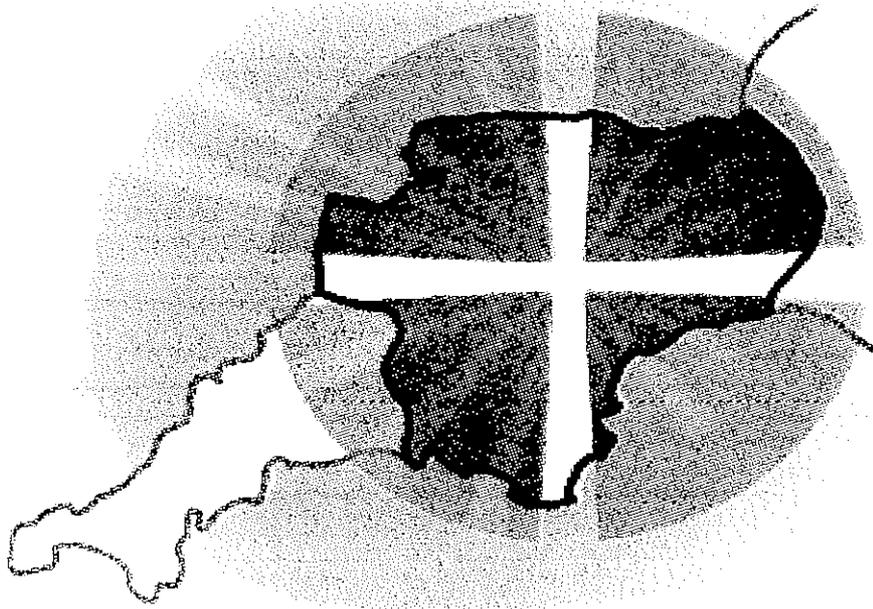


PLYMOUTH & EXETER METHODIST DISTRICT

Financial Statements
for the year ended 31 August 2018



CONTENTS

	<i>Page</i>
Trustees Annual Report	3
Declarations	13
Independent Examiner's Report	14
Statement of Financial Activities	16
Balance Sheet	17
Notes to the Accounts	18

TRUSTEES' ANNUAL REPORT 2017-18

Objectives and activities

Objectives

The objectives of the Plymouth & Exeter Methodist District are those as set out for the Methodist Church of Great Britain in the Deed of Union 1932 and the 1976 Methodist Church Act.

The aim of the Methodist Church is to proclaim and affirm its conviction of God's love in Christ, for us and for all the world, and to renew confidence in God's presence and action in the world and in the church.

The charitable objects of the Plymouth & Exeter District are the purposes of the Methodist Church and these are the advancement of:

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

Activities

The calling of the Methodist Church is to respond to the gospel of God's love in Christ and to live out its discipleship in worship and mission. We do this through:

Worship: to increase awareness of God's presence and to celebrate God's love

Learning and caring: to help people to grow and learn as Christians, through mutual support and care

Service: to be a good neighbour to people in need and to challenge injustice

Evangelism: to make more followers of Jesus Christ

The Charities Act 2011 and 'public benefit'.

The Trustees of the Plymouth & Exeter District [in the meetings of the District Policy Committee] give attention to their responsibility to demonstrate 'public benefit', as defined by the Charities Act 2011. In undertaking this work, they follow the Commission's guidance, which sets out two key principles:

- the organisation must have an identifiable benefit.
- the benefit must be to the public or a section of the public.

The Trustees' particular contribution to the working out of the calling of the Methodist Church is to support and enable the churches and Circuits of the District to call, nurture, challenge and equip disciples to carry forward the work. This is achieved by supporting churches and Circuits across the District to:

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

We consider that, for these reasons, the Plymouth & Exeter District meets the public benefit requirements.

In detail, the District contributes to the life of the churches and Circuits by:

Worship

- ✓ maintaining oversight of the number and distribution of places of worship in the District
- ✓ working with other Christian denominations in strategic plans for nurturing a Christian presence for worship and service across our region
- ✓ the work of the District Chair and Lay Stationing Representative, recruiting and placing ministers to the ministerial vacancies in the District
- ✓ working together with the Methodist Regional Learning Network (RLN) to provide opportunities for those leading worship to develop their skills
- ✓ encouraging the development of patterns of worship which meet need, e.g. 'Messy Church' and worship which is accessible to those with particular needs

Learning and Caring

- ✓ working with the RLN and others, we encourage and facilitate learning for people in many diverse church roles, both paid and voluntary, seeking to find ways to support them
- ✓ providing opportunities for reflection, the learning and development of ordained ministers and overseeing the development of those exploring a call to ministry
- ✓ keeping people safe by ensuring that the Safeguarding training developed by the Methodist Church is rolled out and built upon in every church and providing professional support and expertise on Safeguarding matters
- ✓ developing a partnership with the Cuttack Diocese of the Church of North India to promote better understanding of the world-wide church community
- ✓ promoting throughout the District national guidance on Health and Safety legislation, Employment Law and Data Protection.

Service

- ✓ contributing to the understanding and practice of ministry, with particular concern for rural areas
- ✓ encouraging community engagement, e.g. Christians against Poverty; involvement in Street Pastors and Foodbanks, engagement with measures to combat climate change

- ✓ promoting good stewardship and wider use of buildings, people, funds and other available resources
- ✓ helping to fund local community outreach initiatives
- ✓ supporting and encouraging awareness of the work of Action for Children, Methodist Homes, All We Can and other social action initiatives
- ✓ Challenging injustice through involvement in national and international initiatives of the Methodist Church

Evangelism

- ✓ funding and managing the work of the District Evangelism Enabler so that individual congregations can undertake initiatives which serve local communities and provide opportunity for individuals to become disciples of Christ
- ✓ being a Christian presence alongside agricultural communities in our area through the work of our full time Agricultural Chaplain
- ✓ providing start-up funding and continuing support to the Christian Communities in Conversation project which seeks to equip congregations to share their faith more readily and effectively in their everyday lives

Achievements and performance

Achievements

During the Connexional year 2017-18 we have achieved our objectives in the following ways.

In Worship

- ✓ reviewing the circumstances and opportunities where churches are threatened with closure to ensure best use of the resources available
- ✓ through the work of the District Evangelism Enabler we have responded to requests for help in reviewing and developing how individual congregations serve their local communities through worship and action
- ✓ receiving reports from the two Ecumenical Officers and identifying local priorities and monitoring local ecumenical projects
- ✓ where church buildings, either through very high maintenance costs or through a need for substantial investment costs, cannot be sustained, encouraging and supporting worship in other public buildings or as house groups

In Learning and Caring

- ✓ working in partnership with the RLN to deliver a range of training opportunities for ministers, lay staff and office holders
- ✓ ensuring the Ministerial Development Review arrangements are working well and providing an annual Ministerial Retreat

- ✓ rolling out Supervision arrangements for Ministerial staff
 - ✓ supporting Ministers in their first appointments and reflecting with them on their development
 - ✓ aligning the work of the District Safeguarding Officer and District Safeguarding Group with developments led by the Connexional [national] Safeguarding Team
 - ✓ continuing to reflect and act upon the findings of the *Past Cases Review* undertaken by the Methodist Church in response to national concerns about the Safeguarding of children and vulnerable adults
- providing advice and guidance to those church communities faced with issues arising from Safeguarding

In Service

- ✓ implementing revised management arrangements for the Rural Chaplaincy
- ✓ through the District Grants Committee voting grants to enable:
 - the appointment of youth workers, children and family workers, outreach workers, a university chaplain, a rural support worker and a Methodist Deacon.
 - property refurbishment
 - the establishment of the Christian Communities in Conversation project
- ✓ joining with other denominations in the planning and growing of new Christian communities in major housing developments. Sharing in ecumenical planning for major population growth associated with the development of the Hinkley C power station in Somerset.
- ✓ Through the District Synod promoting the work of a number of charities with Methodist links [All We Can; Action for Children; Methodist Women in Britain]
- ✓ Growing our engagement with the Cuttack Diocese of the Church of North India as part of our investment in the world-wide Church.

In Evangelism

- ✓ developing a Management Committee for the work of the District Evangelism Enabler [DEE]
- ✓ through the work of the DEE, responding to local requests to take stock of local churches activities and effectiveness
- ✓ providing skills in evangelism to local congregations through the delivery of the Mission Shaped Ministry course
- ✓ establishing the Christian Communities in Conversation project

Performance

During the year 2017-18 we have used our annual Strategy Day [Dec 2017] to take stock of progress against our District Policy Statement. As a consequence, the two working groups addressing the changes in ministry, both lay and ordained, received renewed mandates. In this way we seek to respond to the closure of rural chapels but maintain a community centred Christian presence. Where possible we seek to progress this work on an ecumenical basis.

Building on the work in 2016-17 to align the giving of grants more directly in line with District objectives, the year saw a growing coherence in the District's work to have a more strategic and

effective approach to its work. This was reinforced by the commissioning of work examining the structure of key District committees; continuing work to identify effective evangelism and joint initiatives with the Cornwall District to seek ways of working together to support changing patterns of ministry and effective use of resources.

In these ways the District Policy Committee (DPC) seeks to demonstrate its accountability as a body of Trustees, on behalf of the District Synod.

Financial review

The Trustees are pleased to report that during the year to 31st August 2018 the District received income totalling £355,920 (2017: £352,981), a marginal increase over the previous year. This was used to fund grants and expenditure of £346,224 (2017: £433,975).

More than 50% of the District funding has come from Circuit Model Trust Funds and the Connexional Advance and Property Fund. These amounts are received annually into our District Model Trust Fund. Although this is an unrestricted fund, the Plymouth & Exeter District has currently chosen to hold these funds solely for the purpose of making grants to projects to further the aims of the Methodist Church and not to use them for District administration and other more general purposes. This year we were pleased to be able to make grants from this Designated fund totalling £135,376 (2017: £188,750) to churches and Circuits. A further £75,000 (2017: £0) has been granted to designated District projects.

Funding from Circuits has increased by 6% this year (2017: 7%). We continue to work towards the future, looking to ensure the District is adequately resourced, but to also keep in mind the need for the contributions from Circuits to be affordable. This has resulted in a reduced shortfall in net General Fund expenditure which, after transfers, in 2018 was £2,424 (2017: £13,338). This shortfall has been taken from Reserves.

The Trustees continue to keep the finances of the District and related policies under review.

Investment Policy

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, for all large (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 investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere.

The Plymouth & Exeter Methodist District Trustees' investment policy is aligned with that of the Central Finance Board of the Methodist Church (CFB) and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church. Short term deposits are lodged directly with the CFB and attract good rates of interest. There are no benchmarks 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 and its ethical preferences.

Reserves Policy

The Reserves of a charity are defined as that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. This definition excludes Restricted Funds, although holding such funds may influence a charity's Reserves Policy. Reserves will also normally exclude tangible fixed assets such as land, buildings and other assets held for the charity's use. It also excludes amounts designated for essential future spending.

Our General Fund reserves are as follows:	2017/8
	£
Total General Fund value	675,433
Less Funds not freely available	
Land and Buildings held for District use	575,000
Loan to the Mint Methodist Church	9,615
Freely available General Fund reserves	<u>90,818</u>

Our agreed General Fund Reserves Policy is to ensure that we maintain a reserve equal to six months anticipated average expenditure, including Manse maintenance and repair costs. The Trustees consider this the minimum level of Reserves needed to maintain the ongoing financial stability of the District. Based on our expenditure in 2017/8, this requires a reserve of £69,202.

The current General Fund Reserves exceed this amount by £21,616. This will be used in the coming years to reduce Circuit Assessments and further fund District projects. Transfers from the General Fund to such projects in 2017/8 totalled £7,600.

Unrestricted funds are also held in the District Model Trust Fund. These designated funds are currently used to make grants in support of personnel and property projects of our churches, Circuits and the District. Where a grant has been approved, the full amount made available is treated as a liability of the District until it is paid. There is no requirement to hold Reserves in this fund. Where there may be an amount unallocated at the end of any year this is carried forward to the next.

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 12th March 2010.

Structure

Circuits are the coordinating charities for local 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 the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly Synods. The Methodist Conference meets once each year as the supreme denominational body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Team implements decisions made by the Conference and is also responsible for the oversight of 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 regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

Purpose of the District

The District is an expression, over a wider geographical area than any Circuit, of the Connexional character of the Methodist 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 the Plymouth & Exeter District by:

- i. providing opportunities for Circuits to work together and support each other
- ii. 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.

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 Team at Methodist Church House, 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 DPC, nominations are invited from ministers and lay

members of Circuits within the District. The Chair of the District then shares information with nominees as to what the role involves. If a person wishes to be considered for a role, their name and a reasoned statement are considered by the DPC and the District Synod for appointment.

The District Policy Committee normally meets three times per year and deals with routine and exceptional matters. It oversees the work of:

- The District Executive
- The District Treasurer
- The District Safeguarding Group
- The Property Committee
- The District Grants Committee
- Manses Committee
- Chair's Manse Committee
- The Ecumenical Officers
- The District Evangelism Enabler Management Committee
- The Regional Candidates' Committee
- The Probationers' Committee
- Local Preachers
- The World Church Committee
- Rural Issues
- The Lay Employment Committee
- Methodist Women in Britain
- Joint working with the Regional Learning Network

The responsibilities of the District Policy Committee

- i. to formulate and promote policies which will advance the mission of the Methodist Church in the Circuits and local churches and, in particular, to oversee the use of resources of personnel, property and finance and to assist churches and Circuits who may be experiencing exceptional problems
- ii. to encourage inter-Circuit and ecumenical co-operation
- iii. to act in an executive capacity in matters remitted 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. constantly to be aware of the public benefit guidance issued by the Charity Commission

Recruitment and Training of Trustees

New Trustees are appointed from within the membership (ordained and lay) of the Methodist churches and Circuits of the District. In making each appointment, care is taken to ensure the new Trustee has the skills and experience needed to fulfil the responsibilities of their role and safer recruiting procedures are followed. Appointments are made by the District Synod following nomination by the District Policy Committee, after a recruitment process has taken place. Please see the Trustees list below.

Reference and administrative details

The name of the Charity	Plymouth & Exeter Methodist District
Charity registration number	1134878
Principal Office	The District Office, The Mint Methodist Church, Fore Street, Exeter. EX4 3AT
Chair of the District	Revd. Canon Graham Thompson
Secretary of the Synod	Mr. David Clitheroe
Secretary of the Presbyteral Synod	Revd. Paul Smith
District Treasurer	Mrs. Rachel Mitchell

Names of Trustees:

The trustees who served during the period and to the date this report are:

Glenys H E Allinson – resigned 31/08/18
Susan M Bolt
Denys H Bament – resigned 31/08/18
David A Clitheroe
Margaret J Fogarty – appointed 01/09/18
Howard Franklin – resigned 31/08/18
Kevin P Hooke – appointed 01/09/18
Ronald A Jordan – resigned 31/08/18
Stuart A Innalls
Carolyn J Lawrence – resigned 31/10/18
Simon H Leigh – resigned 31/08/18
Mary L McNaughton
Rachel A Mitchell
Roy G Mitchell – appointed 01/09/18
Michael Parsons – appointed 01/09/18
John N Prebble - resigned 31/08/18
Graham Thompson
Andrew T Vidamour
Philip P Wagstaff

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.

Bankers

CAF Bank Ltd. 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ	Central Finance Board of the Methodist Church 9 Bonhill Street London EC2A 4PE
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Independent Examiner

Mr. S. Cresswell FCA
Thomas Westcott Chartered Accountants,
47 Boutport Street, Barnstaple, Devon EX31 1SQ

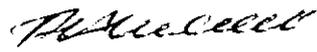
Approval

This report was approved by the Trustees on the date below and is signed on their behalf by:



Revd. Canon Graham Thompson
District Chair

Date: 18th April 2019



Mrs Rachel Mitchell
Treasurer

Declarations

I confirm that these accruals-based accounts for the year to 31 August 2018 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



Name of Treasurer

Mrs Rachel Mitchell

Address

10 Hillside Drive, Kingsbridge, Devon. TQ7 1JT

Date: 18 April 2019

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2018 were presented to the District Policy Committee on 9th February 2019

Chair of the meeting



Name of the Chair

Revd. Canon Graham Thompson

Date: 18 April 2019

Independent Examiner's Report to the Trustees of the Plymouth & Exeter Methodist District

The District's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2018 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 and that an independent examination is needed.

It is my responsibility to:

- ✓ examine the accounts under section 145 of the Charities Act 2011
- ✓ follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011
- ✓ state whether particular matters have come to my attention.

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 charity and a comparison of the accounts 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

Since the Charities gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

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 to keep accounting records in accordance with section 130 of the Charities Act 2011 and to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011 have not been met,
- (2) or that the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities,
- (3) or to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

- (4) I 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.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Signature of independent examiner



Name of independent examiner

Stephen Cresswell BA, FCA, DChA

Relevant professional qualification:

Chartered Accountant

Name of firm

Thomas Westcott Chartered Accountants

Address

47 Boutport Street, Barnstaple, Devon EX31 5SQ

Date

30 April 2019

Plymouth & Exeter Methodist District
Statement of Financial Activities (SOFA)
For the year ended 31 August 2018

	Notes	General Fund (Unrestricted)	District Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds (Restricted)	Total 2017-8	Total 2016-7
		£	£	£	£	£	£
Income from:							
Donations and legacies		-	-	500	1,903	2,403	3,823
Charitable activities		-	-	-	-	-	-
Investments		943	2,315	-	170	3,428	3,825
Other		-	-	-	-	-	-
Assessments on Circuits	4	94,863	-	-	-	94,863	89,735
From Circuit Model Trust Funds		-	123,688	-	-	123,688	134,264
Contribution to the cost of the Chair	5	39,116	-	-	-	39,116	38,093
Contributions to other staff costs		-	-	-	25,741	25,741	52,458
Connexional Advance & Property Fund		-	65,501	-	-	65,501	30,070
Other income	6	1,057	-	123	-	1,180	713
Total		135,979	191,504	623	27,814	355,920	352,981
Expenditure							
Grants and donations	7	-	135,376	-	1,270	136,646	193,132
Salaries and associated costs	8	78,999	-	33,227	25,741	137,967	170,394
Property		4,609	-	10,895	-	15,504	7,318
Office expenses		4,295	668	375	33	5,371	7,358
Synods, meetings and Conference		3,927	-	-	-	3,927	4,318
Other outgoings		-	-	-	-	-	-
Travel expenses		18,113	-	3,833	0	21,946	22,038
Depreciation		-	-	-	-	-	14,010
Ecumenical contributions		3,622	-	-	-	3,622	3,630
Training and Supervision		4,133	-	20	12,939	17,092	9,543
Professional and Administration fees		4,103	-	-	-	4,103	1,351
Other costs		-	-	45	-	45	883
Total Expenditure		121,803	136,044	48,395	39,982	346,224	433,975
Net income/(expenditure) before gains and losses on investments		14,176	55,460	(47,772)	(12,168)	9,696	(80,993)
Gains/(Losses) on investment assets					(226)	(226)	(315)
Net income (expenditure)		14,176	55,460	(47,772)	(12,394)	9,470	(81,308)
Transfers between funds	10	(16,600)	(75,000)	91,600			
Other Gains or losses							
Net movement in funds		(2,424)	(19,540)	43,828	(12,394)	9,470	(81,308)
Reconciliation of funds:							
Total funds brought forward		677,857	31,826	91,453	71,959	873,095	954,403
Total funds carried forward		675,433	12,286	135,281	59,565	882,565	873,095

Plymouth & Exeter Methodist District

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	General Fund Unrestricted £	District Model Trust Fund Unrestricted £	Designated Funds Unrestricted	Restricted Funds Restricted £	TOTAL 2017-8 £	TOTAL 2016-7 £
Tangible Fixed Assets	11						
Manse		575,000				575,000	575,000
Other Land and Buildings						-	-
Investments	12				16,171	16,171	16,397
Total Fixed Assets		575,000	-	-	16,171	591,171	591,397
Current Assets							
Debtors and Prepayments	13	16,722	-	123		16,845	16,775
Central Finance Board and Trustees for Methodist Church Purposes Deposits etc		87,417	254,314	135,158	43,479	520,368	547,437
Cash at Bank and in hand		1,855	-			1,865	6,280
Total Current Assets		105,995	254,314	135,281	43,479	539,069	570,492
Current Liabilities							
Creditors and Accruals (due in under 1 year)	14	5,582	153,515		85	159,162	175,294
Net Current Assets		100,433	100,799	135,281	43,394	379,907	395,198
Total Assets less Current Liabilities		675,433	100,799	135,281	59,565	971,078	986,595
Long term Liabilities							
Grants payable	14		88,513			88,513	113,500
Net Assets		675,433	12,286	135,281	59,565	882,565	873,095
Funds of the District							
General Fund (Unrestricted)		675,433				675,433	677,857
District Model Trust Fund (Unrestricted)			12,286			12,286	31,826
Designated Funds (unrestricted)	15			135,281		135,281	91,453
Total unrestricted funds		675,433	12,286	135,281		823,000	801,136
Restricted Funds	16				59,565	59,565	71,959
Endowment Funds						0	0
Total Funds		675,433	12,286	135,281	59,565	882,565	873,095

NOTES TO THE ACCOUNTS

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2015 Charities SORP (FRS102) and in accordance with the 'true and fair override' provision contained therein."

ii Public benefit entity

The Plymouth & Exeter Methodist 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, on the accruals basis to 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.

v Going concern

Based on the monetary assets and human resources available at 31 August 2018, the trustees believe that the District is a going concern.

vi Consolidation

The District oversees the work of ministers and lay workers in Churches and Circuits within the District but does not have control over those Circuits or Churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches and Circuits within the District are not consolidated into these financial statements.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Plymouth & Exeter Methodist District. 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 3. A similar figure appears in the Expenditure at Note 6.

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:

1. the collection of quarterly assessments from circuits which are paid to the Methodist Church Fund
2. the payment of expenses of delegates from the District to the Methodist Conference
3. the collection taken at the spring synod on behalf of the Methodist Ministers' Children's Relief Fund
4. 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.

In accordance with the Charities SORP (FRS102), the time of volunteers is not recognised.

Notes to the Accounts (Continued)

viii 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 an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

Where it becomes clear that a payment is possible, not probable, then a liability for the commitment is not recognised and the funding commitment is disclosed as a contingent liability.

x VAT

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

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed value, of which the land component is deemed to be £275,000. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

xii Investments

The investments of the Plymouth & Exeter Methodist District 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 12. below.

xiii 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.

xiv Loans

Where concessionary loans (*i.e.*, 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.

xv 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 Ministers' manse costs

The District is required to provide accommodation for our ministerial Chair and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for Ministers as HMRC does not seek to tax these receipts in the hands of the Ministers.

2 Comparative Figures

The financial statements on pages 15-16 only show the total comparative figures for 2017. To enable better understanding of the District's financial reporting the Statement of Financial Activity and Balance sheet for 2017 have been reproduced, in full, below.

Plymouth & Exeter Methodist District Statement of Financial Activities (SOFA) For the year ended 31 August 2017

Note	General Fund (Unrestricted)	District Model Trust Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds (Restricted)	Total 2016-7
s	£	£	£	£	£
Income from:					
Donations and legacies	-	-	-	3,823	3,823
Charitable activities	-	-	-	-	-
Investments	1,068	2,573	-	184	3,825
Other	-	-	-	-	-
Assessments on Circuits	89,735	-	-	-	89,735
From Circuit Model Trust Funds	-	134,264	-	-	134,264
Contribution to the cost of the Chair	38,093	-	-	-	38,093
Contributions to other staff costs	-	-	27,232	25,226	52,458
Connexional Advance & Property Fund	-	30,070	-	-	30,070
Other income	6	713	-	-	713
Total	129,609	166,907	27,232	29,233	352,981
Expenditure					
Grants and donations	7	500	188,750	3,882	193,132
Salaries and associated costs	8	75,860	-	69,308	25,226
Property		1,199	-	6,119	-
Office expenses		4,485	645	2,194	34
Synods, meetings and Conference		4,318	-	-	-
Other outgoings		-	-	-	-
Travel expenses		18,306	-	3,732	-
Depreciation		14,010	-	-	-
Ecumenical contributions		3,630	-	-	-
Training and Supervision		4,723	-	2,020	2,800
Professional and Administration fees		1,351	-	-	-
Other costs		883	-	-	-
Total Expenditure		129,266	189,395	83,373	31,942
Net income/(expenditure) before gains and losses on investments		344	(22,488)	(66,140)	(2,709)
Gains/(Losses) on investment assets				(315)	(315)
Net income (expenditure)		344	(22,488)	(66,140)	(3,024)
Transfers between funds	10	(14,300)	25,372	(11,072)	-
Other Gains or losses					-
Net movement in funds		(13,956)	2,884	(67,212)	(3,024)
Reconciliation of funds:					
Total funds brought forward		691,813	28,942	158,665	74,983
Total funds carried forward		677,857	31,826	91,453	71,959

Plymouth & Exeter Methodist District

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	General Fund Unrestricted £	District Model Trust Fund Unrestricted £	Designated Funds Unrestricted	Restricted Funds Restricted £	TOTAL 2016-7 £
Tangible Fixed Assets	11					
Manse		575,000				575,000
Other Land and Buildings						-
Investments	12				16,397	16,397
Total Fixed Assets		575,000	-	-	16,397	591,397
Current Assets						
Debtors and Prepayments	13	13,190	-	3,585		16,775
Central Finance Board and Trustees for Methodist Church Purposes Deposits etc		84,957	318,947	87,971	55,562	547,437
Cash at Bank and in hand		6,280	-		-	6,280
Total Current Assets		104,427	318,947	91,556	55,562	570,492
Current Liabilities						
Creditors and Accruals (due in under 1 year)	14	1,570	173,621	103	-	175,294
Net Current Assets		102,857	145,326	91,453	55,562	395,198
Total Assets less Current Liabilities		677,857	145,326	91,453	71,959	986,595
Long term Liabilities						
Grants payable	14		113,500			113,500
Net Assets		677,857	31,826	91,453	71,959	873,095
Funds of the District						
General Fund (Unrestricted)		677,857				677,857
District Model Trust Fund (Unrestricted)			31,826			31,826
Designated Funds (unrestricted)	15			91,453		91,453
Total unrestricted funds		677,857	31,826	91,453		801,136
Restricted Funds	15				71,959	71,959
Endowment Funds						0
Total Funds		677,857	31,826	91,453	71,959	873,095

3 Assessments on Circuits

The assessment on each Circuit is annually determined by the District. This includes the amount each Circuit is due to pay to the MCF and is calculated by reference to the number of staff in the Circuits and the number of Church members but may also take into account a Circuit's ability to pay.

The District is made up of the following Circuits:

Circuit Name	Circuit No	Circuit Name	Circuit No
Plymouth and Devonport	24/01	Tiverton and Wellington	24/16
Plymouth Methodist Mission	24/02	South Petherton and Crewkerne	24/18
Exeter, Coast and Country	24/04	Ilfracombe and Barnstaple	24/20
Tavistock	24/07	South Molton and Ringsash	24/22
Torbay	24/08	Torridge	24/23
South Devon	24/10	West Devon	24/24
Bude and Holsworthy	24/12	West Somerset	24/25
Taunton Deane and		Ringsash	24/27
South Sedgemoor	24/15	Teignbridge	24/28

4 Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to fund 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 £491,884 (2016/7: £481,965) all of which were collected or shown as debtors at the end of the year 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.

	2017/ 8	2016/7
	£	£
Stipend to Chair	29640	28980
Employer's National Insurance Contribution	2949	2876
Apprenticeship levy	148	-
Employer's pension contribution (defined benefit scheme)	6379	6237
Cash cost paid by the Connexion (see, SOFA, line 7)	-39116	-38093
Notional estimate of cost of providing Manse	21,000	16800
Chair's expenses	7145	6017
Total cost	28145	22817

Since the stipend-related costs above of £39,116 (2016/7: £38,093) 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.

It should be noted that the chair is required to occupy the District manse. The manse is provided by the Plymouth & Exeter Methodist District and the District maintains the property. The sum of £21,000 (2016/7: £16800) was determined by enquiry of a local property surveyor and does not appear elsewhere in these accounts.

No accrual is made for the Chair's entitlement to a sabbatical as his / her functions are undertaken jointly by the Deputy Chairs at minimal extra cost to the District.

Payment to Trustees

It is District policy to offer to reimburse members of the District Policy Committee (DPC) 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, no-one on the DPC 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.

Most trustees are not employees of the District. Expenses have been reimbursed to some 9 (12 in 2016/7) volunteer trustees (members of the DPC) who, in aggregate, have received the following:

	2017/ 8	2016/7
Travel to governance meetings	878	759
Other travel on District business	4339	6807
Administration and other re-imbursed expenses	141	901
	<u>5358</u>	<u>8467</u>

The following expenses were paid to the District Chairman, the only trustee who was also a District employee:

Travel and hospitality on District business	7145	5954
Administration and other re-imbursed costs	1752	1727
	<u>8897</u>	<u>7681</u>
Total expenses paid to trustees	14255	16148
Total number of trustees paid expenses	9	12

6 Other income

The District does not currently undertake any fundraising. The "Other Income" shown on the SOFA relates to the use of part of the district office by another local charity and the sale, at cost, of locally produced training books.

7 Grants, donations and related Support costs

Grants and donations totalling £136,646 were made during the year (2016/7: £193,132) as shown in the table below.

		2017/ 8	2016/7
Unrestricted:			
- From General Funds	To Methodist partner organisations		500
- From DMTF	To Church projects	56833	78750
	To Circuit projects	31543	78000
	To Circuits for projects with other partners	47000	32000
Sub total		<u>136376</u>	<u>189250</u>
Restricted:			
- From Benevolent Fund	To individuals	0	1950
- From EDEV Fund	To individuals	628	832
- From Ministerial training Fund	To individuals	300	0
- From Youth Fund	To individuals	342	1100
Sub total		<u>1270</u>	<u>3882</u>
Total		<u>136646</u>	<u>193132</u>

In addition, funds were made available from the DMTF to support District projects as follows:

Unrestricted		
- District Evangelism Enabler	25,000	
- Rural chaplaincy project	50,000	
- Simply Venture FX project		-25,372
Total	75,000	-25372

The Rural chaplaincy project has, since the year end, come under the oversight of the DPC and will be consolidated into the 2018/9 accounts.

The Simply Venture FX project was concluded at the end of 2016/7 and the excess designated funds of £25,372 returned to the unrestricted District funds held within the District Model Trust Fund.

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

The support costs for grant-making to third parties are not significant and so are not separately disclosed.

8 Salaries and associated costs

Gross salaries paid to three full time and three part time (2015/6: seven) employees were as follows:

	2017/ 8	2016/7
Gross pay	86269	111290
Employer's pension contribution to defined contribution scheme	5102	6434
Employer's National Insurance contribution	6932	9703
Apprenticeship levy	548	147
Redundancy pay	-	4726
	98851	132301
Cost of Chair (see Note 3)	39116	38093
Total staff costs	137967	170394
Average weekly contractual hours of Staff members	159	193

Pensions

Most ordained ministers are members of the Methodist Ministers Pension Scheme (MMPS) which is a defined benefit scheme. The Supreme court held in 2014 that Methodist ministers are not employees of the church. However, for simplicity, when dealing with National Insurance Contributions and pension contributions the terms "employer" and employee are used as they would be if the church were an employing body.

The Connexion accounts for the MMPS pension scheme and shows these figures in their annual financial statements. This scheme is currently in deficit but a plan to correct this is in place and is being implemented. Details of the scheme can be found in the Consolidated Annual Report and Accounts of the Methodist Church of Great Britain.

Other District employees have the option to join our lay employee scheme administered through the Pensions Trust. This is a defined contribution scheme to which both the employee and District contribute.

9 Fees for independent Examination of the accounts

	2017/8	2016/7
Independent Examiners fees for reporting on the accounts	692	735
Other fees paid to the Independent Examiner		
Total amount paid	692	735

10 Transfer between funds

The following transfers were made to /(from) the District Designated Funds during the year to 31 August 2018:

	Manse Fund	Rural Chaplaincy Fund	DEE Fund	Cuttack Fund	Total
From General Funds	9000		4600	3000	16600
From / (To) DMTF		50000	25000		75000
Total transferred	9000	50000	29600	3000	91600

The equivalent amounts in the previous year to August 2017 were:

	Manse Fund	Simply Fund	DEE Fund	Cuttack Fund	Total
From General Funds	9000		2300	3000	14300
From / (To) DMTF		-25372			-25372
Total transferred	9000	-25372	2300	3000	-11072

11 Tangible Fixed Assets

	Manse	Other land & buildings 7 yr SL	Fixtures, fittings & equipment 5 yr SL	Total
Depreciation rate				
Cost or deemed value				
As at 1 September 2017	575,000	98,064	5990	679,054
Additions, disposals, revaluations				
As at 31 August 2018	575,000	98,064	5,990	679,054
Accumulated depreciation				
As at 1 September 2017		98064	5990	104054
Charge for the year				0
As at 31 August 2018	0	98,064	5,990	104,054
Net Book Value brought forward	575,000	0	0	575,000
Net book Value carried forward	575,000	0	0	575,000

The Manse was revalued on 31 August 2015 to fair market value and this is the deemed value included in these accounts. Prior to this the Manse was valued at £313,811 which was its insurance value as at 31 August 2015.

The land component included within the current deemed Manse value is £275,000.

12 Investment Assets

The following investments are held in the Trustees for Methodist Purposes (TMCP) CFB Managed Fixed Interest Fund and the Trustees Interest Fund. These collective investments were revalued on 31 August 2017.

	Units	2017/8	2016/7
Trustees interest Fund		5501	5501
CFB Managed Fixed Interest Fund	5251	10670	10896
Total		16171	16397
Income earned on Investments for the year		170	184

Change in the carrying value of Investments:	2017/8	2016/7
Carrying value brought forward	16397	16712
Additions/ disposals and income less expenditure	0	0
Unrealised net (loss) gain on revaluation	-226	-315
Carrying value carried forward at 31 August 2017	<u>16171</u>	<u>16397</u>

13 Debtors and prepayments

Debtors were made up as follows:	2017/8	2016/7
Loan to the Mint Methodist church	9615	12740
Assessments from Circuits	6187	-
Other debtors	1043	4035
Total (net)	<u>16845</u>	<u>16775</u>

14 Creditors and accrued expenses

Amounts due in less than 12 months	2017/8	2016/7
Accrued Expenses	2231	1382
Grants payable to third parties	153515	171544
Other Creditors	3416	2368
	<u>159162</u>	<u>175294</u>
Amounts due in more than 12 months		
Grants payable to third parties	<u>113500</u>	<u>113500</u>

15 Funds in detail

	opening balance	Incoming resources	Resources expended	Transfers	Closing balance
Designated Funds					
Manse Fund					
Running costs, maintenance and repair of the District Manse	3263	623	-10895	9000	1991
Rural Chaplaincy Fund					
To Fund the rural chaplaincy co-ordinator	0			50000	50000
DEE Fund					
To fund the post of District Evangelism Enabler	85190		-37500	29600	77290
Cuttack Fund					
To facilitate the Cuttack Diocese partnership, including funding visits from and to that would otherwise not be afforded	3000			3000	6000
Total Designated Funds	<u>91453</u>	<u>623</u>	<u>-48395</u>	<u>91600</u>	<u>135281</u>

	opening balance	Incoming resources	Resources expended	Transfers & other gains /(losses)	Closing balance
Restricted Funds					
<i>Cuttack Fund (restricted)</i>					
To facilitate the Cuttack Diocese partnership, including funding visits from and to that would otherwise not be afforded	486	565			1051
<i>Emergency Fund</i>					
Benevolent Fund for the benefit of ministers and others in need	13583	265		137	13985
<i>Emergency Fund No 2</i>					
Support of the widow of Rev I Thompson. Income transferred to EF No1 (see also note 12)	16397	170	-33	-363	16171
<i>Extending Discipleship, Exploring Vocation (EDEV)</i>					
To fund individual exploration of vocation and discipleship training of lay people	24997		-10652		14345
<i>Ministerial Training Fund</i>					
To fund training and ongoing development of ordained ministers	13808	1170	-3312		11666
<i>Rural Chaplaincy Fund</i>					
Fund salary costs of chaplaincy co-ordinator	0	25741	-25741		0
<i>Youth Fund</i>					
Support youth work and young people in ministry	2688		-341		2347
Total Restricted Funds	71959	27911	-40079	-226	59565

The general fund of £675,433 includes £261,189 as a result of the uplift in the Manse valuation when the property was revalued on 31 August 2015.

16 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the end of the year to 31 August 2018 . (Also none at the end of the previous year).

17 Connected organisations and related parties

All of the District trustees are members of both a Methodist church and Circuit within the District and may be trustees in those organisations.

Connected organisations include the Methodist Connexion, Circuits and churches within the District, other Methodist Districts within the United Kingdom, CFB, and TMCP. All of these entities have their own trustees or directors and autonomous administration such that the Plymouth & Exeter Methodist District has no significant influence over them, nor they over the Plymouth & Exeter Methodist District. They are therefore not considered related parties.

There were no related party transactions.

18 Volunteer Contributions

Every entity within the Methodist Church in the United Kingdom is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the church. In the District this contribution is principally serving on committees that deal with mission, manses, finance, policy, property, grants, training, discernment and development. We are grateful to all our volunteers for their help and commitment.