

Financial statements

For the 18 month period to 31 August 2024

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Statement of the Council's Responsibilities

The Methodist Church Funds Act 1960 requires the Council, for each financial year, to prepare financial statements which give a true and fair view of the state of affairs of the Board's funds and of the return of the Board's funds for that period. In preparing those financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Board's Funds will continue in business.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board's funds and to enable them to ensure that the financial statements comply with the Methodist Church Funds Act 1960. The Council is also responsible for safeguarding the assets of the Board's funds and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on behalf of
The Central Finance Board of the Methodist Church



John Sandford, Chair
12 December 2024

Chair's statement

Introduction

It is only six months since I last prepared a statement for the annual report of the Central Finance Board (the CFB). Traditionally our reporting date has been the end of February, but the Board approved a change of accounting date to 31 August at its general meeting in 2023. To effect this change of date, the Board has therefore been enjoying a long eighteen-month reporting period from 1 March 2023 to 31 August 2024. Our general meeting of April 2024 approved written reports for the twelve-month period ended 29 February 2024 from myself and our Chief Executive Officer. These reports were submitted to Methodist Conference in Leeds in June 2024. However, that report did not include financial statements due to the long reporting period.

This report will therefore include the financial statements for the eighteen-month period ended 31 August 2024. In future the CFB will report as at 31 August in each year, in line with the reporting date for most entities within the Methodist Church of Great Britain.

The end of an era

The attrition in the assets managed by the CFB has been well documented as the Methodist Pension Schemes have taken advantage of higher interest rates to “de-risk” their assets. This has been great news for the finances of the Church but has presented an enormous challenge for the CFB. The last of the pension scheme money managed on behalf of three major pension scheme will leave us in December 2024, meaning that the CFB and Epworth will have lost £550m of assets under management over the last five years (a small AVC portfolio of £4m will still be with us). This attrition was always anticipated by the pension trustees and the Executive, but its speed was faster than expected. We could not have managed the transition to a more outward facing organisation without the support of Methodist Council. This period's financial statements include additional management fees of £500k that we received from Methodist Council during the period.

Changing the shape of our business

The loss of the pension scheme assets means that the organisation manages far less equities than previously. In the five years to August 2024 the equities under management have fallen from £680m to £245m. This could have significantly reduced the power of our ethical voice in the investment market, but I am pleased to report that our Chief Responsibility Officer, Revd Dr Andrew Harper, has managed to raise the Methodist Church's profile with Company boards during this time.

As well as equities, the CFB has also seen the bonds that it manages greatly diminish in value with the withdrawal of the pension scheme assets. This resulted in the consolidation of four bond funds into one managed fixed interest fund last year. With equity assets suffering a similar fate, the Executive are exploring whether the CFB Equity funds should also be merged into a managed vehicle.

At the general meeting earlier this year we were asked to report the recent changes in the assets managed by the CFB. Here is the 5-year history of each Fund's asset value:

CFB Fund value 2020 - 2024

	08.24 £m	08.23 £m	08.22 £m	08.21 £m	08.20 £m
UK Equity	30	56	164	248	337
Global Equity	30	48	136	198	147
Short Fixed	-	13	14	15	14
Gilt	-	5	4	5	5
Corporate Bond	-	20	18	114	100
Property	13	14	24	23	20
Managed Mixed	28	27	30	32	27
Managed Fixed	34	-	-	-	-
Methodist Council Medium Term	9	11	-	-	-
Methodist Council Long Term	61	61	-	-	-
Total Ex Deposit	205	255	389	637	623
Deposit	420	354	356	372	345
Total All	625	609	745	1,009	968

The Funds of Methodist Council exclude assets invested into other CFB Funds. The CFB Managed Equity Fund is not included in the above table as it invests all of its assets into other CFB Funds.

Efforts to replace the lost assets have focused on Epworth's Cash Plus Fund. The interest rate paid by this Fund closely tracks the Bank of England base rate, offering highly attractive interest rates with same day access to UK charities. Over the last eighteen months the value of this Fund has increased by £181m. At the 31 August £703m (65%) of the assets managed within the organisation were Deposit Funds. Recognising that the favourable investment environment for the Deposit Funds could deteriorate later this decade, the Epworth business development team are focusing on the promotion of our managed portfolio and managed fund solutions for charities. They have built up a tremendous pipeline of potential new business – the success of the next year will be driven by whether or not they manage to convert this pipeline into new business.

The Deposit fund system

I noted in my last report the issues that users are having with our deposit fund system. It runs on very old software that has problems dealing with new software upgrades and communication with the separate on-line portal. I am once again grateful to Methodist Council who have provided finance for a project to replace the systems that the Deposit fund uses. This project is already up and running and I hope to see a significant improvement in the service that we provide to Church treasurers by the end of 2025. Part of the project will be looking at opportunities for digitisation and we will work with the Connexional team to explore how this could affect the broader Church.

Thanks

Several times in this report I have referred to financial support from Methodist Council as we dealt with the sudden loss of funds under management. Not only has their support been financial but they have also given us tremendous encouragement. The team has now joined the Connexion in Tavistock Place and I look forward to the opportunities for closer collaboration that this will give us.



John Sandford
Chair
12 December 2024

Chief Executive Officer's report

The Chair has already reflected upon the assistance we have received from Methodist Council over the last 18 months. This has enabled Epworth to invest in business development resources and activities leading to strong sales growth over the last 18 months, particularly in Epworth's Cash Plus Fund. We have yet to replace all of the assets under management that have been lost from the CFB Pension Schemes but there are encouraging signs that we will succeed in this key strategic objective.

Major projects

The new financial year is seeing the delivery of several projects that the team have been working on for some time.

Move to Tavistock Place

In November 2024 we became the main tenant on the top floor of the Connexion's new offices in Tavistock Place. We moved into a floor that is fitted out to the same standard as the Connexion enjoys in the rest of the building. We have our own meeting rooms but also have access to larger spaces on the ground floor through a reservation system.

Deposit Fund System

Our Chair has already mentioned the financial support our review of our Deposit fund systems has received from Methodist Council. This project is investigating how we can modernise our operating model so that it is more digital and more accessible to Church Treasurers. In parallel with rethinking our processes in the Deposit Fund, we are looking at ways that we can protect the Church from the activities of bad actors that may seek to use the myriad accounts of the Church for nefarious purposes.

Epworth's resignation as an Authorised Fund Manager

Epworth has stepped back from its role as the Authorised Fund Manager (AFM) to the Epworth Investment Fund for Charities. The regulatory burden of this role had become too demanding for a firm of Epworth's size. Epworth remains as the sponsor and investment manager to the Fund. Replacing Epworth as the AFM is Waystone, the largest independent Authorised Fund Manager for regulated funds in the UK. At the same time as Epworth stepped down as the AFM, the other Trustee to the Fund also changed with HSBC stepping down to be replaced by Bank of New York Mellon. This change of Trustee also involved a change of custodian to the Fund and the Epworth team were involved in a major transfer of data and assets between the custodians in October 2024.

New Trustee and Custodian to the Epworth Cash Plus Fund

HSBC are also stepping down as the trustee and Custodian to the Epworth Cash Plus fund. These roles are likely to transfer to the National Westminster Bank (trustee) and CACEIS (custodian) in the first quarter of 2025.

Merger of the Epworth UK Equity Fund & Epworth Climate Stewardship Fund

In between all the above projects, the Change team are looking to organise the merger of Epworth's two Funds that invest in the UK Equity market. The Climate Stewardship Fund was launched when some of Epworth's clients wished to disinvest from the oil & gas sector ahead of a similar recommendation from the Methodist Church's Joint Advisory Board on the Ethics of Investment. That differentiator between the Funds disappeared several years ago and the disinvestment by the Methodist Pension Schemes has shrunk both Funds down to uneconomic sizes. A merger of these Funds will also resolve a potential regulatory issue with the naming of the Climate Stewardship Fund as the FCA's new Sustainability Disclosure Requirements start to bite.

Award

I am delighted to announce that, for the third year in a row, Epworth received the award for Best Charity Investment Fund Management Firm in the UK from the Wealth & Finance Awards.

Thanks

I must not forget to express my gratitude in this report to the Council and Epworth Board members that work so hard to support us and to the staff of the CFB that have stuck with us through difficult times, keeping their positive attitude and showing why the CFB is a unique place to work in the City of London.



David Palmer
Chief Executive Officer
12 December 2024

Chief Investment Strategist's report

The last 18 months have been a positive period for most investment markets, with leading global equity markets testing new highs, albeit with different drivers. The boom in Artificial intelligence and technology has driven US, and thus global markets, while the UK, despite being a long-time underperformer, has had a good year with many companies seeing takeover bids. Inflation has moderated in 2024 and so interest rate sensitive assets such as bonds and infrastructure have improved after a challenging period. Our focus at the CFB has been to expand the range of external ethical funds we use to complement our in-house products and offer a strong, risk adjusted portfolio of investments that are aligned with our Christian values.

We expect central banks to continue cutting rates slowly through the year, but the number of interest rate cuts is difficult to judge given the volatility in economic data and the number of elections taking place this year. We believe the risk of economic shocks has reduced but not disappeared completely, and the constant threat of geopolitical escalation continues to cloud the risk outlook. We do not think inflation should remain structurally higher now that the recent supply shocks have largely run their course, but further shocks cannot be ruled out. We have continued with a neutral position in equities, monitoring valuations for signs of excess after a prolonged period of strong performance across markets globally and think there continues to be a risk of a near term correction. We continue to view bonds as attractive assets at current yields, considering our expectations for interest rate cuts and given the ongoing economic risks. We continue to have a negative view towards property assets in the UK, with a lack of available capital and significant investment needs, particularly in the office space. We believe some infrastructure assets are undervalued, but it is a wide sector. Private equity has performed better where investments are high quality and technology focused, which we expect to continue, whilst commodities will remain volatile, driven by geopolitics.

The CFB UK Equity Fund (investing mainly into the Epworth UK Equity Fund) has had a strong 12 months, supported by takeover activity in the conviction part of the portfolio. In contrast the CFB Global Equity Fund (investing mainly in Epworth's Global Equity fund) has had a mixed year, with poor relative performance in the conviction portfolio due the absence of large technology stocks, being offset by strong returns in the core portfolio.

Performance to 31 August 2024

	1 year %	3 years % p.a.	5 years % p.a.	10 years % p.a.
UK Equity Fund	18.8	3.9	5.6	5.8
FT All Share	17.0	7.5	6.6	6.1
Global Equity Fund	15.3	4.3	9.3	11.2
FT All World	19.4	7.9	10.9	11.9
Managed Mixed Fund	10.9	1.7	4.9	6.1

Chief Responsibility Officer's report

The CFB has remained focused on more effectively integrating our theological principals with our policies on ethical investing. These enhancements demonstrate the CFB's ongoing dedication to fulfilling God's call for stewardship over the planet and a concern for its people.

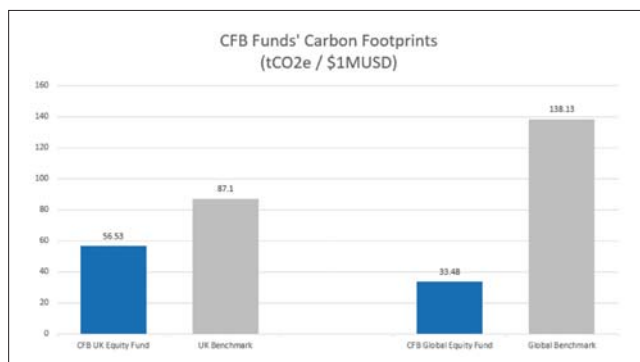
Over the last 18 months, the CFB has also sought to reflect the core social justice values of the Methodist Church, as detailed in the Justice Seeking Church report, by updating ethics policies to prioritise equality, personal integrity, and communal support. Importantly, the CFB adopted a new Conflict policy that seeks to implant these values into the devastating rise in global armed conflict.

Alongside policy making, the CFB remains committed to engaging companies to improve corporate behaviour. Working in collaboration with other investors, the CFB led the charge in exposing hypocrisy within HSBC and Barclays climate commitments. The resulting media pressure resulted in HSBC changing its climate policy to include greater investor transparency, and Barclays agreeing to ongoing scrutiny meetings.

Other areas of engagement include human rights abuses on tea plantations, the promotion of healthy food offerings, petitioning for greater concern on biodiversity, and tax justice.

The implied carbon footprints of the companies in which we invest remain a key performance indicator for the CFB and I am pleased to confirm that we continue to outperform in this regard.

Carbon footprint of CFB Equity funds vs benchmark at 31 August 2024



Principles of corporate governance

The Methodist Church Funds Act, 1960

The activities of the Central Finance Board of the Methodist Church (CFB) are governed by the Methodist Church Funds Act, 1960 and its responsibilities are defined in the Second Schedule of the Act.

Membership

The membership of the CFB consists of a maximum of 74 members, those being the President, Vice President and Secretary of the Conference (the ex-officio members), one representative of each of the 30 Methodist Districts (the nominated members) and up to 40 members elected by the Conference (the elected members).

General Meetings

At least one General Meeting shall be held in each calendar year as decided by the CFB Council. It is also within the powers of the President of the Conference to convene a General Meeting. At least 14 days written notice shall be given to members of the place, day, time and general nature of the agenda. However, the accidental omission to give appropriate notice does not invalidate the proceedings of the General Meeting.

The business of the annual General Meeting shall include:

- the election of members of the CFB Council;
- consideration of the Annual Reports and Accounts furnished by the Council;
- the appointment of and the fixing of the remuneration of the auditors.

A quorum shall be constituted by a resolution of the General Meeting and is at present 10. Every member present has one vote and in the event of a tie, the Chair has a second or casting vote. The Act states that there shall be no voting by proxy. Although there is no specific provision in the Act, as a matter of practice the Annual Reports and Accounts are put to the annual General Meeting for approval. It is also understood that the General Meeting has the authority to question and hold to account the Council in relation to the reports set before it.

The Chair

The Chair of the Council shall act as the Chair of the General Meeting. In his or her absence the General Meeting shall appoint its own Chair. Although not specified in the Act, it has been the usual practice for the Council to appoint a Vice Chair. The Chair has responsibility for the conduct of Council and Board meetings and for ensuring that Council members are properly briefed to enable full, constructive Council discussions.

The Council

The Council shall have a minimum of 6 and a maximum of 12 members elected by the General Meeting. Casual vacancies to serve until the following annual General Meeting may be filled by the Council. It shall elect one of its number to be Chair and both set quorum (at present 3) and regulate proceedings, including the delegation of powers to committees of council members, as it sees fit.

Council members are all non-executive and appointments are unpaid (although out-of-pocket expenses are reimbursed).

The business of the CFB shall be managed by the Council, which may exercise all such powers that are not required by the Act to be exercised by the General Meeting. Specific duties specified by the Act are to:

- cause proper accounts to be kept and audited of receipts and expenditure of Council and any investment or deposit fund administered by the CFB;
- submit these accounts together with a report on the CFB operations to the annual General Meeting.

There is no published Code which applies directly to the CFB, but the importance of high standards of corporate governance in the conduct of its affairs is recognised. The Council has therefore defined its terms of reference, which are reviewed regularly by the Audit, Risk and Governance Committee.

The Council held six meetings per year until August 2024. Beginning in September 2024, the Council will convene four times annually. These may be in person meetings or virtual as appropriate. It exercises its responsibilities by setting and reviewing financial targets; ethical policies; performance targets; risk management strategies; the internal compliance regime; financial controls and monitoring the activities of the executive team.

The Council aims to ensure that its members and its committees have a suitable breadth of skills, experience and gender to enable them to function effectively. The names and biographies of current Council members are identified on the CFB website (www.cfbmethodistchurch.org.uk). One third of the Council members are required to retire by rotation each year and no member (other than the Chair) is permitted to remain on the Council for more than nine consecutive years.

To enable the Council to function effectively and allow it to discharge its duties, all Council members are given full and timely access to all relevant information. In general, Council papers are circulated a week in advance of Council meetings to give members adequate time to prepare for the meeting and to enable members who cannot attend the meeting to have an opportunity to review the matters to be discussed.

Council committees

The Council has delegated authority to a number of committees to deal with and report back to the Council on certain matters. As with the Council meetings, the committees may meet in person or virtually as appropriate.

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee consists of three members, none of whom are employees of the CFB, but at least one will be a non-executive director of Epworth Investment Management Limited, with the CEO and the Head of Finance in attendance. Members of the Audit, Risk and Governance Committee have broad financial experience which the Council considers appropriate to enable the Committee to carry out its responsibilities. It currently meets four times a year. The external auditors, internal auditors and external compliance consultants each attend one meeting, by invitation.

The Committee has defined terms of reference, which are reviewed regularly. It is responsible for reviewing accounting policies and reporting requirements; ensuring that accounting systems and internal controls are effective; reviewing the appointment of the external auditors every five years and reviewing the CFB risk management systems. An annual programme of activity has been agreed to ensure that all key risks and issues are considered in a timely and appropriate manner.

The Audit, Risk and Governance Committee has appointed a firm to undertake ongoing internal audit of the Firm's processes and retained risks. The Committee will agree a risk-based programme of activities for the internal audit function using a thematic approach.

The Committee also reviews the reports arising from the Compliance monitoring program in conjunction with the Head of Compliance.

Principles of corporate governance

Management and Remuneration Committee

The Management and Remuneration Committee comprises of the Chair, Vice Chair and up to three Council members with the Chief Executive and Secretary/Head of Finance in attendance. It meets as required each year and is responsible for:

- Ensuring that the CFB has a remuneration policy that enables it to attract and retain committed employees with the necessary skills and experience to ensure that it can achieve the aims and objectives as set out in the CFB Mission Statement;
- Ensuring that Council membership is maintained at an adequate level, with a suitable breadth of skills and experience to enable it to function effectively and representation from the CFB's major client base;
- Planning the longer-term development of the CFB and guiding the Executive on operational matters as appropriate;
- Reviewing operational issues, including investment strategy and performance, between Council meetings.

Nominations Committee

The Nominations Committee is convened to oversee recruitment to executive team level posts.

From September 2024 the Management and Remuneration Committee and the Nominations Committee are being combined into a "Nominations and Remuneration Committee".

Management structure

The CFB Council are responsible under its Act of Parliament for the management of the business of the CFB. It achieves this by delegating the day to day management functions to the Executive Team, whilst retaining its monitoring and oversight role through its Council and Management Committee meetings.

Executive Committee

The CFB Team is led by the Chief Executive assisted by the Chief Investment Strategist, the Head of Change and Transformation, the Head of Finance, the Chief Responsibility Officer and the Head of Compliance, who together form the Executive Committee. The Committee meets formally usually on a weekly basis and more informally as required. It defines and ensures implementation of appropriate strategies to ensure the long-term success of the CFB through meeting the needs of its clients. It is responsible for all matters related to the day to day business of the CFB, which include:

- **Identification and review of strategic, operational, business, investment & financial risks**
The Executive Committee is responsible for identifying the major risks faced by the CFB and for determining the appropriate course of action to manage and mitigate those risks. This includes investment risks relating to the investment funds managed by the CFB and Epworth Investment Management Ltd. The Compliance & Risk Manager, whilst an independent function reporting to the Board, will advise EXCO in the identification, management & mitigation of risks. The Audit, Risk and Governance Committee review risk assessments produced by management at each meeting, considering and assessing the actions taken and proposed.
- **Insurances**
The CFB maintains insurance cover, including professional indemnity cover, and works closely with brokers to ensure that appropriate levels of cover are maintained with reputable insurers.
- **Ethics**
The CFB aims to follow a discipline in which the ethical dimension is an integral part of all investment decisions; to construct investment portfolios which are consistent with the moral stance

and teachings of the Christian faith; to encourage strategic thinking on the ethics of investment; and to be a Christian witness in the investment community. To assist the CFB in this aim, the Methodist Church established the Joint Advisory Committee on the Ethics of Investment (JACEI) which reports annually to the Methodist Conference.

The CFB appoints five members of JACEI. At present these are made up of two Council members, two external subject matter experts and the Chief Responsibility Officer. Five other members and the Chair are appointed by the Methodist Council. Following the inclusion of JACEI in Methodist Church Standing Orders, each JACEI member (unless ex-officio) will be appointed for an initial period of three years. This term can be extended for a maximum of two further three-year periods.

The CFB works with other churches and denominations both in the UK and Overseas mainly through the Church Investors Group (CIG). It exercises its responsibilities as a shareholder by voting all shares according to templates agreed with and through CIG. It is a signatory of the UK Stewardship Code and CDP (formally the Carbon Disclosure Project). It also works through membership of collaborative organisations such as the Institutional Investors Group on Climate Change.

- **Employees**
The CFB appreciates its responsibility to encourage and assist in the employment, training, promotion and personal career development of all employees, without prejudice. It is committed to maintaining a working environment where members of staff are individually valued and recognised, and assists its employees in achieving an appropriate work/life balance, including policies on maternity and paternity leave, and emergency time off. The CFB is an accredited Living Wage Employer.
- **Health & safety**
The CFB recognises and accepts its responsibility for, and is committed to ensuring the provision of, adequate systems for the health, safety and welfare of employees. It aims to achieve best practice in health, safety and welfare of staff. Reports on health and safety issues are considered by the Audit, Risk and Governance Committee.
- **Environment**
The Executive Committee reviews environmental matters from time to time and encourages staff to minimise the carbon footprint of the CFB through their working practices.
- **Suppliers**
The CFB aims to develop long term business relationships with its suppliers who are required to adhere to business principles consistent with those of the CFB. We expect them to adopt and implement acceptable safety, environmental, labour, human rights and legal standards in line with these standards.
- **Relations with unit holders and depositors**
The CFB encourages interaction with its unit holders and depositors. Members of the Executive meet with key clients regularly throughout the year.

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Opinion

We have audited the financial statements of the Central Finance Board of the Methodist Church Funds ("the CFB Funds") (CFB UK Equity Fund, CFB Global Equity Fund, CFB Property Fund, CFB Managed Equity Fund, CFB Managed Fixed Interest Fund, CFB Managed Mixed Fund, CFB Methodist Council Managed Medium Term Fund, CFB Methodist Council Managed Long Term Fund) for the period ended 31 August 2024 which comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Price and income history, the Balance sheet, the Distribution table, the Net asset value/fund size table, the Average dealing spread, the Total Expense ratios (where applicable), the Summary of investments and other assets (where applicable), Portfolio valuation (where applicable) and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the CFB Funds' affairs as at 31 August 2024 and of their results for the period 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 Methodist Church Funds Act 1960;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the CFB Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the CFB Funds' ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The council members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's statement and Chief Executive Officer's Report for the period for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's statement and Chief Executive Officer's Report has been prepared in accordance with applicable legal requirements.

Responsibilities of Council members

As explained more fully in the Council's responsibilities statement, the council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the council members are responsible for assessing the CFB Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the CFB Funds or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the CFB Funds' policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the CFB Funds' policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the CFB Funds' policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the CFB Funds operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the Methodist Church Funds Act 1960 and applicable tax legislation.

One particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the CFB Funds for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of other adjustments.

Another focus area was the risk of manipulation of the valuation of Investments. Our procedures to respond to risks identified included the following: Obtaining confirmation of the balance held from the trustees or Administrators of the scheme investments, performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement. Vouching additions & disposals from the scheme's investments to underlying trade documentation and cash movements.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the council members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members 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 Council's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH

12 December 2024

CFB unitised funds

CFB UK Equity Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period	2	1,863	(12,219)
		1,863	(12,219)
Income	3	2,415	4,516
Expenses	4	-	-
Net income		2,415	4,516
Total return for the period		4,278	(7,703)
Finance costs: distributions	8	(2,414)	(4,516)
Change in net assets attributable to unitholders		1,864	(12,219)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	63,390	188,173
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	1,843	883
Amounts payable on cancellation of units	(37,082)	(113,942)
	(35,239)	(113,059)
Dilution levy/adjustment	56	495
Change in net assets attributable to unitholders from investment activities	1,864	(12,219)
Closing net assets attributable to unitholders	30,071	63,390

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.09.99 £
Charity & Pension units				
29 February 2020	2,226.3	1,947.6	66.54	44.49
28 February 2021	2,076.8	1,531.5	42.64	28.51
28 February 2022	2,329.8	2,062.8	63.01	42.13
28 February 2023	2,267.5	1,872.6	71.75	47.97
18 months to 31 August 2024	2,335.1	1,941.9	107.55	71.91

CFB UK Equity Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		29,981	63,156
Current assets			
Debtors	9	167	1,531
Cash and bank balances	10	110	445
Total current assets		277	1,976
Total assets		30,258	65,132
Liabilities			
Creditors	11	(14)	(1,473)
Distribution payable		(173)	(269)
Total liabilities		(187)	(1,742)
Net assets attributable to unitholders		30,071	63,390

Distribution

Distribution period	Net income p per unit	Equalisation p per unit	Distribution payable p per unit	Date payable
Charity units				
1 March 2023 to 31 May 2023	26.13	0.00	26.13	20 July 2023
1 June 2023 to 31 August 2023	14.70	(0.02)	14.68	20 October 2023
1 September 2023 to 30 November 2023	18.11	(0.17)	17.94	20 January 2024
1 December 2023 to 29 February 2024	11.25	(0.35)	10.90	20 April 2024
1 March 2024 to 31 May 2024	24.54	0.26	24.80	20 July 2024
1 June 2024 to 31 August 2024	12.97	0.13	13.10	18 October 2024
Pension units				
1 March 2023 to 31 May 2023	26.37	0.30	26.67	20 July 2023
1 June 2023 to 31 August 2023	15.23	(0.03)	15.20	20 October 2023
1 September 2023 to 30 November 2023	18.40	0.01	18.41	20 January 2024
1 December 2023 to 29 February 2024	11.64	(0.10)	11.54	20 April 2024
1 March 2024 to 31 May 2024	24.58	0.25	24.83	20 July 2024
1 June 2024 to 31 August 2024	13.76	0.01	13.77	18 October 2024

CFB UK Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
29 February 2020	351.3	5,868,154	12,212,645	1,943.2
28 February 2021	324.2	4,486,119	11,671,792	2,006.6
28 February 2022	188.2	4,294,962	4,240,949	2,204.5
28 February 2023	63.4	1,733,993	1,197,271	2,162.6
31 August 2024	30.07	808,761	482,751	2,328.3

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.50	0.50

Total expense ratios

As at 31 August 2024

	31.08.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	0.55	0.55
Epworth UK Equity Fund for Charities & external fund manager charges	0.29	0.25
	0.84	0.80

CFB UK Equity Fund

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	31.08.24 Benchmark* %	28.02.23 Market value £'000s	28.02.23 CFB %	28.02.23 Benchmark* %
Equity investment instruments	29,981	100.0	100.0	63,156	100.0	100.0
Total investments	29,981	100.0	100.0	63,156	100.0	100.0
Net cash	90			234		
Total value of fund	30,071			63,390		

* Benchmark: All Share

Portfolio valuation

As at 31 August 2024

	Holding 000s	Market value £'000s	%
Equity investment instruments			100.0
Epworth UK Equity Fund for Charities	14,938	27,466	96.3
Impax New Energy Investors II LP	304	9	0.0
Impax New Energy Investors III LP	26	2,506	3.7
Total investments		29,981	100.0
Net current assets		90	
Total value of Fund		30,071	

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB UK Equity Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 16).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Fund were deducted from capital rather than income. No other management charges are levied. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. As at 31 August 2024 expenses were recovered at the following rate:

- 0.55% per annum (28.02.23: 0.55%)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Net gains/(losses) on investments

	18 mths to 2024 £'000s	12 mths to 2023 £'000s
Proceeds from sales of investments	37,721	113,841
Original cost of investments sold	(33,189)	(106,326)
Net realised gains on sales	4,532	7,515
Net unrealised (losses)	(2,276)	(19,047)
Currency gains	6	-
Administration grant capital	(399)	(687)
Net gains/(losses) on investments	1,863	(12,219)

3. Gross income

	18 mths to 2024 £'000s	12 mths to 2023 £'000s
UK dividends	2,418	4,966
Overseas dividends	-	-
Bank interest	22	10
Equalisation	(57)	(494)
Management fee recharge	32	34
Total income	2,415	4,516

4. Expenses

	18 mths to 2024 £'000s	12 mths to 2023 £'000s
Administration grant	-	-

CFB UK Equity Fund

5. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	2,162.6	2,204.5
Return before operating charges	292.6	42.1
Operating charges	(18.9)	(12.0)
Return after operating charges	273.7	30.1
Distribution on income units	(108.0)	(72.0)
Closing net asset value per unit	2,328.3	2,162.6

Performance

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Return after charges	12.7	1.4

Pension units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	2,162.6	2,204.5
Return before operating charges	291.2	41.8
Operating charges	(15.1)	(10.7)
Return after operating charges	276.1	31.1
Distribution on income units	(110.4)	(73.0)
Closing net asset value per unit	2,328.3	2,162.6

Performance

	31.08.24 %	28.02.23 %
Return after charges	12.8	1.4

6. Portfolio transaction costs

	18 mths to 2024 £'000s	12 mths to 2023 £'000s
--	------------------------------	------------------------------

Analysis of total purchase costs

Purchases in period before transaction costs	2,290	678
Commissions	-	-
Custodian transaction costs	-	-
Total purchase costs	-	-
Gross purchase total	2,290	678

Analysis of total sale costs

Gross sales before transaction costs	37,721	113,841
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	37,721	113,841

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

7. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

8. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 2024 £'000s	12 mths to 2023 £'000s
31 May 2022	-	2,296
31 August 2022	-	1,301
30 November 2022	-	651
29 February 2023	-	268
31 May 2023	728	-
31 August 2023	411	-
30 November 2023	463	-
29 February 2024	220	-
31 May 2024	420	-
31 August 2024	172	-
	2,414	4,516
Income on creation and cancellation of units	(57)	-
Net distribution for year	2,357	4,516

9. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	167	274
Sales awaiting settlement	-	1,257
	167	1,531

10. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	89	444
Other bank accounts	21	1
	110	445

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

11. Creditors

	31.08.24 £'000s	28.02.23 £'000s
Purchases awaiting settlement	-	1,450
Other creditors	14	23
	14	1,473

12. Portfolio turnover

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Portfolio turnover	1.5	(0.2)

Based on COLL 4 Annex 2 Portfolio turnover calculation.

13. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund, that invests in UK equities. The Fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Transaction risk

The Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

14. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

15. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

16. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or

- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	27,466		2,515	29,981
Total	27,466	-	2,515	29,981

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	60,829		2,327	63,156
Total	60,829	-	2,327	63,156

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Global Equity Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period	2	6,606	(4,379)
		6,606	(4,379)
Income	3	1,314	1,676
Expenses	4	-	-
Taxation: irrecoverable withholding tax	7	-	-
Net income		1,314	1,676
Total return for the period		7,920	(2,703)
Finance costs: distributions	8	(1,005)	(1,677)
Change in net assets attributable to unitholders		6,915	(4,380)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	49,789	139,043
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	3,113	19,186
Amounts payable on cancellation of units	(29,925)	(104,122)
	(26,812)	(84,936)
Dilution levy/adjustment	13	62
Change in net assets attributable to unitholders from investment activities	6,915	(4,380)
Closing net assets attributable to unitholders	29,905	49,789

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.09.99 £
Charity & Pension units				
29 February 2020	730.60	617.30	7.81	39.32
28 February 2021	828.20	577.50	4.70	23.67
28 February 2022	990.90	810.20	7.78	39.17
28 February 2023	903.60	784.10	13.24	66.66
18 months to 31.08.2024	1,030.50	840.30	21.87	110.11

CFB Global Equity Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		29,526	49,441
Current assets			
Debtors	9	191	1,566
Cash and bank balances	10	315	621
Total current assets		506	2,187
Total assets		30,032	51,628
Liabilities			
Creditors	11	4	(1,668)
Distribution payable		(131)	(171)
Total liabilities		(127)	(1,839)
Net assets attributable to unitholders		29,905	49,789

Distribution

Distribution period	Net income p per unit	Equalisation p per unit	Distribution payable p per unit	Date payable
Charity units				
1 March 2023 to 31 May 2023	3.79	0.00	3.79	20 July 2023
1 June 2023 to 31 August 2023	4.32	0.04	4.36	20 October 2023
1 September 2023 to 30 November 2023	2.97	0.00	2.97	20 January 2024
1 December 2023 to 29 February 2024	2.63	0.00	2.63	20 April 2024
1 March 2024 to 31 May 2024	3.91	0.00	3.91	20 July 2024
1 June 2024 to 31 August 2024	4.21	0.00	4.21	18 October 2024
Pension units				
1 March 2023 to 31 May 2023	4.22	0.00	4.22	20 July 2023
1 June 2023 to 31 August 2023	4.75	0.05	4.80	20 October 2023
1 September 2023 to 30 November 2023	3.46	-0.03	3.43	20 January 2024
1 December 2023 to 29 February 2024	3.19	0.00	3.19	20 April 2024
1 March 2024 to 31 May 2024	4.27	0.14	4.41	20 July 2024
1 June 2024 to 31 August 2024	4.75	0.06	4.81	18 October 2024

CFB Global Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
29 February 2020	145.0	11,089,078	10,943,709	657.9
28 February 2021	148.9	5,516,747	13,221,753	794.7
28 February 2022	139.0	5,450,337	10,419,475	876.1
28 February 2023	49.8	2,865,497	2,966,990	855.2
31 August 2024	29.9	1,877,260	1,070,167	1,014.6

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.40	0.40

Total expense ratios

As at 31 August 2024

	31.08.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	0.65	0.65
Epworth Global Equity Fund for Charities & external fund manager charges	0.30	0.42
	0.95	1.07

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
Global equities	29,526	100.0	49,441	100.0
Total investments	29,526	100.0	49,441	100.0
Net current assets	379		348	
Total value of fund	29,905		49,789	

CFB Global Equity Fund

Portfolio valuation

As at 31 August 2024

	Holding 000s	Market value £'000s	%
Global		29,526	100.0
Epworth Global Equity Charities CFB	16,997	27,368	92.7
Generation IM Climate Solution Fd	3,252	979	3.3
Impax New Energy Investors	12	1,179	4.0
Total investments		29,526	100.0
Net cash		379	
Total value of Fund		29,905	

CFB Global Equity Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Global Equity Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 16).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Fund were deducted from capital rather than income. No other management charges are levied. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. As at 31 August 2024 expenses were recovered at the following rate:

- 0.65% per annum (28.02.23: 0.65%)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Net gains/(losses) on investments

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Proceeds from sales of investments	30,453	97,689
Original cost of investments sold	(26,037)	(90,466)
Net realised gains on sales	4,416	7,223
Net unrealised gains/(losses)	2,590	(10,982)
Currency gains	1	-
Administration grant capital	(401)	(620)
Net gains/(losses) on investments	6,606	(4,379)

3. Gross income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Overseas dividends	1,244	1,653
Bank interest	18	4
Equalisation	(14)	(64)
Management fee recharge	66	83
Total income	1,314	1,676

4. Expenses

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	-	-

CFB Global Equity Fund

5. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	853.7	876.1
Return before operating charges	191.9	(3.5)
Operating charges	(9.1)	(5.7)
Return after operating charges	182.8	(9.2)
Distribution on income units	(21.9)	(13.2)
Closing net asset value per unit	1,014.6	853.7

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	21.4	(1.1)

Pension units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	853.7	876.1
Return before operating charges	191.7	(3.2)
Operating charges	(5.9)	(4.5)
Return after operating charges	185.8	(7.7)
Distribution on income units	(24.9)	(14.7)
Closing net asset value per unit	1,014.6	853.7

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	21.8	(0.9)

6. Portfolio transaction costs

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
--	----------------------------------	----------------------------------

Analysis of total purchase costs

Purchases in period before transaction costs	3,223	15,710
Commissions	-	-
Custodian transaction costs	-	-
Total purchase costs	-	-
Gross purchase total	3,223	15,710

Analysis of total sale costs

Gross sales before transaction costs	30,453	97,689
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	30,453	97,689

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

7. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Withholding tax	-	-

8. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
31 May 2022	-	541
31 August 2022	-	794
30 November 2022	-	171
29 February 2023	-	171
31 May 2023	217	-
31 August 2023	247	-
30 November 2023	146	-
29 February 2024	105	-
31 May 2024	160	-
31 August 2024	131	-
	1,006	1,677
Income on creation and cancellation of units	(14)	(64)
Net distribution for year	992	1,613

9. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	191	311
Sales awaiting settlement	-	1,255
	191	1,566

10. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	256	321
Other bank accounts	59	300
	315	621

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

11. Creditors

	31.08.24 £'000s	28.02.23 £'000s
Purchases awaiting settlement	-	1,650
Other creditors	(4)	18
	(4)	1,668

12. Portfolio turnover

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Portfolio turnover	1.1	(10.1)

Based on COLL 4 Annex 2 Portfolio turnover calculation.

13. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund that invests in UK and overseas equities. The Fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

The Fund is exposed to currency risks as certain of its assets are denominated in currencies other than sterling. The CFB does not seek to avoid this exposure since it believes that, in the long term hedging is detrimental to total return.

At 31 August 2024 foreign currency exposure was:

Currency	31.08.24 £'000s	28.02.23 £'000s
Canadian Dollar	-	-
United States Dollar	980	1,120
Euro	1,180	1,089
Swiss Franc	30	-
Danish Krone	7	-
Norwegian Krone	-	-
Swedish Krona	-	-
	2,197	2,209

Transaction risk

The Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

14. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

15. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

16. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Global Equity Fund

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	27,368		2,158	29,526
Total	27,368	-	2,158	29,526

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	47,232		2,209	49,441
Total	47,232	-	2,209	49,441

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Property Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net (losses) on investments during the period	2	(953)	(3,738)
		(953)	(3,738)
Income	3	1,251	947
Expenses		-	-
Net income		1,251	947
Total return for the period		298	(2,791)
Finance costs: distributions	7	(1,252)	(949)
Change in net assets attributable to unitholders		(954)	(3,740)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	15,419	25,764
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	143
Amounts payable on cancellation of units	(1,517)	(6,748)
	(1,517)	(6,605)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	(954)	(3,740)
Closing net assets attributable to unitholders	12,948	15,419

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.12.05 £
Charity units				
29 February 2020	76.3	72.2	3.99	40.84
28 February 2021 (*)	70.0	67.5	2.92	29.89
28 February 2022	79.0	68.9	3.48	35.62
28 February 2023	87.0	65.6	3.28	33.57
18 months to 31 August 2024	65.8	61.1	5.49	56.19

(*) The fund was suspended from 03.20 to 09.20. The highest and lowest prices shown are those at which units could be bought and sold outside of the period of suspension.

CFB Property Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		12,925	15,401
Current assets			
Debtors and accrued income	8	128	145
Cash and bank balances	9	83	90
Total current assets		211	235
Total assets		13,136	15,636
Liabilities			
Creditors		-	-
Distribution payable	10	(188)	(217)
Total liabilities		(188)	(217)
Net assets attributable to unitholders		12,948	15,419

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 March 2023	0.31	18 July 2023
1 April 2023 to 30 April 2023	0.48	18 July 2023
1 May 2023 to 31 May 2023	0.31	18 July 2023
1 June 2023 to 30 June 2023	0.34	18 October 2023
1 July 2023 to 31 July 2023	0.31	18 October 2023
1 August 2023 to 31 August 2023	0.36	18 October 2023
1 September 2023 to 30 September 2023	0.33	18 January 2024
1 October 2023 to 30 October 2023	0.32	18 January 2024
1 November 2023 to 30 November 2023	0.29	18 January 2024
1 December 2023 to 31 December 2023	0.29	17 April 2024
1 January 2024 to 31 January 2024	0.32	17 April 2024
1 February 2024 to 29 February 2024	0.35	17 April 2024
1 March 2024 to 31 March 2024	0.28	17 July 2024
1 April 2024 to 30 April 2024	0.25	17 July 2024
1 May 2024 to 31 May 2024	0.37	17 July 2024
1 June 2024 to 30 June 2024	0.28	16 October 2024
1 July 2024 to 31 July 2024	0.3	16 October 2024
1 August 2024 to 31 August 2024	0.31	16 October 2024

CFB Property Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	20.90	28,998,487.95	72.20
28 February 2021	20.70	30,344,825.97	68.10
28 February 2022	25.70	31,998,589.50	80.50
28 February 2023	15.40	23,479,731.92	66.60
31 August 2024	12.95	21,176,454.68	61.10

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	3.00	2.29

Portfolio valuation

As at 31 August 2024

	31.08.24 Market value 000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
The Property Income Trust for Charities	12,925	100.0	15,401	100.0
Total investments	12,925	100.0	15,401	100.0
Net current assets	23		18	
Total value of fund	12,948		15,419	

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Property Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 15).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(d) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(e) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(f) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Net (losses) on investments

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Proceeds from sales of investments	1,523	6,748
Original cost of investments sold	(1,594)	(5,984)
Net realised (losses)/gains on sales	(71)	764
Net unrealised (losses)	(882)	(4,502)
Currency gains	-	-
Net (losses) on investments	(953)	(3,738)

3. Gross income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	1,242	945
Overseas dividends	-	-
Bank interest	9	2
Equalisation	-	-
Total income	1,251	947

4. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	65.6	80.5
Return before operating charges	1.3	(11.3)
Operating charges	-	-
Return after operating charges	1.3	(11.3)
Distribution on income units	(5.8)	(3.6)
Closing net asset value per unit	61.1	65.6

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	2.0	(14.0)

5. Portfolio transaction costs

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Analysis of total purchase costs		
Purchases in period before transaction costs	-	143
Commissions	-	-
Custodian transaction costs	-	-
Total purchase costs	-	-
Gross purchase total	-	143
Analysis of total sale costs		
Gross sales before transaction costs	1,523	6,748
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	1,523	6,748

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

CFB Property Fund

6. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

7. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
31 March 202	-	93
30 April 2022	-	84
31 May 2022	-	76
30 June 2022	-	73
31 July 2022	-	84
31 August 2022	-	76
30 September 2022	-	90
31 October 2022	-	69
30 November 2022	-	87
31 December 2022	-	72
31 January 2023	-	75
29 February 2023	-	70
31 March 2023	73	-
30 April 2023	107	-
31 May 2023	69	-
30 June 2023	75	-
31 July 2023	67	-
31 August 2023	78	-
30 September 2023	72	-
31 October 2023	68	-
30 November 2023	61	-
31 December 2023	61	-
31 January 2024	68	-
29 February 2024	74	-
31 March 2024	59	-
30 April 2024	53	-
31 May 2024	78	-
30 June 2024	59	-
31 July 2024	64	-
31 August 2024	66	-
Net distribution for year	1,252	949

8. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	128	145
	128	145

9. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	83	90
	83	90

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

10. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	188	217
	188	217

11. Portfolio turnover

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Portfolio turnover	0.1	-

12. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This Fund invests in units of the Property Income Trust for Charities. It is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the market the Fund is invested in.

Property Fund gearing, investment, liquidity and other risks

The Property Fund invests solely in the units of the Property Income Trust for Charities (PITCH), an exempt unauthorised unit trust managed by Swiss Life Asset Managers UK. PITCH is permitted to borrow in order to purchase property up to a maximum of 50% loan to value.

In order to minimise portfolio risk, no property in PITCH will amount to more than 10% of the portfolio's value; the three largest properties will not exceed 25% of the portfolio's value; excluding the UK Government (and related bodies) no tenant will account for more than 15% of portfolio income; and, PITCH will not undertake any speculative investment.

Property Fund units can only be realised at three monthly intervals. In extreme circumstances the illiquid nature of the underlying property assets of the fund may result in unit redemptions being suspended for unspecified periods.

13. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

14. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

15. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

16. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets			12,925	12,925
Total	-	-	12,925	12,925

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets			15,401	15,401
Total	-	-	15,401	15,401

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

17. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Managed Equity Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period		2,964	(1,239)
		2,964	(1,239)
Income	3	897	833
Expenses		-	-
Net income		897	833
Total return for the period		3,861	(406)
Finance costs: distributions		(897)	(833)
Change in net assets attributable to unitholders		2,964	(1,239)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	28,950	30,803
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	1,101	30
Amounts payable on cancellation of units	(8,349)	(644)
	(7,248)	(614)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	2,964	(1,239)
Closing net assets attributable to unitholders	24,666	28,950

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.09.99 £
Charity units				
29 February 2020	2,884.5	2,536.4	78.54	50.17
28 February 2021	2,773.7	2,027.0	50.76	32.42
28 February 2022	3,131.3	2,752.9	75.91	48.49
28 February 2023	3,025.2	2,526.8	80.37	51.34
18 months to 31 August 2024	3,172.8	2,695.0	99.57	63.60

CFB Managed Equity Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		24,665	28,949
Current assets			
Debtors	6	111	106
Cash and bank balances	7	1	1
Total current assets		112	107
Total assets		24,777	29,056
Liabilities			
Creditors		-	-
Distribution payable	8	(111)	(106)
Total liabilities		(111)	(106)
Net assets attributable to unitholders		24,666	28,950

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 May 2023	23.14	20 July 2023
1 June 2023 to 31 August 2023	16.77	20 October 2023
1 September 2023 to 30 November 2023	16.58	20 January 2024
1 December 2023 to 29 February 2024	11.20	20 April 2024
1 March 2024 to 31 May 2024	17.62	20 July 2024
1 June 2024 to 31 August 2024	14.28	18 October 2024

CFB Managed Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	28.0	1,107,837	2,531.1
28 February 2021	28.7	1,073,474	2,677.4
28 February 2022	30.8	1,046,567	2,943.3
28 February 2023	28.9	1,025,117	2,824.1
31 August 2024	24.7	780,741	3,159.3

Average dealing spread

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
	0.19	0.16

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
CFB UK Equity Fund	6,165	25.0	14,255	49.2
CFB Global Equity Fund	18,500	75.0	14,694	50.8
Total investments	24,665	100.0	28,949	100.0
Net current assets	1		1	
Total value of fund	24,666		28,950	

CFB Managed Equity Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Managed Equity Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

In respect of the CFB Managed Equity Fund, no further Management fees including custodian charges and transaction fees are incurred beyond the costs borne by the underlying holdings in the CFB Funds. At 31 August 2024, the costs recovered by the CFB from the underlying funds were as follows:

- CFB UK Equity Fund 0.55% per annum (28.02.23: 0.55%)
- CFB Global Equity Fund 0.65% per annum (28.02.23: 0.65%)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Transaction costs

Direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

(h) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Managed Equity Fund

3. Gross Income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	897	833
Bank interest	-	-
Total income	897	833

4. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	2,824.1	2,943.3
Return before operating charges	434.9	(38.8)
Operating charges	-	-
Return after operating charges	434.9	(38.8)
Distribution on income units	(99.6)	(80.4)
Closing net asset value per unit	3,159.4	2,824.1

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	15.4	(1.3)

5. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

6. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	111	106
	111	106

7. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	1	1
Other bank accounts	-	-
	1	1

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

8. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	111	106
	111	106

9. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund that invests in UK and overseas equities. Funds are therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

The Fund is exposed to currency risks as certain of its assets are denominated in currencies other than sterling. The CFB does not seek to avoid this exposure since it believes that, in the long term hedging is detrimental to total return.

Transaction risk

The underlying Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

10. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

11. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

CFB Managed Equity Fund

12. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets		24,665		24,665
Total	-	24,665	-	24,665

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets		28,949		28,949
Total	-	28,949	-	28,949

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

13. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Managed Fixed Interest Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period		1,103	(1,403)
		1,103	(1,403)
Income	3	1,254	182
Expenses		(51)	-
Net income		1,203	182
Total return for the period		2,306	(1,221)
Finance costs: distributions		(1,256)	(182)
Change in net assets attributable to unitholders		1,050	(1,403)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	21,807	6,458
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	13,188	17,436
Amounts payable on cancellation of units	(1,372)	(684)
	11,816	16,752
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	1,050	(1,403)
Closing net assets attributable to unitholders	34,673	21,807

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.09.99 £
Charity units				
29 February 2020	215.70	205.40	2.02	12.22
28 February 2021	220.70	210.50	1.51	9.13
28 February 2022	215.00	201.20	1.57	9.50
28 February 2023	200.30	163.40	2.84	17.18
18 months to 2024	178.50	164.80	10.21	61.77

CFB Managed Fixed Interest Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		33,059	21,798
Current assets			
Debtors	6	416	130
Cash and bank balances	7	1,546	8
Total current assets		1,962	138
Total assets		35,021	21,936
Liabilities			
Creditors		(7)	-
Distribution payable	8	(341)	(129)
Total liabilities		(348)	(129)
Net assets attributable to unitholders		34,673	21,807

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 May 2023	1.28	20 July 2023
1 June 2023 to 31 August 2023	1.65	20 October 2023
1 September 2023 to 30 November 2023	1.79	20 January 2024
1 December 2023 to 29 February 2024	1.48	20 April 2024
1 March 2024 to 31 May 2024	2.28	20 July 2024
1 June 2024 to 31 August 2024	1.75	18 October 2024

CFB Managed Fixed Interest Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	7.5	3,499,452	215.3
28 February 2021	7.2	3,406,596	210.3
28 February 2022	6.4	3,199,859	201.8
28 February 2023	21.8	12,665,088	172.2
31 August 2024	34.7	19,413,192	178.6

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.26	0.14

Total expense ratio

As at 31 August 2024

	31.08.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	0.25	-
External fund manager charges	0.28	-
	0.53	-

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
CFB Gilt Fund	-	-	4,342	19.9
CFB Corporate Bond Fund	-	-	14,883	68.3
CFB Short Fixed Interest Fund	-	-	2,573	11.8
Vanguard U.K. Government Bond Index Fund	17,795	53.8	-	-
Rathbones Ethical Bond Fund	6,299	19.1	-	-
Rathbone Greenbank Global Sustainable Bond Fund	3,614	10.9	-	-
CT UK Social Bond Fund	5,351	16.2	-	-
Total investments	33,059	100.0	21,798	100.0
Net current assets	1,614		9	
Total value of fund	34,673		21,807	

CFB Managed Fixed Interest Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Managed Fixed Interest Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

During the period the CFB Gilt Fund, CFB Corporate Bond Fund and CFB Short Fixed Interest Fund were merged into the Fund. Until 19 January 2024 the costs recovered by the CFB were taken from the underlying funds as follows:

- CFB Gilt Fund 0.25% per annum (28.02.23: 0.25%)
- CFB Corporate Bond Fund 0.35% per annum (28.02.23: 0.35%)
- CFB Short Fixed Interest Fund 0.26% per annum (28.02.23: 0.26%)

From the date of the merger of the Funds on 19 January 2024 costs were recovered by the CFB from the Fund itself at a rate of 0.25%.

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Transaction costs

Direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

(h) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Managed Fixed Interest Fund

3. Gross income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	1,202	182
Bank interest	52	-
Total income	1,254	182

4. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	172.2	201.8
Return before operating charges	16.6	(26.8)
Operating charges	-	-
Return after operating charges	16.6	(26.8)
Distribution on income units	(10.2)	(2.8)
Closing net asset value per unit	178.6	172.2

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	9.6	(13.3)

5. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

6. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	-	130
Other debtors	416	-
	416	130

7. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	1,546	8
Other bank accounts	-	-
	1,546	8

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

8. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	341	129
	341	129

9. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed Fund that invests in sterling bonds. Funds are therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Transaction risk

The underlying Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

10. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

11. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

CFB Managed Fixed Interest Fund

12. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	33,059			33,059
Total	33,059	-	-	33,059

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets		21,798		21,798
Total	-	21,798	-	21,798

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

13. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Managed Mixed Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period		1,646	(1,386)
		1,646	(1,386)
Income		1,266	849
Expenses	4	-	-
Net income		1,266	849
Total return for the period		2,912	(537)
Administration grant capital		(250)	(166)
Finance costs: distributions	7	(1,266)	(848)
Change in net assets attributable to unitholders		1,396	(1,551)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	28,340	30,709
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	555	924
Amounts payable on cancellation of units	(2,458)	(1,742)
	(1,903)	(818)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	1,396	(1,551)
Closing net assets attributable to unitholders	27,833	28,340

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.03.98 £
Charity units				
29 February 2020	510.6	461.5	11.02	38.14
28 February 2021	518.2	400.3	7.20	24.92
28 February 2022	578.9	509.1	12.94	44.79
28 February 2023	555.7	487.8	15.18	52.54
18 months to 31 August 2024	551.1	484.6	23.86	82.58

CFB Managed Mixed Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		27,805	28,313
Current assets			
Debtors	8	193	222
Cash and bank balances	9	43	26
Total current assets		236	248
Total assets		28,041	28,561
Liabilities			
Creditors		(14)	(56)
Distribution payable	10	(194)	(165)
Total liabilities		(208)	(221)
Net assets attributable to unitholders		27,833	28,340

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 May 2023	4.89	20 July 2023
1 June 2023 to 31 August 2023	3.68	20 October 2023
1 September 2023 to 30 November 2023	3.98	20 January 2024
1 December 2023 to 29 February 2024	3.33	20 April 2024
1 March 2024 to 31 May 2024	4.20	20 July 2024
1 June 2024 to 31 August 2024	3.78	18 October 2024

CFB Managed Mixed Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	27.6	5,923,524	465.7
28 February 2021	28.7	5,760,466	498.5
28 February 2022	30.7	5,652,614	543.3
28 February 2023	28.3	5,497,576	515.5
31 August 2024	27.8	5,135,002	542.0

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.65	0.30

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
Epworth Multi-Asset Fund for Charities	27,805	100.0	28,313	100.0
Total investments	27,805	100.0	28,313	100.0
Net current assets	27		27	
Total value of fund	27,832		28,340	

CFB Managed Mixed Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Managed Mixed Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

The CFB Managed Mixed Fund is fully cross invested into the Epworth Multi-Asset Fund. Management fees, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. Fees during the period were incurred as follows:

- 0.60% per annum (28.02.23: 0.60%)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Transaction costs

Direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

(h) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Managed Mixed Fund

3. Gross income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	1,258	847
Bank interest	8	2
Total income	1,266	849

4. Expenses

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	-	-

5. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	515.5	543.3
Return before operating charges	50.4	(12.6)
Operating charges	-	-
Return after operating charges	50.4	(12.6)
Distribution on income units	(23.9)	(15.2)
Closing net asset value per unit	542.0	515.5

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	9.8	(2.3)

6. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

7. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Net distribution for year	1,266	848

8. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	193	162
Other debtors	-	60
	193	222

9. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	43	26
Other bank accounts	-	-
	43	26

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

10. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	194	165
	194	165

11. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund that invests in UK and overseas equities, sterling bonds and property. The Fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Transaction risk

The underlying Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate

Liquidity risk

Most of the Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units. However, the Property Fund held by the Fund can only be redeemed on a quarterly basis and there is a risk that unit holder redemptions may therefore be deferred.

12. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

13. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

CFB Managed Mixed Fund

14. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	27,805			27,805
Total	27,805	-	-	27,805

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	28,313			28,313
Total	28,313	-	-	28,313

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

15. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Methodist Council Managed Medium Term Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period		1,711	(2,059)
		1,711	(2,059)
Income	3	1,258	528
Expenses		(105)	(17)
Net income		1,153	511
Total return for the period		2,864	(1,548)
Finance costs: distributions	6	(1,258)	(530)
Change in net assets attributable to unitholders		1,606	(2,078)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	25,998	27,076
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	1,000
Amounts payable on cancellation of units	(3,963)	-
	(3,963)	1,000
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	1,606	(2,078)
Closing net assets attributable to unitholders	23,641	25,998

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.03.98 £
Charity units				
29 February 2020	116.2	108.7	2.35	22.79
28 February 2021	118.0	101.4	1.66	16.10
28 February 2022	125.6	116.4	2.07	20.07
28 February 2023	120.4	105.5	2.28	22.11
18 months to 31 August 2024	118.6	106.8	5.75	55.76

CFB Methodist Council Managed Medium Term Fund

Balance sheet

As at 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Assets			
Fixed assets			
Investments		23,211	25,600
Current assets			
Debtors	7	206	122
Cash and bank balances	8	457	432
Total current assets		663	554
Total assets		23,874	26,154
Liabilities			
Creditors		(5)	(17)
Distribution payable	9	(228)	(139)
Total liabilities		(233)	(156)
Net assets attributable to unitholders		23,641	25,998

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 May 2023	0.82	20 July 2023
1 June 2023 to 31 August 2023	0.80	20 October 2023
1 September 2023 to 30 November 2023	0.80	20 January 2024
1 December 2023 to 29 February 2024	0.84	20 April 2024
1 March 2024 to 31 May 2024	1.36	20 July 2024
1 June 2024 to 31 August 2024	1.13	20 October 2024

CFB Methodist Council Managed Medium Term Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	25.0	22,656,886	110.5
28 February 2021	26.0	22,656,886	114.8
28 February 2022	27.1	22,656,886	119.5
28 February 2023	26.0	23,498,954	110.7
31 August 2024	23.6	20,078,233	117.8

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.30	0.30

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
CFB Managed Fixed Interest Fund	12,380	53.3	4,938	19.3
Epworth Global Equity Fund	4,656	20.1	5,618	21.9
Epworth Climate Stewardship Fund	4,625	19.9	5,263	20.6
CFB Short Fixed Interest Fund	-	-	8,091	31.6
CFB Property Fund	1,550	6.7	1,690	6.6
Total investments	23,211	100.0	25,600	100.0
Net current assets	430		398	
Total value of fund	23,641		25,998	

CFB Methodist Council Managed Medium Term Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Methodist Council Managed Medium Term Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

In respect of the CFB Methodist Council Managed Medium Term Fund, no further costs are recovered from this fund by the CFB beyond the costs borne by the underlying holdings in the CFB Funds. At 31 August 2024, the costs recovered by the CFB from the underlying funds were as follows:

- Epworth Climate Stewardship Fund 0.65% per annum (28.02.23: 0.65%)
- Epworth Global Equity Fund 0.65% per annum (28.02.23: 0.65%)
- CFB Corporate Bond Fund 0.35% per annum (28.02.23: 0.35%)
- CFB Short Fixed Interest Fund 0.26% per annum (28.02.23: 0.26%)
- CFB Property Fund nil (28.02.23: nil)
- CFB Managed Fixed Fund 0.25% per annum (28.02.23: nil)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Transaction costs

Direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

(h) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Methodist Council Managed Medium Term Fund

3. Gross income

Charity units

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	1,228	523
Bank interest	30	5
Total income	1,258	528

4. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	110.7	119.5
Return before operating charges	12.9	(6.5)
Operating charges	-	-
Return after operating charges	12.9	(6.5)
Distribution on income units	(5.8)	(2.3)
Closing net asset value per unit	117.8	110.7

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	11.7	(5.4)

5. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

6. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Net distribution for year	1,258	530

7. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	196	122
Other debtors	10	-
	206	122

8. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	457	432
Other bank accounts	-	-
	457	432

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

9. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	228	139
	228	139

10. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund that invests in UK and overseas equities, sterling bonds and property. The Fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives.

Transaction risk

The underlying Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

Property Fund gearing, investment, liquidity and other risks

The underlying Property Fund invests solely in the units of the Property Income Trust for Charities (PITCH), an exempt unauthorised unit trust managed by Mayfair Capital Investment Management Limited. PITCH is permitted to borrow in order to purchase property up to a maximum of 50% loan to value. In order to minimise risk, and to provide certainty of income flow, borrowings are arranged on a fixed rate basis for 6 years.

In order to minimise portfolio risk, no property will amount to more than 10% of the portfolio's value; the three largest properties will not exceed 25% of the portfolio's value; excluding the UK Government (and related bodies) no tenant will account for more than 15% of portfolio income; and, PITCH will not undertake any speculative investment.

CFB Methodist Council

Managed Medium Term Fund

Property Fund units can only be realised at three monthly intervals. In extreme circumstances the illiquid nature of the underlying property assets of the fund may result in unit redemptions being suspended for unspecified periods.

11. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

12. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

13. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	9,281	12,380	1,550	23,211
Total	9,281	12,380	1,550	23,211

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	10,881	13,029	1,690	25,600
Total	10,881	13,029	1,690	25,600

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

14. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Methodist Council Managed Long Term Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period		8,203	(4,706)
		8,203	(4,706)
Income	3	4,326	2,046
Expenses		(619)	(100)
Net income		3,707	1,946
Total return for the period		11,910	(2,760)
Finance costs: distributions	6	(4,332)	(2,049)
Change in net assets attributable to unitholders		7,578	(4,809)

Statement of change in net assets attributable to unitholders

For the 18 month period to 31 August 2024

	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	85,542	90,351
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	-
Amounts payable on cancellation of units	(9,085)	-
	(9,085)	-
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	7,578	(4,809)
Closing net assets attributable to unitholders	84,035	85,542

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.03.98 £
Charity units				
29 February 2020	126.5	115.1	3.16	20.96
28 February 2021	128.4	101.3	2.22	14.73
28 February 2022	144.7	127.4	3.06	20.30
28 February 2023	139.4	122.0	3.09	20.50
18 months to 31 August 2024	141.8	122.4	6.86	45.51

CFB Methodist Council Managed Long Term Fund

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		83,200	83,546
Current assets			
Debtors	7	694	422
Cash and bank balances	8	951	2,164
Total current assets		1,645	2,586
Total assets		84,845	86,132
Liabilities			
Creditors		(35)	(99)
Distribution payable	9	(775)	(491)
Total liabilities		(810)	(590)
Net assets attributable to unitholders		84,035	85,542

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 March 2023 to 31 May 2023	1.19	20 July 2023
1 June 2023 to 31 August 2023	1.10	20 October 2023
1 September 2023 to 30 November 2023	1.07	20 January 2024
1 December 2023 to 29 February 2024	0.88	20 April 2024
1 March 2024 to 31 May 2024	1.33	20 July 2024
1 June 2024 to 31 August 2024	1.29	18 October 2024

CFB Methodist Council Managed Long Term Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
29 February 2020	76.9	66,292,119	116.1
28 February 2021	82.6	66,292,119	124.5
28 February 2022	90.4	66,292,119	136.3
28 February 2023	85.6	66,292,119	129.1
31 August 2024	84.1	59,770,441	140.6

Average dealing spread

	18 months to 31.08.24 %	12 months to 28.02.23 %
	0.66	0.35

Summary of investments and other assets

As at 31 August 2024

	31.08.24 Market value £'000s	31.08.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
CFB Managed Fixed Interest Fund	12,262	14.7	11,966	14.3
Epworth Global Equity Fund	30,796	37.0	31,243	37.4
Epworth Climate Stewardship Fund	31,609	38.0	31,036	37.2
CFB Property Fund	8,533	10.3	9,301	11.1
Total investments	83,200	100.0	83,546	100.0
Net current assets	835		1,996	
Total value of fund	84,035		85,542	

CFB Methodist Council Managed Long Term Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Methodist Council Managed Long Term Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 2).

(b) Recognition of income

Interest on fixed interest stocks is accrued on a day to day basis. Dividends and distributions on other investments are credited to income when the securities are quoted ex-dividend. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administration expenses in relation to the management of the Funds, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

In respect of the CFB Methodist Council Managed Long Term Fund, the following Management fees including custodian charges and transaction fees were borne by the underlying holdings in the CFB Funds. At 31 August 2024, the costs charged by the CFB to the underlying funds were as follows:

- Epworth Climate Stewardship Fund 0.65% per annum (28.02.23: 0.65%)
- Epworth Global Equity Fund 0.65% per annum (28.02.23: 0.65%)
- CFB Corporate Bond Fund 0.35% per annum (28.02.23: 0.35%)
- CFB Gilt Fund 0.26% per annum (28.02.23: 0.26%)
- CFB Property Fund nil (28.02.23: nil)
- CFB Managed Fixed Fund 0.25% per annum (28.02.23: nil)

(d) Distribution policy

All available income of the Funds, after deduction of management and other expenses is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Transaction cost

Direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

(h) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Methodist Council Managed Long Term Fund

3. Gross income

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
UK dividends	4,192	2,023
Bank interest	134	23
Total income	4,326	2,046

4. Change in net assets per unit

Charity units

	18 mths to 31.08.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	129.1	136.3
Return before operating charges	18.4	(4.1)
Operating charges	-	-
Return after operating charges	18.4	(4.1)
Distribution on income units	(6.9)	(3.1)
Closing net asset value per unit	140.6	129.1

Performance

	18 mths to 31.08.24 %	12 mths to 28.02.23 %
Return after charges	14.3	(3.0)

5. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Overseas withholding tax is deducted in full from overseas income on receipt. Recoverable withholding tax is credited to income when it is declared.

6. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Net distribution for year	4,332	2,049

7. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Accrued income	599	422
Other debtors	95	-
	694	422

8. Cash and bank balances

	31.08.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	951	2,164
Other bank accounts	-	-
	951	2,164

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

9. Distributions payable

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Distributions payable	775	491
	775	491

10. Risk management policies

Securities held by the Funds are valued at bid-market value. Bid-market value is considered to be a fair representation of the amount repayable to unit holders should they wish to sell their units. Other financial assets and liabilities of the Funds are included in the balance sheet at their fair value. The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund that invests in UK and overseas equities, sterling bonds and property. The Fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a diversified portfolio of investments in line with the Fund's investment objectives

Transaction risk

The Funds' transactions in securities expose them to the risk that a counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Funds only deal with an approved delegate.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

Property Fund gearing, investment, liquidity and other risks

The underlying Property Fund invests solely in the units of the Property Income Trust for Charities (PITCH), an exempt unauthorised unit trust managed by Mayfair Capital Investment Management Limited. PITCH is permitted to borrow in order to purchase property up to a maximum of 50% loan to value. In order to minimise risk, and to provide certainty of income flow, borrowings are arranged on a fixed rate basis for 6 years.

In order to minimise portfolio risk, no property will amount to more than 10% of the portfolio's value; the three largest properties will not exceed 25% of the portfolio's value; excluding the UK Government (and related bodies) no tenant will account for more than 15% of portfolio income; and, PITCH will not undertake any speculative investment.

Property Fund units can only be realised at three monthly intervals. In extreme circumstances the illiquid nature of the underlying property assets of the fund may result in unit redemptions being suspended for unspecified periods.

CFB Methodist Council

Managed Long Term Fund

11. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

12. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

13. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 31 August 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	62,405	12,262	8,533	83,200
Total	62,405	12,262	8,533	83,200

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	62,279	11,966	9,301	83,546
Total	62,279	11,966	9,301	83,546

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

14. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB closed funds

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Opinion

We have audited the financial statements of the Closed Funds of the Central Finance Board of the Methodist Church Closed Funds ("the Closed funds") (CFB Short Fixed Interest Fund, CFB Gilt Fund and CFB Corporate Bond Fund) for the period ended 19 January 2024 which comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Price and income history, the Balance sheet, the Distribution table, the Net asset value/fund size table, the Average dealing spread, the Total Expense ratios, the Summary of investments and other assets, the Summary of investments by credit rating, the Portfolio valuation (where applicable) and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Closed funds' affairs as at 19 January 2024 and of their results for the period 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 Methodist Church Funds Act 1960;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Closed funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter- basis of preparation other than going concern.

We draw attention to Note 1b of the Closed funds financial statements which explains that the Closed funds have been liquidated and therefore the council members do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1b. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The council members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's statement and Chief Executive Officer's Report for the period for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's statement and Chief Executive Officer's Report has been prepared in accordance with applicable legal requirements.

Responsibilities of Council members

As explained more fully in the Council's responsibilities statement, the council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the council members are responsible for assessing the Closed funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the Closed funds or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Closed funds' policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Closed funds' policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Closed funds' policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Closed funds operate in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the Methodist Church Funds Act 1960 and applicable tax legislation.

One particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Closed funds for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the council members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members 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 Council's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH

12 December 2024

CFB Short Fixed Interest Fund (Closed)

Statement of total return

For the period to 19 January 2024

	Note	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period	2	255	(1,402)
		255	(1,402)
Income	3	181	154
Expenses	4	-	-
Net income		181	155
Total return for the period		436	(1,248)
Finance costs: distributions	8	(154)	(154)
Change in net assets attributable to unitholders		282	(1,402)

Statement of change in net assets attributable to unitholders

For the period to 19 January 2024

	Note	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders		13,285	14,959
Movement due to creations and cancellations of units			
Amounts receivable on issue of units		30	486
Amounts payable on cancellation of units		(13,597)	(758)
		(13,567)	(272)
Dilution levy/adjustment		-	-
Change in net assets attributable to unitholders from investment activities		282	(1,402)
Closing net assets attributable to unitholders		-	13,285

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.09.99 £
Charity and Pension units				
29 February 2020	123.2	120.0	1.03	10.30
28 February 2021	124.8	121.7	0.83	8.30
28 February 2022	122.6	117.1	0.75	7.50
28 February 2023	117.3	102.5	1.23	12.30
For the period to 19 January 2024	110.9	103.2	1.32	13.20

CFB Short Fixed Interest Fund (Closed)

Balance sheet

As at 19 January 2024

	Note	19.01.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		-	13,115
Current assets			
Debtors	9	-	58
Cash and bank balances	10	-	166
Total current assets		-	224
Total assets		-	13,339
Liabilities			
Creditors	11	-	(7)
Distribution payable		-	(47)
Total liabilities		-	(54)
Net assets attributable to unitholders		-	13,285

Distribution

Distribution period	Net income p per unit	Equalisation p per unit	Distribution payable p per unit	Date payable
Charity units				
1 March 2023 to 31 May 2023	0.42	0.00	0.42	20 July 2023
1 June 2023 to 31 August 2023	0.43	0.00	0.43	20 October 2023
1 September 2023 to 30 November 2023	0.47	0.00	0.47	19 January 2024
Pension units				
1 March 2023 to 31 May 2023	0.45	0.00	0.45	20 July 2023
1 June 2023 to 31 August 2023	0.47	0.00	0.47	20 October 2023
1 September 2023 to 30 November 2023	0.48	0.00	0.48	19 January 2024

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
29 February 2020	14.9	12,163,802	-	122.8
28 February 2021	15.0	12,123,855	209,508	121.6
28 February 2022	15.0	12,447,882	236,243	117.9
28 February 2023	13.3	12,190,652	243,523	106.8
19 January 2024	-	-	-	-

CFB Short Fixed Interest Fund (Closed)

Average dealing spread

	For the period to 19.01.24 %	12 months to 28.02.23 %
	-	0.15

Total expense ratios

As at 19 January 2024

	19.01.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	-	0.26
	-	0.26

Summary of investments and other assets

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
British Government	-	-	8,183	62.4
Collateralised	-	-	-	-
Debentures	-	-	-	-
Supranational	-	-	3,311	25.3
Corporate unsecured financial	-	-	373	2.8
Corporate unsecured non-financial	-	-	1,248	9.5
Total investments	-	-	13,115	100.0
Net current assets	-	-	170	
Total value of fund	-	-	13,285	

Summary of investments by credit rating

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
AAA	-	-	3,311	24.9
AA	-	-	8,924	67.2
A	-	-	500	3.8
BBB	-	-	-	-
Debentures - Not Rated	-	-	380	2.8
Cash	-	-	170	1.3
	-	-	13,285	100.0

CFB Short Fixed Interest Fund (Closed)

Portfolio valuation

As at 19 January 2024

	Holding ooos	Market value £'000s	%
Total investments		-	
Net current assets		-	
Total value of fund		-	-

CFB Short Fixed Interest Fund (Closed)

Notes to the accounts

For the period to 19 January 2024

1. Accounting policies

(a) Basis of accounting

The CFB Short Fixed Interest Fund was a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 up to the closing date 19 January 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 16).

(b) Going concern

As the Fund was closed on 19 January 2024, the going concern basis is no longer appropriate and the financial statements have been prepared on a break up basis. No future activities are anticipated, and the fund will no longer be reported in future financial periods. There have been no significant changes to the accounting policies which were previously adopted under the going concern assumption and which are outlined below.

(c) Recognition of income

Interest on Government stocks, debentures, eurobonds and other fixed interest stocks is accrued on a day-to-day basis. Amortisation of the purchase premium or discount is set off against income over the remaining life of the security. Revenue is recognised over the period to which they relate.

(d) Management expenses

All administration expenses in relation to the management of the Fund were deducted from capital rather than income. No other management charges are levied. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. Up to the closing date of 19 January 2024 expenses were incurred at the following rate:

- 0.26% per annum (28.02.23: 0.26%)

(e) Transaction costs

No direct transaction costs are incurred in respect of dealing in the CFB fixed interest funds.

(f) Distribution policy

All available income for the Funds, after deduction of management and other expenses are distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(g) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

During the period, all investments held were fully disposed of.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

2. Net gains/(losses) on investments

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Proceeds from sales of investments	13,368	3,848
Original cost of investments sold	(14,692)	(3,964)
Net realised (losses) on sales	(1,324)	(116)
Net unrealised gains/(losses)	1,606	(1,254)
Administration grant capital	(27)	(32)
Net gains/(losses) on investments	255	(1,402)

3. Gross income

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Interest on debt securities	260	214
Bank interest	14	3
Equalisation	(93)	(63)
Total income	181	154

4. Expenses

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	-	-

CFB Short Fixed Interest Fund (Closed)

5. Change in net assets per unit

Charity units

	Period to 19.01.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	106.8	117.9
Return before operating charges	4.3	(9.6)
Operating charges	(0.5)	(0.3)
Return after operating charges	3.8	(9.9)
Distribution on income units	(1.3)	(1.2)
Termination price per unit	(109.3)	-
Closing net asset value per unit	-	106.8

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	3.6	(8.4)

Pension units

	Period to 19.01.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	106.8	117.9
Return before operating charges	3.9	(9.5)
Operating charges	(0.1)	(0.3)
Return after operating charges	3.8	(9.8)
Distribution on income units	(1.3)	(1.3)
Termination price per unit	(109.3)	-
Closing net asset value per unit	-	106.8

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	3.6	(8.3)

6. Portfolio transaction costs

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
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Analysis of total purchase costs

Purchases in period before transaction costs	-	3,769
Commissions	-	1
Custodian transaction costs	-	-
Total purchase costs	-	1
Gross purchase total	-	3,770

Analysis of total sale costs

Gross sales before transaction costs	13,368	3,848
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	13,368	3,848

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

7. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Withholding tax is credited to income when it is recovered.

8. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
31 May 2022	-	31
31 August 2022	-	36
30 November 2022	-	40
28 February 2023	-	47
31 May 2023	51	-
31 August 2023	52	-
30 November 2023	51	-
	154	154
Income/(expenses) on creation and cancellation of units	-	-
Net distribution for year	154	154

9. Debtors

	19.01.24 £'000s	28.02.23 £'000s
Accrued income	-	57
Other debtors	-	1
	-	58

10. Cash and bank balances

	19.01.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	-	145
Other bank accounts	-	21
	-	166

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

11. Creditors

	19.01.24 £'000s	28.02.23 £'000s
Other creditors	-	7
	-	7

12. Portfolio turnover

	Period to 19.01.24 %	12 mths to 28.02.23 %
Portfolio turnover	-	45.8

Based on COLL 4 Annex 2 Portfolio turnover calculation.

CFB Short Fixed Interest Fund (Closed)

13. Risk management policies

The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund, which invests in sterling fixed interest securities. The fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a widely diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, income and short-term debtors and creditors are denominated in sterling.

Transaction risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved counterparty.

Liquidity risk

The Fund's assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

Interest rate risk

The Fund invests in fixed interest securities. The income may be affected by the manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

The interest rate profile of the Fund's financial assets and liabilities at 19 January 2024 was:

	19.01.24	28.02.23
	£'000s	£'000s
£ fixed rate financial assets	-	13,115
£ financial assets not carrying interest	-	224
£ financial liabilities not carrying interest	-	(54)
	-	13,285

14. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

15. Contingent assets and liabilities

As at 19 January 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

16. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Short Fixed Interest Fund (Closed)

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 19 January 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	-	-	-	-
Total	-	-	-	-

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	13,115			13,115
Total	13,115	-	-	13,115

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Gilt Fund (Closed)

Statement of total return

For the period to 19 January 2024

	Note	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Net (losses) on investments during the period	2	(144)	(1,133)
		(144)	(1,133)
Income	3	151	72
Expenses	4	-	-
Net income		151	72
Total return for the period		7	(1,061)
Finance costs: distributions	8	(114)	(72)
Change in net assets attributable to unitholders		(107)	(1,133)

Statement of change in net assets attributable to unitholders

For the period to 19 January 2024

	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	5,168	4,849
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	72	3,724
Amounts payable on cancellation of units	(5,130)	(2,267)
	(5,058)	1,457
Dilution levy/adjustment	(3)	(5)
Change in net assets attributable to unitholders from investment activities	(107)	(1,133)
Closing net assets attributable to unitholders	-	5,168

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.11.02 £
Charity and Pension units				
29 February 2020	180.8	167.0	1.61	12.69
28 February 2021	187.8	172.7	1.02	8.04
28 February 2022	179.6	163.7	1.30	10.25
28 February 2023	162.2	119.3	1.98	15.61
For the period to 19 January 2024	132.5	116.6	3.07	47.92

CFB Gilt Fund (Closed)

Balance sheet

As at 19 January 2024

	Note	19.01.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		-	5,116
Current assets			
Debtors	9	-	103
Cash and bank balances	10	-	46
Total current assets		-	149
Total assets		-	5,265
Liabilities			
Creditors	11	-	(72)
Distribution payable		-	(25)
Total liabilities		-	(97)
Net assets attributable to unitholders		-	5,168

Distribution

Distribution period	Net income p per unit	Equalisation p per unit	Distribution payable p per unit	Date payable
Charity units				
1 March 2023 to 31 May 2023	0.84	-	0.84	20 July 2023
1 June 2023 to 31 August 2023	1.09	-	1.09	20 October 2023
1 September 2023 to 30 November 2023	1.15	(0.01)	1.14	19 January 2024
Pension units				
1 March 2023 to 31 May 2023	0.84	0.01	0.85	20 July 2023
1 June 2023 to 31 August 2023	1.09	0.02	1.11	20 October 2023
1 September 2023 to 30 November 2023	1.13	0.02	1.15	19 January 2024

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
29 February 2020	3.1	1,734,287	-	180.7
28 February 2021	5.3	3,021,917	28,884	172.6
28 February 2022	4.8	2,908,322	46,768	164.1
28 February 2023	5.2	3,997,368	68,084	127.1
19 January 2024	-	-	-	-

Average dealing spread

	For the period to 19.01.24 %	12 months to 28.02.23 %
	-	0.10

CFB Gilt Fund (Closed)

Total expense ratios

As at 19 January 2024

	19.01.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	-	0.25
Epworth Sterling Sovereign Bond Fund for Charities charges	-	0.24
	-	0.49

Summary of investments and other assets

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
Epworth Sterling Sovereign Bond Fund for Charities	-	-	5,116	100.0
Total investments	-	-	5,116	100.0
Net current assets	-		52	
Total value of fund	-		5,168	

Summary of investments by credit rating

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
AAA	-	-	1,607	31.1
AA	-	-	3,489	67.5
Cash	-	-	72	1.4
	-	-	5,168	100.0

Credit rating breakdown relates to the Fund's investment in the Epworth Sterling Sovereign Bond Fund for Charities

CFB Gilt Fund (Closed)

Notes to the accounts

For the period to 19 January 2024

1. Accounting policies

(a) Basis of accounting

The CFB Gilt Fund was a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 up to the closing date 19 January 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 16).

(b) Going concern

As the Fund was closed on 19 January 2024, the going concern basis is no longer appropriate and the financial statements have been prepared on a break up basis. No future activities are anticipated, and the fund will no longer be reported in future financial periods. There have been no significant changes to the accounting policies which were previously adopted under the going concern assumption and which are outlined below.

(c) Recognition of income

Interest on Government stocks, debentures, eurobonds and other fixed interest stocks is accrued on a day-to-day basis. Amortisation of the purchase premium or discount is set off against income over the remaining life of the security. Revenue is recognised over the period to which they relate.

(d) Management expenses

All administration expenses in relation to the management of the Fund were deducted from capital rather than income. No other management charges are levied. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. Up to the closing date of 19 January 2024 expenses were incurred at the following rate:

- 0.25% per annum (28.02.23: 0.25%)

(e) Transaction costs

No direct transaction costs are incurred in respect of dealing in the CFB bond funds.

(f) Distribution policy

All available income for the Funds, after deduction of management and other expenses are distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(g) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

During the period, all investments held were fully disposed of.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

2. Net (losses) on investments

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Proceeds from sales of investments	9,685	60
Original cost of investments sold	(11,260)	(70)
Net realised (losses) on sales	(1,575)	(10)
Net unrealised gains/(losses)	1,441	(1,113)
Administration grant capital	(10)	(10)
Net (losses) on investments	(144)	(1,133)

3. Gross income

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Interest on debt securities	140	66
Bank interest	8	1
Equalisation	3	5
Total income	151	72

4. Expenses

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	-	-

CFB Gilt Fund (Closed)

5. Change in net assets per unit

Charity units

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Opening net asset value per unit	127.1	164.1
Return before operating charges	0.7	(34.7)
Operating charges	(0.5)	(0.3)
Return after operating charges	0.2	(35.0)
Distribution on income units	(3.1)	(2.0)
Termination price per unit	(124.2)	-
Closing net asset value per unit	-	127.1

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	0.1	(21.3)

Pension units

	Period to 19.01.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	127.1	164.1
Return before operating charges	0.6	(34.7)
Operating charges	(0.4)	(0.3)
Return after operating charges	0.2	(35.0)
Distribution on income units	(3.1)	(2.0)
Termination price per unit	(124.2)	-
Closing net asset value per unit	-	127.1

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	0.2	(21.3)

6. Portfolio transaction costs

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
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Analysis of total purchase costs

Purchases in period before transaction costs	4,704	1,527
Commissions	-	-
Custodian transaction costs	-	-
Total purchase costs	-	-
Gross purchase total	4,704	1,527

Analysis of total sale costs

Gross sales before transaction costs	9,650	60
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	9,650	60

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

7. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Withholding tax is credited to income when it is recovered.

8. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
31 May 2022	-	14
31 August 2022	-	14
30 November 2022	-	19
28 February 2023	-	25
31 May 2023	32	-
31 August 2023	42	-
30 November 2023	40	-
	114	72
Income on creation and cancellation of units	5	4
Net distribution for year	119	76

9. Debtors

	19.01.24 £'000s	28.02.23 £'000s
Accrued income	-	30
Other debtors	-	73
	-	103

10. Cash and bank balances

	19.01.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	-	43
Other bank accounts	-	3
	-	46

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

11. Creditors

	19.01.24 £'000s	28.02.23 £'000s
Other creditors	-	72
	-	72

12. Portfolio turnover

	Period to 19.01.24 %	12 mths to 28.02.23 %
Portfolio turnover	-	(99.7)

Based on COLL 4 Annex 2 Portfolio turnover calculation.

CFB Gilt Fund (Closed)

13. Risk management policies

The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund, which invests in sterling fixed interest securities. The fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a widely diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, income and short-term debtors and creditors are denominated in sterling.

Transaction risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved delegate.

Liquidity risk

The Fund's assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

Interest rate risk

The Fund invests in fixed interest securities. The income may be affected by the manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

The interest rate profile of the Fund's financial assets and liabilities at 19 January 2024 was:

	19.01.24	28.02.23
	£'000s	£'000s
£ fixed rate financial assets	-	5,116
£ financial assets not carrying interest	-	149
£ financial liabilities not carrying interest	-	(97)
	-	5,168

14. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

15. Contingent assets and liabilities

As at 19 January 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

16. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Gilt Fund

(Closed)

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 19 January 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	-	-	-	-
Total	-	-	-	-

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	5,116			5,116
Total	5,116	-	-	5,116

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Corporate Bond Fund (Closed)

Statement of total return

For the period to 19 January 2024

	Note	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Net gains/(losses) on investments during the period	2	517	(3,309)
		517	(3,309)
Income	3	648	460
Expenses	4	-	-
Net income		648	460
Total return for the period		1,165	(2,849)
Finance costs: distributions	8	(609)	(465)
Change in net assets attributable to unitholders		556	(3,314)

Statement of change in net assets attributable to unitholders

For the period to 19 January 2024

	For the period to 19.01.24 £'000s	12 months to 28.02.23 £'000s
Opening net assets attributable to unitholders	22,300	97,150
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	78	17,146
Amounts payable on cancellation of units	(22,908)	(88,807)
	(22,830)	(71,661)
Dilution levy/adjustment	(26)	125
Change in net assets attributable to unitholders from investment activities	556	(3,314)
Closing net assets attributable to unitholders	-	22,300

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit	Per £1,000 invested at 01.11.02 £
Charity and Pension units				
29 February 2020	149.3	140.2	2.19	19.63
28 February 2021	152.8	141.2	1.84	16.50
28 February 2022	149.6	137.3	2.01	18.02
28 February 2023	136.3	110.3	2.87	25.73
For the period to 19 January 2024	123.2	113.7	3.65	32.72

CFB Corporate Bond Fund (Closed)

Balance sheet

As at 19 January 2024

	Note	19.01.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		-	22,166
Current assets			
Debtors	9	-	253
Cash and bank balances	10	-	91
Total current assets		-	344
Total assets		-	22,510
Liabilities			
Creditors	11	-	(61)
Distribution payable		-	(149)
Total liabilities		-	(210)
Net assets attributable to unitholders		-	22,300

Distribution

Distribution period	Net income p per unit	Equalisation p per unit	Distribution payable p per unit	Date payable
Charity units				
1 March 2023 to 31 May 2023	0.98	-	0.98	20 July 2023
1 June 2023 to 31 August 2023	1.28	-	1.28	20 October 2023
1 September 2023 to 30 November 2023	1.39	-	1.39	19 January 2024
Pension units				
1 March 2023 to 31 May 2023	0.99	-	0.99	20 July 2023
1 June 2023 to 31 August 2023	1.30	-	1.30	20 October 2023
1 September 2023 to 30 November 2023	1.41	-	1.41	19 January 2024

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
29 February 2020	110.5	14,193,036	60,557,038	147.9
28 February 2021	105.9	14,228,417	58,690,379	145.3
28 February 2022	97.2	14,449,848	56,686,911	136.6
28 February 2023	22.3	18,592,544	294,189	118.1
19 January 2024	-	-	-	-

Average dealing spread

	For the period to 19.01.24 %	12 months to 28.02.23 %
	-	0.70

CFB Corporate Bond Fund (Closed)

Total expense ratios

As at 19 January 2024

	19.01.24 %	28.02.23 %
Administration grant	-	0.35
Epworth Corporate Bond Fund for Charities charges	-	0.16
	-	0.51

Summary of investments and other assets

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
Epworth Corporate Bond Fund for Charities	-	-	22,166	100.0
Total investments	-	-	22,166	100.0
Net current assets	-		134	
Total value of fund	-		22,300	

Summary of investments by credit rating

As at 19 January 2024

	19.01.24 Market value £'000s	19.01.24 CFB %	28.02.23 Market value £'000s	28.02.23 CFB %
AAA	-	-	9,474	42.5
AA	-	-	4,840	21.7
A	-	-	4,274	19.2
BBB	-	-	2,414	10.8
Debentures - not rated	-	-	-	-
Cash	-	-	1,298	5.8
	-	-	22,300	100.0

Credit rating breakdown relates to the Fund's investment in the Epworth Corporate Bond Fund for Charities

CFB Corporate Bond Fund (Closed)

Notes to the accounts

For the period to 19 January 2024

1. Accounting policies

(a) Basis of accounting

The CFB Corporate Bond Fund was a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historic cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014.

The set of financial statements has been prepared for the period 1 March 2023 up to the closing date 19 January 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 16).

(b) Going concern

As the Fund was closed on 19 January 2024, the going concern basis is no longer appropriate and the financial statements have been prepared on a break up basis. No future activities are anticipated, and the fund will no longer be reported in future financial periods. There have been no significant changes to the accounting policies which were previously adopted under the going concern assumption and which are outlined below.

(c) Recognition of income

Interest on Government stocks, debentures, eurobonds and other fixed interest stocks is accrued on a day-to-day basis. Amortisation of the purchase premium or discount is set off against income over the remaining life of the security. Revenue is recognised over the period to which they relate.

(d) Management expenses

All administration expenses in relation to the management of the Fund were deducted from capital rather than income. No other management charges are levied. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. Up to the closing date of 19 January 2024 expenses were incurred at the following rate:

- 0.35% per annum (28.02.23: 0.35%)

(e) Transaction costs

No direct transaction costs are incurred in respect of dealing in the CFB bond funds.

(f) Distribution policy

All available income for the Funds, after deduction of management and other expenses are distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(g) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

During the period, all investments held were fully disposed of.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

2. Net gains/(losses) on investments

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Proceeds from sales of investments	45,129	76,686
Original cost of investments sold	(48,316)	(81,167)
Net realised (losses) on sales	(3,187)	(4,481)
Net unrealised gains	3,761	1,253
Administration grant capital	(57)	(81)
Net gains/(losses) on investments	517	(3,309)

3. Gross income

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Interest on debt securities	765	576
Bank interest	27	3
Equalisation	(149)	(124)
Management fee recharge	5	5
Total income	648	460

4. Expenses

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	-	-

CFB Corporate Bond Fund (Closed)

5. Change in net assets per unit

Charity units

	Period to 19.01.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	118.1	136.6
Return before operating charges	6.9	(15.4)
Operating charges	(0.6)	(0.2)
Return after operating charges	6.3	(15.6)
Distribution on income units	(3.6)	(2.9)
Termination price per unit	(120.8)	-
Closing net asset value per unit	-	118.1

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	5.3	(11.4)

Pension units

	Period to 19.01.24 p per unit	12 mths to 28.02.23 p per unit
Opening net asset value per unit	118.1	136.6
Return before operating charges	6.9	(13.5)
Operating charges	(0.5)	(0.2)
Return after operating charges	6.4	(13.7)
Distribution on income units	(3.7)	(4.8)
Termination price per unit	(120.8)	-
Closing net asset value per unit	-	118.1

Performance

	Period to 19.01.24 %	12 mths to 28.02.23 %
Return after charges	5.4	(10.0)

6. Portfolio transaction costs

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
--	---------------------------------	----------------------------------

Analysis of total purchase costs

Purchases in period before transaction costs	22,500	5,394
Commissions	-	-
Custodian transaction costs	-	-
Total purchase costs	-	-
Gross purchase total	22,500	5,394

Analysis of total sale costs

Gross sales before transaction costs	45,129	76,686
Commissions	-	-
Custodian transaction costs	-	-
Total sale costs	-	-
Total net sales	45,129	76,686

The direct transaction costs expressed as a percentage of the net asset value are not considered to be material as all are below 0.1%.

7. Taxation

The Funds are exempt from UK income tax and capital gains tax due to their charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Withholding tax is credited to income when it is recovered.

8. Distributions

The distributions take account of income received on the creation of units and income deducted on the cancellation of units, and comprise:

	Period to 19.01.24 £'000s	12 mths to 28.02.23 £'000s
31 May 2022	-	97
31 August 2022	-	98
30 November 2022	-	121
28 February 2023	-	149
31 May 2023	171	-
31 August 2023	222	-
30 November 2023	216	-
	609	465
Income on creation and cancellation of units		
Net distribution for year	609	465

9. Debtors

	19.01.24 £'000s	28.02.23 £'000s
Accrued income	-	179
Other debtors	-	74
	-	253

10. Cash and bank balances

	19.01.24 £'000s	28.02.23 £'000s
CFB Deposit Fund	-	89
Other bank accounts	-	2
	-	91

Uninvested sterling cash balances are held on deposit with the CFB Deposit Fund, a common deposit fund established under the Methodist Church Funds Act 1960. Funds deposited with the CFB Deposit Fund earn interest at competitive rates, whilst also being available on call when required for further investment. Funds held in currencies other than sterling are held on deposit with HSBC Bank plc.

11. Creditors

	19.01.24 £'000s	28.02.23 £'000s
Purchase awaiting settlement	-	50
Other creditors	-	11
	-	61

12. Portfolio turnover

	Period to 19.01.24 %	12 mths to 28.02.23 %
Portfolio turnover	-	(95.3)

Based on COLL 4 Annex 2 Portfolio turnover calculation.

CFB Corporate Bond Fund (Closed)

13. Risk management policies

The main risks arising from the Fund's financial instruments and Manager's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Market price risk

This is an actively managed fund, which invests in sterling fixed interest securities. The fund is therefore exposed to market price risk, which can be defined as the uncertainty about future price movements of the underlying investments of the Fund. Market price risk arises mainly from economic factors, including investor confidence, and may result in substantial fluctuations in the unit price from time to time. Generally, however, there will be a close correlation in the movement of the unit price to the markets the Fund is invested in. The Fund seeks to minimise the risks by holding a widely diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

There is no exposure to foreign currency fluctuations as all investments, income and short-term debtors and creditors are denominated in sterling.

Transaction risk

The Fund's transactions in securities expose it to the risk that the counterparty will not deliver the investment for a purchase or the cash for a sale. To minimise this, the Fund only deals with an approved delegate.

Liquidity risk

The Fund's assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units.

Interest rate risk

The Fund invests in fixed interest securities. The income may be affected by the manager being unable to secure similar returns following the disposal or redemption of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

The interest rate profile of the Fund's financial assets and liabilities at 19 January 2024 was:

	19.01.24	28.02.23
	£'000s	£'000s
£ fixed rate financial assets	-	22,166
£ financial assets not carrying interest	-	344
£ financial liabilities not carrying interest	-	(210)
	-	22,300

14. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

15. Contingent assets and liabilities

As at 19 January 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

16. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

CFB Corporate Bond Fund (Closed)

17. Fair value of financial assets and financial liabilities

In respect of financial assets and liabilities other than investments there is no material difference between their value, as shown on the balance sheet, and their fair value.

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below:

The fair value of investments has been determined using the following hierarchy:

- Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

For the period ended 19 January 2024

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	-	-	-	-
Total	-	-	-	-

For the period ended 28 February 2023

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets		22,166		22,166
Total	-	22,166	-	22,166

For financial instruments which have quoted prices for identical instruments in active markets, those prices are taken to be fair value.

For financial instruments for which the Manager uses valuation techniques using observable market data, the inputs include: prices of recent transactions for identical instruments in inactive markets; broker quotes; evaluated pricing data from data providers; or prices quoted for closely similar (but not identical) instruments.

For derivatives, fair value is the price that would be required to close out the contract at the balance sheet date.

18. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

CFB Deposit Fund

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Opinion

We have audited the financial statements of the Deposit Fund of the Central Finance Board of the Methodist Church Funds ('the Deposit Fund') for the period ended 31 August 2024 which comprise the Statement of Total Return, the Balance sheet, the Distribution table, the Income distribution history, the Net asset value/fund size table, the Total expense ratios, the Summary of deposits by maturity, the Summary of investments by credit rating, the Summary of deposits by banking group and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Deposit Fund's affairs as at 31 August 2024 and of their results for the period then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Methodist Church Funds Act 1960;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Deposit Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Deposit Fund's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The council members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's statement and Chief Executive Officer's Report for the period for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's statement and Chief Executive Officer's Report has been prepared in accordance with applicable legal requirements.

Responsibilities of Council members

As explained more fully in the Council's responsibilities statement, the council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the council members are responsible for assessing the Deposit Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intends to liquidate the Deposit Fund or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Deposit Fund' policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Deposit Fund ' policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Deposit Fund ' policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Deposit Fund operate in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Deposit Fund. The key laws and regulations we considered in this context included the Methodist Church Funds Act 1960 and applicable tax legislation.

One particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Deposit Fund for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the council members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members 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 Council's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH

12 December 2024

CFB Deposit Fund

Statement of total return

For the 18 month period to 31 August 2024

	Note	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Gross income		27,847	6,760
Expenses	2	(1,087)	(630)
Net income and total return for the period		26,760	6,130
Finance costs: distributions		(26,752)	(6,118)
Net undistributed income		8	12

Balance sheet

As at 31 August 2024

	Note	31.08.24 £'000s	28.02.23 £'000s
Assets			
Fixed assets			
Investments		406,406	353,474
Current assets			
Debtors	5	18	7
Cash and bank balances		(90)	(182)
Total current assets		(72)	(175)
Total assets		406,334	353,299
Current liabilities			
Creditors	8	(89)	(82)
		(89)	(82)
Net current assets		(161)	(257)
Net assets		406,245	353,217
Represented by:			
Current deposits	6	278,511	271,991
Term deposits	6	127,500	81,000
Income reserve	9	234	226
Unitholders' funds		406,245	353,217

CFB Deposit Fund

Distribution

For the period ended	Total £'000s	Rate %	AER %
31 March 2023	1,063	3.56	3.62
30 April 2023	1,111	3.89	3.85
31 May 2023	1,218	4.00	4.07
30 June 2023	1,273	4.31	4.40
31 July 2023	1,472	4.86	4.97
31 August 2023	1,498	4.92	5.03
30 September 2023	1,466	4.92	5.03
31 October 2023	1,581	5.01	5.13
30 November 2023	1,606	5.27	5.40
31 December 2023	1,616	5.27	5.40
31 January 2024	1,605	5.22	5.35
29 February 2024	1,482	5.16	5.28
31 March 2024	1,589	5.12	5.24
30 April 2024	1,557	5.11	5.23
31 May 2024	1,595	5.07	5.19
30 June 2024	1,603	5.07	5.19
31 July 2024	1,709	5.07	5.19
31 August 2024	1,709	4.94	5.05

Income distribution history

For the year ended/period	Average rate %	Average AER %
29 February 2020	0.72	0.72
28 February 2021	0.48	0.48
28 February 2022	0.03	0.03
28 February 2023	1.70	1.71
18 months ended 31 August 2024	4.82	4.92

Net asset value/fund size

Date	Net asset value £m
29 February 2020	368.3
28 February 2021	356.3
28 February 2022	484.4
28 February 2023	353.2
31 August 2024	406.2

CFB Deposit Fund

Total expense ratios

As at 31 August 2024

	31.08.24 %	28.02.23 %
Administration grant (including custody and transaction costs)	0.26	0.26
Trustee fees	0.02	0.02
Other expenses	0.01	0.01
	0.29	0.29

Trustees fees and other charges including vat relate to the Fund's investment in the Epworth Cash Plus Fund for Charities

Summary of deposits by maturity

As at 31 August 2024

	31.08.24 £'000s	28.02.23 £'000s
Repayable within		
On call	-	1
Overnight	31,265	19,901
5 business days	49,775	32,086
1 month	30,851	38,881
2 months	42,546	39,635
3 months	35,596	48,871
6 months	78,651	83,230
1 year	111,957	87,189
2 years	25,765	3,680
Total deposits	406,406	353,474

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities.

Summary of investments by credit rating

As at 31 August 2024

	31.08.24 £'000s	31.08.24 %	28.02.23 £'000s	28.02.23 %
Aa1	-	-	29,692	8.4
Aa2	89,692	22.1	41,528	11.8
Aa3	25,755	6.3	87,066	24.6
A1	185,612	45.7	159,124	45.0
A2	95,685	23.5	36,064	10.2
BAA1	9,662	2.4	-	-
	406,406	100.0	353,474	100.0

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities

CFB Deposit Fund

Summary of deposits by banking group

As at 31 August 2024

	31.08.24 %	28.02.23 %
Development Bank of Singapore (DBS)	12.2	0.9
Lloyds	10.1	8.7
UBS	10.1	1.0
Landesbank Baden-Wuerttemberg	9.2	6.3
Societe Generale	7.9	10.6
Sumitomo Mitsui Banking Corporation London	7.2	0.0
Goldman Sachs Intl Bank	5.8	1.0
Standard Chartered	5.0	2.9
DNB Bank SA	4.3	1.9
Toronto Dominion	4.3	4.8
National Westminster Group	3.6	8.7
Commonwealth Bank of Australia	2.9	2.9
CIC	2.9	3.9
Credit Agricole	2.9	0.9
Rabobank	2.2	4.8
Royal Bank of Canada	1.7	2.3
Bank of Nova Scotia	1.5	1.9
BNP Paribas	1.4	3.9
CIBC	0.7	0.9
Mitsubishi UFG	0.7	0.0
National Australia Bank	0.7	1.0
SEB	0.7	0.0
Sumitomo Mitsui Banking Corporation Europe	0.7	7.7
Citibank	0.7	0.0
Santander	0.6	0.8
Nationwide Building Society	0.0	1.0
Mitsubishi UFJ Trust and Banking Corporation	0.0	7.7
Barclays	0.0	4.8
Nordea Bank	0.0	4.8
DZ Bank	0.0	1.0
Mizuho Bank	0.0	1.0
Svenska Handelsbanken Group	0.0	1.0
Credit Suisse	0.0	0.9
	100.0	100.0

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities

CFB Deposit Fund

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Basis of accounting

The CFB Deposit Fund is a fund incorporated in the UK under the Methodist Church Funds Act 1960.

The Financial Statements have been prepared under the historical cost convention, unless otherwise stated within the accounting policies, and in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", with exception to the valuation of investments which is disclosed in note (f), the Methodist Church Funds Act 1960, and with reference to the Statement of Recommended Practice issued by the Investment Management Association in 2014. The disclosure requirements of Section 1A of FRS 102 have also been applied.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 13).

(b) Recognition of income

Interest on bank and building society deposits is accrued on a daily basis. Premiums and discounts arising on the purchase of short dated investments are amortised on a straight line basis from the date of purchase to maturity. This amortisation is taken to the Income account. Revenue is recognised over the period to which they relate.

(c) Management expenses

All administrative expenses in relation to the management of the Fund, including audit, legal, safe custody and transaction charges, are recovered by deduction from income before a distribution is declared. Audited financial statements for the CFB Management Account detailing the total costs incurred in the management of all CFB funds are presented to the Board annually.

Management fees, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. At 31 August 2024, the costs charged by the CFB to the underlying funds were as follows:

- 0.26% per annum (28.02.23: 0.26%)

(d) Transaction costs

No direct transaction costs are incurred in respect of dealing in the CFB Deposit fund.

(e) Distribution policy

All available income of the Fund, after deduction of management and other expenses, and transfers to/from income reserve, is distributed to account holders. The Fund maintains an income reserve to facilitate the payment of interest to depositors (Note 9).

(f) Basis of valuation

The Fund does not invest directly with the Money Market following a decision by the CFB Council to invest entirely through the Epworth Cash Plus Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited. All deposits with the Epworth Cash Plus Fund for Charities are valued at cost.

(g) Going concern

At the time of approving the financial statements, the Board have a reasonable expectation that the Fund has adequate resources to continue in operational existence for the foreseeable future. The Board therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

(h) Foreign exchange

Assets and liabilities in foreign currencies are expressed in sterling at rates of exchange ruling on the accounting date. Transactions in foreign currencies are translated into sterling at the exchange rates ruling on the transaction dates.

2. Expenses

	18 mths to 31.08.24 £'000s	12 mths to 28.02.23 £'000s
Administration grant	1,060	612
Bank charges	27	18
	1,087	630

3. Taxation

The Fund is exempt from UK income tax and capital gains tax due to its charitable status pursuant to Sections 505 and 506 of the Income and Corporation Taxes Act 1988. Distributions are paid on the basis that all recoverable UK taxation has been reclaimed. Withholding tax is credited to income when it is recovered.

4. Deposits with authorised banks

All deposits are with the Epworth Cash Plus Fund for Charities Deposits made by the Epworth Cash Plus Fund for Charities are with financial institutions which have permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits.

5. Debtors

	31.08.24 £'000s	28.02.23 £'000s
Interest receivable	18	7

6. Current & term deposits

	31.08.24 £'000s	28.02.23 £'000s
CFB Fund accounts	3,427	3,763
Churches, trusts and others	402,584	349,228
Current and term deposits	406,011	352,991

7. Maturity analysis

	31.08.24 £'000s	28.02.23 £'000s
On demand	31,266	19,902
Within 3 months	158,768	159,473
Within 1 year	190,608	170,419
Within 2 years	25,764	3,680
Unitholders' funds	406,406	353,474

Figures relate to the Fund's investment in the Epworth Cash Plus Fund for Charities.

CFB Deposit Fund

8. Creditors

	31.08.24 £'000s	28.02.23 £'000s
Other accruals	89	82

9. Income reserve

The Fund operates an income reserve which is accumulated out of income and held on trust for depositors for the time being. The income reserve is maintained to ensure payment of interest to depositors each month even though a proportion of the income earned by the Fund will not be received until maturity of individual deposits. The reserve is also available to augment the Fund's deposit rate and to provide against potential default of counterparties.

	31.08.24 £'000s	28.02.23 £'000s
Balance at start of period	226	214
Transfer to reserves	8	12
Balance at period end	234	226

10. Risk management policies

The main risks arising from the Fund's financial instruments and CFB's policies for managing these risks are summarised below. These policies have been applied throughout the year.

Interest rate risk

The Fund invests in fixed rate and floating rate deposits with an approved list of institutions maintained by the Manager. Changes in the interest rates may result in income either increasing or decreasing. The financial profile of the Fund's financial assets and liabilities at 31 August 2024 is set out below:

	31.08.24 £'000s	28.02.23 £'000s
£ floating rate financial assets	24,129	31,713
£ fixed rate financial assets	382,277	321,761
£ financial assets not carrying interest	(72)	(175)
£ financial liabilities not carrying interest	(89)	(82)
	406,245	353,217

Figures relate to the Fund's investment in the Epworth Cash Plus Fund for Charities.

Credit risk

The Fund's transactions expose it to the risk that the counterparty will not repay the deposit on maturity. To minimise this risk, investments are made with banks and other institutions which meet rigorous criteria based on independent credit ratings and size, with a maximum average maturity date for the investments of no more than 180 days. Risk is further minimised by limiting the proportion of the Fund deposited with any single bank or other institution.

Liquidity risk

To ensure that the Fund can meet obligations that may arise from depositors wishing to make withdrawals, the Manager must maintain at all times a minimum of 10% of the Fund's assets in investments realisable within 5 working days.

11. Related party transactions

The entire money market activities of the CFB Deposit Fund are invested through the Epworth Cash Plus Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited. Epworth Investment Management Limited is a related party in that the Central Finance Board of the Methodist Church holds 100% of the company's share capital. (2022: 100%)

12. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.23: £Nil).

13. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the Fund's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying value of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of investments – fair value pricing

The CFB will itself value investments at a price which, in its opinion, reflects a fair and reasonable price for that investment (the fair value price) where:

- it has reasonable grounds to believe that no reliable price exists for a security (including a unit/share in a collective investment scheme) at a Valuation Point; or
- the most recent price available does not reflect CFB's best estimate of the value of the security (including a unit/share in a collective investment scheme) at the Valuation Point.

The circumstances which may give rise to a fair value price being used include:

- no recent trade in the security concerned;
- suspension of dealings in an underlying collective investment scheme; or
- the occurrence of a significant event since the most recent closure of the market where the price of the security is taken.

In determining whether to use a fair value price, the Authorised Fund Manager will include in its consideration but need not be limited to:

- the type of authorised fund concerned;
- the securities involved;
- whether the underlying collective investment schemes may already have applied fair value pricing and/or
- the basis and reliability of the alternative price used.

14. Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities as shown in the balance sheet and their fair value.

15. Ultimate controlling party

The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

Consolidated accounts of the Central Finance
Board of the Methodist Church (The CFB) and
Epworth Investment Management Limited

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Opinion

We have audited the financial statements of Central Finance Board of the Methodist Church Management Account ('the Management account' or 'the CFB') and its subsidiary ('the Group') for the period ended 31 August 2024 which comprise the Income and expenditure account – The CFB, the Consolidated income and expenditure account, the Balance sheet, the Cashflow statement and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Management account's affairs as at 31 August 2024 and of their results for the period 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 Methodist Church Funds Act 1960;

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Management account in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the council members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Management account's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the council members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The council members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Chair's statement and Chief Executive Officer's Report for the period for which the financial statements are prepared is consistent with the financial statements; and
- the Chair's statement and Chief Executive Officer's Report has been prepared in accordance with applicable legal requirements.

Responsibilities of Council members

As explained more fully in the Council's responsibilities statement, the council members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the council members are responsible for assessing the Deposit Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council members either intend to liquidate the Group or the Management account or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report to the Members of the Central Finance Board of the Methodist Church

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Group and Management account's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Group and Management account's policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Group and Management account's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Group and Management account. The key laws and regulations we considered in this context included the Methodist Church Funds Act 1960 and applicable tax legislation.

One particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Group and Management account for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the council members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members 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 Council's members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH

12 December 2024

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Income and expenditure account - The CFB

For the 18 month period to 31 August 2024

	Notes	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Income	2	5,879.0	3,941.3
Expenditure			
Income recharge		818.6	783.6
Staff costs	3	3,713.0	2,485.0
Establishment costs		287.8	168.4
Administration expenses		1,079.8	815.2
		5,899.2	4,252.2
(Deficit) for the period		(20.2)	(310.9)

The income and expenditure account relates entirely to continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been prepared.

Consolidated income and expenditure account

For the 18 month period to 31 August 2024

	Notes	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Income	2	5,570.8	3,289.9
Expenditure			
Staff costs	3	3,708.6	2,485.0
Establishment costs		287.8	168.4
Administration expenses		1,639.9	1,208.8
Corporation tax		-	-
		5,636.3	3,862.2
(Deficit) for the period		(65.5)	(572.3)

The income and expenditure account relates entirely to continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been prepared.

The consolidated accounts combines the financial results of the group by eliminating the intra-group income and cost recharges that are shown in the individual companies.

The consolidated income and expenditure account therefore, reflects the external income and external costs to the group.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Balance sheet

As at 31 August 2024

	Note	The CFB		Group	
		31.08.24 £'000s	28.02.23 £'000s	31.08.24 £'000s	28.02.23 £'000s
Fixed assets					
Tangible fixed assets	1d/4	17.9	13.2	17.9	13.2
Investments	5	919.8	919.8	-	-
		937.7	933.0	17.9	13.2
Current assets					
Debtors and prepayments	6	474.3	1,754.6	668.1	738.6
Cash at bank and in hand		1,428.3	163.7	2,144.2	1,533.3
		1,902.6	1,918.3	2,812.3	2,271.9
Creditors					
Amounts falling due within one year	7	556.2	897.3	732.1	471.8
Net current assets					
		1,346.4	1,021.0	2,080.2	1,800.1
Creditors: amounts falling due after more than one year	8	259.7	-	259.7	-
Provision for other liabilities	9	90.6	-	90.6	-
Net assets					
		1,933.8	1,954.0	1,747.8	1,813.3
Accumulated fund					
Balance brought forward		1,954.0	2,264.9	1,813.3	2,385.6
Designated surplus/(deficit) in the period		-	-	-	-
Surplus/(deficit) in the period		(20.2)	(310.9)	(65.5)	(572.3)
Shareholders' funds - equity		1,933.8	1,954.0	1,747.8	1,813.3

The only movement on the accumulated fund is the retention of the deficit as shown on the income and expenditure account.

Cashflow statement

For the 18 month period to 31 August 2024

	Note	The CFB		Group	
		18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Cash flow generated from operating activities					
(Loss) for the period		(20.2)	(310.9)	(65.5)	(572.3)
Add back : depreciation for the period		12.6	8.8	12.6	8.8
(Increase)/decrease in debtors		1,280.3	(763.8)	70.5	(207.9)
(Decrease)/increase in creditors		(81.4)	378.0	520.0	128.0
(Decrease)/increase in provisions		90.6	-	90.6	-
Net cash flow from operating activities		1,281.9	(687.9)	628.2	(643.4)
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	4	(17.3)	(2.6)	(17.3)	(2.6)
Cash inflow/(outflow) before management of liquid resources and financing					
		1,264.6	(690.5)	610.9	(646.0)
Increase/(decrease) in cash	10	1,264.6	(690.5)	610.9	(646.0)

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Notes to the accounts

For the 18 month period to 31 August 2024

1. Accounting policies

(a) Accounting convention

The CFB, a public benefit entity, was established by the Methodist Church Funds Act 1960. It is a statutory body with no shareholders. The financial statements have been prepared in accordance with the historic cost convention and applicable law on United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The CFB Council members have chosen to consolidate the accounts of the CFB and its wholly owned subsidiary, Epworth Investment Management Limited to show a clearer overall position of the group.

The set of financial statements has been prepared for the period 1 March 2023 to 31 August 2024. The comparative is the year ended 28 February 2023.

Management are also required to exercise judgment in applying the organisation's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the organisation's accounting policies.

(b) Going concern

Given the substantial reserves held by the CFB and its strong liquidity position, the accounts have been prepared on a going concern basis. Additionally, the CFB has committed to providing financial support to its subsidiary, Epworth Investment Management Limited, if required, to ensure the subsidiary can meet its liabilities as they fall due for at least 12 months from the date of signing these financial statements. This commitment, while not currently needed, demonstrates the CFB's ability to support Epworth Investment Management Limited should financial assistance become necessary.

(c) Basis of consolidation

The Income and Expenditure Account and Balance Sheet consolidate the financial statements of the Central Finance Board together with the financial results of Epworth Investment Management Limited, its wholly owned subsidiary. The results of the subsidiary entity are consolidated on a line by line basis in accordance with section 9 of FRS 102. Any inter entity balances have been eliminated on consolidation. Each of the two entities have the same reporting date and uniform group accounting policies have been adopted.

No group entities have been excluded from the consolidation.

(d) Tangible fixed assets

Tangible fixed assets are written off over their expected useful lives by providing depreciation under the straight line method. A full year's provision is taken to income and expenditure account in the year of purchase.

Depreciation rates per annum are as follows: Leasehold improvements 20%; Office and Computer equipment 25%; Furniture and fittings 20%.

(e) Taxation

As an organisation with exempt charity status, the CFB is not subject to UK Taxation. Epworth Investment Management Limited is a subsidiary of the CFB, and is subject to UK taxation. Epworth Investment Management Limited adopted a tax policy on 9 June 2020. A copy is available on our website at <https://epworthim.com/Epworth-tax-policy>. The disclosures made in these financial statements comply with commitments made in that tax policy. In reference to deferred tax, this is recognised in respect of all timing differences at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

(f) Operating lease

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the lease.

(g) Income

Recharges to funds represent management fees charged to the CFB Funds. Recharge income receivable are amounts, excluding VAT, invoiced in respect of services to Epworth Investment Management Limited. Revenue is recognised over the period to which they relate.

(h) Pension costs

Contributions payable to the pension scheme are charged to the income and expenditure as they are incurred.

(i) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the discounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

(j) Valuation of subsidiaries

Investments in subsidiaries are measured at cost less impairment.

(k) Grants

Grant income is recognised under the accruals model.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

2. Income

	The CFB		Group	
	18 months to	12 months to	18 months to	12 months to
	31.08.24	28.02.23	31.08.24	28.02.23
	£'000s	£'000s	£'000s	£'000s
Fund management fees	3,447.8	2,253.8	5,490.7	2,469.0
Recharge income	2,395.9	1,673.8	23.7	806.9
Other income	35.3	13.7	56.4	14.0
	5,879.0	3,941.3	5,570.8	3,289.9

All income is derived in the United Kingdom.

3. Staff costs

For the 18 month period to 31 August 2024

	The CFB		Group	
	18 months to	12 months to	18 months to	12 months to
	31.08.24	28.02.23	31.08.24	28.02.23
	£'000s	£'000s	£'000s	£'000s
Wages and salaries	2,750.4	1,968.2	2,744.6	1,968.2
Social security costs	317.3	226.0	312.3	226.0
Other pension costs	567.9	273.1	570.3	273.1
Other personnel costs	77.4	17.7	81.4	17.7
	3,713.0	2,485.0	3,708.6	2,485.0

Key Management Personnel compensation for the 18 month period to 31 August 2024 was £1,106.2k (£1,262.7k including employer's pension contributions). The corresponding figures for the year to 28 February 2023 were £625.0k (£694.8k including employer's pension contributions).

4. Tangible fixed assets - the CFB and Group

	Leasehold improvements	Furniture & fittings	Office equipment	Computer & electronics	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Cost at 01.03.23	320.3	68.5	31.8	12.4	433.0
Additions	-	-	6.1	11.2	17.3
Disposals	-	-	(0.5)	-	(0.5)
Cost at 31.08.24	320.3	68.5	37.4	23.6	449.8
Depreciation at 01.03.23	315.7	68.5	30.2	5.4	419.8
Charge for the period	3.9	-	2.5	6.2	12.6
Disposal	-	-	(0.5)	-	(0.5)
Depreciation at 31.08.24	319.6	68.5	32.2	11.6	431.9
Net book value at 28.02.23	4.6	-	1.6	7.0	13.2
Net book value at 31.08.24	0.7	-	5.2	12.0	17.9

5. Fixed asset investments - the CFB

As at 31 August 2024

	Investments
	£'000s
Unlisted investments	
At 01.03.23	919.8
Additions	-
Cost at 31.08.24	919.8
Impairment	
At 01.03.23	-
Charge for the period	-
At 31.08.24	-
Net book value at 28.02.23	919.8
Net book value at 31.08.24	919.8

The unlisted investments include a 100% interest in the issued ordinary and preference share capital of Epworth Investment Management Limited, a company registered in England and Wales. The entity's registered address is at Methodist Church House, 25 Tavistock Place, London, WC1H 9SF. The cost of the investment was £919.7k and it was valued by the directors at £1,043.3k. This amount represents 100% of the total assets of Epworth Investment Management Limited. 100% of subsidiaries shares capital 38,000 (2023: 38,000) ordinary shares are held by the CFB.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

6. Debtors

Due within one year

	The CFB		Group	
	31.08.24 £'000s	28.02.23 £'000s	31.08.24 £'000s	28.02.23 £'000s
Other debtors	378.6	1,525.1	479.1	496.5
Prepayments	95.7	229.5	189.0	242.1
	474.3	1,754.6	668.1	738.6

7. Creditors due within one year

	The CFB		Group	
	31.08.24 £'000s	28.02.23 £'000s	31.08.24 £'000s	28.02.23 £'000s
Other creditors	122.9	389.1	196.3	232.4
Accruals	93.0	508.1	195.5	239.3
Grant deferred	340.3	-	340.3	-
	556.2	897.2	732.1	471.7

During the period, a grant totalling £600,000 was received in relation to a project to replace the deposit fund system. Amounts classified as due within one year or after more than one year reflect management's estimate of the performance criteria expected to be met in subsequent financial years. These amounts are disclosed in notes 7 and 8 to the financial statements.

8. Creditors due after more than one year

	The CFB		Group	
	31.08.24 £'000s	28.02.23 £'000s	31.08.24 £'000s	28.02.23 £'000s
Grant deferred	259.7	-	259.7	-
	259.7	-	259.7	-

9. Provision for other liabilities

	The CFB		Group	
	31.08.24 £'000s	28.02.23 £'000s	31.08.24 £'000s	28.02.23 £'000s
Dilapidations provision	90.6	-	90.6	-
	90.6	-	90.6	-

As part of the CFB's office leasing arrangement, a provision has been recognized in respect of dilapidation obligations. Under the terms of the lease agreement, the CFB is contractually obligated to restore the leased property to its original condition upon lease termination. This obligation arises from the leasehold improvements carried out by the CFB, including the construction of partition walls, the installation of kitchen facilities, and other structural modifications.

The provision reflects the estimated costs associated with removing these improvements and restoring the property to its pre-lease condition. The lease agreement is scheduled to expire by March 2025, and the liability is expected to be settled at that time. The provision amount has been based on a surveyor's report undertaken in June 2024, which provides an expert assessment of the expected costs. This estimate also takes into consideration current market conditions and historical data from similar obligations.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

10. Cash flow

For the 18 month period to 31 August 2024

	The CFB		Group	
	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s	18 months to 31.08.24 £'000s	12 months to 28.02.23 £'000s
Reconciliation of net cash flow to movement in net debt				
(Decrease)/increase in cash in period	1,264.6	(690.5)	610.9	(646.0)
Opening net cash	163.7	854.2	1,533.3	2,179.3
Net cash at period end	1,428.3	163.7	2,144.2	1,533.3

	The CFB			Group		
	18 months to 31.08.24 £'000s	Cash flow £'000s	12 months to 28.02.23 £'000s	18 months to 31.08.24 £'000s	Cash flow £'000s	12 months to 28.02.23 £'000s
Analysis of net cash						
Petty cash	-	-	-	-	-	-
Bank	81.6	15.3	66.3	247.5	(785.9)	1,033.4
Deposit Fund	1,346.7	1,249.3	97.4	1,896.7	1,396.8	499.9
	1,428.3	1,264.6	163.7	2,144.2	610.9	1,533.3

11. Reserves policy

Under the provisions of the Methodist Church Funds Act 1960, the CFB is set up as a non-profit making organisation and is entitled to retain from the income and capital of the funds under its care such amounts as are required to meet its costs. The Council of the CFB however recognises the need to retain additional amounts sufficient to permit the CFB to carry on and develop its activities in the best interests of its users. Such amounts (the reserves) may be required to enable it to finance its longer term operations, including capital spending activities relating to its premises, systems development, etc. The CFB Council reserves policy is committed to a position where the free reserves (defined as those not covering fixed assets or the investment in Epworth Investment Management Limited) cover 6 months worth of CFB expenditure. At 31 August 2024, the free reserves represented 56.0% of the future year's budget. (28 February 2023: 45.8%).

The CFB is exempted from the provisions of the Financial Services Act 1986 and is also not required to apply for regulation under the Financial Services & Markets Act 2000. Its regulated wholly owned subsidiary, Epworth Investment Management Limited (Epworth), is subject to the capital adequacy rules as set out by the FCA.

From 1 January 2022 a new capital adequacy regime came into force. As part of this, Epworth chose to apply a group capital test which takes into account not only the capital of Epworth but also of the Central Finance Board as its parent. As at 31 August 2024 Epworth held regulatory capital of £733.8k compared to capital adequacy requirement of £545.0k. In addition to this, the Central Finance Board is required to hold capital in excess of the value of its investment in Epworth. At 31 August 2024, the value of the holding in Epworth was £919.8k and the Central Finance Board's capital at that date was £1,933.8k which is in excess of this figure by £1,014.0k. (28 February 2023 CFB Capital held was £1,954.0k which exceeded the value of the investment in Epworth by £1,034.2k)

12. Other financial commitments

At 31 August 2024 the Central Finance Board was committed to making the following annual payments in respect of the non-cancellable operating lease of 9 Bonhill Street, London EC2A 4PE.

	31.08.24 £'000s	28.02.23 £'000s
Operating lease which expires:		
In 1 year	28.7	94.1
In 2 to 5 years	-	-

The lease is for a period from 23 March 2014 to 25 November 2024. During the period lease costs incurred were £161k (2023: £103k).

The CFB moved to a new office at Methodist Church House, 25 Tavistock Place, London, WC1H 9SF on 18 November 2024. As of the date these financial statements were signed, the lease agreement for the new office has not yet been signed. Consequently, the future lease payments related to this move have not been included in the operating lease commitments disclosed in these financial statements. The lease commitments will be updated in the next reporting period once the lease is finalised and signed.

13. Pension arrangements

The CFB has a defined contribution pension scheme in place with Aviva. This scheme is auto enrolment compliant and enables staff to choose the level of contributions they make within a defined range. The Central Finance Board double matches employee contributions up to maximum thresholds.

The group pension cost charge for the 18 months period ended 31 August 2024 amounted to £570.3k (12 months ended 28 February 2023: 273.1k)

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

14. Corporate status

The Central Finance Board of the Methodist Church is a body corporate established under the Methodist Church Funds Act, 1960.

15. Related party transactions

The financial statements do not include disclosures of transactions between the CFB and other entities which are wholly owned within the group, as the group is exempt from the requirements to disclose such transactions under FRS 102 paragraph 33.1A "Related Party Disclosures".

16. Contingent assets and liabilities

As at 31 August 2024, there are no commitments, contingent assets or liabilities other than the 'other financial commitments' disclosed in note 12 to the accounts (28.02.23: Nil)

17. Taxation

Taxation represents the sum of corporation tax currently payable. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Group tax analysis and reconciliation includes only figures for Epworth Investment Management Limited, a taxable subsidiary of the CFB. Since the CFB is not subject to UK Taxation and its tax liability was nil, it is therefore not included in the reconciliation.

Analysis of corporation tax charge for the period

	18 months ended 31.08.24 £'000s	12 months ended 28.02.23 £'000s
(Loss)/profit on ordinary activities before tax	(45.3)	(261.4)
Tax rate of 19% (2023: 19%)	-	-
Expenses not tax deductible	0.5	-
Utilisation of losses brought forward	-	-
Tax charge for the period	-	-

The loss on ordinary activities before taxation for the 18 month period ended 31 August 2024 was £45.3k, while the accounting tax charge for the period was £nil.

The expected current tax credit for the 18 month period ended 31 August 2024 at UK headline tax rate of 19.0% was £8.5k. The reason that the actual current tax charge for the Group varies from what would be expected is explained below in the following tax reconciliation with accompanying narratives:

Tax Reconciliation

	18 months ended 31.08.24 £'000s	12 months ended 28.02.23 £'000s
(Loss)/profit on ordinary activities before tax	(45.3)	(261.4)
Expenses not tax deductible	0.5	-
Adjusted (loss)/profit on ordinary activities before tax	(44.8)	(261.4)
Expected tax credit (19.0%)	(8.5)	(49.7)
Trading losses carried forward*	8.5	49.7
Current tax charge per accounts	-	-

*Trading losses carried forward – Tax losses can be carried forward and relieved against future profits, so that the correct amount of tax is applied to the overall historic profits generated, and not just for that period. Once the tax losses have all been used, tax will then become chargeable on the profits generated thereafter. Trading losses for the 18 month period ended 31 August 2024 have been carried forward for future use.

Deferred tax

Deferred taxation is an accounting concept which seeks to match taxes to the period when the income or expenses are recognised for accounting purposes. It does this by shifting the tax expense from the year the tax is paid (or tax deduction received) to the years in which the income or expenditure is recognised in the financial statements.

As at 31 August 2024, the Group had no deferred tax assets or liabilities on its Statement of Financial Position; and had no movements in deferred tax expensed or credited to the Statement of Comprehensive Income during the period.

Factors that may affect future tax charges

With effect from 1 April 2023 the rate of corporation tax increased, tapering from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

Group losses carried forward, not recognised as deferred tax asset, were £301k as at 31 August 2024 (2023: £256k).