalent) 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 2016-17 in accordance with the future plans identified in the trustees' annual report for 2015-16. Safeguarding has been an intentional priority this year. The District Safeguarding Oversight Group has been strengthened through increased membership and breadth of expertise. An increase in the safeguarding budget has led to the District Safeguarding Officer having her hours of work increased from 8 to 14 hours per week. Attention has focussed on monitoring and improving the level of compliance with Connexional safeguarding policy and practice by circuits and local churches. Work has continued towards completing the review of historic safeguarding cases. The District has provided training opportunities for circuit safeguarding officers. Through the Discipleship and Ministries Learning Network, safeguarding training events have been arranged for church workers involved in youth and children's work.

In other work, substantial grants have been made towards a number of mission and ministry projects in circuits and local churches. Grants have also enabled young people in the District to attend the 3Generate national youth event of the Methodist Church. Consultation with the Chair of the East Anglia District has suggested there is little scope for further joint working for reasons of geography. It has not been possible to review and develop further training opportunities with the regional Discipleship and Ministries Learning Network because of staff shortages. This will be carried forward to next year.

2.1 Plans for 2017-18

In addition to fulfilling its governance responsibilities, as required by Methodist Standing Orders, the District Synod through the District Policy Committee acting as an executive intends to:

- (1) Provide an induction day for presbyters and deacons newly stationed in the District;
- (2) Provide a forum for ministers of larger churches in the district;
- (3) Provide for presbyters and deacons with less than ten years in service to have a four-day retreat in the autumn;
- (4) Commence implementation of the Connexional supervision scheme for all presbyters and deacons (other than supernumeraries) stationed in the District;
- (5) Recruit a Regional Co-ordinator for the Discipleship and Ministries Learning Network in conjunction with the East Anglia District;
- (6) Recruit an additional part-time District Safeguarding Officer in response to increased awareness of safeguarding issues within the District;
- (7) Complete all outstanding follow up from the past cases review;
- (8) Maintain its policy of providing substantial financial support for young people in the District wishing to attend the annual 3Generate Methodist youth event;
- (9) Establish a new post of Rural Ministry officer to promote consideration of rural issues;
- (10) Establish a new post of District Mission Enabler to be resourced by Connexional grant.

3 Financial Review

During the year the District received total income of £334k (2015-16: £313k) and dispersed £347k (2015-16: £265k). The resulting excess included a net unrealised profit of £7k (2015-16: £8k) on the Rock Trust (a restricted reserve) to produce a net excess of £12k (2015-16: surplus of £48k). Total funds carried forward are £1,012k (2015-16: £1,024k). 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 £372k (2015-16: £381k, on a like-for-like basis) 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 each year 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 those sums payable in 2017-18 as a current liability and instalments due after the following year 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 2017 this sum amounted to £48k (2015-16: £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 £45k. 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 balance on 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 2017

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

	£
<i>Unrestricted funds</i>	
General Fund	704,847
District Advance Fund	166,795
<i>Total unrestricted funds</i>	<i>871,642</i>
Rock Trust (a restricted fund)	140,195
Total funds	1,011,837
Total unrestricted funds	871,642
Less: Tied up in freehold property	(500,000)
Total readily available reserves	371,642

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.

The year end financial position of the District is healthy in that its resources are not only sufficient to meet future known liabilities but also sufficient for the District to carry out its plans for the following year.

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 (a restricted fund): 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: this fund was wound up in 2016-17 following two years of major refurbishments to the District manse costing more than had been 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, of whatever form. The sums paid out in benevolence during the year 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

One of the District's main sources 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 £108k (2015-16: £105k).

Each year the District is allocated a sum by the London Mission Fund (LMF). In 2016-17 this amounted to £63k (2015-16: £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 2016-17 this sum was £139k (2015-16: £142k) 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 the District's control. No fee is earned in respect of this agency arrangement and the District incurs no cost through providing 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 FRS102
- 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 most 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.beh34office@gmail.com

6.4 Chair of the District

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 2016-17 or were trustees at the time of this report being approved:

Mr Richard Armiger (*ex officio* East of England Learning Network Regional Co-ordinator).
Appointed 01 September 2013; resigned 31 July 2017

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;
resigned 31 August 2017

Rev Dr David Chapman *ex officio* (Chair, *ex officio*). Appointed 01 September 2016

Mr Steve Carter (Secretary to DPC). Appointed 21 June 2016; resigned 31 December 2017

Mr John Chastney (District Treasurer). Appointed 25 September 2013

Rev Steven Cooper (Ecumenical Officer to Herts). Appointed 01 September 2017

Mr Dave Friswell (*ex officio* East of England Learning Network Regional Co-ordinator)
Appointed 29 January 2018

Mr David Germany (County Representative Beds). Appointed 01 September 2011

Rev Andrew Hollins (Ecumenical Officer to Beds). Appointed 01 September 2017

Mr Ian Hume (Property Secretary). Appointed 01 September 2006

Miss Marion Mear (Secretary to DPC). Appointed 02 January 2018

Mr Keith Norman (Lay Stationing Representative). Appointed 27 April 2013

Rev Tom Osborne (Ecumenical Officer to Essex). Appointed 01 September 2017

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 2017

Most trustees attended all meetings of the DPC in the year and the attendance rate for all 13 trustees who served throughout the year and all four meetings of the DPC during the year was 78%.

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.

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 FCA FCCA of Moore Green, Chartered Accountants
22 Friars Street
Sudbury
Suffolk
CO10 2AA

Approvals

The Trustees' Report and the Financial Statements were approved by the District Policy Committee on 05 June 2018 and will be presented to the Synod on 21 April 2018.

David Chapman (signed)



Rev Dr DM Chapman
District Chair

Date:

5 June 2018

John Chastney (signed)



JG Chastney
District Treasurer

Date:

5 June 2018

Statement of Financial Activities for the year ended 31 August 2017

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Total 2016-17	Total 2015-16 restated
Income and Endowments from:							
1 Donations and legacies					406	406	Ben 1,573
2 Income from investments		942	3,112	101	3,443	7,598	Rock 8,261
3 Income from charitable activities							
4 Assessments on circuits		107,912				107,912	105,198
5 From Circuit Model Trust Funds			138,985			138,985	141,465
6 Contribution to the cost of the Chair	5	38,204				38,204	37,548
7 Connexional Advance & Property Fund			33,091			33,091	4,770
8 Unrealised gains on investments					7,461	7,461	7,556
9 Other	6	752				752	6,963
10 Total income		147,810	175,188	101	11,310	334,409	313,334
Expenditure on charitable activities:							
11 Grants and donations	7	14,745	167,237		3,584	185,566	120,085
12 Salaries and associated costs, inc Chair	8	86,655				86,655	81,962
13 Property	9	26,843				26,843	30,179
14 Office expenses	10	16,380	749	21	265	17,415	9,894
15 Synods, committees, Conference	11	17,544				17,544	13,307
16 Other outgoings	12	12,646				12,646	9,724
17 Total expenditure		174,813	167,986	21	3,849	346,669	265,151
18 Net income		-27,003	7,202	80	7,461	-12,260	48,183
19 Transfers between funds	14	30,064	-19,535	-10,529	0	0	0
20 Net movement in funds		3,061	-12,333	-10,449	7,461	-12,260	48,183
Reconciliation of funds:							
21 Total funds brought forward		701,786	179,128	10,449	132,734	1,024,097	975,914
22 Total funds carried forward		704,847	166,795	0	140,195	1,011,837	1,024,097

Balance Sheet at 31 August 2017

	Notes to the Accounts	General Fund £	DAF £	Designated Funds £	Restricted Fund £	Total £	Total 31-Aug-16 £
a Fixed assets							
b Tangible fixed assets	15	500,000				500,000	500,000
d Investments with TMCP	16		447,996		140,195	588,191	517,678
e Total fixed assets		500,000	447,996		140,195	1,088,191	1,017,678
f Current assets							
g Debtors and prepayments	17	848				848	9,030
h Loan to Church							50,000
i Central Finance Board deposits	18	211,373				211,373	188,763
j Cash at bank	18	3,310				3,310	11,464
k Total current assets		215,531				215,531	259,257
l Current liabilities							
m Creditors due in under one year	19	10,684				10,684	7,471
n Grants payable in 2017-18	20		168,416			168,416	161,288
p Total current liabilities		10,684	168,416			179,100	168,759
q Net current assets/liabilities		204,847	-168,416	0	0	36,431	90,498
r Total assets less current liabilities		704,847	279,580	0	140,195	1,124,622	1,108,176
s Long term liabilities (due after more than one year)							
Grants payable from 2018-19			112,785			112,785	84,079
t Net assets		704,847	166,795	0	140,195	1,011,837	1,024,097
u Funds of the District							
v General Fund (unrestricted)	21.1	704,847				704,847	701,786
w District Advance Fund (unrestricted)			166,795			166,795	179,128
x Designated Funds (unrestricted)							10,449
y Total unrestricted funds		704,847	166,795			871,642	891,363
z Restricted Fund	22				140,195	140,195	132,734
Total Funds		704,847	166,795		140,195	1,011,837	1,024,097

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Signed under the authority of the trustees given at their meeting on 05 June 2018

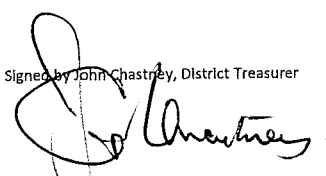
by Rev Dr David Chapman, Chair of District and Chair of Trustees



Date of signing

5 June 2018

Signed by John Chastrey, District Treasurer



Date of signing

5 June 2018

Year ended 31 August 2017

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 on 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 102.1A applicable in the UK 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

To the best of their knowledge and belief the trustees confirm that there are no material uncertainties that would call into question the District's financial viability for at least 12 months from the date of approval of these accounts.

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 2017

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

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 2017 are shown on the Balance Sheet either as a current liability (where the grants are payable by 31 August 2018) or in Long Term Liabilities (if payable after 31 August 2018).

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.

xiii 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 as income (a change from the previous year) in the SOFA and in Note 23 below.

Year ended 31 August 2017

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 at the 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 SOFA. 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 Benevolence Fund. There is no Endowment Fund.

xviii Chair's 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. Note 9 below discloses the aggregate cost to the District of these elements.

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 in London at Methodist Church House, all Methodist Districts, Circuits and Churches in Great Britain

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

Year ended 31 August 2017

Notes to the Accounts

DAF: District Advance Fund**DPC:** District Policy Committee**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 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 FRS102, any comparative figures have needed restatement. There is just one significant change which is where the unrealised gain on investments appears within the SOFA: it is now shown as line 8 and the comparative year's information has been restated to match the presentation of 2016-17. In addition, in Notes 11 and 16 the comparative figures have been reclassified but the total is the same figure as published last year. There have been no valuation adjustments. A reconciliation of opening balances is therefore not required.

	Per 2015-16 published accounts	Adjustment	2015-16 restated as comparatives herein
	£	£	£
SOFA Income			
Unrealised gains on investments	Nil	+7,556	7,556
Net income	40,627	+7,556	48,183
Gains on investment assets	7,556	-7,556	Nil

Year ended 31 August 2017

Notes to the Accounts

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

	General Fund	District Advance Fund	Designated Funds	Restricted Funds	Total
	£	£	£	£	£
Income and Endowments					
Circuit assessments	105,198				105,198
Investment income	1,025	3,550	243	3,443	8,261
Donations			1,075	498	1,573
Contributions from CMTFs		141,465			141,465
Other income	6,963				6,963
Connexional Advance and Property Fund		4,770			4,770
Gain on investments				7,556	
Contribution to cost of Chair	37,548				37,548
	150,734	149,785	1,318	11,497	313,334
Expenditure					
Salaries	81,962				81,962
Accommodation	30,179				30,179
Office expenses	8,907	717	20	250	9,894
Synods, Committees, Conference	13,307				13,307
Grants and donations	10,825	102,889	2,680	3,691	120,085
Other outgo	1,862		7,862		9,724
Training					
	147,042	103,606	10,562	3,941	265,151
Net income	3,692	46,179	-9,244	0	40,627
Interfund transfers	59,266	-40,000	-19,266		
Net movement in funds	62,958	6,179	-28,510	7,556	48,183
Funds brought forward	638,828	172,949	38,959	125,178	975,914
Funds carried forward	701,786	179,128	10,449	132,734	1,024,097

Year ended 31 August 2017

Notes to the Accounts

3.3 Balance Sheet at 31 August 2016

	General Fund	District Advance Fund	Designated Funds	Restricted Fund	Total
	£	£	£	£	£
Fixed assets					
Tangible fixed assets	500,000				500,000
Investments at TMCP		374,495	10,449	132,734	517,768
Total fixed assets	500,000	374,495	10,449	132,734	1,017,768
Debtors and prepayments	9,030				9,030
Loan to Church		50,000			50,000
Deposits with CFB	188,763				188,763
Cash at bank	11,464				11,464
Total current assets	209,257	50,000			259,257
Creditors and accruals	7,471				7,471
Grants payable 2016-17		161,288			161,288
Total current liabilities	7,471	161,288			168,759
Net current assets	201,786	-111,288			90,498
Fixed and current assets	701,786	263,207	10,449	132,734	1,108,176
Grants payable from 2017-18		84,079			84,079
Net assets	701,786	179,128	10,449	132,734	1,024,097
Funds					
General Fund	701,786				701,786
District Advance Fund		179,128			179,128
Designated Funds			10,449		10,449
Total unrestricted funds					891,363
Restricted Fund				132,734	132,734
Total Funds	701,786	179,128	10,449	132,734	1,024,097

Year ended 31 August 2017

Notes to the Accounts

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

All Circuits paid their assessments to the District and to the MCF during the year. 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 £501k (2015-16: £503k) 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.

	2016-17 £	2015-16 £
Stipend of Chair of District, Rev Dr David Chapman	29,080	28,575
Employer's National Insurance Contributions	2,887	2,824
Employer's pension contributions	6,237	6,149
<i>Cash cost paid by the Connexion (see SOFA)</i>	<i>38,204</i>	<i>37,548</i>
Chair's expenses	10,684	3,950
Total cost	48,888	41,498

Year ended 31 August 2017

Notes to the Accounts

Since the stipend-related costs above (*ie* £38,204; 2015-16 £37,548) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 8). The aggregate expenses of the Chair's accommodation was £10,995 (See Note 9) making the total cost of his emoluments £49,199. 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 he would continue to be paid during his sabbatical and there would be little additional cost incurred by those taking on the Chair's responsibilities in the short term.

5.1 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.

None of the trustees is an employee of the District. Travel expenses have been reimbursed to some four (2015-16: three) 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 £364 (2015-16: £322). Some trustees declined to claim their expenses.

6 Other Income

The District does not undertake fundraising for its own purposes.

Other income (£752) in the SOFA includes:

	2016-17 £	2015-16 £
From MCF for costs of delegates from BEH attending the annual Methodist Conference	731	1,542
Unpaid assessment recovered		4,666
Other	21	755
Total	752	6,963

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 £738 (2015-16: £682).

Year ended 31 August 2017

Notes to the Accounts

7 Grants and Donations and Related Support Costs

Grants and donations of £185,566 were made during the year (2015-16: £120,085 in year).

		2016-17 £	2015-16 £
From General Fund	Benevolence 34 Ecumenical Projects 14,711	14,745	0 10,825
From DAF	In year grants 131,403 Increase in liabilities 35,834	167,237	93,103 9,786
From Designated Fund	Benevolence	0	2,680
From Restricted Funds	Benevolence 406 Rock Trust 3,178	3,584	498 3,193
Total		185,566	120,085

Details of the recipients of grants paid by the District during the year may be found on the District website, www.behdistrict.org.uk.

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:

	2016-17 £	2015-16 £		2016-17 £	2015-16 £
To Churches	71,973	44,263	For Projects	48,500	4,900
To Circuits	45,900	44,000	For Ministry	82,903	88,203
To Institutions	117,873	88,263			
To individuals	13,530	4,840			
Total	131,403	93,103		131,403	93,103

The income of the fund was £225,225 including repayment of a loan (2015-16 £149,785) during the year. The charge to the SOFA is the sum paid in grants during the year (£131,403; 2015-16 £93,103) plus the uplift in the aggregate liabilities (current and long term) for future instalments of grant (£35,834) to £167,237.

An amount of £30,000 (2015-16 £40,000) was used centrally within the District. This sum was mitigated by the transfer of the balance (£10,529 including £64 of interest) on the closure of the Manse Fund which is shown as a transfer in the SOFA at line 21.

Year ended 31 August 2017

Notes to the Accounts

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 (2015-16: four) part time employees were as follows:

	2016-17 £	2015-16 £
Gross pay	43,317	39,275
Employer's National Insurance Contributions	2,364	2,560
Employer's pension contributions to defined contribution schemes and death in service benefit	2,770	2,579
Total costs of 3 (2015-16: 3) part time staff	48,451	44,414
Cost of Chair (see Note 5)	38,204	37,548
Total staff costs	86,655	81,962

Total weekly contracted hours for 3 (2015-16: three) part time staff 54 48

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.

8.1 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.

Year ended 31 August 2017

Notes to the Accounts

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. It would be difficult to determine the liability that could fall on the BEH District and no attempt has been made to attempt this valuation.

9 Property Costs

	2016-17 £	2015-16 £
District office, rent and services	15,848	16,909
Chair's manse	10,995	13,270
Total	26,843	30,179

10 Office Expenses (General fund and TMCP charges)

	2016-17 £	2015-16 £
Printing, postage and stationery	2,178	1,705
Telephone	2,209	1,857
Insurance	1,025	975
Safeguarding	8,409	1,462
Independent examination	750	900
Other	1,809	2,008
Total charged to General Fund	16,380	8,907
TMCP charges	1,035	987
Total	17,415	9,894

11 Synods, Committees, Conference

	2016-17 £	2015-16 £
Synods	6,155	4,057
The Methodist Conference	307	123
Conference expenses reimbursed	731	1,542
Committees and Chair's travel	9,987	7,263
District Policy Committee, as charged	364	322
Total	17,544	13,307

The expense classifications for 2015-16 have changed from those published last year but the total amount charged under this heading remains unchanged.

Year ended 31 August 2017

Notes to the Accounts

12 Other Outgoings

	2016-17 £	2015-16 £
Removal	2,316	0
Hospitality <i>etc</i>	932	0
Other costs	336	1,862
Training (charged to Designated Fund in 2015-16)	9,062	7,862
Total	12,646	9,724

13 Investment Management

During the year the District paid £1,035 (2015-16 £987) to TMCP, the custodians of the District's investments (District Advance Fund, Manse Fund and Rock Trust). The sum of £1,035 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: £749, £21 and £265 as Office expenses in the SOFA. See *Note 10* above.

The sum of £7,461 (2015-16 £7,556) represents a net unrealised gain on the invested funds of The Rock Trust. The gross unrealised gains of £12,028 (2015-16 £12,051) were reduced by unrealised losses of £4,567 (2015-16 £4,166). In the previous year there had been a revaluation to bid price which cost £329 in that year: this was refunded in 2016-17. 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 £30,000 (2015-16 £40,000) 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, I 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.

Year ended 31 August 2017

Notes to the Accounts

	Land £	Buildings £	Plant and machinery £	Total £
Cost or valuation				
B/fwd at 1/9/16, 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				
Balance carried forward at 31 August 2017	180,000	300,000	20,000	500,000

16 Trustees for Methodist Church Purposes

The funds that support the District Advance Fund and The Rock Trust are held by TMCP in the Trustees' Interest Fund or the Managed Mixed Fund on which interest and dividends are 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 Custodian Trustee of all Methodist Model Trust property and is held for and on behalf of local Managing Trustees (in BEH, the DPC) who are responsible for the day to day management of the property. TMCP ensures 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.

17 Debtors and Prepayments

All sums shown as Debtors on the General Fund at 1 September 2016 were received during the following year. All sums paid in advance at 1 September 2016 were for activities or services related to 2016-17 and were charged to the SOFA in that year. It is expected that payments in advance at 31 August 2017 will be expensed in 2017-18.

Debtors were made up as follows:

	2016-17 £	2015-16 £
Trade debtors		
Ministers' health check reimbursements	0	1,372
Design and print of directory	184	181
Prepayments		
Training	578	452
Insurance	86	81
Other debtors		
Included as Creditors for services to be expensed in 2017-18	0	6,944
Total debtors	848	9,030

Year ended 31 August 2017

Notes to the Accounts

At 1 September 2016 there was also an interest free loan of £50,000 to a church within the District. This was repaid during the year.

The classifications shown in this table for 2015-16 have changed from those published last year but the total is unchanged.

18 Central Finance Board (CFB) and Cash at Bank

The District has one current account at HSBC plc, an authorised institution. The sum held on this account is immediately available. In addition the District has a deposit account at CFB, a common deposit fund. Interest is earned on this account and is credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. The District has no other financial instruments. These sums are viewed as being liquid and are shown as Current assets on the Balance Sheet.

19 Creditors

	2016-17 £	2015-16 £
Creditors		
Expenses reimbursement	2,858	1,438
Independent examination	750	750
Publications and office expenses	51	308
Salaries	1,298	
Safeguarding	5,476	
Ecumenical grant		1,250
Manse refurbishment	75	3,548
<i>Total trade creditors</i>	<i>10,508</i>	<i>7,294</i>
Accruals		
Pension contributions	176	177
<i>Taxation and Social Security</i>	<i>176</i>	<i>177</i>
Total creditors	10,684	7,471

It is expected that all sums accrued at 31 August 2017 will be paid during the year to 31 August 2018.

Year ended 31 August 2017

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 2017) and as Long term liabilities (where due after one year).

The following analyses are available:

	2016-17	2015-16
	£	£
End of year commitments to pay one off grants or the first instalment in a future year	64,851	100,238
Anticipated second or subsequent instalments where the first instalment was paid in 2016-17 or earlier	216,350	145,129
Total anticipated commitment at 31 August 2017	281,201	245,367

Grants payable by year	£	£
2016-17		185,288
2017-18	168,416	57,579
2018-19	49,396	2,500
2019-20	33,389	
2020-21	10,000	
2021-22	10,000	
2022-23	10,000	
Total anticipated commitment at 31 August 2017	281,201	245,367

After recognising the liabilities for future grants payable through the DAF, there is still a sum of nearly £167k 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 £704,847 at 31 August 2017 (2016: £701,786)

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 2017

Notes to the Accounts

21.2 Designated Fund – balance £Nil at 31 August 2017 (2016: £10,449)

These funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. The sole designated fund comprises:

The Manse Fund – balance £Nil (2015: £10,449) which was closed following its use in refurbishing the Chair's manse during this year and the previous year.

22 Restricted Funds - balance £140,195 at 31 August 2017 (2016: £132,734)

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:

	2016-17 £	2015-16 £
Market value at 01 September	132,734	125,178
Investment income received during the year	3,443	3,443
Net unrealised gain on the value of investments at the year end	7,132	7,556
Grant paid during the year	-3,179	-3,193
TMCP administration charge	-265	-250
Reversal of adjustment to bid price	330	
Market value at 31 August	140,195	132,734
This is made up as follows:		
CFB Managed Mixed Fund	107,475	100,342
Less: Adjustment to bid price		-330
		100,012
Trustees' Interest Fund	32,720	32,720
Total	140,195	132,734

Market valuations have been provided by TMCP.

The Benevolence Fund – balance £Nil (2016: £Nil) - provides financial support to ministers and lay people in the District in need of support. This fund paid out all that it received in the year. Further benevolence payments were made out of the General Fund. See *Note 7* above.

Year ended 31 August 2017

Notes to the Accounts

23 Fund Movements

23.1 Summary of fund movements 2016-17

Fund	Balance at 01-Sep-16	Income	Expenditure	Transfers	Change in Liabilities	Balance at 31-Aug-2017
	£	£	£	£	£	£
General	701,786	147,810	-174,813	30,064		704,847
District Advance (See Note 1 below)	179,128	175,188	-132,152	-19,535	-35,834	166,795
<i>Total unrestricted and undesignated</i>	<i>880,914</i>	<i>322,998</i>	<i>-306,695</i>	<i>10,529</i>	<i>-35,834</i>	<i>871,642</i>
Manse	10,449	101	-21	-10,529		0
<i>Total designated</i>	<i>10,449</i>	<i>101</i>	<i>-21</i>	<i>-10,529</i>		<i>0</i>
<i>Total unrestricted</i>	<i>891,363</i>	<i>323,099</i>	<i>-307,710</i>	<i>0</i>	<i>-35,834</i>	<i>871,642</i>
Rock Trust	132,734	10,904	-3,443			140,195
Benevolence		406	-406			
<i>Total restricted</i>	<i>132,734</i>	<i>11,310</i>	<i>-3,849</i>	<i>0</i>		<i>140,195</i>
Total Funds	1,024,097	334,409	-310,835	0	-35,834	1,011,837

Note 1 The DAF balances brought forward at the beginning of the year and carried forward at the end of the year are after providing for future grants. The liability for future grants at 31 August 2017 was £281,201 being an additional £35,834 over the provision brought forward.

23.2 Summary of fund movements 2015-16

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>
Total Funds	975,914	305,778	255,365		-2,230	1,024,097

Year ended 31 August 2017

Notes to the Accounts

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	447,996	140,195	588,191
Current assets	215,531		215,531
Current liabilities	(179,100)		(179,100)
Payables due after one year	(112,785)		(112,785)
Total	871,642	140,195	1,011,837

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. The following table shows the receipts and payments to related parties during 2016-17.

Names of Connected Organisations	Receipts £	Payments £
Donee: Methodist Church Fund		(500,644)
Donee: Methodist Ministers' Children's Relief Association		(738)
Donor: Circuits within BEH (assessments)	608,556	
Donor: Circuits within BEH (levies)	138,985	
Donor: Churches within BEH	406	
Donee: Circuits within BEH		(45,900)
Donee: Churches within BEH		(71,973)

Year ended 31 August 2017

Notes to the Accounts

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, manses, 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 (2015-16: 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.

29 Independent Examiner

An accrual has been made for the fee of the independent examiner in the sum of £750 for the year (2015-16: £900). The charge in the SOFA represents the provision for this year's fee. (The charge on the SOFA for 2015-16 included that year's fee of £750 and an under accrual for the previous year of £150.)

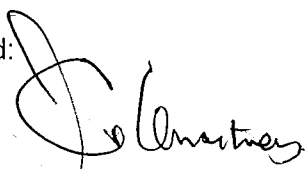
Year ended 31 August 2017

Declarations

Treasurer

I confirm that these accrual-based accounts for the year ended 31 August 2017 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee, being the trustees of the District.

Signed:



John G Chastney, District Treasurer

Date:

5 June 2018

Presentation to the District Policy Committee for approval

I confirm that the Trustees Annual Report, the Statement of Financial Activities, the Balance Sheet and the Notes to the Accounts for the year ended 31 August 2017 were presented to the District Policy Committee at its meeting on 05 June 2018.

Signed:



Rev Dr David M Chapman, Chair of District

Date:

5 June 2018

Independent examiner's report to the Trustees of the Bedfordshire, Essex and Hertfordshire District of the Methodist Church for the year ended 31 August 2017

The trustees are responsible for ensuring that the annual report and accounts present a true and fair view of the District's income and expenditure for the year and of the assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under s144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under s145 of the Charities Act
- follow the procedures laid down in the general Directions given by the Charity Commission under s145(5)(b) of the Charities Act, and
- state whether particular matters have come to my attention

Year ended 31 August 2017

Declarations

Basis of independent examiner's report

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the District and a comparison of the accounts presented with those records. It also includes consideration of any unusual items, in nature or scale, or disclosure 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

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

- a to keep accounting records in accordance with s130 of the Charities Act and
- b to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act

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 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.

Signed:



Date:

6/6/18

Vincent Chandler ACA, FCCA, independent examiner and a partner in
Moore Green, 22 Friars Street, Sudbury, Suffolk CO10 2AA