

Trustees for Methodist Church Purposes
Charity Registration Number 1136358

Trustees Report & Accounts for the year ended 31 August 2015

Trustees for Methodist Church Purposes

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**Trustees for Methodist Church Purposes
Trustees Report**

Office and Advisers

Office

Central Buildings
Oldham Street
Manchester
M1 1JQ

Bankers

HSBC Plc
Belgravia Branch
The Peak
333 Vauxhall Bridge Road
London
SW1V 1EJ

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

Auditors

Beever and Struthers
St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Stockbrokers

Barclays Wealth
Tay House
300 Bath Street
Glasgow
G2 4LH

Solicitors

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

Trustees for Methodist Church Purposes Trustees Report (continued)

Board Membership

The Revd Dr Keith Davies (<i>Chair from 7/5/15</i>)	Mr John Bell (<i>appointed 2/7/15 by Conference</i>)
The Revd Paul Flowers*	Mr Graham Danbury
The Revd David Gamble (<i>Deceased 11/09/15</i>)	Mr Ralph Dransfield
The Revd Doreen C Hare	Dr Ian Harrison
The Revd Jennifer A Impey	Mr John Jefferson
The Revd Gillian M Newton	Mr David Moore
The Revd Gareth J Powell	Mr Malcolm Pearson
The Revd Kenneth E Street (<i>Chair until 7/5/15</i>)	Mr G Alan Pimlott
	Mr Terry Wynn (<i>Resigned 7/5/15</i>)

Changes in Office:

The Revd Kenneth E Street stepped down as Chair of the Board on 7 May 2015 and the Revd Dr Keith Davies has been appointed for a period of five years from 2015 to 2020. Kenneth has devoted a great deal of his time steering the organisation. His knowledge and expertise have proven invaluable and potentially irreplaceable. The Board are so very grateful for all he has done over the years and value his continued contribution as he remains on the Board.

Terry Wynn resigned during the last Connexional year. As a member of the Executive Committee Terry has worked closely with the staff and particularly supported the Chief Executive and senior management team. The Board and all the staff are extremely grateful for the contributions he has made over the period of his service.

John Bell was appointed by the Board of Trustees for Methodist Church Purposes at the July 2015 Methodist Conference to comply with Section 4(3) of the Methodist Church Act 1939 (under which the Board is constituted) provides "that the Board shall consist of ministers and laymen (sic) in equal numbers". John has previously been Vice President of Conference 2005/6, is currently Chair of the Connexional Allowances Committee, and has participated extensively in Connexional, District and Circuit activities over many years.

With the sudden sad loss of The Revd David Gamble on 11th September 2015, there is now a vacancy on the Board. David provided a valuable link between the Board and the Connexional Team, he was a much respected colleague and he will be sadly missed. His dedication to and deep understanding of the Methodist Church provided a wealth of knowledge which he gladly shared whenever required. He lived a life of duty and service demonstrating compassion and a generosity of spirit for all God's people with a wonderful and kind sense of humour.

<p><i>*The Revd Paul Flowers is suspended from all duties as a Methodist minister and that as such, he plays no part in the work of the Board.</i></p>
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Trustees for Methodist Church Purposes Trustees Report (continued)

TMCP Staff

Anne Goodman, Chief Executive, oversees a professional team of 19 and the team are responsible for ensuring the Board's functions and responsibilities as Trustees are discharged on a day to day basis. Anne also works closely with the Board on strategic and planning issues. The Section Managers are:-

Martin Attfield	-	Administration Manager/Assistant CE
Laura Carnall	-	Legal Operations Manager
Andrew Maxfield	-	Legal Technical Manager
Janet Street	-	Finance Manager

The team continually build on existing relationships with their colleagues in the Connexional team, Central Finance Board and the Methodist Church. All staff aim to promote a professional relationship between TMCP and any outside agencies with whom the organisation may be in contact.

Aims and purposes of the Trustees for Methodist Church Purposes

The purpose of the Board is to service the Methodist Church in the advancement of the Christian faith in accordance with its doctrinal standards and discipline, and any charitable purpose of the Methodist Church or Church organisation.

Our governing documents are the Methodist Church Act 1939, the Trust Deed of 1939 and the Methodist Church Act 1976.

The Trustees for Methodist Church Purposes (TMCP) are the custodian trustees of all property held on the Model Trusts of the Methodist Church Act 1976, except for that in the Channel Islands or the Isle of Man which is held by the Trustees for Jersey Methodist Church Purposes, the Trustees for Guernsey Methodist Church Purposes or the Trustees for Manx Methodist Church Purposes. This includes nearly all the property held by the 4,641 or so local churches, 372 Circuits and 31 districts, together with a number of properties used for Connexional purposes.

The Board is also custodian of the funds held in 6,885 separate trusts. These funds are held for Methodist purposes for the managing trustees who may be local Church Councils, Circuit Meetings or other bodies of trustees. Some trusts, such as Circuit Model Trust Funds, are held on the Model Trusts. The trusts of other Funds, such as Permanent Endowments, are determined by the terms of the will or other settlement.

Activities of the Board include:-

- effecting all sales, purchases and leases of property by Church bodies and checking legal documents before signature by managing trustees.
- investing funds received from sales or bequests and transmitting funds for purchases or to meet the cost of a project as instructed by managing trustees.
- fulfilling any other duties or responsibilities required of, or appropriate for, the corporate body acting on behalf of the Methodist Church.

Trustees for Methodist Church Purposes Trustees Report (continued)

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

Public Benefit Requirement

In accordance with Section 4 of the Charities Act 2011, the Board has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising its powers or duties.

This guidance sets out two key principles:

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

The Board meets its charitable objects by performing key duties as the custodian trustee of all Methodist Model Trust property, facilitating all related legal and financial transactions. It provides practical support to managing trustees in local churches, circuits and districts and works closely and effectively with colleagues in the Connexional Team.

Structure and Governance

These accounts reflect only the state of affairs and income and expenditure of the Board in relation to its own direct affairs. The Board also acts as custodian trustee in respect of all property held on the Model Trusts and full trustee of a number of other trusts. The accounts included in this report do not include these funds or any amounts in respect of local church, circuit and district accounts.

The Trustees for Methodist Church Purposes applied and became a registered charity on 15 June 2010 (1136358 – “Trustees for Methodist Church Purposes”).

The Board is a corporate body and was incorporated by the Methodist Church Act 1939.

Board members are appointed by the Methodist Conference on the nomination of the Board, which seeks to maintain a balance of appropriate professional experience, Methodist experience and Connexional representation.

Further to Section 4(3) of the 1939 Act the Board consists of equal numbers of “ministers and laymen” (sic) being presbyters and lay people in today’s terms and the Conference has currently set the total number of members at 16.

Once appointed a member is a trustee for life unless any of the conditions set out in section 5 of the 1939 Act occurs. These are if a member shall:

- Die
- Become bankrupt
- Make an assignment for the benefit of his creditors
- Refuse or be unfit to act or be incapable of acting as a member of the Board
- Reside for twelve months outside of the United Kingdom
- Cease to be a member of the Methodist Church

Trustees for Methodist Church Purposes Trustees Report (continued)

Structure and Governance cont.....

- By notice in writing sent or delivered to the secretary* state his desire to resign from the Board

*In the Act the “secretary” means “the secretary of Conference”.

The Board, which meets at least 3 times a year, is responsible for all the functions of the Trustees for Methodist Church Purposes. In practice, much of the work of the Board is discharged through committees and by its staff.

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

The Board is served by two committees:

The Executive Committee

There is currently a committee of three members, meeting at least three times a year. The Executive Committee reports to the Board and:-

- oversees the management arrangements and Board meetings;
- takes any action on behalf of the Board between meetings;
- reviews the Financial Statements and Annual Report of TMCP;
- considers and approves management accounts; and
- deals with all full trust applications.

The Audit Committee

This is a committee of three members, meeting at least twice a year to review:-

- the Financial Statements and Annual Report of TMCP, with the external auditors;
- the effectiveness of the financial and other internal control systems with regards to monies and other assets for which TMCP is responsible; and
- the effectiveness of the management of risks.

The committee also:-

- advises the Trustees for Methodist Church Purposes on the appointment of external auditors
- oversees the internal audit process, including Planning, Scoping and Reporting.

Trustees for Methodist Church Purposes Trustees Report (continued)

Board Training

All new trustees undergo induction to familiarise themselves with the aims and work of the charity, and to ensure they understand fully their responsibilities as Board members and the organisational expectations in terms of their commitment. As part of the induction programme, trustees are provided with constitutional, governance, financial and organisational documentation. Trustees also receive regular updates and are made aware of relevant events and training opportunities. The Chair and Chief Executive facilitated an 'Away Day' in 2015 where the trustees were given the opportunity to discuss issues including: governance, corporate objectives, communications strategy and to complete an audit of skills held collectively by the Board. This was very successful and the Executive Committee will build on matters which came out of the discussions. The Chair is currently reviewing the audit of skills of the Trustees.

On-Going Developments

Website Development

TMCP's target audience includes Managing Trustees, Professional Advisers, District Property Secretaries and Treasurers. The organisation is developing a Communication Strategy to ensure that information is clear and accessible to all. TMCP is uniquely placed within the Church to signpost, facilitate and offer guidance. A new website is to be developed early in 2016 with the intention that it will be launched at the Methodist Conference in June/July 2016. TMCP's Legal and Finance Teams are updating all Guidance and Process Notes. They will work collaboratively and in partnership with the target audience and colleagues within the Connexional Team to pilot the website as milestones are reached during this project.

Matter Management System

A new system has been scoped in outline and is being commissioned in the early part of 2016 to continue to develop TMCP's recording and monitoring of Key Performance Indicators (K.P.I.s). The KPI's will be set based on data from Management Reports and work allocations. This new system will help in the continued development of embedded processes. The Legal Team have embraced this opportunity and are working closely with management to ensure it is practically relevant.

TMCP Adding Value

TMCP continues to take advantage of its unique position as a body corporate in a number of ways and is always looking for other cost saving opportunities for the Church:-

(i) Trust Work

TMCP has initiated a number of reviews of the funds it holds on behalf of local Churches, Circuits and Districts by liaising with Managing Trustees and providing suggestions of how monies can be legitimately amalgamated or freed from restrictions within the present legislative framework.

In 2015 the Connexional Team have been requested by the Methodist Conference to work with TMCP to help continue and accelerate initiatives to free up funds. The Board has indicated support for such a project and TMCP will do all it can, with limited resources, to help.

(ii) Data Protection

The Information Commissioner recognises TMCP as Data Controller for the Methodist Connexion to co-ordinate the day to day administration as well as handling general enquiries.

Trustees for Methodist Church Purposes

Trustees Report (continued)

TMCP Adding Value cont

(iii) Copyright

The TMCP Board is the corporate body which holds copyright on behalf of the Conference and its subsidiary bodies because copyright is to be held either by an individual person or a corporate legal person. It will be noted that all publications such as the Constitutional Practice and Discipline of the Methodist Church (CPD), the Minutes of Conference and Singing the Faith and the works held in the Art Collection, to give but a few examples, name TMCP as the holder of the copyright.

However, all management responsibilities relating to these publications and their copyright were declared to be in the hands of the Methodist Council leaving the Board to be the mere holder. The Council delegates to others the power to grant permissions to use copyright material and to set any fees in respect of such use. Any fees paid to the Board for the use of copyright material are held to be used as directed by the Council.

Financial Review

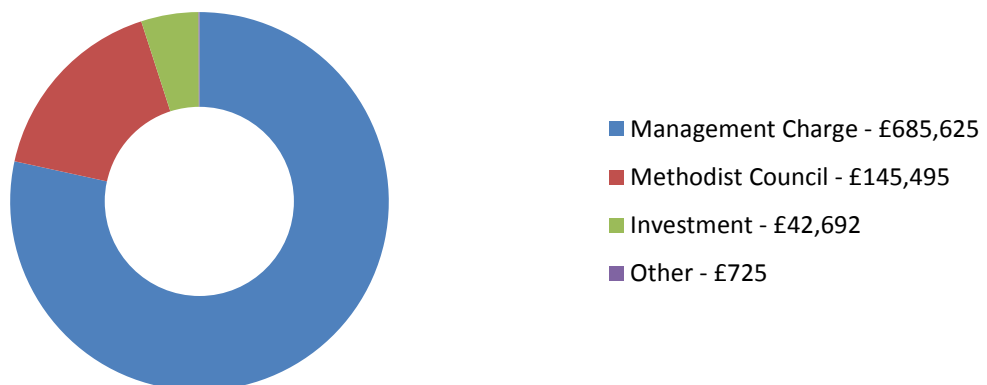
TMCP ended the year to 31 August 2015 with net outgoing resources after adjusting for losses on investment assets and exceptional items of £115,470 (2014: £369,472 net incoming resources). Total incoming resources for the year were £874,537, whilst total resources expended for the year were £998,736, leading to a net operating deficit of £124,199. The exceptional items which totalled £30,251 related to interest received from HMRC on the VAT de-registration proceeds and a goodwill payment related to the unrecovered banking fraud in the previous year. In addition there were losses on investment assets of £21,522. The Board utilises an annual draw-down of £100,000 from reserves to supplement operational income, which goes some way to covering the operating deficit.

Charitable income

The main sources of charitable income are the management charges, the contribution from the Methodist Council and the dividends arising on funds held with the Central Finance Board.

Income from charitable activities increased by 23.60% to £831,845 (2014: £673,036). *Investment Income decreased to £42,692 (2014: £50,878).*

Incoming Resources for the Year to 31 August 2015



Trustees for Methodist Church Purposes

Trustees Report (continued)

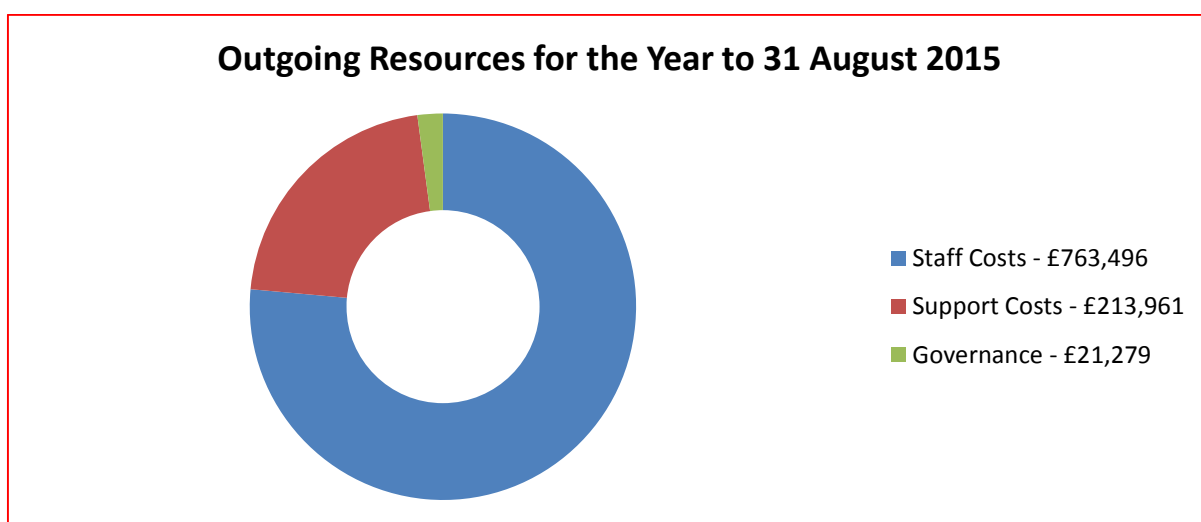
Financial Review (cont

Charitable Expenditure

The main categories of charitable expenditure are staffing and support costs. Resources expended in respect of charitable activities increased by 8.14% to £977,457 (2014: £903,845). This was due to changes in the staff team and investment in technology resources.

Over the last five years, since 2010/11, there has been an aggregate operating deficit of £713,807. This is before adjusting for investment appreciation and exceptional items. Allowing for these items the level of reserves has increased by £210,094.

The Board keeps a continual watch on the level of staffing required to fulfil the expectations of the Churches and Connexion and there has been a need to strengthen our resources in this regard which has contributed to our ongoing deficits.



Utilisation of Reserves

	2014/15	2013/14	2012/13	2011/12	2010/11
Opening Balance	£ 2,183,114	£ 1,813,642	£ 1,745,459	£ 1,778,968	£ 1,857,550
Funds added to / (utilised from) reserves in the year	£ (115,470)	£ 369,472	£ 68,183	£ (33,509)	£ (78,582)
Closing Balance	£ 2,067,644	£ 2,183,114	£ 1,813,642	£ 1,745,459	£ 1,778,968

The above table shows the change in reserves over the past five Connexional years.

Trustees for Methodist Church Purposes Trustees Report (continued)

Reserves Policy

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

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

The Board's policy is to use the income from the Administration Fund together with an annual allocation of capital of up to £100,000 to contribute towards the cost to managing trustees of the operation of the Board's responsibilities. In addition, should the need arise, the Board will apply capital to contingency costs which are not considered core costs of operation but are deemed to meet its responsibilities.

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

When the Annual Budget is prepared, the Reserves Policy is reviewed to ensure the appropriate allocation of the Administration Fund for the forthcoming year. The Audit Committee also looks at the Policy, in the context of the budget and the final accounts, each year as a matter of good practice. A full review of the reserves policy is undertaken every three years by the Board.

The reasons for the level of reserve were last set out in a report to Conference in 2002 in response to a Memorial which asked for details of the Board's Reserves Policy.

The current Reserves Policy was agreed in 2014.

Investment Policy and Review

The Board has agreed investment objectives for each of the trusts for which it is full trustee and reviews annually the criteria for the investment of the Trustees Interest Fund in collaboration with the Methodist Church's in-house investment manager, the Central Finance Board (CFB) of the Methodist Church, whose mission is to:

- Provide a high quality investment service, seeking above average returns for long term investors;
- Follow a discipline in which the ethical dimension is an integral part of all investment decisions;
- Construct investment portfolios which are consistent with the moral stance and teachings of the Christian faith;
- Encourage strategic thinking on the ethics of investment; and

The policy is reviewed annually and the responsibility is delegated in full by the Board to the Executive Committee.

Trustees for Methodist Church Purposes Trustees Report (continued)

Investment Policy and Review cont....

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

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

Risk Management and Internal Controls

Risk Management

The Board, through the Executive Committee, regularly reviews the risks to which its operations are subject and maintains appropriate arrangements to mitigate those risks. The primary risks are loss of premises, loss of data, loss of key staff, fraud and the volatility of the current investment market.

The Audit Committee reviews and assists in the continued development of a refined Risk Matrix. A full statement of the Risk Management policy is available on request.

The risk management policy is designed to identify and analyse operational and other risks facing the organisation and, where at unacceptable levels, to take steps to mitigate the risks. The Board currently maintains a corporate risk register broken down under the following headers:

- Financial
- People
- Information Communications and Technology (ICT)
- Operational
- Compliance – Legal & Regulatory

Internal Controls

The principal features of the systems of financial control include:

- An annual planning and budgeting process;
- An audit committee (see above for details of its terms of reference);
- Delegation of authority to spend within clearly defined limits;
- Segregation of duties wherever possible; and
- Written policies and procedures which describe the operational guidelines to be followed by all members of staff.

For the year under review, the Board is satisfied that the major risks to which TMCP is exposed have been assessed and that systems are in place to manage and mitigate exposure to them and residual risks are at acceptable levels.

Trustees for Methodist Church Purposes Trustees Report (continued)

Related Parties

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

- a) The Methodist Council, through the Connexional Team provides the Board with services in regard to payroll and pensions. The Board provides the Support Services in Manchester with accommodation and office services.
- b) The Central Finance Board of the Methodist Church (CFB) was set up by an Act of Parliament in 1960 to enable Methodist organisations to pool their assets and manage them efficiently. The CFB has its own fund management department enabling it to provide professional investment management. There are regular meetings with officers of the CFB to discuss matters of mutual interest. The Chief Executive is currently a member of the CFB Council.

Details of transactions occurring during the year and amounts owing by or to the related party (the Methodist Council) at 31st August 2015 are given as appropriate.

2015

	Income from related party	Purchases from related party	Amount owed by related party
Methodist Council	£ 145,495	£ 3,006	£ 11,548

2014

	Income from related party	Purchases from related party	Amount owed by related party
Methodist Council	£ 128,751	£ 3,006	£ 7,143

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

Other Related Party Matters

Methodist Chapel Aid Limited

One trustee of the Board, Mr Alan Pimlott, is a director of Methodist Chapel Aid Ltd. Anne Goodman, Chief Executive, is also a Director of that company.

The Board, as full trustee of the MCA Charitable Trust, holds 29.7% (2014: 29.7%) of the share capital of the Company. It holds these shares for the charitable purposes of the Methodist Church generally.

Methodist Council

One trustee of the Board, The Rev'd Gareth Powell, is the Secretary of the Methodist Conference. The Rev'd David Gamble (*deceased 11/09/2015*) was the Chair of the Council.

**Trustees for Methodist Church Purposes
Trustees Report (continued)**

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

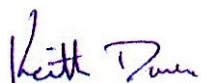
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the Statement of Recommended Practice Accounting and Reporting by Charities issued in 2005 (updated in 2008). The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Re-Appointment of Auditor

A resolution proposing the re-appointment of Beever and Struthers as auditor to the charity will be put to the Board.

Beever and Struthers have indicated their willingness to continue in office.



**Rev. Dr Keith Davies
Chair of Trustees**

Date: 25th February 2016

Trustees for Methodist Church Purposes

INDEPENDENT AUDITOR'S REPORT TO THE BOARD

We have audited the financial statements of the Trustees for Methodist Church Purposes for the year ended 31st August 2015 on pages 16 to 25 which comprise the Statement of Financial Activities, the Balance Sheet and notes 1-15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Board, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Board those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and Auditors

As described in the Statement of the Trustees' Responsibilities on page 13, the Board is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Board to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2015 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Trustees for Methodist Church Purposes

INDEPENDENT AUDITOR'S REPORT TO THE BOARD cont....

Matters on which we are required to report by exception

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

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

Beever and Struthers

BEEVER & STRUTHERS
Chartered Accountants &
Statutory Auditor

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

25th February 2016

Beever and Struthers are eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Trustees for Methodist Church Purposes
Statement of Financial Activities for the year ended 31st August 2015

	Note	Unrestricted Funds 2015 £	Unrestricted Funds 2014 £
Incoming Resources			
Incoming resources from generated funds	3 (a)	42,692	50,878
Incoming resources from charitable activities	3 (b)	831,845	673,036
Total Incoming Resources		874,537	723,914
Resources Expended			
Charitable Activities	4(a) & (b)	977,457	903,845
Governance Costs	4(c)	21,279	31,401
Total Resources Expended		998,736	935,246
Net outgoing resources before Exceptional items		(124,199)	(211,332)
Exceptional Items	5	30,251	464,799
Net outgoing resources after Exceptional items		(93,948)	253,467
Other Recognised Gains and Losses			
(Losses)/Gains on investment assets	8(a)	(21,522)	116,005
Net movement in funds	11	(115,470)	369,472
Reconciliation of Funds			
Fund balances brought forward at 1 st September		2,183,114	1,813,642
Fund balances carried forward 31 st August	11	2,067,644	2,183,114

The above results all relate to continuing operations.

All recognised gains and losses are included in this statement.

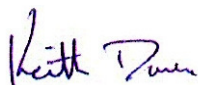
The notes on pages 18 - 25 form an integral part of these accounts.

Trustees for Methodist Church Purposes

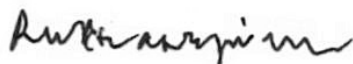
Balance Sheet as at 31st August 2015

	Note	2015 £	2014 £
Fixed Assets			
Tangible fixed assets	7	5,171	8,113
Investments	8	<u>2,039,476</u>	<u>1,641,552</u>
Total Fixed Assets		<u>2,044,647</u>	<u>1,649,665</u>
Current Assets			
Debtors and prepayments	9	34,160	569,490
Cash in hand and at bank		<u>23,543</u>	<u>37,902</u>
Total current assets		<u>57,703</u>	<u>607,392</u>
Liabilities:			
Creditors:			
Amounts falling due within one year	10	<u>(34,706)</u>	<u>(73,943)</u>
Net Current Assets		<u>22,997</u>	<u>533,449</u>
Net Assets		<u>2,067,644</u>	<u>2,183,114</u>
The Funds of the Charity			
Unrestricted income funds	11	<u>2,067,644</u>	<u>2,183,114</u>
Total Charity Funds		<u>2,067,644</u>	<u>2,183,114</u>

Approved by the Board and authorised for issue on: 25th February 2016 and signed on its behalf by



..... Board Member



..... Board Member

The notes on pages 18 - 25 form an integral part of these accounts.

1. Trustees for Methodist Church Purposes (The Board)

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

These accounts do not include investments of some £337 million (2014: £343 million) at market value held by the Board in its capacity as trustee or custodian trustee. Of the £337 million, approximately £5 million is in the form of trusts over which the Board has full discretion in accordance with the objects of the trusts.

2. Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments described in 2 (e), and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities issued in 2005 (updated in 2008)", the Charity (Accounts and Reports) Regulations 2008 and the Charities Act 2011.

(b) Cash flow statement

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

(c) Tangible Fixed assets

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

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

The rate of depreciation used during the year is as follows:

Computer Equipment 33.3% on straight line basis

(d) Taxation

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

Since 1st June 2014, the Charity is no longer registered for Value Added Tax and as such incoming resources and resources expended are presented gross of VAT (2014: net of VAT).

(e) Investments

Investments are stated at the market value provided by the Central Finance Board of the Methodist Church. The net gains / (losses) on the revaluation of the investments are shown in note 8a.

2. Statement of Accounting Policies (cont'd)

(f) Incoming Resources

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

(g) Resources Expended

All resources expended are accounted for on an accruals basis. Any ensuing liabilities are recognised as soon as a legal or constructive obligation exists.

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

(h) Pension Costs

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

3. Incoming Resources

3(a) Incoming Resources from Generated funds

	2015	2014
	£	£
Deposit Interest	1,617	1,387
Dividends	41,075	49,491
	42,692	50,878

Trustees for Methodist Church Purposes

Notes to the Accounts for the Year Ended 31st August 2015

3(b) Incoming Resources from Charitable activities	2015	2014
	£	£
Management Charge	685,625	561,612
Methodist Council Contribution	145,495	110,572
Legal income and recovery of bank charges	725	852
	<hr/>	<hr/>
	831,845	673,036
	<hr/>	<hr/>

4. Resources Expended

4(a) Analysis of Resources Expended

	Staff costs	Support costs	2015	2014
	£	£	£	£
Charitable Activities	763,496	213,961	977,457	903,845
Governance costs (note 4(c))	-	21,279	21,279	31,401
	<hr/>	<hr/>	<hr/>	<hr/>
	763,496	235,240	998,736	935,246
	<hr/>	<hr/>	<hr/>	<hr/>

4(b) Staff Costs	2015	2014
	£	£
Wages, Salaries and Agency costs	612,670	592,747
Social Security costs	60,769	56,171
Pension & PHI costs	90,057	73,058
	<hr/>	<hr/>
	763,496	721,976
	<hr/>	<hr/>
Average number of employees	18	17

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

4(c) Governance Costs	2015	2014
	£	£
Trustees Expenses (note 14)	1,241	993
Professional/Legal fees	2,100	-
Committee Expenses (sundry costs)	898	625
Auditors Remuneration:		
In their capacity as external auditors	8,016	7,862
Charges for other services: Internal audit	5,712	13,358
HR services	3,312	8,563
	<hr/>	<hr/>
	21,279	31,401
	<hr/>	<hr/>

Trustees for Methodist Church Purposes

Notes to the Accounts for the Year Ended 31st August 2015

5. Exceptional items	2015	2014
	£	£
Anticipated return of VAT following de-registration	-	504,614
Final VAT de-registration income	10,251	-
Goodwill receipt / Banking fraud	20,000	(39,815)
	<u>30,251</u>	<u>464,799</u>
6. Net movement in funds for the year	2015	2014
	£	£
Net movement in funds for the year is stated after charging:-		
Depreciation	<u>2,942</u>	<u>713</u>
7. Tangible Fixed Assets		
	Computer Equipment	Total
	£	£
Cost		
At 1 st September 2014	56,557	56,557
At 31st August 2015	<u>56,557</u>	<u>56,557</u>
Depreciation		
At 1 st September 2014	48,444	48,444
Charge for year	2,942	2,942
At 31st August 2015	<u>51,386</u>	<u>51,386</u>
Net Book Values		
At 31 st August 2014	<u>8,113</u>	<u>8,113</u>
At 31st August 2015	<u>5,171</u>	<u>5,171</u>
8. Investments		
8(a) Movement on Investments		
	2015	2014
	£	£
Market value 1 st September	1,641,552	1,794,749
Disposal proceeds	(80,013)	(201,977)
Acquisitions	393,016	-
Net Transfers to/(from) Trustees Interest Fund	106,443	(67,225)
Net Investment (losses)/gains	(21,522)	116,005
	<u>2,039,476</u>	<u>1,641,552</u>

Trustees for Methodist Church Purposes

Notes to the Accounts for the Year Ended 31st August 2015

8(b) Analysis of Investments

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

	2015	2014
	Market	Market
	Value	Value
	£	£
Central Finance Board		
Trustees Interest Fund	108,935	2,492
Overseas Investment Fund	433,379	380,541
UK Equity Fund	803,202	839,089
Short Fixed Interest Fund	320,967	317,652
Corporate Bond	146,892	-
Property Investment Fund	226,101	101,778
	<u>2,039,476</u>	<u>1,641,552</u>
9. Debtors		
	2015	2014
	£	£
Debtors and prepayments	19,606	54,727
Amounts due from related party	14,554	10,149
VAT	-	504,614
	<u>34,160</u>	<u>569,490</u>
10. Creditors		
	2015	2014
	£	£
Trade creditors	8,962	39,300
Amounts due to related party	3,006	3,006
Accruals	22,738	29,632
VAT	-	2,005
	<u>34,706</u>	<u>73,943</u>
11. Unrestricted - Administration Fund		
	2015	2014
	£	£
Accumulated fund at 1 st September	2,183,114	1,813,642
Net movement in funds	(115,470)	369,472
	<u>2,067,644</u>	<u>2,183,114</u>
At 31 st August		

Trustees for Methodist Church Purposes

Notes to the Accounts for the Year Ended 31st August 2015

12. Unrestricted Funds

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

13. Pension Costs

The Board is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

FRS17 Disclosures

A valuation for the purposes of this disclosure was carried out at 31 August 2015 by an independent actuary. The major assumptions used by the actuary were:-

	2015	2014
	% pa	% pa
Discount rate	3.7	3.8
Inflation rate assumed	3.5	3.4
CPI rate assumed	2.5	2.5
Rate of increase in pensionable earnings	3.5	3.5
Rate of increase in pension payments	2.2/3.3/5.0	2.2/3.3/5.0

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

	31 August 2015	31 August 2014
	%	%
Equities	59	60
Gilts	6	6
Corporate bonds	18	18
Index linked bonds	7	7
Property	6	5
Cash	4	4

The following amounts at 31 August 2015 were measured in accordance with the requirements of FRS17.

	£ million
Total market value of assets	52.9
Present value of scheme liabilities	<u>56.9</u>
Net Pension Liability	<u>(4.0)</u>

Notes to the Accounts for the Year Ended 31st August 2015

13. Pension Costs (cont....)

FRS17 Disclosures (cont.....)

Under the revised version of FRS102, the “expected return on assets” and “interest cost” items of the pension cost are combined into a single item called the “*Net interest on the net defined benefit liability/(asset)*”. This item will be calculated by reference to the discount rate and so, effectively, the expected return on assets assumption is equal to the discount rate, meaning a separate assumption is no longer required.

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the Board is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the Board. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer. Approximately 5.6% of the active membership of the Scheme are employees of the Board.

The total employer contributions paid to the Scheme during the year were £1.613m (2014, £1.628m), of which the Board’s contributions totaled £83,496 (2014, £67,560). A full actuarial valuation of the Scheme was carried out at 1 September 2014 by the Scheme Actuary. The valuation disclosed a past service deficit of £0.3m. The Scheme Actuary recommended a contribution rate of 23.7% of pensionable earnings for the employers but the employers chose to maintain a contribution rate of 24.1% of pensionable earnings with 8% of pensionable earnings from members, which is intended to meet the cost of benefits accruing to members from 1 September 2014. The past service deficit will be eliminated by a payment from the Connexional Pension Reserve Fund in September 2015.

14. Transactions with Members of the Board and Connected Persons

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

Nature of transaction	2015	2014	2015	2014
	£	£	No	No
Travel expenses reimbursed	1,241	993	12	9

Trustees for Methodist Church Purposes

Notes to the Accounts for the Year Ended 31st August 2015

15. Landfill Grants

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

Nature of transaction	2015 £	2014 £	2015 No	2014 No
Grants received	75,628	170,111	8	24
Grants paid	74,632	194,825	9	30

These amounts are not included in these financial statements.

SECTION B

B. General Report – an update on activities since the year end.

There have been recent deliberations about how property matters should be dealt with to ensure Managing Trustees are provided with the best possible advice from the Methodist Church (Connexional Team and TMCP). There have also been discussions around the Connexion for some time about "turnaround times" at TMCP.

These are valid issues and are certainly worthy of being addressed in detail. They should also be viewed in the context of what has happened across the Connexion following the conclusion of "Team Focus" in 2011 when the Resourcing Mission Office was closed. The Board recognises that there have been many changes and challenges across the Connexion in recent years and there are a much greater number of property transactions, queries and more demand on the time and effort of a diminishing number of valued volunteers.

This report will briefly outline details of where TMCP is now and where it will be in the near future, along with suggestions of what further advice and support should be forthcoming. When looking at the issues consideration must be given to the expectations of Managing Trustees and managing their expectations. It is also important to look at how TMCP and the Connexional Team can work more closely together to resolve some of these issues which appear to frustrate Managing Trustees.

Where are we now and what about the future?

In 2012/13 TMCP commenced a full review of its Legal and Administration Team structures as has already been outlined to Conference. As a consequence over the past two years TMCP has invested considerable time into assessing the effectiveness of its functions and then implementing ways in which the service TMCP provides can be improved. The significant time and resources invested by TMCP has resulted in an extensive overhaul of our systems and procedures leading to an improved service for Managing Trustees. We are currently near the end of this process and are starting to reap the rewards from these changes. We believe that full benefit will be gained and visible to all towards the end of 2016. The main changes are as follows:

New website

This year TMCP is making a substantial investment in its IT infrastructure. This includes developing a new website which is being launched in the summer and introducing a “Matter Management System” (a bespoke Case Management System). TMCP’s new website will provide detailed up to date information, precedents and guidance in relation to finance and property transactions. Managing Trustees and their professional advisers will be able easily to access guidance and focus notes together with appropriate precedent documents from the website. The website will also include a variety of informative resources, for example short videos, articles and a blog with news on any upcoming changes. These resources will be there to assist Managing Trustees in understanding all the different requirements for dealing with Methodist property placed upon them by both charity and Methodist legislation and policy.

It is intended that the website will provide information in relation to initial and more complex enquiries with the appropriate safeguards of directing Managing Trustees to contact TMCP Finance and/or Legal when necessary. Managing Trustees will still be able to contact TMCP team members for all their enquiries. However in relation to simple enquires, the ease of access at any time to the website will enable Managing Trustees to obtain the information they need whenever they need it.

For example, in relation to a booking form or licence Managing Trustees should be able to identify which is the more appropriate, understand the guidance and use the precedent forms without reference to TMCP staff.

Performance Management and Matter Management System

Over the past two years TMCP’s management team has spent a considerable amount of time monitoring and reviewing turnaround times for correspondence which it receives from Managing Trustees and their professional advisers. It is hopefully appreciated how much time and energy is being spent in this area to develop new ways of working.

When you consider **Appendix 1** you will see clearly that response times have continued to improve over the last 12 months. This is despite a continuing rise in the level of incoming correspondence. The Matter Management System will help the streamlining of internal processes, reducing the inputting of data whilst increasing the capability to access and use information. It will also provide management data on all aspects of the work TMCP undertakes for Managing Trustees and the Connexional team which will contribute to the development of these key performance indicators.

There will always be peaks and troughs such as when we have ‘manse buying season’ or changes in legislation (for instance changes in stamp duty which affects those buying Methodist property). Whenever instances such as this occur, however, TMCP has in place processes to ensure urgent matters are still dealt with promptly.

There are operational reasons why TMCP’s internal systems work in a certain way, however TMCP management is very open to discussion as to why certain processes are adopted. TMCP has had an Internal Audit Plan for many years and all core processes are reviewed regularly as well as any identified areas of risk. The auditors attend the TMCP office 20 days a year to perform this function.

Telephone conferences are encouraged with case officers, especially in respect of new complex matters; in addition our new digital dictation system is streamlining the work of the TMCP Legal Team. It has proved far more effective than other systems and has speeded up the working practices of the Legal Officers.

Working on a pilot with several Districts, TMCP has successfully trialled through simultaneous receipt of new projects as soon as they were logged onto the Connexional property consents system. This notification process has now been rolled out across the Connexion and TMCP now send guidance at the earliest possible stage on any new project that is logged. This now includes guidance

not only on issues such as sale and purchases but redevelopments and alterations to Methodist property.

What TMCP cannot predict is at what stage in a transaction we will be contacted by Managing Trustees. It can be the case that a 'deal' has been reached and Managing Trustees and their solicitors simply believe that all TMCP need to do is 'sign off' what has been agreed locally. This is rarely the case. There could be issues ranging from adding the obligatory Methodist and charity clauses to a fundamental concern about the protection of the Church and its assets.

TMCP has seen an increased number of complex projects over the last few years due to Managing Trustees thinking innovatively around the use of property. Whilst some of the issues in these projects can present challenges it is something which the legal team enjoy working on and assisting Managing Trustees in finding a solution that remains achievable taking into account Model Trusts and Standing Orders.

Accountability in respect of work performed on behalf of the Connexional Team

TMCP is keen for Standing Order 931(3) to be more clearly defined and welcomes being contractually obligated to perform as required in respect of any subcontracted tasks.

In terms of providing management information in respect of any work performed on behalf of the Connexional Team, it is important to agree acceptable turnaround times and other performance measures to ensure that there is regular confirmation that these are being met consistently. This will give some measure of accountability to the Methodist Council in respect of their contribution to running costs. The Board will, of course, be answerable in respect of any unexplained variances.

Panel Solicitors

The introduction of a panel of solicitors has been one of the strategic objectives of the TMCP Board for some time. Discussions were held with the Conference Office and this is a project which TMCP and the Conference Office are working on together. There have also been conversations with District Property Secretaries as well as some churches and circuits. There is currently a huge disparity in the level of service Managing Trustees receive from their solicitors, including the level of fees being paid. Some solicitors do not understand the structure of the Methodist Church which can lead to even the most basic mistakes being made and there is also an issue with solicitors not realising that TMCP and Managing Trustees are working towards the same goal. By encouraging Managing Trustees to work with a panel of solicitors it is our aim to improve best practice and ensure that the Church's legal position and TMCP's requirements are better understood. and TMCP appreciates that there is always negotiation on both sides when agreeing legal documentation but TMCP cannot concur if the legal requirements in terms of Methodist and Charity law are not met or if the drafting of an agreement would be detrimental to the charity and its assets.

The outcome of the work undertaken to date has identified the requirements for any firm of solicitors that is interested in being on the panel. For instance, it will be expected that firms already work with charities and/or have a charities department so that Managing Trustees can obtain advice not only on property related issues but employment, governance and so on. Firms will need to be trained on the workings of the Methodist Church (including the requirements of TMCP); work with TMCP; have sufficient resources to deal with large volumes of work as well as more specialised areas; provide a value added approach and adhere to Methodist principles such as having a commitment to equality and diversity.

Having a dedicated and specialised team in firms which are on the panel will ensure that if the 'solicitor' who understands the intricacies of the Methodist Church is away or has left the firm there will be other solicitors who also understand the Methodist system and can progress a transaction without any issues.

Currently TMCP and the Conference office are working towards finalising the tender document, setting up a timetable for the procurement process and identifying suitable firms to invite to tender.

Once the panel is in place Managing Trustees will be encouraged to utilise one of the firms. There will be firms located in different geographical areas. It is then anticipated that projects will run more smoothly and effectively with the solicitors working in conjunction with the relevant parts of the Methodist Church, including TMCP. The firms will be kept under review through monitoring and evaluation procedures.

The overall aim is to ensure that there is a collaborative approach to transactions between TMCP and solicitors acting for Managing Trustees rather than situations occurring where TMCP can be viewed as a scapegoat. Relationships will be developed and nurtured leading to improved communication and efficiency.

It needs to be remembered that TMCP's legal officers have worked in private practice themselves and therefore are aware of engaging in optimum ways to work with Solicitors. However, TMCP is always looking to improve its ways of working.

So it is anticipated that, following the encouraging trend in response times and commitment from the TMCP Team, there will be more scope to manage even faster response times to various categories of enquiries/sign offs etc. TMCP will remain committed to this aim.

Proposed Property Development Committee

There have been recent deliberations about how property matters should be dealt with to ensure that Managing Trustees are provided with the best possible advice and guidance from the appropriate bodies within the Methodist Church (Connexional team and TMCP). The issue has become more prominent in recent times particularly as there many inventive projects being tabled by Managing Trustees for the future use of Methodist property in the development of mission. When considering such projects there is a need for detailed discussion, analysis and planning to ensure the ideas/projects do not present any practical, technical or legal problems or lead to a potential breach of trust.

It has been recognised that there is a general lack of support for Managing Trustees when involved in property matters and although TMCP is an important cog in the wheel, TMCP cannot, and should not, be expected to provide all the necessary support Managing Trustees require. Consideration is now being given to exactly what support and advice should be given, and at what stage, whether from TMCP or elsewhere.

TMCP is involved with the ongoing discussions about the proposed Property Development Committee ('PDC') which is currently being considered by the Methodist Council. The aim of the PDC will be to provide support and guidance on the potential in Methodist property for future mission. In particular, the PDC would oversee the development of policy and practice for future proposals on the use of property for mission. Another strand to the PDC will be to establish a professional support service which Managing Trustees can turn to.

At present issues can arise where Managing Trustees have already agreed a project and have found a 'partner' to work with. In some cases TMCP is not contacted until the 'deal has been done' and TMCP often finds that some of what has been agreed is not possible under Model Trusts, Methodist policy and charity law. Offering advice much earlier would benefit everyone.

The introduction of the PDC will strengthen the ways in which the Connexional team, Districts, District Property Secretary and TMCP can work together in assisting local churches and circuits in their mission.

The TMCP Board is hopeful that the new PDC and the appointment of new officers would help Managing Trustees and their professional advisers to present schemes that are fit for purpose by the time they reach TMCP. The legal staff are willing and committed to working with Managing Trustees at the earliest stage as appropriate.

The TMCP Board is also totally supportive of the PDC and sees its development as a positive way forward.

Moving forward and collaborative approach

The proposed collaborative approach of TMCP, the Connexional Team, PDC and Districts should provide comfort to Managing Trustees that their concerns have been listened to and acted upon. TMCP is wholly committed to working with the relevant bodies for the benefit of the whole Connexion.

There are other issues which are being worked on collectively such as signposting. For instance, Managing Trustees can get frustrated when using the Property Consents system. Some Managing Trustees believe that TMCP provides guidance on the Consents process or is responsible for addressing problems with funding or the setting up projects. Many who contact TMCP on such matters are currently assisted with their queries but this area of work actually falls within the remit of the Connexional Team. It is recognised that there needs to be more guidance available which should be accessible to local churches and circuits. The new TMCP website will have appropriate guidance but it will also provide links to the main Methodist website and to the appropriate persons within the Connexional team to whom such enquiries can be directed.

Collaborative working by TMCP and other relevant bodies is required to address the expectations of Managing Trustees. In turn there is a learning process for Managing Trustees to manage the expectations of third parties. The information on the website and key performance indicators from TMCP will assist Managing Trustees and TMCP to have good working relationships with the District Property Secretaries, the officers of the Connexional Team and many office holders across the Connexion and will encourage ongoing discussion with anyone who wishes to communicate with us.

Finance Matters

The review of the Finance Section, which is now taking place, will continue to ensure that this aspect of TMCP's work is correctly resourced to serve the Board and that the structure is still fit for purpose.

Release of Funds

Following the Conference decision to work, alongside TMCP; to help churches to release funds and release endowments, meetings have been held with the Connexional team and an action plan has been agreed. The Board recognizes that this work is an integral part of TMCP's day to day duties with over 400 permanent endowments being released over the last four years. However it may well be the case that additional resources are required if there is a swift Connexional response to this initiative. Management will liaise with the Connexional Team as appropriate.

General Board Matters

During the current Connexional year, the Board has met on 8th October 2015 and 25th February 2016 and will meet on 12th May 2016. The Executive Committee has met on 20th November 2015 and will meet on 12th April 2016 and the 8th June 2016. This Committee considers all operational and strategic aspects of the organisation's work. The Audit Committee met on 8th January 2016 to consider the Financial Statements, management accounts and risk matrix and will meet again on 29th April 2016 and 1st July 2016 to consider the ongoing Internal Audit Reports.

The Executive Committee continues to work alongside the Chief Executive to finalise key projects and internal reviews.

In 2014 a full independent audit of all governance aspects was undertaken. The Chair is addressing any recommendations made and has already completed a thorough audit of Board members' skills and expertise. There has been a fairly regular turnover of Board members. The Board will be looking at the appointments process to enable greater transparency and accountability.

The Board held its 'Away Day' in October 2015 and considered the short and long term corporate objectives of the organisation. There was a detailed review of the organisation's communication strategy and key areas were debated and solutions considered. The Board has completed a Skills Audit of Board members and has highlighted the need to have a more transparent recruitment policy for new Board members.

TMCP always welcomes constructive feedback from Managing Trustees so that the service provided can continually be reviewed and improvements made where necessary. The TMCP Board encourages contact with the Chief Executive in the first instance with any suggestions.

The Board also recognises the amount of time and effort undertaken by all the staff in making and continuing to make such significant changes over the past couple of years. The Board wishes to recognise the professionalism, expertise and commitment of the team and looks forward to monitoring key developments as they are rolled out.

It is unusual for this Report to be so detailed but it was felt necessary to ensure that Conference is reassured and made fully aware of the amount of investment in time and resources that the TMCP Board is making to ensure its commitment to:-

"Support and strengthen the Methodist Church, both by providing practical support to Managing Trustees and by working closely and effectively with our colleagues in the Methodist Connexional Team".

Resolution 18

The Conference adopts the Report & Financial Statements for the year ended 31 August 2015 and the Report on Activities from 1 September 2015.

SECTION C

C. Membership of the Board

The Board is required to report to the Conference if any members have resigned, died, become bankrupt or made an assignment with their creditors, resided outside the United Kingdom for more than twelve months, refused or become unfit to act or ceased to be members of the Methodist Church so that new appointments can be made by the Conference on the nomination of the remaining members of the Board.

Changes in Office:

The Board regret to note that following the sudden sad loss of The Revd David Gamble on 11th September 2015, there is now a vacancy on the Board. David provided a valuable link between the Board and the Connexional Team, he was a much respected colleague and is sadly missed. His dedication to, and deep understanding of, the Methodist Church provided a wealth of knowledge which he gladly shared. He lived a life of duty and service demonstrating compassion and a generosity of spirit for all God's people with a wonderful and kind sense of humour.

Resignations:

No resignations have been received since 1st September 2015.

Board Membership as at 25th February 2016

The Revd Dr Keith Davies (<i>Chair</i>)	Mr John Bell
The Revd Paul Flowers*	Mr Graham Danbury
The Revd Doreen C Hare	Mr Ralph Dransfield
The Revd Jennifer A Impey	Dr Ian Harrison
The Revd Gill Newton	Mr John Jefferson
The Revd Gareth J Powell	Mr David Moore
The Revd Kenneth E Street	Mr Malcolm Pearson
	Mr G Alan Pimlott

**The Rev'd Paul Flowers is suspended from all duties as a Methodist minister and as such, he plays no part in the work of the Board.*

Nomination for appointment to the Board

To be confirmed.

SECTION D

D. Declarations under the Methodist Church Trust Deed 1939

The Joyce Bequest – Trusts 18766/18866

In 2013 TMCP brought a resolution to Conference regarding the two properties left in Brixham to the Methodist Church in the will of Miss E M Joyce in 1992. The properties were to be used as a retreat centre. One of the properties was sold immediately as it was clear it was not suitable for the intended purpose but the other property, 'Penrose', was retained despite it being in a poor state of repair and occupied by two tenants.

Since 1995 the Board has been fulfilling its duties in maintaining the property and a refurbishment programme was undertaken at a cost of over £160,000.

Prior to the 2013 Conference the Board conducted a review of its responsibilities and concluded that Methodist Ministers Housing Society ('MMHS') would be better suited to the management of the property. A resolution was presented to the Conference in 2013. The effect of the resolution was that the management of the property would be delegated to MMHS and the eventual sale proceeds would be held and/or expended for the benefit of MMHS.

Since the Conference in 2013 the Board has been in talks with MMHS over the future management of the property. In conclusion it was agreed that the property was not suitable for MMHS purposes and would be sold. The Board realised that as the property was to be sold almost immediately that the trusts from which the Board has expended monies on repair and maintenance should be replenished from the sale proceeds and those monies used in other ways to further mission across the Connexion. MMHS agreed that the monies expended on repairs and maintenance from the trusts should be repaid on a sale with the balance of the proceeds being applied for the purposes of MMHS.

The combined effect of the will, the Methodist Church Act 1939, the Trust Deed of 1939 under which the Board holds this and other property, the 1995 and 2013 Conference resolutions, is that Conference can at any time vary the trusts declared in the 1995 and 2013 resolutions and replace them by fresh trusts within the purposes of the Methodist Church.

The effect of the resolution now presented to Conference is that the Board will hold 'Penrose' for the purposes of MMHS, with the power to delegate to MMHS such management responsibilities on terms as the Board sees fit and that the sale proceeds will be held or expended for the purposes of MMHS after the reimbursement of all sums spent in repairing and maintaining the property.

Resolution

Nn/1 The Conference revokes resolution 18/3 of the 2013 Conference.

Nn/2 The Conference directs that the property known as 'Penrose' in Brixham, held by the Trustees for Methodist Church Purposes ('The Board'), shall henceforth be held by the Board on the following trusts namely for the charitable purposes of Methodist Ministers Housing Society ('the Society'), with power to delegate all or any of the Board's powers or duties under these trusts to the Society on such terms as the Board may think fit, but with the power for the Board at any time to sell the said property and to apply the net proceeds of sale (i) in the first place in reimbursing itself for all sums expended by the Board at any time in managing, maintaining, repairing, improving or altering the Property and not recouped out of the income of the Property or other funds held on the said trusts, and (ii) in paying any balance to the Society for use in the furtherance of its said charitable purposes.

APPENDIX 1

Legal Post Figures April 2015 - March 2016			
	Post received	Post dealt with	Average response times (days)
April	1,232	1,210	12.625
May	1,170	1,311	12.750
June	1,319	1,244	9.874
July	1,369	1,381	9.537
August	1,166	1,218	8.614
September	1,470	1,449	7.660
October	1,424	1,388	7.818
November	1,502	1,526	7.769
December	1,213	1,274	7.913
January	1,379	1,372	8.742
February	1,381	1,265	6.704
March	1,617	1,575	8.977
	16,242	16,213	8.848
Total post items outstanding as at 1/4/2016			491

