

Cornwall and the Isles of Scilly District

TRUSTEES' ANNUAL REPORT for the year ended 31 AUGUST 2019

The Trustees of the Cornwall and the Isles of Scilly District are pleased to submit their report for the year ended 31st August 2019 together with the independently examined financial statements for the year.

1 Objectives and activities

In setting our objectives and planning our activities, the Cornwall and the Isles of Scilly District Synod (under the leadership of the District Trustees) meets twice in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Cornwall and the Isles of Scilly District provides resources to Methodist circuits and churches in Cornwall to support them in their Christian mission and outreach initiatives within their particular localities as well as running Christian projects in Cornwall in its own name.

2 Achievements and performance

The principal purpose of the District is to act as a supporting body between Circuits and the Connexion. The District does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by Churches and Circuits and it is these that the District supports in their desire to provide benefit to the public.

Under the heading *Collaborative arrangements with connected charities* (3.3 below) there is information on how we obtained our funds. In this paragraph we show how they were spent. The money collected, or available for dissipation, was used as grants to support Churches and Circuits throughout the District with their work in their local communities and to subsidise the administrative costs of the District. In 2018-19 the District paid grants out of the General Fund and the District Advance Fund that totalled £98,486 which was less than the sum received from the levies on some of the funds held by Circuits within the District. The excess is held in District reserves.

The policy of the trustees on grant making is to ensure that all applications can demonstrate public benefit, pass a test of sustainability, show that there is commitment from the applicant organisation (eg the District grant is a minor part of the total funding) and show imagination and creativity as well as a perceived need for that for which the grant is being applied.

The main focus of grants was to support part time or full time pastoral workers attached to Circuits or Local Churches.

Circuits and Churches that have received grants from the District will show in their own Trustees' Annual Reports details of the outcome of the activities undertaken as a result of receiving the grant.

During this year we have undertaken a full Safeguarding review of our policies and practices across the District. We are now following a comprehensive plan to address all the issues raised through this process. This will include the continue rolling out of foundation and advanced training modules.

To be more effective in mission the District has begun a three-year mission strategy: “A month of Sundays”, through which we plan to work missionally with each of our fifteen circuits by 2022, working ecumenically wherever possible.

2.1 Plans for future years

- i To continue to raise the profile of, and focus on, Safeguarding;
- ii To encourage use of the “Our Calling” process within churches and circuits;
- iii To engage in mission with local circuits through “A month of Sundays”.

3 Financial review

During the year the District received total income of £304k (2017-18: £314k) and dispersed £261k (2017-18 £294k). The net excess of income resulted in total reserves carried forward of £967k (2017-18: £924k).

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

The District continues to hold four freehold properties being the Chair’s Manse in Truro, Wesley Cottage, Trewint, The Cottage, Duck Lane, Trewint and Gwennap Pit and Visitor Centre.

The District has the following principal sources of funds:

- Interest on investments
- Levies on the Circuit Model Trust Funds of Circuits within the District
- Assessments on Circuits within the District
- Grants from the Connexional Priority Fund

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

3.1 Investment Policy and Performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (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. Cornwall and the Isles of Scilly District trustees’ investment policy is aligned with that of the

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 Central Finance Board (CFB) and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is in line with market rates considering the District's low appetite for risk. The total return achieved on the deposited funds of Cornwall and the Isles of Scilly District was 0.83% for the year.

3.2 Reserves level and policy

It should be noted that the unrestricted reserves have funded the purchase cost of the manse and, as a result, the unrestricted reserves readily available total is £250k of which £138k is held in the District Advance Fund and the balance of £112k represents the year-end level of uncommitted reserves.

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

The uncommitted reserves above consist of the general fund reserve (£66,803), which is used to finance the day to day work of the District and is financed by annual charges on Circuits, and a number of designated reserves for particular identified areas of mission and service (£45,572). These sometimes relate to under-spent budgets which are carried forward to future years or funds which are identified to be utilised over a particular period. No specific reserve policy is considered necessary for these funds which are usually short term and will vary from time to time.

Due to the possibility of unforeseen expenditure or timing differences between expenditure being incurred and the receipt of income, by the general fund, we intend maintaining a general reserve of four to six months of budgeted annual expenditure, equating to £38,000 to £57,000. This reserve exceeds this threshold but is budgeted to come within this threshold during 2019/20.

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

| | £ |
|--------------------------------|----------------|
| <i>Unrestricted funds</i> | |
| General Fund | 506,803 |
| District Advance Fund | 138,076 |
| | 644,879 |
| <i>Designated funds</i> | |
| Manse Fund | 20,064 |
| Evangelism Fund | 3,382 |
| Heritage & Other Property Fund | 1,000 |
| Rural Chaplaincy Fund | 3,031 |
| Training and Development Fund | 11,273 |
| Trewint Project Fund | 1,000 |

| | |
|---|----------------|
| Youth and Childrens Fund | 5,822 |
| | 45,572 |
| <i>Total unrestricted funds</i> | <i>690,451</i> |
| <i>Restricted funds</i> | |
| Ivy May Trust (Endowment) | 19,422 |
| Wesley Cottage Development Fund | 19,667 |
| Benevolent Fund | 2,163 |
| Spirituality Network for Cornwall Project | 394 |
| Gwennap Pit | 17,411 |
| Music Fund | 5,546 |
| MWiB | 1,421 |
| The Cottage, Duck Lane (held as property) | 200,000 |
| Training Officer, EDEV & DDE Fund | 10,138 |
| | 276,162 |
| <i>Total funds</i> | <i>966,613</i> |
| Total undesignated and unrestricted funds | 644,879 |
| Less: invested in the manse | 440,000 |
| Uncommitted reserves, readily available | 204,879 |

Apart from The Cottage, Duck Lane, all funds are separately held either with Lloyds Bank, CFB or TMCP. The Cottage, Duck Lane serves as housing for the curator of Wesley Cottage, Trewint.

3.3 Collaborative arrangements with connected charities

The District's main source of funding was the assessments obtained from each Circuit within the District based on the membership and staffing levels of the Circuit and this was used to defray most of the cost of administering the District. This sum amounted to £103,905 (2017-18: £92,734).

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the connexional year (01 September). In 2018-19 this sum was £69,164 and was credited to the District Advance Fund.

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

4 Trustees' responsibilities

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

- select suitable accounting policies and applied them consistently using the accruals method
- make judgements and estimates that are reasonable and prudent
- follow applicable accounting standards
- prepare accounts to comply with the Charities SORP

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

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

4.1 Risk

The District is largely risk averse but, especially in making grants to entities embarking on new and imaginative initiatives, the District is prepared to underwrite considered risks.

Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems that timeously report any significant change in the risk.

5 Structure, governance and management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 10 December 2009.

5.1 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 Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.

3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
4. The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes 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.

5.2 Purpose of the District

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

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

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

The primary purpose of this District is to advance the mission of the Church in Cornwall & the Isles of Scilly.

The Methodist Church's reaffirmation of "Our Calling" is reflected in our structures: '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. It does this through:

- Worship
- Learning & Caring
- Service
- Evangelism.'

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

5.3 Governance

The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders as laid down in "The Constitutional Practice & Discipline of the Methodist Church" Volume 2, which is published annually following the Methodist Conference. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the District.

DM4 (Mission, strategy and policy) is the Managing Trustee body for the District, under the new structure agreed in September 2017. The members of this committee are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years.

The Chair of District was *ex officio* chair of DM4, and the Secretary of the Synod was also an *ex officio* member.

DM4 met three times during the year in order to fulfil its stated purposes:

- To formulate and implement short, medium and long term District policies;
- To keep under review the appropriate use of mission resources;
- To exercise legal and trustee responsibilities;
- To provide a forum for consultation on key District and Connexional matters;
- To keep alert to regional and local planning and allow this to inform and shape District policies;
- To make such appointments as required by Standing Orders and local practice.

6 Reference and Administrative Details

6.1 Name of the charity

Cornwall and the Isles of Scilly District, also known as Methodist Church: Cornwall District

6.2 Charity registration number

1133238, registered in England and Wales

6.3 Principal Office

District Office
Truro Methodist Church
Union Place
Truro
TR1 1EP
01872 261327

www.cornwallmethodists.org.uk

6.4 Chair of the District

Rev Steve Wild

6.5 Deputy Chairs

Rev Carole Holmes, Rev David Hart, Rev Mark Dunn-Wilson

6.5 Secretary of the Synod

Rev Simon Clarke

6.7 District Treasurer

Mr Stephen Gerrard

6.8 Names of trustees

The following served as trustees throughout part or all of the year 2018-19 or were trustees at the time of this report being approved:

Rev Steve Wild *ex officio* (Chair, *ex officio*). Appointed 1 September 2008
Rev Mark Dunn-Wilson. (Deputy Chair & Methodist Council Representative) Appointed 1 September 2006.
Rev Carole Holmes (Deputy Chair). Appointed 1 September 2013
Rev David Hart (Deputy Chair & Secretary). Appointed 1 September 2018.
Rev Simon Clarke (Synod Secretary, *ex officio*) from 1 September 2017. Appointed 1 September 2013.

Rev Linda Barriball (Superintendent representing Eastern Cluster of Circuits). Appointed 1 September 2019
Rev Alistair Bolt (Superintendent representing Western Cluster of Circuits). Appointed 1 September 2019
Miss Rosalind Bunkum (District Advance Fund Treasurer). Appointed 1 September 2014
Rev Stephen Caddick (Superintendent representing Central Cluster of circuits). Appointed 1 September 2016 until 31 August 2018
Mr Chris Clark (Convener, Learning and Caring Task Group). Appointed 14 April 2018
Mr Stephen Gerrard (District Treasurer). Appointed 1 September 2014
Mrs Alison Gill (Safeguarding Officer). Appointed 2013 until 19 October 2018
Mr John Hogarth (Convener, Evangelism Task Group). Appointed 14 April 2018
Rev Dr John Johnson (Convener, Vocations and Training Task Group). Appointed 14 April 2018
Rev Malcolm Jones (Superintendent representing Eastern Cluster of circuits). Appointed 1 September 2010 until 31 August 2019
Mrs Jacqui Liddicoat (Convener, Service Task Group). Appointed 14 April 2018
Rev Mark Liddicoat (Superintendent representing Central Cluster of circuits). Appointed 1 September 2018
Mr Andi Smart (Convener, Worship Task Group). Appointed 14 April 2018

6.9 Chair's PA

Mrs Debbie de Gruchy

6.10 Bankers

Lloyds Bank plc
7 Boscawen Street
Truro
TR1 2QT

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

6.11 Investment managers and custodian trustees

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

6.12 Independent Examiner appointed 20 November 2017

Andrew Wing of Wings, Chartered Accountants
20 Manor Way
Tavistock
PL19 8RF

Approvals

The Trustees' Report and the Financial Statements were approved by the District Management 4 – Mission, Strategy and Policy Committee on 16 March 2020 and will be presented to the Synod on 28 March 2020.

Signed on behalf of the DPC, as authorised:

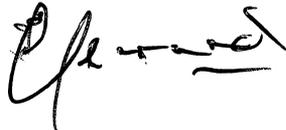
Steven J Wild (signed)



Rev S J Wild
District Chair

Date: 16 March 2020

Stephen Gerrard (signed)



Stephen Gerrard
District Treasurer

Date: 16 March 2020

Name of District: Cornwall and the Isles of Scilly Methodist District

District No: 12

Statement of Financial Activities (SOFA) for the year ended 31 August 2019

| | Notes to the accounts | General Fund (Unrestricted) | District Advance Fund (Unrestricted) | Designated Funds (unrestricted) | Restricted Funds | Endowment Funds | Total 2018-19 |
|--|-----------------------------|--------------------------------|---|---------------------------------------|---------------------|--------------------|------------------|
| | | £ | £ | £ | £ | | £ |
| Income from | | | | | | | |
| 1 Donations and legacies | | 1,524 | | 7,133 | 8,914 | | 17,571 |
| 2 Connexional Advance & Property Fund | | | 58,879 | | | | 58,879 |
| 3 Income from investments | | 896 | 1,879 | 39 | 125 | 165 | 2,939 |
| Income from charitable activities | | | | | | | |
| 4 Assessments on circuits | | 103,905 | | | | | 103,905 |
| 5 From Circuit Model Trust Funds | | | 69,164 | | | | 69,164 |
| 6 Contribution to the cost of the Chair | | 39,717 | | | | | 39,717 |
| 7 Other charitable activities | | | | 1,039 | | | 1,039 |
| 8 Income from other trading activities | | | | | | | 0 |
| 9 Other income | | | | 575 | 9,625 | | 10,200 |
| Total income | | 146,042 | 129,922 | 8,786 | 18,664 | 165 | 303,579 |
| Expenditure | | | | | | | |
| 9 Grants and donations | | 13,660 | 84,826 | 500 | 13,637 | 100 | 112,723 |
| 10 Salaries and associated costs | | 19,654 | | 17,068 | | | 36,722 |
| 11 Cost of the Chair | | 40,779 | | | | | 40,779 |
| 12 Property Maintenance | | 6,767 | | 10,245 | 9,829 | | 26,841 |
| 13 Office expenses | | 9,709 | 421 | 1,095 | 383 | 39 | 11,647 |
| 14 Synods, committees, Conference | | 13,172 | | 79 | 713 | | 13,964 |
| 15 Youth, Heritage, Training and Chaplaincy | | | | 7,259 | 1,290 | | 8,549 |
| 16 Professional fees | | 750 | | 790 | | | 1,540 |
| 17 Other outgoings | | 8,289 | | | | | 8,289 |
| Total expenditure | | 112,780 | 85,247 | 37,036 | 25,852 | 139 | 261,054 |
| Net income/(expenditure) before gains and losses on investments | | | | | | | |
| | | 33,262 | 44,675 - | 28,250 - | 7,188 | 26 | 42,525 |
| 18 Net gains/(losses) on investments | | | | | | | 0 |
| Net income/(expenditure) | | 33,262 | 44,675 - | 28,250 - | 7,188 | 26 | 42,525 |
| 19 Transfers between funds | - | 21,633 - | 18,850 | 31,633 | 8,850 | | 0 |
| 20 Other gains/(losses) | | | | | | | 0 |
| Net movement in funds | | 11,629 | 25,825 | 3,383 | 1,662 | 26 | 42,525 |
| Total funds brought forward | | 495,174 | 112,251 | 42,189 | 255,078 | 19,396 | 924,088 |
| Total funds carried forward | | 506,803 | 138,076 | 45,572 | 256,740 | 19,422 | 966,613 |

Statement of Financial Activities (SOFA) for the year ended 31 August 2018

| Notes to the accounts | General Fund (Unrestricted) | District Advance Fund (Unrestricted) | Designated Funds (unrestricted) | Restricted Funds | Endowment Funds | Total 2017-18 |
|--|-----------------------------|--------------------------------------|---------------------------------|------------------|-----------------|----------------|
| | £ | £ | £ | £ | | £ |
| Income from | | | | | | |
| 1 Donations and legacies | 1,215 | | 5,825 | 6,792 | | 13,832 |
| 2 Connexional Advance & Property Fund | | 37,255 | | | | 37,255 |
| 3 Income from investments | 578 | 1,425 | 28 | 167 | 118 | 2,316 |
| Income from charitable activities | | | | | | |
| 4 Assessments on circuits | 92,734 | | | | | 92,734 |
| 5 From Circuit Model Trust Funds | | 121,315 | | | | 121,315 |
| 6 Contribution to the cost of the Chair | 38,706 | | | | | 38,706 |
| 7 Other charitable activities | | | 1,542 | | | 1,542 |
| 8 Income from other trading activities | | | | | | 0 |
| Grants received | | | 5,385 | | | 5,385 |
| 9 Other income | | | 399 | 501 | | 900 |
| Total income | 133,233 | 159,995 | 13,179 | 7,460 | 118 | 313,985 |
| Expenditure | | | | | | |
| 9 Grants and donations | 13,660 | 89,207 | 338 | 10,821 | 100 | 114,126 |
| 10 Salaries and associated costs | 23,499 | | 42,356 | | | 65,855 |
| 11 Cost of the Chair | 39,807 | | | | | 39,807 |
| 12 Property Maintenance | 6,567 | | 6,250 | 20,617 | | 33,434 |
| 13 Office expenses | 8,111 | 286 | 1,266 | 1,191 | 39 | 10,893 |
| 14 Synods, committees, Conference | 14,476 | | | 664 | | 15,140 |
| 15 Training | 190 | | 9,666 | 420 | | 10,276 |
| 16 Professional fees | 3,112 | | | | | 3,112 |
| 17 Other outgoings | 259 | | 678 | | | 937 |
| Total expenditure | 109,681 | 89,493 | 60,554 | 33,713 | 139 | 293,580 |
| Net income/(expenditure) before gains and losses on investments | | | | | | |
| | 23,552 | 70,502 | -47,375 | -26,253 | -21 | 20,405 |
| 18 Net gains/(losses) on investments | | | | | | 0 |
| Net income/(expenditure) | 23,552 | 70,502 | -47,375 | -26,253 | -21 | 20,405 |
| 19 Transfers between funds | - 23,859 - | 33,000 | 48,859 | 8,000 | | 0 |
| 20 Other gains/(losses) | | | | | | 0 |
| Net movement in funds | - 307 | 37,502 | 1,484 | - 18,253 | - 21 | 20,405 |
| Total funds brought forward | 495,481 | 74,749 | 40,705 | 273,331 | 19,417 | 903,683 |
| Total funds carried forward | 495,174 | 112,251 | 42,189 | 255,078 | 19,396 | 924,088 |

Balance Sheet as at 31 August 2019

| Notes to the Accounts | General Fund (Unrestricted) | District Advance Fund (Unrestricted) | Designated Funds (Unrestricted) | Restricted Funds | Endowment Funds | Totals 2018/19 | Totals 2017/18 |
|---|-----------------------------|--------------------------------------|---------------------------------|------------------|-----------------|------------------|----------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Fixed Assets | | | | | | | |
| Tangible fixed assets | 440,000 | | | | | 440,000 | 440,000 |
| Investment properties | | | | 200,000 | | 200,000 | 200,000 |
| Investments | | | | | | 0 | |
| Total fixed assets | 440,000 | 0 | 0 | 200,000 | 0 | 640,000 | 640,000 |
| Current Assets | | | | | | | |
| Debtors | 7 | 58,879 | 1,920 | | | 60,806 | |
| Loans by the District | | | | | | 0 | |
| Investments with TMCP | | 181,236 | 4,638 | | 19,422 | 205,296 | 234,255 |
| Central Finance Board Deposits | 51,697 | | 40,313 | 56,404 | | 148,414 | 133,448 |
| Cash at Bank and in hand | 19,721 | | 110 | 1,228 | | 21,059 | 19,200 |
| Total current assets | 71,425 | 240,115 | 46,981 | 57,632 | 19,422 | 435,575 | 386,903 |
| Current liabilities | | | | | | | |
| Creditors (due in under 1 year) | 4,622 | | 1,409 | 892 | | 6,923 | 4,815 |
| Grants payable in 2018-19 | | 65,938 | | | | 65,938 | 53,000 |
| Total current liabilities | 4,622 | 65,938 | 1,409 | 892 | 0 | 72,861 | 57,815 |
| Net current assets/liabilities | 66,803 | 174,177 | 45,572 | 56,740 | 19,422 | 362,714 | 329,088 |
| Total assets less current liabilities | 506,803 | 174,177 | 45,572 | 256,740 | 19,422 | 1,002,714 | 969,088 |
| Long term liabilities (due after more than one year) | | | | | | | |
| Grants payable after 2018-19 | | 36,101 | | | | 36,101 | 45,000 |
| Loans to the District | | | | | | 0 | |
| Net assets | 506,803 | 138,076 | 45,572 | 256,740 | 19,422 | 966,613 | 924,088 |
| Funds of the District | | | | | | | |
| General Fund (Unrestricted) | 506,803 | | | | | 506,803 | 495,174 |
| District Advance Fund (Unrestricted) | | 138,076 | | | | 138,076 | 112,251 |
| Designated Funds (Unrestricted) | | | 45,572 | | | 45,572 | 42,189 |
| Total Unrestricted Funds | | | | | | 690,451 | 649,614 |
| Restricted Funds | | | | 256,740 | | 256,740 | 255,078 |
| Endowment Funds | | | | | 19,422 | 19,422 | 19,396 |
| Total Funds | 506,803 | 138,076 | 45,572 | 256,740 | 19,422 | 966,613 | 924,088 |

Signed



District Treasurer

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting framework and accounting policies

i Accounting framework

The Financial Statements have been prepared in accordance with applicable charity law in England, being the Charities Act 2011 and with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1st January 2015) - (Charities SORP (FRS 102) as amended by Update Bulletin 1).

ii Public benefit entity

Cornwall and the Isles of Scilly District meets the definition of a public benefit entity under SORP (FRS 102). Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the

iii Basis

These accounts have been prepared on the basis of historical cost except that investments and freehold properties 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 2019, 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 Cornwall 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 5. A similar figure appears in the Expenditure at Note 8.

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.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 properties are shown in the accounts at deemed historical cost, revalued in last year's accounts to reflect the current value to District in terms of the manse property and the open market value of The Cottage, Duck Lane at 31st August 2017.

A professional valuation of The Cottage, Duck Lane was undertaken in September 2017 by Jefferys Chartered Surveyors, resulting in an open market valuation of £200,000 reflected in these accounts.

A number of Estate Agents with the necessary local knowledge, experience and expertise were invited to inspect the manse property with a view to offering an open market valuation. A significant range of valuations was given and due to the extreme high and low valuations, it was considered to be prudent to adopt an average valuation from those professional agents, giving a market value of £440,000 as adopted by the District in these accounts.

No depreciation is provided on the buildings because the trustees consider the current residual value of the properties in their present condition to be not less than their historical cost and, in the absence of any impairment, any depreciation provision for the buildings component of the properties would be immaterial.

The Statement of Financial Activities includes the net gains and losses arising on the revaluation of those properties throughout the year.

xii Investments

The investments of Cornwall and the Isles of Scilly District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. There were no unrealised gains arising on investments at the end of the year.

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.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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

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.

xvi Ministers' manse costs

The District is required to provide accommodation for each Minister 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.

3 Assessment on Circuits

All Circuits (see list given below in this note) paid their assessments to the District and to the MCF during the year. An assessment on Circuits is annually determined by Districts by reference to the number of staff 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 for the year ended 31 August 2018:

| Circuit Name | Circuit No | Circuit Name | Circuit No |
|---------------------------------|------------|--------------------------|------------|
| Camborne, Redruth & Hayle | 12/01 | Isles of Scilly | 12/13 |
| Falmouth & Gwennap | 12/03 | The Lizard & Mounts Bay | 12/14 |
| Truro | 12/04 | Launceston Area | 12/17 |
| Newquay, Perranporth & St Agnes | 12/05 | Liskeard & Looe | 12/19 |
| St Austell | 12/07 | Camelford & Week St Mary | 12/20 |
| Bodmin, Padstow & Wadebridge | 12/08 | Saltash | 12/22 |
| West Cornwall | 12/09 | Callington & Gunnislake | 12/23 |
| St Ives (Fore Street) | 12/12 | | |

4 Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £359,255 (2017-18: £370,461) 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.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

5 Cost of Chair and trustees

The Chair of District chairs meetings of the District Management 4 committee (DM4). The members of the DM4 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.

| | 2018-19 | 2017-18 |
|---|---------------|---------------|
| | £ | £ |
| Stipend to Chair | 30,210 | 29,445 |
| Employer's National Insurance Contribution | 3,006 | 2,925 |
| Employer's pension contribution to the defined benefit scheme | 6,501 | 6,336 |
| Cash cost paid by the Connexion (see, SOFA, line 7) | 39,717 | 38,706 |
| Chair's expenses | 1,062 | 1,101 |
| Total cost | 40,779 | 39,807 |

Since the stipend-related costs above (*i.e.*, £39,717, 2017-18 £38,706) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 8). It should be noted that the chair is required to occupy the District manse. The manse is provided by the District and the District maintains the property. The Chair of District is the sole paid key management person but is supported by members of the DM4.

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

Payment to Trustees

It is District policy to offer to reimburse members of the District Management 4 committee (DM4) and others involved in the administration of District affairs for expenditure properly incurred in carrying out their duties. The Chair of the District undertakes the primary executive role within the District. Apart from the Chair of District no member of the DM4 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.

During the year, three trustees were employees of the District, two of which were members of the DM4 and therefore Trustees by virtue of their role, with a further trustee elected by the Synod. Travel expenses have been reimbursed to some 4 (2017-18: 2) trustees, members of the DM4 who, in aggregate, have received the cost of travel incurred in attending meetings of the DM4 and this amounted to £65.75 (2017-18: £45.45).

6 Other income

The District does not undertake fundraising.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

7 Grants, donations and related Support costs

Grants and donations totalling £112,723 were made during the year (2017-18: £114,126) as shown in the table below.

Grants totalling £84,826 were made from DAF to various Circuits and Churches within the Cornwall Methodist District in support of appointments and positions (£77,826) and various projects (£7,000).

A further £27,897 of grants and donations were made from General (£13,660), Designated (£500), Restricted (£13,637) and Endowment (£100) Funds to fund various projects and initiatives within the District and externally.

| | 2018-19 | 2017-18 |
|---------------------------------------|----------------|----------------|
| | £ | £ |
| Unrestricted: | | |
| - From General Fund | 10,450 | 10,450 |
| - From Designated Funds | 500 | 338 |
| - From DAF | 84,826 | 89,207 |
| - To Ecumenical and New Communities | 3,210 | 3,210 |
| Sub total | 98,986 | 103,205 |
| Restricted: | | |
| - From Benevolent Fund | 746 | 547 |
| - From Training Officer/DDE/EDEV Fund | 200 | - |
| - From Music Fund | - | - |
| - From Methodist Women in Britain | 4,691 | 2,274 |
| - From University Chaplaincy Fund | 8,000 | 8,000 |
| Sub total | 13,637 | 10,821 |
| Endowments: | | |
| - From Ivy May Trust | 100 | 100 |
| Sub total | 100 | 100 |
| Total | 112,723 | 114,126 |

Details of the recipients of grants paid by the District during the year from the District Advance Fund are published in the Spring Synod Agenda.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

Expenditure on charitable activities through the District Advance Fund

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

| Given to | Amount in £ | Analysis of amounts given by type of work | Amount in £ |
|---|----------------|--|----------------|
| Churches | 18,136 | General | 3,850 |
| Circuits | 60,190 | Ministry | 99,826 |
| Other | 6,500 | | |
| <i>Institutions</i> | <i>84,826</i> | | |
| Individuals | - | | |
| <i>Sub total</i> | <i>84,826</i> | | |
| Cornwall and the Isles of Scilly District | 18,850 | | |
| Total | 103,676 | | 103,676 |

The income of the fund was £129,501 (net of costs) during the year, which was £25,825 in excess of the total paid out in grants in the year. This surplus was added to reserves.

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

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

8 Salaries and associated costs

Gross salaries paid to 4 part time (2017-18 - three) employees were as follows:

| | 2018-19 £ | 2017-18 £ |
|--|---------------|----------------|
| Gross pay | 32,166 | 57,431 |
| Employer's National Insurance contribution | 1,700 | 3,792 |
| Employer's pension contribution to defined contribution scheme | 1,329 | 3,032 |
| Apprenticeship Levy | 153 | 260 |
| Total cost for 4 staff members | 35,348 | 64,515 |
| Cost of Chair (see Note 3) | 40,779 | 39,807 |
| Synod Secretary allowance | 1,374 | 1,340 |
| Total staff costs | 77,501 | 105,662 |
| Total weekly contractual hours of three Staff members | 67 | 90 |

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

The four part time employees were engaged as follows: a curator at the heritage site, Wesley Cottage, Trewint, a Personal Administrator to the District Chair, a Resourcing Mission Officer and a Safeguarding Officer, the latter two both working across the District.

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

9 Pensions

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

On the other hand lay employees are contractually employees. In this District, as at 31 August 2019, two employees were enrolled in the NEST pension scheme.

The Connexion accounts for the MMPS and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficits on this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk.

The Connexion accounts for the MMPS pension scheme and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficits on this scheme can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk.

10 Property costs

| | 2018-19 £ | 2017-18 £ |
|---|---------------|---------------|
| District office, rent and services | 3,000 | 3,000 |
| Wesley Cottage and The Cottage Trewint general property costs | 6,101 | 3,237 |
| Wesley Cottage development | 530 | 17,996 |
| Gwennap Pit | 9,299 | 2,621 |
| Chair's manse | 7,911 | 6,580 |
| Total property costs | 26,841 | 33,434 |

11 Office expenses

| | 2018-19 £ | 2017-18 £ |
|--------------------------------------|---------------|---------------|
| Printing, postage and stationery | 2,614 | 2,693 |
| Telephone | 626 | 516 |
| Insurance | | |
| Bookkeeping | 3,299 | 3,194 |
| Equipment | 1,291 | - |
| Safeguarding Officer expenses | 1,097 | 1,647 |
| Resourcing Mission Officer expenses | 534 | - |
| Other | 248 | 61 |
| Total charged to General Fund | 9,709 | 8,111 |
| Office expenses (Designated funds) | 1,086 | 1,257 |
| Office expenses (Restricted funds) | 383 | 1,191 |
| TMCP charges | 469 | 333 |
| Total | 11,647 | 10,892 |

None of the remaining individual amounts (aggregated as 'Other' above) is considered material and none is listed separately

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

12 Synods, Committees, Conference

| | 2018-19 | 2017-18 |
|----------------|---------------|---------------|
| | £ | £ |
| Synods | 656 | 1,127 |
| Conference | - | - |
| Committees | 5,060 | 5,701 |
| Chair's travel | 8,248 | 8,312 |
| Other | | |
| Total | 13,964 | 15,140 |

None of the remaining individual amounts (aggregated as 'Other' above) is considered material and none is listed separately

13 Other outgoings

| | 2018-19 | 2017-18 |
|----------------------------|--------------|------------|
| | £ | £ |
| Safeguarding Health Check | 4,196 | - |
| Other Safeguarding matters | 3,811 | - |
| Evangelism expenditure | - | 678 |
| Sundry outgoings | 283 | 259 |
| Total | 8,290 | 937 |

None of the remaining individual amounts (aggregated as 'Sundry outgoings' above) is considered material and none is listed separately.

14 Investment management

During the year the District paid £469 to TMCP, the custodians of the District's investments (District Advance Fund, Education and Youth Fund and Ivy May Trust) (2017-18: £333). The sum of £469 was levied at 0.2% on the value of the funds at the end of the previous year and is shown as allocated to the three groups of funds: £421, £9 and £39 in Office expenses in the SOFA. See Note 11 above for TMCP charges.

15 Transfer between funds

| The following amounts were transferred between funds during the year: | 2018-19 | 2017-18 |
|---|---------------|---------------|
| | £ | £ |
| From DAF to General Fund for Travel Subsidy | 10,000 | 10,000 |
| From DAF to Youth & Children's Designated Fund for support of District Youth Work | - | 15,000 |
| From DAF to University Chaplaincy Restricted Fund | 6,000 | 8,000 |
| From DAF to Trewint Development Fund to cover extra cost related to disabled toilet | 2,850 | - |
| From General Fund to Heritage and Investment Property Fund | 740 | 4,000 |
| From General Fund to Manse Designated Fund | 5,500 | 5,500 |
| From General Fund to Rural Chaplaincy Designated Fund | - | - |
| From General Fund to Training Fund | 5,000 | 3,500 |
| From General Fund to Trewint Designated Fund for net project costs | 15,393 | 15,859 |
| From General Fund to Youth & Children's Designated Fund | 5,000 | 5,000 |
| Total Transfers | 50,483 | 66,859 |

16 Manse and other property

| Cost or valuation | At 31/8/2019 | At 31/8/2018 |
|----------------------------------|--------------|--------------|
| | £ | £ |
| Manse, 4 Uplands Crescent, Truro | 440,000 | 440,000 |
| The Cottage, Duck Lane | 200,000 | 200,000 |
| | 640,000 | 640,000 |

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

The freehold properties are shown in the accounts at deemed historical cost, revalued in this period to reflect the current value to District in terms of the manse property and the open market value of The Cottage, Duck Lane at 31st August 2017.

A professional valuation of The Cottage, Duck Lane was undertaken in September 2017 by Jefferys Chartered Surveyors, resulting in an open market valuation of £200,000 reflected in these accounts.

A number of Estate Agents with the necessary local knowledge, experience and expertise were invited to inspect the manse property with a view to offering an open market valuation. A significant range of valuations was given and due to the extreme high and low valuations, it was considered to be prudent to adopt an average valuation from those professional agents, giving a market value of £440,000 as adopted by the District in these accounts.

The District is responsible for a property of great historical interest, both locally and to the wider Methodist Church, that of Wesley Cottage, Trewint and is currently undertaking a project of renovation and refurbishment of Wesley Cottage and those costs are reflected in note 10 to the accounts.

Gwennap Pit, a site of great local importance being part of the Cornish Mining World Heritage Site and with historical links to the Methodist Church through the visits by John Wesley between 1762 and 1789 and remodelled in his memory in 1806, was sold to the Methodist Church in 1978 and is managed by the District.

It is the opinion of the trustees that, due to the difficulty in quantifying the value to the District, the region and to the Methodist Church of Wesley Cottage, Trewint and Gwennap Pit, that there should be no carrying value attached to those assets for the purposes of these accounts; indeed to attach an arbitrary value would distort the view of these accounts to the users.

17 Debtors and prepayments

All sums shown as Debtors at 31 Aug 2018 were received during the following year.
 All sums shown as Debtors at 31 Aug 2019 were received during the following year.

Debtors were made up as follows:

| | 2018-19 | 2017-18 |
|--------------------------------|---------------|----------|
| | £ | £ |
| Prepayments and accrued income | 60,806 | - |
| Total (net) | 60,806 | - |

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

18 Trustees for Methodist Church Purposes

The funds that support the District Advance Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments.

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

19 Central Finance Board (CFB) and cash at bank

The District has one current account at Lloyds Bank plc, an authorised institution. The sums held on this account are immediately available. In addition the District has two deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

20 Creditors and accrued expenses

| | 2017-18 £ | 2017-18 £ |
|--|---------------|---------------|
| Creditors due within one year: | | |
| Expenses reimbursement | 4,403 | 2,812 |
| Independent examination | 750 | 750 |
| DAF grants payable within one year | 65,938 | 53,000 |
| Other | 718 | 482 |
| <i>Total creditors</i> | 71,809 | 57,044 |
| Accruals: | | |
| PAYE, NI and Pensions contributions | 1,052 | 771 |
| <i>Total accruals</i> | 1,052 | 771 |
| Total of creditors and accrued expenses | 72,861 | 57,815 |

It is expected that all sums accrued at 31 Aug 2019 would be paid during the year to 31 Aug 2020.

21 Grant commitments and the District Advance Fund

Expenditure on charitable activities: District Advance Fund

It is the District's policy to recognise committed grants immediately as expenditure out of this fund and thus accrue the unpaid amounts at the year end as liabilities.

| Grants payable by future year: | | 2017-18 £ | 2017-18 £ |
|--------------------------------|--------|----------------|----------------|
| 2019-20 (current liability) | 65,938 | | 53,000 |
| 2020-21 (long term liability) | 36,101 | | |
| 2021-22 (long term liability) | - | 102,039 | 98,000 |
| | | 102,039 | 151,000 |

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

22 Unrestricted Funds

22.1 General Fund

Balance of £506,803 at 31 Aug 2019 (2018: £495,174)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. £440,000 of this fund is held as a freehold property, the District manse for the Chair of District. During the year £13,660 was paid out as grants and donations from the General Fund.

22.2 Other Designated Funds

Balance of £45,572 At 31 Aug 2019 (2018: £42,189)

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

The Manse Fund – balance £20,064 (2018: £19,497) is available to meet major upgrades in the accommodation at the District manse.

The Heritage & Investment property Fund - balance £1,000 (2018: £4,000) is available to meet major works in Heritage and Investment properties.

The Evangelism Fund – balance £3,382 (2018: £3,602) provides financial support churches and circuits in the District undertaking evangelism.

The Rural Chaplaincy Fund - balance £3,031 (2018: £3,893) is used for the support of Rural Chaplaincy in the District.

The Training and Development Fund balance £11,273 (2018: £9,300) provides training for ministers, lay members across the District, for individual study and group events.

The Youth and Children's Fund balance £5,822 (2018: £1,123) supports the work of the District Youth Enabler and other youth work across the District.

The Trewint Wesley Cottage balance £1,000 (2018: £774) represents funding allocated from the District Advance Fund for the work at Wesley Cottage during the 2017/18 and 2018/19 years.

23 Endowment and Restricted Funds

The Ivy May Fund, an endowment restricted fund, exists to support young people in the District travelling outside the District to Christian events. All the fund's assets are managed by TMCP and the net income (after charges) is available to the trustees of the Ivy May Fund. Grants are awarded by the trustees of the Ivy May Fund, being the trustees of the District.

| | | |
|-----------------------------|----------------|----------------|
| This is made up as follows: | 2019 | 2018 |
| | £ | £ |
| Trustees Interest Fund | £19,422 | £19,396 |
| Total | £19,422 | £19,396 |

The University Chaplaincy Fund and DAF reserve – balance £nil (2018: £2,000) was a balance of funding for 2017/18, expected to be paid to Falmouth University and University of Exeter, to assist in meeting the costs of the University Chaplain based at the Penrose Campus.

The Wesley Cottage Development Fund – balance £19,667 (2018: £17,099) is for work on the property at Wesley Cottage, to upgrade and enable this heritage property to be used as a modern museum.

The Cottage Trewint Fund – balance £200,000 (2018: £200,000) represents the cost of purchasing The Cottage Duck Lane Trewint, for the purposes of housing the Curator of Wesley Cottage.

The MWiB Fund – balance £1,421 (2018: £1,506) is overseen by the District MWiB committee, for fundraising and other MWiB purposes.

The Gwennap Pit Fund – balance £17,411 (2018: £15,155) is managed by the Gwennap Pit management committee for the purpose of maintaining a Christian presence at this heritage site.

The Benevolent Fund which is restricted has been created to recognise that some donations are specifically for the Benevolent Fund. – balance £2,163 (2018: £2,909)

The Music Fund – balance £5,546 (2018: £5,507)

The Spirituality Network for Cornwall received a grant of £1,000 from the DAF in 2014, and this fund is held in the district accounts with a balance of £394 (2018: £564)

There is a remaining balance on the Training Officer, Development Enabler and Extending Discipleship, Exploring Vocation of £10,138 (2018: £10,338) This fund is used for grants for individuals and groups to encourage

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

24 Summary of movements on significant individual funds

| | Balance at 1/9/18 | Income | Expenditure | Transfers/Revaluations | Balance at 31/8/19 |
|--|-------------------|----------------|----------------|------------------------|--------------------|
| <i>Unrestricted & Designated Funds</i> | | | | | |
| General Fund | 495,174 | 146,042 | 112,780 | -21,633 | 506,803 |
| District Advance Fund | 112,251 | 129,922 | 85,247 | -18,850 | 138,076 |
| Evangelism Fund | 3,602 | | 220 | | 3,382 |
| Heritage and other property Fund | 4,000 | | 3,740 | 740 | 1,000 |
| Manse Fund | 19,497 | | 4,933 | 5,500 | 20,064 |
| Rural Chaplaincy Fund | 3,893 | | 862 | | 3,031 |
| Training & Development Fund | 9,300 | 1,850 | 4,877 | 5,000 | 11,273 |
| Trewint Wesley Cottage | 774 | 6,897 | 22,064 | 15,393 | 1,000 |
| Youth & Children's Fund | 1,123 | 39 | 340 | 5,000 | 5,822 |
| Total Unrestricted & Designated Funds | 610,935 | 284,750 | 235,063 | -8,850 | 690,451 |
| <i>Restricted Funds</i> | | | | | |
| Benevolent Fund | 2,909 | 0 | 746 | | 2,163 |
| Music Fund | 5,507 | 39 | | | 5,546 |
| University Chaplaincy Fund | 2,000 | | 8,000 | 6,000 | 0 |
| TO, EDEV & DDE Funding | 10,338 | | 200 | | 10,138 |
| Wesley Cottage (Trewint) Development | 17,099 | 248 | 530 | 2,850 | 19,667 |
| The Cottage, Duck Lane (Purchase of) | 200,000 | | | | 200,000 |
| Gwennap Pit | 15,155 | 13,058 | 10,802 | | 17,411 |
| MWiB | 1,506 | 5,319 | 5,404 | | 1,421 |
| Spirituality Network for Cornwall Project | 564 | | 170 | | 394 |
| Total Restricted Funds | 273,331 | 18,664 | 25,852 | 8,850 | 256,740 |
| <i>Endowment Fund - Ivy May Trust</i> | 19,396 | 165 | 139 | | 19,422 |
| Totals | 903,683 | 303,579 | 261,054 | 0 | 966,613 |

25 Analysis of net assets among funds

Fund balances at 31 August 2019 are represented by:

| | Unrestricted general, DAF and designated funds | Restricted including Endowment funds | Total funds |
|-----------------------------|--|--------------------------------------|----------------|
| | £ | £ | £ |
| Tangible fixed assets | 440,000 | 200,000 | 640,000 |
| Fixed asset investments | | | |
| Current assets | 358,521 | 77,054 | 435,575 |
| Current liabilities | - 71,969 | - 892 | - 72,861 |
| Payables due after one year | - 36,101 | | - 36,101 |
| Total | 690,451 | 276,162 | 966,613 |

CORNWALL AND THE ISLES OF SCILLY METHODIST DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

26 Connected organisations and related parties

All of the District trustees are members of one or another Church and Circuit within the District and may be trustees in their Churches and/or Circuits.

Connected organisations include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Relief Association, CFB and TMCP, except as reported in Note 5. All of these entities have their own trustees or directors and autonomous administration such that Cornwall and the Isles of Scilly District has no significant influence over any of them, nor they over the Cornwall and the Isles of Scilly District. They are, therefore, not considered related parties.

| Name of Connected Organisations | Receipts £ | Payments £ | Adjustments £ |
|--|----------------|----------------|------------------|
| Donee: Methodist Church Fund | | 359,255 | |
| Donor: Methodist Church Connexional Priority Fund | 58,879 | | |
| Donor: Circuits within the Cornwall and the Isles of Scilly District (assessments on Circuits) | 463,160 | | |
| Donor / Donee: Circuits within the Cornwall and the Isles of Scilly District (levies / grants) | 69,164 | 60,190 | |
| Donor / Donee: Churches within the Cornwall and the Isles of Scilly District (grants) | | 18,136 | |
| Total | 591,203 | 437,581 | - |

There were no related party transactions.

27 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manses, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

28 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end (2018-19: nil).

29 Lease commitments

The District had commitments for the following:

Office accommodation rental £3,000 p.a. on a rolling monthly contract.

30 Auditor / Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £750 for the year (2018-19: £750) The independent examiner provided no additional services during the year.

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2019 have been prepared from the records of the District and that they include all funds under the control of the District Management 4 Committee.

Signature of treasurer *x Stephen Gerrard* Date *16/3/2020*

Name and address of treasurer

Mr Stephen Gerrard, 3 Treboul Way, St Germans, Saltash, PL12 5NN

Presentation to the District Policy Committee

I confirm that the annual report and accounts for the year ended 31 August 2019 were presented to the District Management 4 at its meeting held on 16 March 2020

Signature of the Chair of the meeting *Steven J. Wild*

Name of the Chair of the meeting: Rev Steven Wild Date *16/3/2020*

Independent Examiner's Report to the Trustees of the Cornwall and the Isles of Scilly Methodist District

Charity Number 1133238

Responsibilities and basis of report

I report to the trustees on my examination of the accounts of the Cornwall and the Isles of Scilly Methodist District for the year ended 31 August 2019 set out on pages 1 to 25. As the District's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the District's accounts carried out under section 145 of the Act and, in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent Examiner's Statement

The District's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of Institute of Chartered Accountants in England and Wales.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination (other than that disclosed below*) which give me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Act; or
- the accounts do not accord with the accounting records; or
- the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view, which is not a matter considered as part of an independent examination; or
- the trustees' annual report is not consistent with the accounts.

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.

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

Signature of independent examiner 

Name of independent examiner: Andrew Wing.

Relevant professional qualification of independent examiner: LLB FCA

Name of firm (where appropriate): Wings, Chartered Accountant

Address: 20 Manor Way, Tavistock, Devon PL19 8RF

Date 16th March 2020