

THE METHODIST CHURCH LIVERPOOL DISTRICT TRUSTEES' ANNUAL REPORT RESERVES POLICY AT 31 AUGUST 2007

This document includes all funds held by the District as charity trustees.

Our Reserves policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the District.

Other funds are also included for the sake of clarity and openness and to show that the District has a policy for the management of all of its money not simply those which are defined as reserves.

Aims

Our aim is twofold:

- (1) To secure and sustain the District's viability and future.
- (2) To give reassurance to the general public that the district, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.

Financial plans

The District assessment is reviewed annually and covers the costs of supporting the Chair and the various committees and organisations of the District, the costs of various ecumenical subscriptions and levies and the grant funding of certain projects of primary importance to the overall work of the District. In addition designated funds exist for training, mission and a resources bookshop.

General Fund (Unrestricted)

At 31 August 2007 the breakdown of general fund reserves is as follows:

	Balance	Commitments	Available
	£	£	£
General	87,260	36,000	51,260
Manse (Valuation)	435,000	435,000	-
Training & Reserve	13,310	6,990	6,320
Mission	12,850	2,500	10,350
Resources Bookshop	<u>2,835</u>		<u>2,835</u>
	<u>551,255</u>	<u>480,490</u>	<u>70,765</u>

The reserves policy is to hold at least six months expenditure in hand. Based on the proposed budget for 2008/09 these reserves are slightly high and through planned budget deficits for the next two years these amounts will be reduced. The amounts designated for Training, Mission and Resources are felt to be appropriate in respect of planned expenditure in the next year. No additional amounts are proposed to be budgeted for these items in 2008/09.

District Advance Fund (Restricted)

This fund provides grants to circuits and churches to engage in mission and property schemes. The balance at 31 August 2007 of £134,064 has commitments to the value of £115,838 to be paid over the next three years. The remaining balance will be utilised in 2007/08.

Restricted Funds

At 31 August 2007 the breakdown of other restricted funds is as follows:

	Balance £	Commitments £	Available £
Overseas Students Dev.	113,496	104,895	8,601
Network	1,536	1,536	-
CASAI Project	5,114	5,114	-
Benevolent Fund	<u>15,170</u>	<u> </u>	<u>15,170</u>
	<u>135,316</u>	<u>111,545</u>	<u>23,771</u>

The Overseas Students Development fund provides grants to international students studying in Liverpool who face financial hardship. The committed amount is a capital amount invested to provide income to support the purposes of the fund. The balance on the fund has increased in the last year but is anticipated to reduce in the next year. The CASAI project is an ongoing project which is under funded and in urgent need of higher reserves which are actively being sought. The benevolent fund has restricted purposes and lies at the sole funding discretion of the District Chair.

Endowments

A number of endowment funds exist which generate income, some for general purposes but primarily for benevolent fund purposes. All funds are invested through TMCP, Manchester.