

CFB
Financial Statements

at 29 February 2012

**CFB Funds
Financial Statements**

at 29 February 2012

Central Finance Board of the Methodist Church 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 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
Central Finance Board of the Methodist Church

ROGER SMITH
13 April 2012

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

We have audited the financial statements of the Central Finance Board of the Methodist Church Funds for the year ended 29 February 2012 which comprise the Balance Sheet, the Distribution Table, the Net Asset Value Table, the Statement of Total Return, the Statement of Movement in Unitholders' Funds, the Price and Income History, the Summary of investments and other assets, the Summary of investments by credit rating (where applicable), the Portfolio Valuation (where applicable) and related notes for each of the UK Equity Fund, Overseas Fund, Managed Equity Fund, Managed Fixed Interest Fund, Managed Mixed Fund, Short Fixed Interest Fund, Gilt Fund, Corporate Bond Fund, Inflation Linked Fund and the Property Fund. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of the Council's Responsibilities, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Council's members, as a body, in accordance with 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 and the Council's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Board's funds' affairs as at 29 February 2012 and of the net income on the property of the Board's funds for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Methodist Church Funds Act 1960.

Andrew Goldsworthy (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London, E1W 1DD

13 April 2012

Central Finance Board of the Methodist Church UK Equity Fund

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net (losses)/gains on investments during the period	2	(13,197)	46,700
Other gains	2	-	12
		<u>(13,197)</u>	<u>46,712</u>
Income	3	11,411	10,440
Expenses	4	(838)	(819)
Net income		<u>10,573</u>	<u>9,621</u>
Total return for the period		<u>(2,624)</u>	<u>56,333</u>
Finance costs: Distributions	7	(10,656)	(9,464)
Change in net assets attributable to unitholders		<u>(13,280)</u>	<u>46,869</u>

Statement of change in unitholders' net assets

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	343,652	336,497
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	32,831	13,604
Amounts payable on cancellation of units	(54,856)	(53,318)
	<u>(22,025)</u>	<u>(39,714)</u>
Change in net assets attributable to unitholders	(13,280)	46,869
Net assets at end of period	<u>308,347</u>	<u>343,652</u>

Price and income history

Year to February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/9/99 £
Charity & Pension units				
2008	1701.7	1487.9	49.82	33.32
2009	1551.9	978.5	58.27	38.97
2010	1367.7	1011.6	42.67	28.53
2011	1580.5	1262.5	40.87	27.33
2012	1575.3	1305.5	49.12	32.82

Central Finance Board of the Methodist Church UK Equity Fund

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		305,894	338,296
Current assets			
Debtors	8	2,819	2,477
Cash and bank balances	9	1,653	5,299
Total current assets		<u>4,472</u>	<u>7,776</u>
Total assets		<u>310,366</u>	<u>346,072</u>
Liabilities			
Creditors	10	48	610
Distribution payable		1,971	1,810
Total current liabilities		<u>2,019</u>	<u>2,420</u>
Net assets attributable to unitholders		<u>308,347</u>	<u>343,652</u>

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	14.13	0.01	14.14	20/07/2011
1 June 2011 to 31 August 2011	14.49	0.33	14.82	20/10/2011
1 September 2011 to 30 November 2011	10.52	0.06	10.58	20/01/2012
1 December 2011 to 29 February 2012	9.59	(0.01)	9.58	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	356.2	5,974,945	17,926,383	1490.4
28 February 2009	259.5	6,316,988	20,242,239	977.2
28 February 2010	336.4	5,478,214	19,498,276	1347.3
28 February 2011	343.7	5,395,191	16,787,532	1549.2
29 February 2012	308.3	5,581,123	15,120,323	1489.5

Total expense ratios

	2012 %	2011 %
Administration grant (including custody and transaction costs)	<u>0.27</u>	<u>0.25</u>
	<u>0.27</u>	<u>0.25</u>

**Central Finance Board of the Methodist Church
UK Equity Fund**

Summary of investments and other assets

as at 29 February 2012

	Market value £'000s	CFB %	Benchmark %	Market value £'000s 28/02/2011	CFB %	Benchmark All Share %
Oil & Gas Producers	57,869	18.9	18.9	62,049	18.4	18.0
Oil Equipment & Services	1,867	0.6	0.6	1,675	0.5	0.5
Chemicals	3,438	1.1	0.8	3,208	1.0	0.6
Forestry & Paper	-	0.0	0.1	-	0.0	0.1
Mining	31,147	10.1	10.0	40,207	11.9	11.8
Construction & Materials	2,474	0.8	0.9	674	0.2	0.3
General Industrials	3,072	1.0	0.8	3,883	1.1	0.8
Electronic & Electrical Equipment	2,101	0.7	0.5	2,518	0.7	0.4
Industrial Engineering	2,451	0.8	1.0	916	0.3	1.0
Industrial Transportation	554	0.2	0.1	1,612	0.5	0.2
Support Services	9,945	3.3	3.8	8,202	2.4	3.4
Beverages	759	0.3	0.1	437	0.1	0.1
Food Producers	7,326	2.4	2.8	6,945	2.1	2.4
Household Goods	9,171	3.0	2.6	8,111	2.4	2.1
Personal Goods	1,553	0.5	0.5	-	0.0	0.4
Healthcare Equipment & Services	1,235	0.4	0.5	1,480	0.4	0.5
Pharmaceuticals & Biotechnology	27,967	9.2	9.5	28,664	8.5	8.4
Food & Drug Retailers	9,365	3.1	3.0	11,979	3.5	3.5
General Retailers	5,554	1.8	1.8	6,251	1.8	1.7
Media	11,414	3.7	3.4	11,607	3.4	3.3
Travel & Leisure	8,972	3.0	2.4	9,590	2.8	2.6
Fixed-Line Telecommunications	4,244	1.4	1.6	3,660	1.1	1.4
Mobile Telecommunications	18,200	5.9	6.6	21,003	6.2	6.5
Electricity	3,287	1.1	1.1	3,343	1.0	1.0
Gas, Water & Multi-Utilities	12,589	4.1	4.2	13,326	3.9	3.8
Banks	32,370	10.6	10.5	43,427	12.9	12.6
Non- Life Insurance	1,824	0.6	0.8	2,327	0.7	1.0
Life Insurance	8,872	2.9	3.1	10,074	3.0	3.1
Real Estate Investment Trusts	4,917	1.6	1.3	5,101	1.5	1.4
Real Estate Investment Services	700	0.2	0.3	724	0.2	0.3
General Financial	4,934	1.6	1.6	6,074	1.8	1.8
Equity Investment Instruments	11,982	3.9	3.0	14,998	4.4	2.9
Software & Computer Services	2,186	0.7	1.0	3,186	1.0	1.3
Technology Hardware & Equipment	1,555	0.5	0.8	1,045	0.3	0.8
Total investments	305,894	100.0	100.0	338,296	100.0	100.0
Net cash	2,453			5,356		
Total value of fund	308,347			343,652		

**Central Finance Board of the Methodist Church
UK Equity Fund**

Portfolio valuation

as at 29 February 2012

	Holding	Market value			Holding	Market value	
	000s	£'000s	%		000s	£'000s	%
Oil & Gas Producers				Industrial Transportation			
BG Group	755	11,450	3.7	BBA Aviation	275	554	0.2
BP	3,625	17,850	5.8			554	0.2
Cairn Energy	128	441	0.1	Support Services			
Chevron	23	1,572	0.5	Aggreko	20	443	0.1
Enquest	475	602	0.2	Ashtead Group	175	430	0.1
iShares S&P Global Energy S	105	2,728	0.9	Capita	95	729	0.2
Premier Oil	310	1,365	0.5	Experian	230	2,172	0.7
Royal Dutch Shell B	815	18,985	6.2	Hays	725	584	0.2
Tullow Oil	195	2,876	1.0	Intertek Group	35	809	0.3
		57,869	18.9	Premier Farnell	225	489	0.2
Oil Equipment & Services				Regus	625	692	0.2
Petrofac	65	1,034	0.3	RWS Holdings	100	500	0.2
Wood Group (John)	110	833	0.3	Shanks Group	617	648	0.2
		1,867	0.6	Sthree	175	500	0.2
Chemicals				Wolseley	80	1,949	0.7
Croda International	60	1,292	0.4			9,945	3.3
Elementis	250	414	0.1	Beverages			
Johnson Matthey	55	1,269	0.4	Britvic	200	759	0.3
Treant	125	463	0.2			759	0.3
		3,438	1.1	Food Producers			
Mining				Associated British Foods	115	1,378	0.5
Anglo American	249	6,597	2.1	Unilever (UK)	293	5,948	1.9
BHP Billiton	402	8,191	2.7			7,326	2.4
Lonmin	32	347	0.1	Household Goods and Home Construction			
Randgold Resources	15	1,043	0.3	Bellway	105	855	0.3
Rio Tinto	272	9,749	3.2	Berkeley Group	85	1,180	0.4
Xstrata	435	5,220	1.7	Gleeson (MJ) Group	145	177	0.1
		31,147	10.1	Persimmon	100	675	0.2
Construction & Materials				Reckitt Benckiser Group	160	5,566	1.8
Balfour Beatty	260	722	0.2	Taylor Wimpey	1,450	718	0.2
CRH	40	538	0.2			9,171	3.0
Galliford Try	120	709	0.2	Personal Goods			
Morgan Sindall	76	505	0.2	Burberry Group	110	1,553	0.5
		2,474	0.8			1,553	0.5
General Industrials				Healthcare Equipment & Services			
Cookson Group	155	1,047	0.3	Smith & Nephew	200	1,235	0.4
Rexam	200	829	0.3			1,235	0.4
Smiths Group	110	1,196	0.4	Pharmaceuticals & Biotechnology			
		3,072	1.0	Astrazeneca	327	9,177	3.0
Electronic & Electrical Equipment				Glaxosmithkline	1,209	16,769	5.5
Halma	225	882	0.3	Shire	92	2,021	0.7
Spectris	70	1,219	0.4			27,967	9.2
		2,101	0.7	Food & Drug Retailers			
Industrial Engineering				Greggs	95	519	0.2
IMI	60	581	0.2	Morrison(WM) Supermarkets	570	1,652	0.6
Spirax-Sarco	50	1,028	0.3	Sainsbury (J)	425	1,268	0.4
Weir Group	40	842	0.3	Tesco	1,875	5,926	1.9
		2,451	0.8			9,365	3.1

**Central Finance Board of the Methodist Church
UK Equity Fund**

Portfolio valuation

as at 29 February 2012

	Holding	Market value			Holding	Market value	
	000s	£'000s	%		000s	£'000s	%
General Retailers				Banks			
Dignity	77	637	0.2	Barclays	2,050	5,022	1.7
Halfords Group	150	473	0.2	HSBC Holdings	3,090	17,159	5.6
Inchcape	120	449	0.1	Lloyds Banking Group	6,400	2,234	0.7
Kingfisher	265	753	0.2	Royal Bank of Scotland	3,000	838	0.3
Marks & Spencer Group	305	1,107	0.4	Standard Chartered	440	7,117	2.3
Next	55	1,524	0.5			32,370	10.6
WH Smith	115	611	0.2				
		5,554	1.8	Non-Life Insurance			
Media				Amlin	100	350	0.1
British Sky Broadcasting	285	1,908	0.6	Lancashire Holdings	50	382	0.1
Centaur Media	750	317	0.1	Rsa Insurance Group	1,000	1,092	0.4
Daily Mail	105	451	0.1			1,824	0.6
ITV	750	645	0.2	Life Insurance			
Lion Hudson	171	93	0.0	Aviva	640	2,357	0.8
Next Fifteen Comms	1,035	921	0.3	Legal & General	1,730	2,088	0.7
Pearson	165	1,977	0.7	Prudential	525	3,741	1.2
Reed Elsevier	325	1,787	0.6	Standard Life	295	686	0.2
United Business Media	100	583	0.2			8,872	2.9
WPP Group	340	2,732	0.9	Real Estate Investment Trusts			
		11,414	3.7	British Land	150	706	0.2
Travel & Leisure				Great Portland Estates	100	353	0.1
Carnival	46	850	0.3	Hammerson	135	529	0.2
Cineworld Group	400	801	0.3	Land Securities Group	148	999	0.3
Compass Group	445	2,801	0.9	London & Stamford Pty	556	634	0.2
Go-Ahead Group	31	398	0.1	Primary Health Properties	290	961	0.3
Intercontinental Hotels	50	717	0.2	Shaftesbury	150	735	0.3
Intl Consolidated Airlines	350	575	0.2			4,917	1.6
National Express	330	770	0.3	Real Estate Investment Services			
Restaurant Group	200	555	0.2	Quintain Estates	715	293	0.1
Tui Travel	315	624	0.2	St Modwen Properties	250	407	0.1
Whitbread	52	881	0.3			700	0.2
		8,972	3.0	Financial Services			
Fixed Line Telecommunications				3i Group	265	502	0.2
BT Group	1,975	4,244	1.4	Aberdeen Asset Mgt	300	721	0.2
		4,244	1.4	F&C Asset Management	950	672	0.2
Mobile Telecommunications				Hargreaves Lansdown	85	364	0.1
Vodafone Group	10,750	18,200	5.9	Icap	161	619	0.2
		18,200	5.9	Rathbone Brothers	87	1,083	0.4
Electricity				Schroders	48	741	0.2
SSE	255	3,287	1.1	Schroders NV	19	232	0.1
		3,287	1.1			4,934	1.6
Gas, Water & Multi-Utilities				Equity Investment Instruments			
Centrica	1,300	3,951	1.3	Blackrock World Mining	75	559	0.2
International Power	320	1,104	0.4	Electra Private Equity	15	252	0.1
National Grid	880	5,645	1.8	Herald Investment Trust	360	1,879	0.6
Severn Trent	54	843	0.3	Herald Ventures II	0	570	0.2
United Utilities Group	171	1,046	0.3	Herald Ventures	0	153	0.1
		12,589	4.1	HG Capital Trust	64	623	0.2

**Central Finance Board of the Methodist Church
UK Equity Fund**

Portfolio valuation

as at 29 February 2012

	Holding	Market value	
	000s	£'000s	%
Equity Investment Instruments (continued)			
Impax Environmental Mkts	450	464	0.1
Impax New Energy	179	86	0.0
iShares FTSE 250	220	2,470	0.8
Liontrust UK Smaller Cos	120	563	0.2
North Atlantic Smaller Cos	245	2,548	0.8
Oryx International Growth	525	1,207	0.4
TR Property	400	608	0.2
		11,982	3.9
Software & Computer Services			
Aveva Group	35	599	0.2
Micro Focus International	141	634	0.2
Microgen	150	208	0.1
Sage Group	240	745	0.2
		2,186	0.7
Technology Hardware & Equipment			
ARM Holdings	125	712	0.2
CSR	100	255	0.1
Spirent Communications	420	588	0.2
		1,555	0.5
Total investments		305,894	100.0
Net current assets		2,453	
Total value of Fund		<u>308,347</u>	

Central Finance Board of the Methodist Church Overseas Fund

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net(losses)/gains on investments during the period	2	(2,533)	19,229
Income	3	2,431	2,866
Expenses	4	(303)	(289)
Net income		2,128	2,577
Total return for the period		(405)	21,806
Finance costs: Distributions	7	(2,141)	(2,575)
Change in net assets attributable to unitholders		(2,546)	19,231

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	156,494	149,556
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	12,975	9,686
Amounts payable on cancellation of units	(37,401)	(21,979)
	(24,426)	(12,293)
Change in net assets attributable to unitholders	(2,546)	19,231
Net assets at end of period	129,522	156,494

Price and income history

Year to February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/3/98 £
Charity & Pension units				
2008	280.9	255.9	3.48	17.52
2009	272.7	193.9	4.24	21.35
2010	270.9	207.7	3.14	15.81
2011	312.5	261.8	5.29	26.64
2012	314.6	263.5	4.58	23.06

Central Finance Board of the Methodist Church Overseas Fund

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		128,804	154,683
Current assets			
Debtors	8	65	137
Cash and bank balances	9	1,220	2,348
Total current assets		<u>1,285</u>	<u>2,485</u>
Total assets		<u>130,089</u>	<u>157,168</u>
Liabilities			
Distribution payable		567	674
Total current liabilities		<u>567</u>	<u>674</u>
Net assets attributable to unitholders		<u>129,522</u>	<u>156,494</u>

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	0.83	0.01	0.84	20/07/2011
1 June 2011 to 31 August 2011	1.39	0.04	1.39	20/10/2011
1 September 2011 to 30 November 2011	1.03	(0.01)	1.02	20/01/2012
1 December 2011 to 29 February 2012	1.36	(0.03)	1.33	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	154.3	6,741,405	53,079,858	257.9
28 February 2009	108.1	5,847,039	49,932,345	193.9
28 February 2010	149.6	4,790,186	50,426,441	270.9
28 February 2011	156.5	5,599,042	45,453,613	306.5
29 February 2012	129.5	7,105,756	35,521,048	303.9

Total expense ratios

	2012 %	2011 %
Administration grant (including custody and transaction costs)	0.20	0.18
Other managers fees	0.49	0.50
Trustees charges*	0.01	0.01
	<u>0.70</u>	<u>0.69</u>

* Trustees fees relate to the Fund's investment in the Epworth Investment Fund European Fund

Central Finance Board of the Methodist Church Overseas Fund

Summary of investments and other assets

as at 29 February 2012

	Market value 29/02/2012 £'000s	%	Market value 28/02/2011 £'000s	%
North America	70,487	54.7	83,259	53.8
Europe	21,922	17.0	27,216	17.6
Japan	12,319	9.6	15,556	10.1
Pacific Basin ex-Japan	18,241	14.2	20,100	13.0
Rest of the World	5,835	4.5	8,552	5.5
Total investments	128,804	100.0	154,683	100.0
Net cash	718		1,811	
Total value of fund	129,522		156,494	

Portfolio valuation

as at 29 February 2012

	Holding 000s	Market value £'000s	%		Holding 000s	Market value £'000s	%
North America				Pacific Basin ex-Japan			
Canada				Australia			
iShares S&P 60 Index Fund	438	5,025	3.9	UCA Australian Equities	151	1,234	1.0
		5,025	3.9			1,234	1.0
United States				Other Asian			
Consumer Discretionary Sector SPDR	58	1,565	1.2	Aberdeen New Dawn	50	415	0.3
General Board US Equity Fund	4,186	49,571	38.5	Pacific Assets	400	491	0.4
Healthcare Sector SPDR	55	1,238	1.0			906	0.7
iShares S&P 100	147	5,659	4.4	Pacific Basin Composite			
Powershares QQQ Trust	30	1,209	0.9	1st State Asia Pacific			
Industrial Select Sector SPDR	51	1,189	0.9	Sustainability Fund	1,090	2,649	2.1
Financial Sector SPDR	120	1,107	0.8	1st State Asia Pacific 'B'	1,594	12,141	9.4
Consumer Staples Sector SPDR	58	1,207	0.9	1st State Asia Pacific			
Technology Sector SPDR	75	1,358	1.1	Leaders Fund	269	1,039	0.8
Energy Sector SPDR	29	1,359	1.1	iShares Pacific Ex-Japan	10	272	0.2
		65,462	50.8			16,101	12.5
European Composite				Rest of the World			
Baring Emerging Europe	58	445	0.3	First State Global Emerging	354	2,014	1.6
Central Europe & Russia Fund	17	376	0.3	Impax Environmental Mkts	415	428	0.3
Epworth European Fund Units	24,984	19,527	15.2	iShares MSCI South Africa	20	873	0.7
iShares MSCI Europe Ex-UK	30	508	0.4	iShares S&P Latin America	64	1,932	1.4
iShares TS&P Europe 350	46	1,066	0.8	Templeton Emrging Mkts	95	588	0.5
		21,922	17.0			5,835	4.5
Japan				Total investments		128,804	100.0
Baillie Gifford Japan	125	250	0.2	Net cash		718	
Blackrock Japan Index Fund	1,760	10,936	8.5	Total value of fund		129,522	
iShares MSCI Japan	100	633	0.5				
JP Morgan Japanese	300	500	0.4				
		12,319	9.6				

Central Finance Board of the Methodist Church Managed Equity Fund

Statement of total return

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net (losses)/gains on investments during the period	(1,442)	5,702
	<u>(1,442)</u>	<u>5,702</u>
Income	1,266	1,098
Expenses	-	-
Net income	<u>1,266</u>	<u>1,098</u>
Total return for the period	(176)	6,800
Finance costs: Distributions	(1,266)	(1,092)
Change in net assets attributable to unitholders	<u>(1,442)</u>	<u>5,708</u>

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net assets at the start of period	43,127	38,189
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	959	1,435
Amounts payable on cancellation of units	(453)	(2,205)
	<u>506</u>	<u>(770)</u>
Change in net assets attributable to unitholders	(1,442)	5,708
Net assets at end of period	<u>42,191</u>	<u>43,127</u>

Price and income history

Year to February

	Highest price	Lowest price	Income per unit	Per £1,000 invested
	p	p	p	at 1/9/99
				£
Charity unit				
2008	1975.4	1739.5	52.52	33.56
2009	1816.5	1171.0	62.23	39.76
2010	1630.9	1217.5	46.13	29.48
2011	1894.4	1523.2	46.25	29.55
2012	1887.4	1569.4	53.89	34.43

**Central Finance Board of the Methodist Church
Managed Equity Fund**

Balance Sheet

as at 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Portfolio of investments	42,183	43,120
Current assets		
Debtors	257	226
Cash and bank balances	8	7
Total current assets	<u>265</u>	<u>233</u>
Total assets	42,448	43,353
Liabilities		
Distribution payable	257	226
Total current liabilities	<u>257</u>	<u>226</u>
Net assets attributable to unitholders	42,191	43,127

Distribution

Distribution period	Distribution per unit p	Date payable
1 March 2011 to 31 May 2011	15.05	20/07/2011
1 June 2011 to 31 August 2011	16.29	20/10/2011
1 September 2011 to 30 November 2011	11.64	20/01/2012
1 December 2011 to 29 February 2012	10.91	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value	Units in issue	Pension	NAV pence per unit
	£m	Charity		
29 February 2008	48.9	2,801,317	-	1745.0
28 February 2009	30.0	2,561,251	-	1171.0
28 February 2010	38.2	2,365,784	-	1614.2
28 February 2011	43.1	2,327,653	-	1852.8
29 February 2012	42.2	2,355,814	-	1790.9

**Central Finance Board of the Methodist Church
Managed Equity Fund**

Summary of investments and other assets

as at 29 February 2012

	Holding 000s	29/02/2012 £'000s	%	Holding 000s	28/02/2011 £'000s	%
UK Equity Fund	2,401	35,682	84.6	2,352	36,348	84.3
Overseas Fund	2,141	6,501	15.4	2,212	6,772	15.7
		42,183	100.0		43,120	100.0
Net current assets		8			7	
Total value of fund		42,191			43,127	

**Central Finance Board of the Methodist Church
Managed Fixed Interest Fund**

Statement of total return

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net gains on investments during the period	953	228
	<u>953</u>	<u>228</u>
Income	329	383
Expenses	-	-
Net income	<u>329</u>	<u>383</u>
Total return for the period	1,282	611
Finance costs: Distributions	(328)	(382)
Change in net assets attributable to unitholders	954	229

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net assets at the start of period	11,143	11,865
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	69	293
Amounts payable on cancellation of units	(1,318)	(1,244)
	<u>(1,249)</u>	<u>(951)</u>
Change in net assets attributable to unitholders	954	229
Net assets at end of period	10,848	11,143

Price and income history

Year to February

	Highest price	Lowest price	Income per unit	Per £1,000 invested at 1/9/99
	p	p	p	£
Charity unit				
2008	166.4	157.1	7.53	45.57
2009	176.5	159.3	7.48	45.26
2010	176.9	172.4	6.82	41.27
2011	184.3	174.8	5.81	35.16
2012	193.8	176.2	5.51	33.35

**Central Finance Board of the Methodist Church
Managed Fixed Interest Fund**

Balance Sheet

as at 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Portfolio of investments	10,842	11,138
Current assets		
Debtors	76	90
Cash and bank balances	6	5
Total current assets	<u>82</u>	<u>95</u>
Total assets	<u>10,924</u>	<u>11,233</u>
Liabilities		
Distribution payable	76	90
Total current liabilities	<u>76</u>	<u>90</u>
Net assets attributable to unitholders	<u>10,848</u>	<u>11,143</u>

Distribution

Distribution period	Distribution per unit	Date payable
	p	
1 March 2011 to 31 May 2011	1.42	20/07/2011
1 June 2011 to 31 August 2011	1.39	20/10/2011
1 September 2011 to 30 November 2011	1.36	20/01/2012
1 December 2011 to 29 February 2012	1.34	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value	Units in issue	Pension	NAV pence per unit
	£m	Charity		
29 February 2008	30.3	18,377,968	-	165.1
28 February 2009	12.4	7,152,585	-	172.8
28 February 2010	11.9	6,846,789	-	173.3
28 February 2011	11.1	6,325,723	-	176.2
29 February 2012	10.8	5,657,058	-	191.8

**Central Finance Board of the Methodist Church
Managed Fixed Interest Fund**

Summary of investments and other assets

as at 29 February 2012

	Holding 000s	29/02/2012 £'000s	%	Holding 000s	28/02/2011 £'000s	%
Gilt Fund	2,700	4,060	37.4	3,349	4,482	40.2
Corporate Bond Fund	1,143	1,415	13.1	1,189	1,390	12.5
Short Fixed Interest Fund	4,593	5,367	49.5	4,811	5,266	47.3
		10,842	100.0		11,138	100.0
Net current assets		<u>6</u>			<u>5</u>	
Total value of fund		<u>10,848</u>			<u>11,143</u>	

**Central Finance Board of the Methodist Church
Managed Mixed Fund**

Statement of total return

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net (losses)/gains on investments during the period	<u>(33)</u>	<u>2,170</u>
	<u>(33)</u>	<u>2,170</u>
Income	730	631
Expenses	-	-
Net income	<u>730</u>	<u>631</u>
Total return for the period	697	2,801
Finance costs: Distributions	<u>(727)</u>	<u>(631)</u>
Change in net assets attributable to unitholders	<u>(30)</u>	<u>2,170</u>

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net assets at the start of period	21,935	17,994
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	886	2,016
Amounts payable on cancellation of units	<u>(564)</u>	<u>(245)</u>
	322	1,771
Change in net assets attributable to unitholders	<u>(30)</u>	<u>2,170</u>
Net assets at end of period	<u>22,227</u>	<u>21,935</u>

Price and income history

Year to 28 February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/3/98 £
Charity unit				
2008	350.9	320.7	11.54	39.95
2009	329.6	239.7	12.70	43.97
2010	304.6	247.8	10.12	35.03
2011	343.5	294.5	10.25	35.48
2012	344.7	306.7	10.96	37.94

Central Finance Board of the Methodist Church Managed Mixed Fund

Balance Sheet

as at 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments	22,221	21,932
Current assets		
Debtors	132	122
Cash and bank balances	28	4
Total current assets	160	126
Total assets	22,381	22,058
Liabilities		
Distribution payable	154	123
Total current liabilities	154	123
Net assets attributable to unitholders	22,227	21,935

Distribution

Distribution period	Distribution per unit p	Date payable
1 March 2011 to 31 May 2011	2.62	20/07/2011
1 June 2011 to 31 August 2011	3.51	20/10/2011
1 September 2011 to 30 November 2011	2.49	20/01/2012
1 December 2011 to 29 February 2012	2.34	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	20.3	6,326,736	-	320.7
28 February 2009	15.2	6,357,937	-	239.7
28 February 2010	18.0	5,945,511	-	302.6
28 February 2011	21.9	6,495,771	-	337.7
29 February 2012	22.2	6,587,478	-	337.4

**Central Finance Board of the Methodist Church
Managed Mixed Fund**

Summary of investments and other assets

as at 29 February 2012

	Holding 000s	29/02/2012 £'000s	%	Holding 000s	28/02/2011 £'000s	%
UK Equity Fund	928	13,790	62.0	871	13,466	61.4
Overseas Fund	810	2,460	11.1	775	2,371	10.8
Gilt Fund	1,548	2,329	10.5	2,063	2,761	12.6
Corporate Bond Fund	454	563	2.5	523	611	2.8
Short Fixed Interest Fund	1,551	1,812	8.2	1,449	1,586	7.2
Property Fund	2,109	1,267	5.7	1,858	1,137	5.2
		22,221	100.0		21,932	100.0
Net current assets		6			3	
Total value of fund		22,227			21,935	

**Central Finance Board of the Methodist Church
Property Fund**

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net losses on investments during the period	2	(292)	(23)
Income	3	650	485
Expenses		-	-
Net income		650	485
Total return for the period		358	462
Finance costs: Distributions	7	(649)	(484)
Change in net assets attributable to unitholders		(291)	(22)

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	8,178	4,999
Movement due to creations and cancellations of units		
Amounts received on creations of units	1,486	3,234
Amounts paid on cancellation and conversion of units	-	(33)
	1,486	3,201
Change in net assets attributable to unitholders	(291)	(22)
Net assets at end of period	9,373	8,178

Price and income history

Year to February

	Highest buying price p	Lowest selling price p	Income per unit p	Per £1,000 invested at 1/12/05 £
Charity unit				
2008	120.7	99.4	7.71	77.10
2009	100.3	57.1	7.66	76.60
2010	63.5	51.7	6.35	63.50
2011	65.2	61.1	5.15	51.50
2012	64.6	60.0	4.95	49.50

**Central Finance Board of the Methodist Church
Property Fund**

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		9,369	8,175
Current assets			
Cash and bank balances	9	4	3
Total current assets		4	3
Total assets		9,373	8,178
Net assets attributable to unitholders		9,373	8,178

Distribution

Distribution period	Distribution per unit Charity p	Date payable
1 October 2010 - 31 December 2010	1.32	13/06/2011
1 January 2011 to 31 March 2011	1.26	15/07/2011
1 April 2011 to 30 June 2011	1.29	25/10/2011
1 July 2011 to 30 September 2011	1.08	22/12/2011

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue Charity	NAV pence per unit
29 February 2008	4.2	4,377,723.55	96.7
28 February 2009	2.6	4,566,021.99	59.2
28 February 2010	5.0	8,301,925.69	60.2
28 February 2011	8.2	13,266,944.18	61.6
29 February 2012	9.4	15,619,369.02	60.0

**Central Finance Board of the Methodist Church
Property Fund**

Summary of investments and other assets

as at 29 February 2012

	Holding 000s	29/02/2012 £'000s	%	Holding 000s	28/02/2011 £'000s	%
Mayfair Property Income Fund for Charities	13,103	9,369	100.0	11,123	8,175	100.0
		<u>9,369</u>	<u>100.0</u>		<u>8,175</u>	<u>100.0</u>
Net current assets		4			3	
Total value of fund		<u>9,373</u>			<u>8,178</u>	

Central Finance Board of the Methodist Church

Notes to the Accounts

Year to 29 February 2012

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1. Accounting Policies

(a) Basis of Accounting

The accounts have been prepared under the historic cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice issued by the Investment Management Association in 2010, and the requirements of the Methodist Church Funds Act 1960.

(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.

(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. 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 at the month end. As at 29 February 2012 expenses were recovered at the following rates:

UK Equity Fund: 0.27% pa (28/2/11: 0.25%)
Overseas Fund: 0.20% pa (28/2/11: 0.18%)

(d) Distribution Policy

All 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. A reconciliation of the net distribution to the net income of the Funds is shown in note 7.

(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.

Central Finance Board of the Methodist Church

Notes to the Accounts (continued)

Year to 29 February 2012

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2. Net (losses)/gains on Investments

The net gains on investments during the year comprise:

	UK Equity Fund		Overseas Fund		Property Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Proceeds from sales of investments	57,160	70,916	43,331	34,015	-	-
Original cost of investments sold	49,422	47,400	38,181	29,450	-	-
Net realised gains on sales	7,738	23,516	5,150	4,565	-	-
Net unrealised (losses)/gains	(20,684)	23,184	(7,701)	14,767	(292)	(23)
Underwriting commissions	-	12	-	-	-	-
Currency gains/(losses)	-	-	18	(103)	-	-
Net (losses)/gains on investments	(13,197)	46,712	(2,533)	19,229	(292)	(23)

3. Gross Income

	UK Equity Fund		Overseas Fund		Property Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
UK dividends	11,251	10,172	708	669	649	484
Overseas dividends	99	220	1,716	2,190	-	-
Bank interest	61	48	7	7	1	1
Total income	11,411	10,440	2,431	2,866	650	485

4. Expenses

	UK Equity Fund		Overseas Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Administration grant	838	819	303	289

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

UK Equity Fund
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5 Portfolio transaction costs

	UK Equity Fund		Overseas Fund		Property Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Analysis of total purchase costs						
Purchases in period before transaction costs	<u>37,884</u>	<u>31,599</u>	<u>19,969</u>	<u>20,432</u>	<u>1,486</u>	<u>3,201</u>
Commissions	68	57	34	27	-	-
Custodian transaction costs	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	-	-
Total purchase costs	<u>71</u>	<u>59</u>	<u>35</u>	<u>28</u>	-	-
Gross purchase total	37,955	31,658	20,004	20,460	1,486	3,201
Analysis of total sale costs						
Gross sales before transaction costs	<u>57,232</u>	<u>71,025</u>	<u>43,367</u>	<u>34,054</u>	-	-
Commissions	69	104	35	38	-	-
Custodian transaction costs	<u>3</u>	<u>5</u>	<u>1</u>	<u>1</u>	-	-
Total sale costs	<u>72</u>	<u>109</u>	<u>36</u>	<u>39</u>	-	-
Total net sales	<u>57,160</u>	<u>70,916</u>	<u>43,331</u>	<u>34,015</u>	-	-

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. Withholding tax is credited to income when it is recovered.

7 Distributions

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

	UK Equity Fund		Overseas Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
31 May 2011	3,155	3,120	438	486
31 August 2011	3,326	2,738	690	863
30 November 2011	2,204	1,796	446	552
29 February 2012	1,971	1,810	567	674
	<u>10,656</u>	<u>9,464</u>	<u>2,141</u>	<u>2,575</u>
Income on creation and cancellation of units	(86)	160	(11)	(42)
Net distribution for year	<u>10,570</u>	<u>9,624</u>	<u>2,130</u>	<u>2,533</u>

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

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7 Distributions (continued)

	Property Fund	
	2012	2011
	£'000s	£'000s
31 December 2010	154	119
31 March 2011	167	116
30 June 2011	176	118
30 September 2011	152	131
	<hr/>	<hr/>
Net distribution in the year	649	484
	<hr/> <hr/>	<hr/> <hr/>

8. Debtors

	UK Equity Fund		Overseas Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Accrued income	1,723	1,469	-	125
Sales awaiting settlement	1,096	1,008	-	-
Other debtors	-	-	65	12
	<hr/>	<hr/>	<hr/>	<hr/>
	2,819	2,477	65	137
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. Cash and Bank Balances

	UK Equity Fund		Overseas Fund		Property Fund	
	2012	2011	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
CFB Deposit Fund	1,650	5,297	23	373	4	3
Other bank accounts	3	2	1,197	1,975	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,653	5,299	1,220	2,348	4	3
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

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10. Creditors

	UK Equity Fund		Overseas Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Purchases awaiting settlement	-	585	-	-
Other creditors	48	25	-	-
	<u>48</u>	<u>610</u>	<u>-</u>	<u>-</u>

11 Portfolio turnover

	UK Equity Fund		Overseas Fund	
	2012 %	2011 %	2012 %	2011 %
Portfolio turnover	4.3	10.8	9.4	15.6

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 unitholders 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

These are actively managed funds, which invest 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 each Fund is invested in. Each Fund seeks to minimise the risks by holding a widely diversified portfolio of investments in line with the Fund's investment objectives.

Currency risk

Each 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 in the long term, hedging is detrimental to total return.

At 29 February foreign currency exposure was:

Currency	UK Equity Fund		Overseas Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Australian Dollar	-	-	1,234	1,292
Canadian Dollar	-	-	5,025	5,741
United States Dollar	4,308	4,788	80,919	97,185
	<u>4,308</u>	<u>4,788</u>	<u>86,067</u>	<u>104,218</u>

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

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12 Risk Management policies (continued)

Credit 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 list of brokers maintained by the Board.

Liquidity risk

The Funds' assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units. In addition the managers' policy is that the Fund liquidity should be 5% or less.

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 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.

13 Future Calls & Underwriting

Calls on partly-paid stocks due for payment after the year end and underwriting commitments as at the year end, are as follows:

	UK Equity Fund		Overseas Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Partly paid & nil paid securities	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14 Related Party Transactions

The CFB Overseas Fund is an investor in the Epworth Investment Fund European Fund, an authorised unit trust 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 25% of the company's share capital.

In addition, the CFB Equity Fund, Overseas Fund and Property Fund placed their surplus cash funds during the period with the CFB Deposit Fund. The Fund pays a competitive interest rate and withdrawals are normally available at call.

There were no other related party transactions during the period.

**Central Finance Board of the Methodist Church
Short Fixed Interest Fund**

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net gains on investments during the period	2	1,011	198
		<u>1,011</u>	<u>198</u>
Income	3	451	500
Expenses	4	(24)	(24)
Net income		<u>427</u>	<u>476</u>
Total return for the period		1,438	674
Finance costs: Distributions	7	(429)	(473)
Change in net assets attributable to unitholders		1,009	201

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	15,061	16,422
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	1,657	354
Amounts payable on cancellation of units	(895)	(1,916)
	<u>762</u>	<u>(1,562)</u>
Change in net assets attributable to unitholders	1,009	201
Net assets at end of period	16,832	15,061

Price and income history

Year to 28 February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/9/99 £
Charity & Pension units				
2008	102.6	97.2	4.66	46.60
2009	109.4	98.9	4.53	45.30
2010	109.5	107.8	4.10	41.00
2011	113.6	108.8	3.32	33.20
2012	117.4	109.5	3.09	30.90

Central Finance Board of the Methodist Church Short Fixed Interest Fund

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		16,569	14,778
Current assets			
Debtors	8	284	287
Cash and bank balances	9	92	109
Total current assets		376	396
Total assets		16,945	15,174
Liabilities			
Creditors	10	2	-
Distribution payable		111	113
Total current liabilities		113	113
Net assets attributable to unitholders		16,832	15,061

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	0.80	0.00	0.80	20/07/2011
1 June 2011 to 31 August 2011	0.76	0.00	0.76	20/10/2011
1 September 2011 to 30 November 2011	0.76	0.00	0.76	20/01/2012
1 December 2011 to 29 February 2012	0.75	0.02	0.77	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value	Units in issue		NAV pence per unit
	£m	Charity	Pension	
29 February 2008	33.1	25,928,060	6,527,336	102.0
28 February 2009	23.5	20,073,628	1,600,547	108.2
28 February 2010	16.4	14,447,298	717,557	108.3
28 February 2011	15.1	13,060,868	699,314	109.5
29 February 2012	16.8	13,742,240	668,309	116.8

Total expense ratios

	2012 %	2011 %
Administration grant (including custody and transaction costs)	0.15	0.15
	<u>0.15</u>	<u>0.15</u>

Central Finance Board of the Methodist Church Short Fixed Interest Fund

Summary of investments and other assets

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
British Government	12,775	77.1	11,179	75.6
Supranational	764	4.6	789	5.3
Corporate Unsecured Financial	1,579	9.5	2,047	13.9
Corporate Unsecured Non-Financial	1,451	8.8	763	5.2
	16,569	100.0	14,778	100.0
Net current assets	263		283	
Total value of fund	16,832		15,061	

Summary of investments by credit rating

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
AAA	13,785	83.2	12,224	82.7
AA	795	4.8	1,530	10.4
A	1,342	8.1	1,024	6.9
BBB	647	3.9	-	0.0
	16,570	100.0	14,778	100.0

Portfolio valuation

as at 29 February 2012

	Holding	Market value			Holding	Market value		
	000s	£'000s	%		000s	£'000s	%	
British Government Stock				Corporate Unsecured Financial (continued)				
Treasury 4½% 2013	1,750	1,822	11.0	Co-Operative Bank 5½% 2017	250	254	1.5	
Treasury 2¼ % 2014	1,100	1,141	6.9	Nationwide 5½% 2019	250	268	1.6	
Treasury 5% 2014	1,150	1,282	7.7			1,579	9.5	
Treasury 4¾% 2015	250	286	1.7	Corporate Unsecured - Non Financial				
Treasury 2% 2016	300	315	1.9	Vodafone Group 4 %% 2014	250	268	1.6	
Treasury 4% 2016	500	570	3.5	General Electric 4½% 2017	250	264	1.6	
Treasury 5% 2018	1,900	2,318	14.0	Telfonica 5%% 2018	250	255	1.5	
Treasury 4½% 2019	800	961	5.8	Anglo American 6%% 2018	100	118	0.7	
Treasury 3¾% 2019	1,600	1,841	11.1	BP Capital Mkts 4.325% 2018	250	274	1.7	
Treasury 4¾% 2020	750	919	5.6	Marks & Spencer 6½% 2019	250	272	1.7	
Treasury 3¾% 2020	900	1,034	6.2			1,451	8.8	
Treasury 3¾% 2021	250	286	1.7					
		12,775	77.1	Total investments		16,569	100.0	
Supranational				Net current assets		263		
International Finance Facility for Immu	250	263	1.6					
Caisse d'Amortissement de la Dette Sr	250	248	1.5					
Bank Nederlandse 2%% 2015	250	253	1.5	Total value of fund		16,832		
		764	4.6					
Corporate Unsecured Financial								
Network Rail 1¼% 2015	250	252	1.5					
Rabobank Nederland 4% 2015	250	263	1.6					
Commonwealth Bank of Australia 3½ %	250	263	1.6					
UBS 6%% 2016	250	279	1.7					

**Central Finance Board of the Methodist Church
Gilt Fund**

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net gains on investments during the period	2	5,021	1,062
		<u>5,021</u>	<u>1,062</u>
Income	3	1,318	1,851
Expenses	4	(63)	(83)
Net income		<u>1,255</u>	<u>1,768</u>
Total return for the period		6,276	2,830
Finance costs: Distributions	7	(1,210)	(1,897)
Change in net assets attributable to unitholders		<u>5,066</u>	<u>933</u>

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	66,952	43,984
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	5,925	31,607
Amounts payable on cancellation of units	(45,615)	(9,572)
	<u>(39,690)</u>	<u>22,035</u>
Change in net assets attributable to unitholders	5,066	933
Net assets at end of period	<u>32,328</u>	<u>66,952</u>

Price and income history

Year to 28 February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/11/02 £
Charity & Pension units				
2008	127.9	119.7	5.62	44.34
2009	137.3	121.7	5.57	43.94
2010	136.0	130.8	4.97	39.21
2011	141.0	131.8	4.36	34.39
2012	153.3	133.5	4.14	32.65

Central Finance Board of the Methodist Church Gilt Fund

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		31,917	65,850
Current assets			
Debtors	8	373	1,046
Cash and bank balances	9	251	590
Total current assets		<u>624</u>	<u>1,636</u>
Total assets		<u>32,541</u>	<u>67,486</u>
Liabilities			
Creditors	10	2	9
Distribution payable		211	525
Total current liabilities		<u>213</u>	<u>534</u>
Net assets attributable to unitholders		<u>32,328</u>	<u>66,952</u>

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	1.08	0.01	1.09	20/07/2011
1 June 2011 to 31 August 2011	1.32	(0.25)	1.07	20/10/2011
1 September 2011 to 30 November 2011	1.01	(0.01)	1.00	20/01/2012
1 December 2011 to 29 February 2012	0.95	0.03	0.98	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	67.4	14,319,881	38,851,919	126.7
28 February 2009	44.3	6,845,394	26,698,363	132.1
28 February 2010	44.0	6,023,304	27,648,816	130.6
28 February 2011	67.0	5,544,056	44,467,370	133.9
29 February 2012	32.3	4,561,242	16,934,896	150.4

Total expense ratios

	2012 %	2011 %
Administration grant (including custody and transaction costs)	<u>0.15</u>	<u>0.15</u>
	<u>0.15</u>	<u>0.15</u>

**Central Finance Board of the Methodist Church
Gilt Fund**

Summary of investments and other assets

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
British Government	31,917	100.0	65,850	100.0
	31,917	100.0	65,850	100.0
Net current assets	411		1,102	
Total value of fund	32,328		66,952	

Summary of investments by credit rating

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
AAA	31,917	100.0	65,850	100.0
	31,917	100.0	65,850	100.0

Portfolio valuation

as at 29 February 2012

	Holding	Market value	
	000s	£'000s	%
Treasury 4½% 2013	1,500	1,562	4.9
Treasury 2¼% 2014	1,010	1,047	3.3
Treasury 5% 2014	1,000	1,115	3.5
Treasury 2¾% 2015	2,025	2,155	6.7
Treasury 4¾% 2015	1,500	1,717	5.4
Treasury 2% 2016	2,280	2,391	7.5
Treasury 4% 2016	675	769	2.4
Treasury 1¾% 2017	3,000	3,110	9.7
Treasury 5% 2018	1,500	1,830	5.7
Treasury 3¾% 2019	850	978	3.1
Treasury 3¾% 2021	2,350	2,692	8.4
Treasury 5% 2025	700	896	2.8
Treasury 4¼% 2027	650	775	2.4
Treasury 4¾% 2030	635	799	2.5
Treasury 4¼% 2032	1,000	1,183	3.7
Treasury 4½% 2034	3,150	3,854	12.1
Treasury 4¼% 2040	1,550	1,846	5.8
Treasury 4½% 2042	1,250	1,559	4.9
Treasury 4¼% 2046	505	611	1.9
Treasury 4¼% 2049	250	305	1.0
Treasury 4¼% 2055	400	496	1.6
Treasury 4% 2060	190	227	0.7
Total investments		31,917	100.0
Net current assets		411	
Total value of fund		32,328	

**Central Finance Board of the Methodist Church
Corporate Bond Fund**

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Net gains on investments during the period	2	6,118	883
		<u>6,118</u>	<u>883</u>
Income	3	4,379	5,514
Expenses	4	(234)	(231)
Net income		<u>4,145</u>	<u>5,283</u>
Total return for the period		10,263	6,166
Finance costs: Distributions	7	(4,085)	(5,374)
Change in net assets attributable to unitholders		<u>6,178</u>	<u>792</u>

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012 £'000s	28/02/2011 £'000s
Net assets at the start of period	124,828	100,543
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	12,939	25,512
Amounts payable on cancellation of units	(56,161)	(2,019)
	<u>(43,222)</u>	<u>23,493</u>
Change in net assets attributable to unitholders	6,178	792
Net assets at end of period	<u>87,784</u>	<u>124,828</u>

Price and income history

Year to 28 February

	Highest price p	Lowest price p	Income per unit p	Per £1,000 invested at 1/11/02 £
Charity & Pension units				
2008	114.2	108.9	5.82	52.20
2009	111.4	105.0	5.87	52.64
2010	117.5	109.2	5.59	50.12
2011	124.3	116.5	5.32	47.70
2012	125.1	117.6	5.27	47.25

Central Finance Board of the Methodist Church Corporate Bond Fund

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		87,484	124,376
Current assets			
Debtors	8	1,203	1,847
Cash and bank balances	9	23	21
Total current assets		1,226	1,868
Total assets		88,710	126,244
Liabilities			
Creditors	10	25	17
Distribution payable		901	1,399
Total current liabilities		926	1,416
Net assets attributable to unitholders		87,784	124,828

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	1.33	0.00	1.33	20/07/2011
1 June 2011 to 31 August 2011	1.50	(0.15)	1.35	20/10/2011
1 September 2011 to 30 November 2011	1.30	0.02	1.32	20/01/2012
1 December 2011 to 29 February 2012	1.25	0.02	1.27	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	60.3	4,257,054	50,752,215	109.6
28 February 2009	76.8	13,107,094	57,734,898	108.4
28 February 2010	100.5	15,940,811	71,196,385	115.4
28 February 2011	124.8	18,731,818	88,089,654	116.9
29 February 2012	87.8	19,925,644	50,989,701	123.8

Total expense ratios

	2012 %	2011 %
Administration grant	0.25	0.20
Trustees charges*	0.05	0.05
Other charges*	0.02	0.02
	0.32	0.27

* Trustees fees and other charges relate to the Fund's investment in the Affirmative Corporate Bond Fund

**Central Finance Board of the Methodist Church
Corporate Bond Fund**

Summary of investments and other assets

as at 29 February 2012

	Holding 000s	29/02/2012 £'000s	Fund %	Holding 000s	28/02/2011 £'000s
Affirmative Corporate Bond Fund	82,671	87,484	100.0	124,501	124,376
		87,484	100.0		124,376
Net current assets		300			452
Total value of fund		87,784			124,828

Summary of investments by credit rating*

as at 29 February 2012

	29/2/2012		28/02/2011	
	£'000s	%	£'000s	%
AAA	20,541	23.4	27,213	21.8
AA	28,003	31.9	52,053	41.7
A	28,179	32.1	31,457	25.2
BBB	5,443	6.2	7,490	6.0
Debentures - Not rated	3,775	4.3	4,119	3.3
Cash	1,843	2.1	2,496	2.0
	87,784	100.0	124,828	100.0

* Credit rating breakdown relates to the Fund's investment in the Affirmative Corporate Bond Fund

Central Finance Board of the Methodist Church Inflation Linked Fund

Statement of total return

for the year ended 29 February 2012

	Note	29/02/2012	28/02/2011
		£'000s	£'000s
Net gains on investments during the period	2	6,395	5,173
		<u>6,395</u>	<u>5,173</u>
Income	3	581	1,195
Expenses	4	(73)	(119)
Net income		<u>508</u>	<u>1,076</u>
Total return for the period		6,903	6,249
Finance costs: Distributions	7	(483)	(1,087)
Change in net assets attributable to unitholders		6,420	5,162

Statement of movement in unitholders' funds

for the year ended 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Net assets at the start of period	71,962	63,200
Movement due to creations and cancellations of units		
Amounts receivable on creations of units	1,510	10,010
Amounts payable on cancellation of units	(56,851)	(6,410)
	<u>(55,341)</u>	<u>3,600</u>
Change in net assets attributable to unitholders	6,420	5,162
Net assets at end of period	23,041	71,962

Price and income history

Year to 28 February

	Highest price	Lowest price	Income per unit	Per £1,000 invested
	p	p	p	at 1/3/98
				£
Charity & Pension units				
2008	237.4	213.4	4.80	33.13
2009	250.0	216.2	4.63	31.95
2010	252.9	231.3	4.09	28.23
2011	266.5	250.6	3.94	27.19
2012	314.6	263.5	3.83	26.43

**Central Finance Board of the Methodist Church
Inflation Linked Fund**

Balance Sheet

as at 29 February 2012

	Note	29/02/2012 £'000s	28/02/2011 £'000s
Portfolio of investments		22,966	71,671
Current assets			
Debtors	8	67	228
Cash and bank balances	9	77	342
Total current assets		144	570
Total assets		23,110	72,241
Liabilities			
Creditors	10	2	5
Distribution payable		67	274
Total current liabilities		69	279
Net assets attributable to unitholders		23,041	71,962

Distribution

Distribution period	Net income per unit	Equalisation per unit	Distribution payable per unit	Date payable
	p	p	p	
1 March 2011 to 31 May 2011	0.98	0.00	0.98	20/07/2011
1 June 2011 to 31 August 2011	1.39	(0.36)	1.03	20/10/2011
1 September 2011 to 30 November 2011	0.92	0.01	0.93	20/01/2012
1 December 2011 to 29 February 2012	0.89	0.00	0.89	20/04/2012

Net asset value (NAV)/fund size

Date	Net asset value £m	Units in issue		NAV pence per unit
		Charity	Pension	
29 February 2008	78.8	64,949	33,313,253	236.0
28 February 2009	63.1	-	28,060,233	224.9
28 February 2010	63.2	-	25,973,597	243.3
28 February 2011	72.0	-	27,432,380	262.3
29 February 2012	23.0	73,557	7,423,312	307.3

Total expense ratios

	2012 %	2011 %
Administration grant (including custody and transaction costs)	0.20	0.17
	0.20	0.17

Central Finance Board of the Methodist Church Inflation Linked Fund

Summary of investments and other assets

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
British Government	19,114	83.2	60,437	84.3
Supranational	1,054	4.6	5,583	7.8
Corporate Unsecured Financial	804	3.5	1,443	2.0
Corporate Unsecured Non-financial	1,994	8.7	4,208	5.9
	22,966	100.0	71,671	100.0
Net current assets	75		291	
Total value of fund	23,041		71,962	

Summary of investments by credit rating

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
AAA	20,302	88.4	66,877	93.4
AA	-	0.0	586	0.8
A	1,906	8.3	3,958	5.5
BBB	758	3.3	250	0.3
	22,966	100.0	71,671	100.0

Portfolio valuation

as at 29 February 2012

	Holding	Market value			Holding	Market value	
	000s	£'000s	%		000s	£'000s	%
British Government Stock				Corporate Unsecured Financial			
Treasury 2½% 2013	50	142	0.6	Nationwide 4¼% 2024	250	645	2.8
Treasury 2½% 2016	95	327	1.4	Network Rail 1¼ 2027	125	159	0.7
Treasury 1¼% 2017	250	358	1.5			804	3.5
Treasury 2½% 2020	300	1,098	4.8	Corporate Unsecured Non-financial			
Treasury 1¼% 2022	1,000	1,478	6.4	National Grid 1¼ 2021	200	203	0.9
Treasury 2½% 2024	900	2,962	12.9	National Grid 6.0328% 2022	160	310	1.3
Treasury 1¼% 2027	600	911	4.0	Severn Trent 5.348% 2028	160	290	1.3
Treasury 1¼% 2032	505	708	3.1	London Power 3¼% 2032	160	257	1.1
Treasury ¾% 2034	3,900	4,678	20.4	Tesco 1.982% 2036	500	645	2.8
Treasury 2% 2035	750	1,485	6.5	SE Water 2.5329% 2041	250	289	1.3
Treasury ¾% 2040	1,765	2,273	9.9			1,994	8.7
Treasury ¾% 2042	1,600	2,135	9.3				
Treasury ¾% 2047	95	138	0.6	Total investments		22,966	100.0
Treasury ½% 2050	225	297	1.3	Net current assets		75	
Treasury 1¼% 2055	65	124	0.5				
		19,114	83.2	Total value of fund		23,041	
Supranational							
European Inv Bank 3.5426% 2013	475	660	2.9				
European Inv Bank 2.4% 2030	220	394	1.7				
		1,054	4.6				

Central Finance Board of the Methodist Church

Notes to the Accounts

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

1. Accounting Policies

(a) Basis of Accounting

The accounts have been prepared under the historic cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice issued by the Investment Management Association in 2010, and the requirements of the Methodist Church Funds Act 1960.

(b) 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, with the exception of the Inflation Linked Fund where the CFB policy is to protect the capital value of the unitholders investment.

(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. 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 custody and transaction fees, are charged to the funds monthly based on the nets assets of each fund at the month end. As at 29 February 2012 expenses were recovered at the following rates:

Short Fixed Interest Fund: 0.15% pa (31/8/10: 0.15%)
Gilt Fund: 0.15% pa (31/8/10: 0.15%)
Corporate Bond Fund: 0.25% pa (31/8/10: 0.195%)
Inflation Linked Fund: 0.20% pa (31/8/10: 0.17%)

(d) Distribution Policy

All income of the Fund, 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. A reconciliation of the net distribution to the net income of the fund is shown in note 7.

(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 quoted single prices. 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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

2. Net Gains on Investments

The net gains on investments during the period comprise:

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Proceeds from sales of investments	8,351	17,225	45,615	33,684
Amortised cost of investments sold	7,967	16,713	41,984	32,353
Net realised gains on sales	384	512	3,631	1,331
Net unrealised gains/(losses)	627	(314)	1,390	(269)
Net gains on investments	1,011	198	5,021	1,062
	54,512	681	62,731	16,889
	53,086	660	54,787	16,618
Net realised gains on sales	1,426	21	7,944	271
Net unrealised gains	4,692	862	(1,549)	4,902
Net gains on investments	6,118	883	6,395	5,173

3. Gross Income

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Interest on debt securities	448	497	1,311	1,839
Bank interest	3	3	7	12
	451	500	1,318	1,851
	4,373	5,505	578	1,184
Bank interest	6	9	3	11
	4,379	5,514	581	1,195

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

4. Expenses

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Administration grant	24	24	63	83
	<hr/>	<hr/>	<hr/>	<hr/>
	Corporate Bond		Inflation Linked	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Administration grant	234	231	73	119
	<hr/>	<hr/>	<hr/>	<hr/>

5 Portfolio transaction costs

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Analysis of total purchase costs				
Purchases in period before transaction costs	<u>9,297</u>	<u>15,826</u>	<u>34,084</u>	<u>55,552</u>
Commissions	-	-	-	-
Custodian transaction costs	-	-	<u>1</u>	-
Total purchase costs	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>
Gross purchase total	<u>9,297</u>	<u>15,826</u>	<u>34,085</u>	<u>55,552</u>
Analysis of total sale costs				
Gross sales before transaction costs	<u>8,351</u>	<u>17,226</u>	<u>45,616</u>	<u>33,685</u>
Commissions	-	-	-	-
Custodian transaction costs	-	<u>1</u>	<u>1</u>	<u>1</u>
Total purchase costs	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total sales net of transaction costs	<u>8,351</u>	<u>17,225</u>	<u>45,615</u>	<u>33,684</u>
	<hr/>	<hr/>	<hr/>	<hr/>
	Corporate Bond Fund		Inflation Linked Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Analysis of total purchase costs				
Purchases in period before transaction costs	<u>11,501</u>	<u>23,960</u>	<u>7,687</u>	<u>30,556</u>
Commissions	-	-	-	-
Custodian transaction costs	-	-	-	-
Total purchase costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross purchase total	<u>11,501</u>	<u>23,960</u>	<u>7,687</u>	<u>30,556</u>
Analysis of total sale costs				
Gross sales before transaction costs	54,512	681	62,732	16,889
Commissions	-	-	-	-
Custodian transaction costs	-	-	-	-
Total purchase costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total sales net of transaction costs	<u>54,512</u>	<u>681</u>	<u>62,732</u>	<u>16,889</u>
	<hr/>	<hr/>	<hr/>	<hr/>

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked 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. Withholding tax is credited to income when it is recovered.

7 Distributions

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

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
31 May 2011	111	132	556	427
31 August 2011	104	117	234	488
30 November 2011	103	110	209	457
28 February 2012	111	114	211	525
	<u>429</u>	<u>473</u>	<u>1,210</u>	<u>1,897</u>
Income on creation and cancellation of units	(3)	5	48	(131)
Net distribution for year	<u>426</u>	<u>478</u>	<u>1,258</u>	<u>1,766</u>

	Corporate Bond		Inflation Linked	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
31 May 2011	1,405	1,293	269	279
31 August 2011	873	1,327	77	269
30 November 2011	906	1,355	70	264
28 February 2012	901	1,399	67	275
	<u>4,085</u>	<u>5,374</u>	<u>483</u>	<u>1,087</u>
Income on creation and cancellation of units	62	(92)	26	(145)
Net distribution for year	<u>4,147</u>	<u>5,282</u>	<u>509</u>	<u>942</u>

8. Debtors

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Accrued income	284	286	373	1,046
Other debtors	-	1	-	-
	<u>284</u>	<u>287</u>	<u>373</u>	<u>1,046</u>

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

8. Debtors (continued)

	Corporate Bond		Inflation Linked	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
Accrued income	1,182	1,818	67	228
Other debtors	21	29	-	-
	<u>1,203</u>	<u>1,847</u>	<u>67</u>	<u>228</u>

9. Cash and Bank Balances

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
CFB Deposit Fund	90	106	244	586
Other bank accounts	2	3	7	4
	<u>92</u>	<u>109</u>	<u>251</u>	<u>590</u>

	Corporate Bond		Inflation Linked	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
CFB Deposit Fund	20	20	74	332
Other bank accounts	3	1	3	10
	<u>23</u>	<u>21</u>	<u>77</u>	<u>342</u>

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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

10 Creditors

	Short Fixed Interest		Gilt Fund	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Other creditors	2	-	2	9
	<u>2</u>	<u>-</u>	<u>2</u>	<u>9</u>
	<u><u>2</u></u>	<u><u>-</u></u>	<u><u>2</u></u>	<u><u>9</u></u>

	Corporate Bond		Inflation Linked	
	2012 £'000s	2011 £'000s	2012 £'000s	2011 £'000s
Other creditors	25	17	2	5
	<u>25</u>	<u>17</u>	<u>2</u>	<u>5</u>
	<u><u>25</u></u>	<u><u>17</u></u>	<u><u>2</u></u>	<u><u>5</u></u>

11 Portfolio turnover

	Short Fixed Interest		Gilt Fund	
	2012 %	2011 %	2012 %	2011 %
Portfolio turnover	95.8	193.2	133.7	86.0

	Corporate Bond		Inflation Linked	
	2012 %	2011 %	2012 %	2011 %
Portfolio turnover	(3.3)	(2.4)	34.0	29.9

12. 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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Short Fixed Interest Fund
Gilt Fund
Corporate Bond Fund
Inflation Linked Fund

Credit 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 list of brokers maintained by the Manager.

Liquidity risk

The Fund's assets comprise securities that can readily be realised to meet obligations that may arise on the redemption of units. In addition the Managers' policy is that the Fund liquidity should be 5% or less.

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 29 February 2012 was:

	Short Fixed Interest		Gilt Fund	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
£ floating rate financial assets	-	-	-	-
£ fixed rate financial assets	16,569	14,778	31,917	65,850
£ financial assets not carrying interest	376	396	624	1,636
£ financial liabilities not carrying interest	(113)	(113)	(213)	(534)
	<u>16,832</u>	<u>15,061</u>	<u>32,328</u>	<u>66,952</u>

	Corporate Bond		Inflation Linked	
	2012	2011	2012	2011
	£'000s	£'000s	£'000s	£'000s
£ floating rate financial assets	-	-	22,966	71,671
£ fixed rate financial assets	87,484	124,376	-	-
£ financial assets not carrying interest	1,226	1,868	144	570
£ financial liabilities not carrying interest	(926)	(1,416)	(69)	(279)
	<u>87,784</u>	<u>124,828</u>	<u>23,041</u>	<u>71,962</u>

13. Related Party Transactions

The CFB Corporate Bond Fund is an investor in the Affirmative Corporate Bond Fund, a Charity Commission established Common Investment 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 25% of the company's share capital.

In addition, the CFB Short Fixed Interest Fund, Gilt Fund, Corporate Bond Fund and Inflation Linked Fund placed their surplus cash funds during the period with the CFB Deposit Fund. The Fund pays a competitive interest rate and withdrawals are normally available at call.

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

We have audited the financial statements of the Deposit Fund of the Central Finance Board of the Methodist Church Funds for the year ended 29 February 2012 which comprise the Balance Sheet, Distribution Table, Statement of Total Return, Summary of Deposits by Maturity, Summary of Investments by credit rating, the Net Asset Value Table, Income Distribution History and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of the Council's Responsibilities, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Council's members, as a body, in accordance with 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 and the Council's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Deposit fund's affairs as at 29 February 2012 and of the net income on the property of the fund for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Methodist Church Funds Act 1960.

Andrew Goldsworthy (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London, E1W 1DD

13 April 2012

Central Finance Board of the Methodist Church Deposit Fund

Statement of total return

for the year ended 29 February 2012

		29/02/2012	28/02/2011
		£'000s	£'000s
Gross income		5,851	5,478
Expenses	2	(524)	(513)
Net income & total return for the period		5,327	4,965
Finance costs: Distributions		(5,341)	(4,948)
Net (decrease)/increase in undistributed income		(14)	17

Balance Sheet

as at 29 February 2012

	Note	29/02/2012	28/02/2011
		£'000s	£'000s
Portfolio of investments		346,363	369,577
Current assets			
Debtors	5	7	13
Bank balances		81	113
		<u>88</u>	<u>126</u>
Current liabilities			
Creditors	8	35	19
Bank overdrafts		-	-
		<u>35</u>	<u>19</u>
Net current assets		53	107
Liabilities falling due in more than one year			
Income reserve	9	171	185
Net assets		346,245	369,499
Represented by:			
Current deposits	6	273,545	279,299
Term deposits	6	72,700	90,200
Unitholders' funds		346,245	369,499

Distribution

For the period ended

	Total	Rate	AER
	£'000s	%	%
31 March 2011	443	1.17	1.18
30 April 2011	440	1.22	1.23
31 May 2011	464	1.22	1.23
30 June 2011	453	1.22	1.23
31 July 2011	448	1.22	1.23
31 August 2011	443	1.22	1.23
30 September 2011	425	1.22	1.23
31 October 2011	439	1.22	1.23
30 November 2011	441	1.29	1.30
31 December 2011	454	1.32	1.33
31 January 2012	458	1.34	1.35
29 February 2012	433	1.34	1.35

Central Finance Board of the Methodist Church Deposit Fund

Summary of deposits by maturity*

as at 29 February 2012

	29/02/2012	28/02/2011
	£'000s	£'000s
Repayable within		
On call	45,310	42,258
5 business days	46,903	35,424
1 month	29,508	43,488
2 months	46,016	43,488
3 months	32,774	37,611
6 months	82,090	76,759
1 year	59,374	77,719
2 years	4,388	12,830
Total deposits	346,363	369,577

* Figures based on underlying holding in the Affirmative Deposit Fund for Charities

Summary of investments by credit rating*

as at 29 February 2012

	29/02/2012		28/02/2011	
	£'000s	%	£'000s	%
Aa1	4,503	1.3	23,653	6.4
Aa2	15,586	4.5	47,675	12.9
Aa3	118,803	34.3	264,248	71.5
A1	171,103	49.4	34,001	9.2
A2	24,938	7.2	-	0.0
A3	11,430	3.3	-	0.0
	346,363	100.0	369,577	100.0

* Figures based on underlying holding in the Affirmative Deposit Fund for Charities

Summary of deposits by banking group*

as at 29 February 2012

	29/02/2012	28/02/2011
	%	%
Barclays	16.7	15.0
Royal Bank of Scotland	11.9	15.0
Santander	11.9	13.8
Lloyds	11.2	15.0
UBS	10.7	-
Nationwide	10.7	9.2
Societe Generale	7.2	2.3
SE Banken	4.8	0.0
Natnal Australia Bank	4.5	10.4
Credit Agricole	2.2	2.1
Commonwealth Bank of Australia	2.2	2.1
HSBC	1.2	1.3
Svenska Handelsbanken	1.2	-
Deutsche Bank	1.2	1.2
Rabobank	1.2	-
J P Morgan	1.2	1.1
BBVA	-	9.2
Unicredito	-	2.3
	100.0	100.0

* Figures based on underlying holding in the Affirmative Deposit Fund for Charities

Central Finance Board of the Methodist Church Deposit Fund

Net asset value (NAV)/fund size

Date	Net asset value £m
29 February 2008	421.9
28 February 2009	421.7
28 February 2010	398.4
28 February 2011	369.5
29 February 2012	346.2

Income distribution history

Year to 28 February	Average rate %	Average AER %
2008	5.56	5.71
2009	4.96	5.08
2010	1.45	1.46
2011	1.09	1.09
2012	1.25	1.26

Total expense ratios

	2012 %	2011 %
Administration grant	0.20	0.19
Trustee fees	0.02	0.02
Other expenses	0.01	0.01
	<u>0.23</u>	<u>0.22</u>

* Trustees fees relate to the Fund's investment in the Affirmative Deposit Fund for Charities

Central Finance Board of the Methodist Church

Notes to the Accounts

Year to 29 February 2012

Deposit Fund

1. Accounting Policies

(a) **Basis of Accounting**

The accounts have been prepared under the historic cost convention, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice issued by the Investment Management Association in 2010, and the requirements of the Methodist Church Funds Act 1960.

(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 Income account.

(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. 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 are charged to the funds monthly based on the net assets of the fund at the end of each day. As at 29 February 2012 expenses were recovered at a rate of 0.20% pa (28/2/11: 0.19%)

(d) **Distribution Policy**

All 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).

(e) **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 Affirmative Deposit Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited. All deposits with the Affirmative Deposit Fund for Charities are valued at cost.

2. Expenses

	2012 £'000s	2011 £'000s
Administration grant	501	494
Bank charges	23	19
	<hr/> 524	<hr/> 513
	<hr/> <hr/>	<hr/> <hr/>

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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

Deposit Fund

4. Deposits with authorised banks

All deposits are with the Affirmative Deposit Fund. Deposits made by the Affirmative Deposit 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

	2012 £'000s	2011 £'000s
Interest receivable	7	13
	<u>7</u>	<u>13</u>

6 Current & term deposits

	2012 £'000s	2011 £'000s
CFB Fund accounts	2,152	6,740
Churches, trusts and others	<u>344,093</u>	<u>362,759</u>
Unitholders' funds	<u>346,245</u>	<u>369,499</u>

7 Maturity analysis*

	2012 £'000s	2011 £'000s
On demand	45,310	42,258
Within 3 months	155,201	160,011
Within 1 year	141,464	154,278
Within 2 years	<u>4,388</u>	<u>12,830</u>
Unitholders' funds	<u>346,363</u>	<u>369,377</u>

*figures relate to the Fund's investment in the Affirmative Deposit Fund for Charities

8 Creditors

	2012 £'000s	2011 £'000s
Other accruals	<u>35</u>	<u>19</u>
	<u>35</u>	<u>19</u>

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.

Central Finance Board of the Methodist Church
Notes to the Accounts (continued)

Year to 29 February 2012

9 Income reserve (continued)

	2012 £'000s	2011 £'000s
Balance at start of period	185	168
Transfer (from)/to reserve	(14)	17
Balance at 29 February 2012	<u>171</u>	<u>185</u>

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 29 February 2012 is set out below:

	2012 £'000s	2011 £'000s
£ floating rate financial assets	35,484	32,238
£ fixed rate financial assets	310,879	337,339
£ financial assets not carrying interest	88	126
£ financial liabilities not carrying interest	<u>(206)</u>	<u>(204)</u>
	<u>346,245</u>	<u>369,499</u>

*figures relate to the Fund's investment in the Affirmative Deposit 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 150 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 Affirmative Deposit 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 25% of the company's share capital.

Summary of Unit Holders & Movements

Central Finance Board of the Methodist Church

Summary of Unit Holders

as at 29 February 2012

Equity Funds

	UK Equity Fund	Overseas Fund
Charity Fund Holders		
Trustees for Methodist Church Purposes	1,772,931	2,274,173
CFB Managed Mixed Fund	927,849	810,003
Action for Children	479,523	1,880,418
CFB Managed Equity Fund	2,400,820	2,141,162
Total Charity Units	<u>5,581,123</u>	<u>7,105,756</u>
Pension Fund Holders		
Trustees for Methodist Church Purposes	16,839	-
Methodist Ministers Pension Fund	9,800,154	17,434,122
Methodist Lay Employees Pension Fund	1,257,019	1,767,202
Action for Children Pension Fund	4,046,311	16,319,724
Total Pension Units	<u>15,120,323</u>	<u>35,521,048</u>
Total Units in Issue	<u><u>20,701,446</u></u>	<u><u>42,626,804</u></u>

Fixed Interest Funds

	Gilt Fund	Corporate Bond Fund	Short Fixed Interest Fund	Inflation Linked Fund
Charity Fund Holders				
Trustees for Methodist Church Purposes	131,580	17,668,952	5,828,487	-
CFB Managed Mixed Fund	1,548,360	454,466	1,551,108	-
Action for Children	181,332	659,595	1,770,036	73,557
CFB Managed Fixed Interest Fund	2,699,970	1,142,631	4,592,609	-
Total Charity Units	<u>4,561,242</u>	<u>19,925,644</u>	<u>13,742,240</u>	<u>73,557</u>
Pension Fund Holders				
Trustees for Methodist Church Purposes	469,948	208,110	668,309	-
Methodist Ministers Pension Fund	14,963,026	44,913,863	-	6,624,941
Methodist Lay Employees Pension Fund	1,501,922	5,867,728	-	798,371
Total Pension Units	<u>16,934,896</u>	<u>50,989,701</u>	<u>668,309</u>	<u>7,423,312</u>
Total Units in Issue	<u><u>21,496,138</u></u>	<u><u>70,915,345</u></u>	<u><u>14,410,549</u></u>	<u><u>7,496,869</u></u>

Managed Funds

	Managed Equity Fund	Managed Fixed Interest Fund	Managed Mixed Fund	Property Fund
Charity Fund Holders				
Trustees for Methodist Church Purposes	2,167,371	5,180,686	6,527,123	13,510,040.57
CFB Managed Mixed Fund	-	-	-	2,109,328.45
Methodist Homestead Trustees	-	-	51,123	-
Action for Children	78,925	476,372	-	-
NCH SL a/c	109,518	-	-	-
Mutual Aid (Nominees)	-	-	9,232	-
	<u>2,355,814</u>	<u>5,657,058</u>	<u>6,587,478</u>	<u>15,619,369.02</u>

**Central Finance Board of the Methodist Church
UK Equity Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	181,713	(128,018)	-	273,082	(96,066)	728,304
Value (B)	£2,715,281	(£1,997,976)	-	£4,120,656	(£1,496,337)	£9,700,020
Methodist Lay Employees. Pension Fund						
Units (B)	26,769	(16,018)	-	69,695	(19,384)	100,520
Value (B)	£400,001	(£249,994)	-	£1,050,020	(£300,014)	£1,350,009
Trustees for Methodist Church Purposes						
Units (A)	32,235	8,370	17,008	1,819	(2,419)	72,181
Value (A)	£489,016	£128,999	£268,026	£26,417	(£36,992)	£945,511
Units (B)	-	-	-	(1,296)	(1,301)	(668)
Value (B)	-	-	-	(£19,993)	(£20,008)	(£10,011)
CFB Managed Mixed Fund						
Units (A)	8,914	26,278	(679)	10,094	(9,340)	60,355
Value (A)	£133,757	£402,501	(£10,696)	£150,001	(£144,315)	£804,012
CFB Managed Equity Fund						
Units (A)	15,298	(4,260)	(1,400)	21,937	843	7,494
Value (A)	£227,910	(£66,686)	(£22,053)	£325,019	£13,003	£96,105
Action for Children Pension Fund						
Units (B)	(32,355)	-	-	(1,141,322)	46,079	-
Value (B)	(£499,998)	-	-	(£17,038,885)	£700,006	-
TOTAL						
Units	232,574	(113,648)	14,929	(765,991)	(81,588)	968,186
Value	£3,465,967	(£1,783,156)	£235,277	(£11,386,765)	(£1,284,657)	£12,885,646
Shares in Issue						
B/Fwd	22,182,723	22,415,297	22,301,649	22,316,578	21,550,587	21,468,999
C/Fwd	22,415,297	22,301,649	22,316,578	21,550,587	21,468,999	22,437,185

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
UK Equity Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	(181,929)	2,371	38,746	58,173	(116,219)	(87,753)
Value (B)	(£2,500,005)	(£27,523)	£500,002	£800,003	(£1,673,967)	(£1,300,010)
Methodist Lay Employees. Pension Fund						
Units (B)	(18,184)	19,406	3,955	7,272	(6,974)	(10,054)
Value (B)	(£249,998)	249,997	£50,003	£100,006	(£100,013)	(£150,006)
Trustees for Methodist Church Purposes						
Units (A)	-	455	25,879	4,379	(3,487)	(3,040)
Value (A)	-	£5,000	£359,998	£60,002	(£50,007)	(£45,004)
Units (B)	(2,911)	-	(709)	(359)	-	-
Value (B)	(£40,002)	-	(£10,002)	(£5,010)	-	-
CFB Managed Mixed Fund						
Units (A)	(4,198)	(3,662)	(7,157)	(1,864)	(13,907)	(8,377)
Value (A)	(£59,008)	(£50,209)	(£100,970)	(£26,081)	(£199,163)	(£124,657)
CFB Managed Equity Fund						
Units (A)	2,630	(10,840)	-	3,057	190	13,788
Value (A)	£35,013	(£148,981)	-	£41,009	£2,909	£200,014
Action for Children Pension Fund						
Units (B)	(1,433,598)	(36,381)	-	36,358	-	68,936
Value (B)	(£19,700,003)	(£500,008)	-	£500,000	-	£1,000,012
Action for Children						
Units (A)	-	-	-	-	(69,731)	-
Value (A)	-	-	-	-	(£1,000,002)	-
TOTAL						
Units	(1,638,190)	(28,651)	60,714	107,016	(210,128)	(26,500)
Value	(£22,514,003)	(£471,724)	£799,031	£1,469,929	(£3,020,243)	(£419,651)
Shares in Issue						
B/Fwd	22,437,185	20,798,995	20,770,344	20,831,058	20,938,074	20,727,946
C/Fwd	20,798,995	20,770,344	20,831,058	20,938,074	20,727,946	20,701,446

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Overseas Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	269,775	(162,793)	-	486,126	(380,800)	1,107,190
Value (B)	£800,002	(£500,000)	-	£1,500,001	(£1,200,002)	£3,000,004
Methodist Lay Employees. Pension Fund						
Units (B)	16,861	-	16,074	66,062	(15,867)	111,225
Value (B)	£50,000	-	£50,001	£200,000	(£50,001)	£300,003
Trustees for Methodist Church Purposes						
Units (A)	180,899	80,189	129,778	(4,780)	4,806	392,893
Value (A)	£545,007	£250,003	£405,006	(£14,998)	£15,003	£1,019,508
CFB Managed Mixed Fund						
Units (A)	16,861	15,757	-	-	(15,867)	54,035
Value (A)	£50,000	£48,421	-	-	(£50,001)	£150,002
CFB Managed Equity Fund						
Units (A)	65,858	(6,181)	-	(20,639)	(1,149)	8,402
Value (A)	£201,954	(£19,241)	-	(£61,743)	(£3,558)	£22,399
Action for Children Pension Fund						
Units (B)	162,835	-	-	(4,492,155)	(226,365)	-
Value (B)	£500,001	-	-	(£13,371,027)	(£700,001)	-
Action for Children						
Units (A)	-	-	322,618	408,218	-	-
Value (A)	-	-	£1,000,000	£1,250,001	-	-
TOTAL						
Units	713,089	(73,028)	468,470	(3,557,168)	(635,242)	1,673,745
Value	£2,146,964	(£220,817)	£1,455,007	(£10,497,766)	(£1,988,560)	£4,491,916
Shares in Issue						
B/Fwd	51,052,655	51,765,744	51,692,716	52,161,186	48,604,018	47,968,776
C/Fwd	51,765,744	51,692,716	52,161,186	48,604,018	47,968,776	49,642,521

Contributions and Withdrawals are subject to a dilution levy of 0.15% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Overseas Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	-	179,846	(316,932)	-	(168,207)	(165,757)
Value (B)	-	£500,001	(£900,003)	-	(£500,001)	(£500,001)
Methodist Lay Employees. Pension Fund						
Units (B)	-	54,655	(35,215)	-	(16,821)	(16,952)
Value (B)	-	£150,004	(£100,001)	-	(£50,001)	(£50,001)
Trustees for Methodist Church Purposes						
Units (A)	(14,272)	(5,283)	87,773	-	(32,586)	(8,172)
Value (A)	(£40,001)	(£15,002)	£250,001	-	(£92,536)	(£25,001)
CFB Managed Mixed Fund						
Units (A)	-	-	(17,608)	-	(8,411)	(9,317)
Value (A)	-	-	(£50,002)	-	(£25,002)	(£28,040)
CFB Managed Equity Fund						
Units (A)	(13,378)	36,704	-	(69,309)	-	(71,125)
Value (A)	(£38,083)	£103,909	-	(£193,499)	-	(£210,010)
Action for Children Pension Fund						
Units (B)	(6,065,386)	179,846	-	(180,777)	-	(339,033)
Value (B)	(£17,000,000)	£500,001	-	(£500,001)	-	(£1,000,001)
TOTAL						
Units	(6,093,036)	445,768	(281,982)	(250,086)	(226,025)	(610,356)
Value	(£17,078,084)	£1,238,913	(£800,005)	(£693,500)	(£667,540)	(£1,813,054)
Shares in Issue						
B/Fwd	49,642,521	43,549,485	43,995,253	43,713,271	43,463,185	43,237,160
C/Fwd	43,549,485	43,995,253	43,713,271	43,463,185	43,237,160	42,626,804

Contributions and Withdrawals are subject to a dilution levy of 0.15% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Managed Equity Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	10,991	(4,618)	(1,175)	13,371	503	(1)
Value	£204,865	(£85,924)	(£22,061)	£238,270	£9,448	(£1,454)
Action for Children						
Units	12,552	-	-	1,401	-	7,611
Value	£225,003	-	-	£25,007	-	£120,009
TOTAL						
Units	23,543	(4,618)	(1,175)	14,772	503	7,610
Value	£429,868	(£85,924)	(£22,061)	£263,277	£9,448	£118,555
Shares in Issue						
B/Fwd	2,327,653	2,351,196	2,346,578	2,345,403	2,360,175	2,360,678
C/Fwd	2,351,196	2,346,578	2,345,403	2,360,175	2,360,678	2,368,288

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

All units are Charity units

**Central Finance Board of the Methodist Church
Managed Equity Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	(120)	(2,861)	-	(9,088)	156	(561)
Value	(£3,083)	(£45,059)	-	(£152,488)	£2,916	(£10,007)
TOTAL						
Units	(120)	(2,861)	-	(9,088)	156	(561)
Value	(£3,083)	(£45,059)	-	(£152,488)	£2,916	(£10,007)
Shares in Issue						
B/Fwd	2,368,288	2,368,168	2,365,307	2,365,307	2,356,219	2,356,375
C/Fwd	2,368,168	2,365,307	2,365,307	2,356,219	2,356,375	2,355,814

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

All units are Charity units

**Central Finance Board of the Methodist Church
Managed Fixed Interest Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	2,833	2,937	5,551	2,395	(4,622)	-
Value	£4,874	£5,073	£10,002	£4,326	(£8,313)	-
Action for Children						
Units	(89,725)	-	-	-	-	(56,179)
Value	(£159,999)	-	-	-	-	(£105,003)
Total						
Units	(86,892)	2,937	5,551	2,395	(4,622)	(56,179)
Value	(£155,125)	£5,073	£10,002	£4,326	(£8,313)	(£105,003)
Shares in Issue						
B/Fwd	6,325,723	6,238,831	6,241,768	6,247,319	6,249,714	6,245,092
C/Fwd	6,238,831	6,241,768	6,247,319	6,249,714	6,245,092	6,188,913

Contributions and Withdrawals are subject to a dilution levy of 0.10% on the prices quoted above.

All units are Charity units

Central Finance Board of the Methodist Church
Managed Fixed Interest Fund
Contributions and Withdrawals

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	(2,300)	(492,396)	(15,084)	(5,100)	(13,572)	(3,403)
Value	(£4,255)	(£924,823)	(£28,691)	(£9,708)	(£26,104)	(£6,588)
Total						
Units	(2,300)	(492,396)	(15,084)	(5,100)	(13,572)	(3,403)
Value	(£4,255)	(£924,823)	(£28,691)	(£9,708)	(£26,104)	(£6,588)
Shares in Issue						
B/Fwd	6,188,913	6,186,613	5,694,217	5,679,133	5,674,033	5,660,461
C/Fwd	6,186,613	5,694,217	5,679,133	5,674,033	5,660,461	5,657,058

Contributions and Withdrawals are subject to a dilution levy of 0.10% on the prices quoted above.

All units are Charity units

**Central Finance Board of the Methodist Church
Managed Mixed Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	3,747	207,634	(20,750)	(21,172)	(9,286)	(962)
Value	£12,861	£704,041	(£71,088)	(£69,980)	(£31,438)	(£3,391)
TOTAL						
Units	3,747	207,634	(20,750)	(21,172)	(9,286)	(962)
Value	£12,861	£704,041	(£71,088)	(£69,980)	(£31,438)	(£3,391)
Shares in Issue						
B/Fwd	6,495,771	6,499,518	6,707,152	6,686,402	6,665,230	6,655,944
C/Fwd	6,499,518	6,707,152	6,686,402	6,665,230	6,655,944	6,654,982

Contributions and Withdrawals are subject to a dilution levy of 0.35% on the prices quoted above.

All units are Charity units

**Central Finance Board of the Methodist Church
Managed Mixed Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	44,486	(16,126)	(32,160)	(8,153)	(47,406)	(8,145)
Value	£140,726	(£49,418)	(£103,032)	(£26,119)	(£154,115)	(£27,671)
TOTAL						
Units	44,486	(16,126)	(32,160)	(8,153)	(47,406)	(8,145)
Value	£140,726	(£49,418)	(£103,032)	(£26,119)	(£154,115)	(£27,671)
Shares in Issue						
B/Fwd	6,654,982	6,699,468	6,683,342	6,651,182	6,643,029	6,595,623
C/Fwd	6,699,468	6,683,342	6,651,182	6,643,029	6,595,623	6,587,478

Contributions and Withdrawals are subject to a dilution levy of 0.35% on the prices quoted above.

All units are Charity units

**Central Finance Board of the Methodist Church
Property Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	1 Mar 2011	1 Apr 2011	1 May 2011	1 Jun 2011	1 Jul 2011	1 Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units	66,666.67	154,798.76	-	289,308.18	-	-
Value	£43,000.00	£100,000.00	-	£184,000.00	-	-
CFB Managed Mixed Fund						
Units	-	-	-	125,786.16	125,984	-
Value	-	-	-	£80,000.00	£80,000.00	-
Total						
Units	66,666.67	154,798.76	-	415,094.34	125,984	-
Value	£43,000.00	£100,000.00	-	£264,000.00	£80,000.00	-
Units in Issue						
B/Fwd	13,266,944.18	13,333,610.85	13,488,409.61	13,488,409.61	13,903,503.95	14,029,488.20
C/Fwd	13,333,610.85	13,488,409.61	13,488,409.61	13,903,503.95	14,029,488.20	14,029,488.20

**Central Finance Board of the Methodist Church
Property Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	<i>Value</i>	<i>Value</i>	<i>Value</i>	<i>Value</i>	<i>Value</i>	<i>Value</i>
Trustees for Methodist Church Purposes						
Units	-	-	554,848.97	1,035,031.85	-	-
<i>Value</i>	-	-	<i>£349,000.00</i>	<i>£650,000.00</i>	-	-
Total						
Units	-	-	554,848.97	1,035,031.85	-	-
<i>Value</i>	-	-	<i>£349,000.00</i>	<i>£650,000.00</i>	-	-
Units in Issue						
B/Fwd	14,029,488.20	14,029,488.20	14,029,488.20	14,584,337.17	15,619,369.02	15,619,369.02
C/Fwd	14,029,488.20	14,029,488.20	14,584,337.17	15,619,369.02	15,619,369.02	15,619,369.02

Central Finance Board of the Methodist Church
Short Fixed Interest Fund
Contributions and Withdrawals

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units (A)	(9,137)	(16,393)	(13,472)	-	-	-
Value (A)	(£10,000)	(£18,079)	(£15,000)	-	-	-
Units (B)	-	-	-	(8,957)	(8,925)	(8,738)
Value (B)	-	-	-	(£10,000)	(£10,000)	(£10,000)
CFB Managed Mixed Fund						
Units (A)	-	93,030	(28,703)	(84,555)	(53,203)	(86,176)
Value (A)	-	£102,240	(£32,179)	(£95,000)	(£59,620)	(£100,000)
CFB Managed Fixed Interest Fund						
Units (A)	-	22,200	53,839	5,408	(29,544)	107,650
Value (A)	-	£24,398	£60,002	£6,041	(£33,315)	£125,001
TOTAL						
Units	(9,137)	98,837	11,664	(88,104)	(91,672)	12,736
Value	(£10,000)	£108,559	£12,823	(£98,959)	(£102,935)	£15,001
Shares in Issue						
B/Fwd	13,760,182	13,751,045	13,849,882	13,861,546	13,773,442	13,681,770
C/Fwd	13,751,045	13,849,882	13,861,546	13,773,442	13,681,770	13,694,506

Contributions and Withdrawals are subject to a dilution levy of 0.05% on the prices quoted above.

(A) Charity units

(B) Pension units

Central Finance Board of the Methodist Church
Short Fixed Interest Fund
Contributions and Withdrawals

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Trustees for Methodist Church Purposes						
Units (A)	(4,385)	-	-	(6,895)	-	(12,838)
Value (A)	(£5,001)	-	-	(£8,001)	-	(£15,000)
CFB Managed Mixed Fund						
Units (A)	87,687	21,729	64,735	417	86,803	-
Value (A)	£100,051	£25,001	£75,001	£479	£101,348	-
CFB Managed Fixed Interest Fund						
Units (A)	21,900	(357,665)	5,621	(5,623)	-	(42,648)
Value (A)	£25,000	(£411,315)	£6,581	(£6,528)	-	(£50,001)
Action for Children						
Units (A)	-	-	-	-	857,205	-
Value (A)	-	-	-	-	£1,000,001	-
TOTAL						
Units	105,202	(335,936)	70,356	(12,101)	944,008	(55,486)
Value	£120,050	(£386,314)	£81,582	(£14,050)	£1,101,349	(£65,001)
Shares in Issue						
B/Fwd	13,694,506	13,799,708	13,463,772	13,534,128	13,522,027	14,466,035
C/Fwd	13,799,708	13,463,772	13,534,128	13,522,027	14,466,035	14,410,549

Contributions and Withdrawals are subject to a dilution levy of 0.05% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Gilt Fund**

Contributions and Withdrawals

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	16,907	903,740	-	(1,574,921)	509,970	(2,424,038)
Value (B)	£22,971	£1,207,213	-	(£2,169,921)	£707,732	(£3,500,001)
Methodist Lay Employees. Pension Fund						
Units (B)	(73,675)	74,869	-	(109,066)	72,063	(277,758)
Value (B)	(£100,001)	£100,000	-	(£150,000)	£100,001	(£400,001)
CFB Managed Mixed Fund						
Units (A)	(73,675)	111,465	(20,510)	(126,714)	54,047	(467,133)
Value (A)	(£100,001)	£150,272	(£28,221)	(£174,980)	£75,001	(£675,003)
CFB Managed Fixed Interest Fund						
Units (A)	(63,048)	(1,463)	-	(1,240)	-	(198,292)
Value (A)	(£85,874)	(£1,966)	-	(£1,715)	-	(£287,387)
Action for Children						
Units (A)	-	-	181,332	-	-	-
Value (A)	-	-	£250,000	-	-	-
Action for Children Pension Fund						
Units (B)	-	-	-	(24,700,310)	-	-
Value (B)	-	-	-	(£34,135,739)	-	-
TOTAL						
Units	(193,491)	1,088,611	160,822	(26,512,251)	636,080	(3,367,221)
Value	(£262,905)	£1,455,519	£221,779	(£36,632,355)	£882,734	(£4,862,392)
Shares in Issue						
B/Fwd	50,011,426	49,817,935	50,906,546	51,067,368	24,555,117	25,191,197
C/Fwd	49,817,935	50,906,546	51,067,368	24,555,117	25,191,197	21,823,976

Contributions and Withdrawals are subject to a dilution levy of 0.05% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Gilt Fund**

Contributions and Withdrawals

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	350,456	(770,148)	9,589	(397,164)	292,027	532,003
Value (B)	500,000	(£1,130,781)	-	(£600,002)	£444,008	£800,000
Methodist Lay Employees. Pension Fund						
Units (B)	-	(68,108)	34,589	-	-	66,501
Value (B)	-	(£100,001)	£49,999	-	-	£100,001
CFB Managed Mixed Fund						
Units (A)	34,859	(67,435)	(16,828)	(343)	(20,508)	83,126
Value (A)	£49,726	(£99,207)	(£26,583)	(£521)	(£31,316)	£125,001
CFB Managed Fixed Interest Fund						
Units (A)	(55,601)	(321,216)	(23,375)	(2,105)	(17,110)	28,953
Value (A)	(£79,255)	(£472,105)	(£35,273)	(£3,181)	(£26,107)	£43,412
TOTAL						
Units	329,714	(1,226,907)	3,975	(399,612)	254,409	710,583
Value	£470,471	(£1,802,094)	(£11,857)	(£603,704)	£386,585	£1,068,414
Shares in Issue						
B/Fwd	21,823,976	22,153,690	20,926,783	20,930,758	20,531,146	20,785,555
C/Fwd	22,153,690	20,926,783	20,930,758	20,531,146	20,785,555	21,496,138

Contributions and Withdrawals are subject to a dilution levy of 0.05% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Corporate Bond Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	(2,115,670)	846,531	-	(2,169,995)	1,237,184	(5,277,798)
Value (B)	(£2,499,999)	£1,000,000	-	(£2,600,000)	£1,500,001	(£6,500,001)
Methodist Lay Employees. Pension Fund						
Units (B)	(169,254)	126,980	-	(125,148)	206,198	(608,724)
Value (B)	(£200,000)	£150,000	-	(£150,000)	£250,001	(£750,000)
Trustees for Methodist Church Purposes						
Units (A)	180,195	84,367	-	(8,350)	3,432	769,242
Value (A)	£212,501	£100,001	-	(£10,000)	£4,168	£958,366
CFB Managed Mixed Fund						
Units (A)	(60,077)	503	-	-	55,649	(142,378)
Value (A)	(£70,898)	£593	-	-	£67,492	(£175,003)
CFB Managed Fixed Interest Fund						
Units (A)	(58,340)	(14,506)	(41,612)	(25,050)	20,620	40,175
Value (A)	(£69,250)	(£17,354)	(£50,000)	(£30,000)	£25,000	£50,001
Action for Children Pension Fund						
Units (B)	-	-	-	(34,877,915)	-	-
Value (B)	-	-	-	(£42,061,171)	-	-
TOTAL						
Units	(2,223,146)	1,043,875	(41,612)	(37,206,458)	1,523,083	(5,219,483)
Value	(2,627,646)	£1,233,240	(50,000)	(44,851,171)	£1,846,662	(6,416,637)
Shares in Issue						
B/Fwd	106,821,472	104,598,326	105,642,201	105,600,589	68,394,131	69,917,214
C/Fwd	104,598,326	105,642,201	105,600,589	68,394,131	69,917,214	64,697,731

Contributions and Withdrawals are subject to a dilution levy of 0.45% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Corporate Bond Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	1,695,930	492,460	805,438	168,972	1,050,928	802,192
Value (B)	£2,050,000	£600,000	£1,000,001	£200,001	£1,300,001	£1,000,000
Methodist Lay Employees. Pension Fund						
Units (B)	206,883	122,944	161,088	-	80,806	240,017
Value (B)	£250,000	£150,002	£200,001	-	£100,001	£300,001
Trustees for Methodist Church Purposes						
Units (A)	-	(41,716)	433,681	(21,774)	(32,641)	(16,268)
Value (A)	-	(£50,000)	£545,002	(£25,360)	(£40,000)	(£20,001)
Units (B)	(41,751)	-	-	-	-	-
Value (B)	(£50,000)	-	-	-	-	-
CFB Managed Mixed Fund						
Units (A)	41,377	61,744	-	-	-	-
Value (A)	£50,001	£75,002	-	-	-	-
CFB Managed Fixed Interest Fund						
Units (A)	41,377	(34,073)	-	-	-	-
Value (A)	£50,001	(£41,403)	-	-	-	-
TOTAL						
Units	1,943,816	601,359	1,400,207	147,198	1,099,093	1,025,941
Value	£2,350,002	£733,601	£1,745,004	£174,641	£1,360,002	£1,280,000
Shares in Issue						
B/Fwd	64,697,731	66,641,547	67,242,906	68,643,113	68,790,311	69,889,404
C/Fwd	66,641,547	67,242,906	68,643,113	68,790,311	69,889,404	70,915,345

Contributions and Withdrawals are subject to a dilution levy of 0.45% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Inflation Linked Fund
Contributions and Withdrawals**

for the six months ended 31 August 2011

	Mar 2011	Apr 2011	May 2011	Jun 2011	Jul 2011	Aug 2011
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	(188,606)	113,512	-	(181,573)	(178,091)	(713,128)
Value (B)	(£500,000)	£300,001	-	(£500,000)	(£500,000)	(£2,050,004)
Methodist Lay Employees. Pension Fund						
Units (B)	-	11,352	11,091	-	-	(87,127)
Value (B)	-	£30,002	£30,002	-	-	(£250,002)
Action for Children Pension Fund						
Units (B)	-	-	-	(18,755,057)	-	-
Value (B)	-	-	-	(£51,950,853)	-	-
Action for Children						
Units (A)	-	-	37,036	36,521	-	-
Value (A)	-	-	£100,000	£100,001	-	-
TOTAL						
Units	(188,606)	124,864	48,127	(18,900,109)	(178,091)	(800,255)
Value	(£500,000)	£330,003	£130,002	(£52,350,852)	(£500,000)	(£2,300,006)
Shares in Issue						
B/Fwd	27,432,380	27,243,774	27,368,638	27,416,765	8,516,656	8,338,565
C/Fwd	27,243,774	27,368,638	27,416,765	8,516,656	8,338,565	7,538,310

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

(A) Charity units

(B) Pension units

**Central Finance Board of the Methodist Church
Inflation Linked Fund
Contributions and Withdrawals**

for the six months ended 29 February 2012

	Sep 2011	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012
	Units	Units	Units	Units	Units	Units
	Value	Value	Value	Value	Value	Value
Methodist Ministers Pension Fund						
Units (B)	-	(34,291)	74,316	(129,687)	-	64,783
Value (B)	-	(£100,000)	£199,999	(£400,002)	-	200,000
Methodist Lay Employees. Pension Fund						
Units (B)	-	(17,146)	584	-	-	-
Value (B)	-	(£50,002)	-	-	-	-
TOTAL						
Units	-	(51,437)	74,900	(129,687)	-	64,783
Value	-	(£150,002)	£199,999	(£400,002)	-	£200,000
Shares in Issue						
B/Fwd	7,538,310	7,538,310	7,486,873	7,561,773	7,432,086	7,432,086
C/Fwd	7,538,310	7,486,873	7,561,773	7,432,086	7,432,086	7,496,869

Contributions and Withdrawals are subject to a dilution levy of 0.30% on the prices quoted above.

(A) Charity units

(B) Pension units

Central Finance Board of the Methodist Church
Schedule of Valuations and Distributions
Equity Funds & Deposit Fund

Year to 29 February 2012

	UK Equity Fund Charity		UK Equity Fund Pension		Overseas Fund Charity		Overseas Fund Pension		Deposit Fund	
	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p	% p.a.	% p.a. (AER)
28 Feb 2011	1550.0	8.16	1550.0	8.16	306.6	1.32	306.6	1.32	1.17	1.18
31 Mar 2011	1531.8	-	1531.8	-	311.3	-	311.3	-	1.22	1.23
30 Apr 2011	1575.3	-	1575.3	-	310.6	-	310.6	-	1.22	1.23
31 May 2011	1547.3	14.14	1547.3	14.14	308.1	0.84	308.1	0.84	1.22	1.23
30 Jun 2011	1542.5	-	1542.5	-	311.7	-	311.7	-	1.22	1.23
31 Jul 2011	1503.1	-	1503.1	-	301.1	-	301.1	-	1.22	1.23
31 Aug 2011	1378.3	14.82	1378.3	14.82	280.7	1.39	280.7	1.39	1.22	1.23

Central Finance Board of the Methodist Church
Schedule of Valuations and Distributions
Fixed Interest Funds

Year to 29 February 2012

	Gilt Fund		Corporate Bond Fund		Short Fixed Interest Fund		Inflation Linked Fund	
	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p
28 Feb 2011	133.9	1.05	117.4	1.31	109.5	0.82	262.9	1.00
31 Mar 2011	134.4	-	118.0	-	109.9	-	264.5	-
30 Apr 2011	136.9	-	120.7	-	111.4	-	269.7	-
31 May 2011	137.6	1.09	120.3	1.33	111.7	0.80	273.0	0.98
30 Jun 2011	137.1	-	119.2	-	112.1	-	274.3	-
31 Jul 2011	141.5	-	122.9	-	114.5	-	283.2	-
31 Aug 2011	142.6	1.07	120.3	1.35	114.1	0.76	281.4	1.03

Central Finance Board of the Methodist Church
Schedule of Valuations and Distributions
Managed Funds

Year to 29 February 2012

	Managed Equity Fund		Managed Fixed Interest Fund		Managed Mixed Fund		Property Fund	
	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p	Valuation p	Distribution p
28 Feb 2011	1857.9	9.50	176.3	1.42	338.9	1.87	63.1	0.42
31 Mar 2011	1844.2	-	177.0	-	337.5	-	63.2	0.42
30 Apr 2011	1887.4	-	180.0	-	344.7	-	62.3	0.43
31 May 2011	1856.8	15.05	180.5	1.42	340.6	2.62	62.4	0.43
30 Jun 2011	1855.4	-	180.4	-	340.4	-	62.2	0.43
31 Jul 2011	1805.5	-	185.2	-	335.8	-	62.2	0.36
31 Aug 2011	1660.1	16.29	185.0	1.39	317.1	3.51	62.1	0.36

CFB Funds
Current Objectives and Parameters
29 February 2012

Ethical

All CFB portfolios will be invested in securities which are in line with the ethical policy of the Methodist Church.

Investment Objectives

UK Equity Fund

Over rolling five year periods, to achieve mainly through a portfolio of UK equities, a total return equal to or in excess of the **UK equity market**.

Overseas Fund

Over rolling five year periods, to achieve mainly through a portfolio of overseas equities and inflation linked securities, a total return equal to or in excess of **non-UK equity markets**.

Gilt Fund

Over rolling five year periods, to achieve mainly through a portfolio of long-dated sterling denominated UK Government securities with an income yield close to the redemption yield prevailing on UK Government securities, a total return equal to or in excess of **the UK Government fixed interest market**.

Corporate Bond Fund

Over rolling five year periods, to achieve mainly through a portfolio of sterling denominated corporate and sub-sovereign fixed interest securities, a total return equal to or in excess of **the UK corporate bond market**.

Short Fixed Interest Fund

Over rolling five year periods, to achieve mainly through a portfolio of short-dated sterling denominated fixed interest securities with an income yield close to the redemption yield prevailing on short-dated UK Government securities, a total return equal to or in excess of the **short-dated UK Government fixed interest market**.

Inflation-Linked Fund

Over rolling five year periods, to achieve mainly through a portfolio of sterling denominated securities linked to the Retail Price Index or similar measure of inflation, a total return equal to or in excess of the **UK Government Index-Linked market**.

Property Fund

To provide capital growth linked to the value of commercial property and to provide a high and growing yield.

Managed Equity Fund

Over rolling five year periods, to achieve through holdings in the CFB UK Equity and Overseas funds, a total return equal to or in excess of the **composite index measuring the constituent asset classes**.

Managed Fixed Interest Fund

Over rolling five year periods, to achieve through holdings in the CFB Gilt, Corporate Bond and Short fixed interest funds, a total return equal to or in excess of the **UK Government fixed interest market**.

Managed Mixed Fund

Over rolling five year periods, to achieve through holdings in the CFB UK Equity, Overseas, Gilt, Corporate Bond, Short Fixed Interest, Inflation Linked and Property funds, a total return equal to or in excess of a **composite index measuring the constituent asset classes**.

Deposit Fund

To obtain the higher rates of interest usually available in the London Money Market whilst maintaining the ability to make withdrawals at short notice and with minimal risk of capital loss.

Investment Parameters
29 February 2012

	%	
Equity Fund		
UK equities	95	- 100
Cash	0	- 5
Overseas Fund		
Overseas equities	90	- 100
Inflation Linked Securities	0	- 5
Cash	0	- 5
Regional exposure in relation to FTSE All World ex UK Index		
- N America (currently 52.3% FTSE All World ex UK Index)	plus or minus 10	
- Europe ex UK (currently 18.9% FTSE All World ex UK Index)	plus or minus 10	
- Japan (currently 8.2% FTSE All World ex UK Index)	plus or minus 5	
- Pacific ex Japan (currently 15.2% FTSE All World ex UK Index)	plus or minus 5	
- Latin America, Middle East and Africa combined (currently 5.4% FTSE All World ex UK Index)	plus or minus 3	
Gilt Fund		
Modified duration of FTSE All Stocks Gilt Index +/- 1.5 years (7.6 to 10.6 years)		
Government Securities	95	- 100
Cash	0	- 5
Corporate Bond Fund		
Modified duration of Composite Index (iBoxx Non-gilt AAA 30%, AA 40%, A 25%, BBB 5%) +/- 1.5 years (6.5 to 9.5 years)		
Credit rating AAA and AA	55	- 85
Other investment grade or secured issues	15	45
Cash and bonds under 1 year to maturity	0	- 5
Short Fixed Interest Fund		
Modified duration of 50% FTSE Up to 5 Years Gilts Index and 50% FTSE 5-10 years Gilts Index +/- 1.5 years (3.1 to 6.1 years)		
Government securities	70	- 90
Debentures and Unsecured Loans	10	- 30
Cash	0	- 5
Inflation Linked Fund		
Modified duration of FTSE Index Linked All Stocks Gilts Index +/- 1.5 years (15.5 to 18.5 years)		
Government Securities	80	- 100
Debentures & Unsecured Loans	0	- 20
Cash	0	- 5
Property Fund		
Property Income Fund for Charities	100%	

Investment Parameters

29 February 2012

Deposit Fund

To match the parameters of Affirmative Deposit Fund which are:

On call or repayable within 5 business day	Minimum 10%
Maximum period of redemption (other than floating rate securities)	24 months
Maximum period between coupon changes on floating rate securities	6 months
Maximum average life (excluding fixed terms arrangements made by specific clients)	150 days

%

Managed Equity Fund

CFB UK Equity Fund	80	-	90
CFB Overseas Fund	10	-	20

Managed Fixed Interest Fund

Modified duration of 40% FTSE All Stocks Gilts Index;
10% Corporate Bond Fund Composite Index
(iBoxx Non-gilt AAA 30%, AA 40%, A 25%, BBB 5%);
25% FTSE Up to 5 Years Gilts Index
and 25% FTSE 5-10 Years Gilts Index +/- 1.5 years
(5.2 to 8.2 years)

CFB Gilt Fund	30	-	50
CFB Corporate Bond Fund	5	-	15
CFB Short Fixed Interest Fund	40	-	60

Managed Mixed Fund

Equities and Inflation Linked Securities	60	-	80
- CFB UK Equity Fund	(50	-	70)
- CFB Overseas Fund	(5	-	15)
- CFB Inflation Linked Fund	(0	-	5)
Fixed Interest Securities	15	-	35
- CFB Gilt Fund	(10	-	20)
- CFB Corporate Bond Fund	(0	-	5)
- Short Fixed Interest Fund	(5	-	15)
Property Fund	0	-	10

**CFB Management Account
Financial Statements**

at 29 February 2012

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

We have audited the financial statements of the Central Finance Board of the Methodist Church Management Account for the year ended 29 February 2012 which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of the Council's Responsibilities, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the Council's members, as a body, in accordance with 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 and the Council's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Management Account's affairs as at 29 February 2012 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Methodist Church Funds Act 1960.

Andrew Goldsworthy (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St. Katharine's Way
London, E1W 1DD

13 April 2012

Central Finance Board of the Methodist Church Management Account

Income and Expenditure Account

for the year to 29 February 2012

	Notes	Year to 29/02/2012 £	Year to 28/02/2011 £
Income	2	<u>2,304,581</u>	<u>2,264,746</u>
Expenditure			
Personnel Costs	3	1,462,117	1,406,061
Establishment Costs		88,633	101,591
Administration Expenses	4	559,722	591,262
		<u>2,110,472</u>	<u>2,098,914</u>
Surplus for the year		<u>194,109</u>	<u>165,832</u>

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.

Central Finance Board of the Methodist Church Management Account

Balance Sheet

as at 29 February 2012

	Notes	As at 29/02/2012 £	As at 28/02/2011 £
Fixed Assets			
Tangible Fixed Assets	1c/5	-	-
Investments	6	25,000	25,000
		<u>25,000</u>	<u>25,000</u>
Current Assets			
Debtors and Prepayments	7	272,471	220,192
Deposit Fund		523,662	367,726
Cash at Bank		8,193	9,309
Petty Cash		565	216
		<u>804,891</u>	<u>597,443</u>
Current Liabilities			
Creditors and Accruals	8	175,351	162,012
Bank Overdraft		-	-
		<u>175,351</u>	<u>162,012</u>
Net Current Assets		<u>629,540</u>	<u>435,431</u>
Total Net Assets		<u>654,540</u>	<u>460,431</u>
Accumulated Fund			
Balance at 1 March 2011		460,431	289,599
Bequest received during year		-	5,000
Surplus for the year		194,109	165,832
		<u>654,540</u>	<u>460,431</u>

The only movement on the accumulated fund is the retention of the surplus as shown on the income and expenditure account.

The financial statements were approved by the members of the CFB Council on 13 April 2012 and were signed on its behalf by:

ROGER SMITH

Central Finance Board of the Methodist Church Management Account

Cash flow Statement

for the year to 29 February 2012

	Notes	Year to 29/2/2012 £	Year to 28/2/2011 £
Reconciliation of operating result to net cash flow from operating activities			
Surplus for the year		194,109	165,832
(Increase)/decrease in Debtors and Prepayments		(52,279)	41,315
Increase in Creditors and Accruals		13,339	9,402
		<u>(38,940)</u>	<u>50,717</u>
Net cash inflow from operating activities		155,169	216,549
Income from non-operating activities		-	5,000
		<u>155,169</u>	<u>221,549</u>
Cash flow statement			
Net cash inflow from operating activities		155,169	216,549
Bequest		-	5,000
		<u>155,169</u>	<u>221,549</u>
Net Cash Inflow	9	155,169	221,549
		<u><u>155,169</u></u>	<u><u>221,549</u></u>

Central Finance Board of the Methodist Church Management Account

Notes to the Accounts

for the year to 29 February 2012

1 Accounting policies

a) Accounting Convention

The accounts have been prepared in accordance with the historic cost convention.

b) Going Concern

The Management Account has been prepared on a going concern basis as the Central Finance Board of the Methodist Church has undertaken to support the Management Account so that it may meet its liabilities as they fall due.

c) 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:

Improvements to premises 25%; Office equipment 25%; Computer equipment 25%

d) Taxation

As part of a Charity, the Management Account is not subject to UK Taxation.

e) Operating Lease

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the lease.

f) Income

Recharges to funds represent recharges of costs to the CFB Funds. Fees receivable are amounts, excluding VAT, invoiced in respect of services to Epworth Investment Management Limited.

g) Pension Costs

Contributions payable to the pension scheme are charged to the income and expenditure account so as to spread the cost of pensions over the service lives of employees in the scheme. The pension charge is calculated on the basis of actuarial advice.

2 Income

	Year to 29/02/2012	Year to 28/02/2011
	£	£
Recharges to Funds	2,041,518	2,048,638
Fees Receivable	253,953	210,184
Interest Receivable	6,610	3,424
Dividends Receivable	2,500	2,500
	<u>2,304,581</u>	<u>2,264,746</u>

All income is derived in the United Kingdom.

**Central Finance Board of the Methodist Church
Management Account**

Notes to the Accounts (continued)

for the year to 29 February 2012

3 Staff Costs

	Year to 29/02/2012	Year to 28/02/2011
	£	£
Wages and Salaries	1,024,472	1,035,899
Social Security Costs	129,757	122,064
Other Pension Costs	244,969	239,276
Redundancy costs	32,550	-
Other personnel costs	30,369	8,822
	<u>1,462,117</u>	<u>1,406,061</u>

4 Administration Expenses

	Year to 29/02/2012	Year to 28/02/2011
	£	£
Audit Fees	33,348	31,901
Computer Systems	145,338	157,691
Custodial Fees	44,294	51,635
Information Services and Systems	196,877	197,086
Professional Indemnity Insurance	29,679	31,509
Other Costs	110,186	121,440
	<u>559,722</u>	<u>591,262</u>

5 Tangible Assets

	Improvements to Premises £	Office Equipment £	Computer Equipment £	Total £
Cost at 01.03.11	129,693	112,242	187,593	429,528
Disposals/scrappings	-	-	-	-
Cost at 29.02.12	<u>129,693</u>	<u>112,242</u>	<u>187,593</u>	<u>429,528</u>
Depreciation at 1.03.11	129,693	112,242	187,593	429,528
Charge for the period	-	-	-	-
Depreciation at 29.02.12	<u>129,693</u>	<u>112,242</u>	<u>187,593</u>	<u>429,528</u>
Net book value at 29.02.12	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net book value at 28.02.11	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

6 Fixed Asset Investments

	29/02/2012	28/02/2011
	£	£
Epworth Investment Management:		
6,250 Ordinary shares of £1 each	6,250	6,250
18,750 Preference shares of £1 each	18,750	18,750
	<u>25,000</u>	<u>25,000</u>

This investment represents an interest of 25% in the paid-up capital of Epworth Investment Management Limited.
The remaining 75% is owned in equal shares by three other Methodist related organisations.

**Central Finance Board of the Methodist Church
Management Account**

Notes to the Accounts (continued)

for the year to 29 February 2012

7 Debtors and Prepayments

(Due within one year)

	29/02/2012	28/02/2011
	£	£
Other debtors	148,459	117,105
Prepayments	<u>124,012</u>	<u>103,087</u>
	<u><u>272,471</u></u>	<u><u>220,192</u></u>

8 Creditors and Accruals

(Due within one year)

	29/02/2012	28/02/2011
	£	£
Other creditors	69,690	61,294
Accruals	<u>105,661</u>	<u>100,718</u>
	<u><u>175,351</u></u>	<u><u>162,012</u></u>

9 Cash Flow

Reconciliation of net cash flow to movement in net debt

	Year to 29/02/2012	Year to 28/02/2011
	£	£
Increase in cash in period	155,169	221,549
Opening net cash	<u>377,251</u>	<u>155,702</u>
Net cash at period end	<u><u>532,420</u></u>	<u><u>377,251</u></u>

Analysis of net cash

	At 28/02/11	Cash flows	At 29/02/12
	£	£	£
Cash	216	349	565
Bank	9,309	(1,116)	8,193
Deposit Fund	<u>367,726</u>	<u>155,936</u>	<u>523,662</u>
	<u><u>377,251</u></u>	<u><u>155,169</u></u>	<u><u>532,420</u></u>

Central Finance Board of the Methodist Church Management Account

Notes to the Accounts (continued)

for the year to 29 February 2012

10 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. Although 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 activities are very similar in nature to those that are carried on by a regulated investment management organisation. Such an organisation is required to maintain reserves at all times of an amount equivalent to that stipulated by the Financial Services Authority (FSA). After careful consideration, the CFB Council is of the opinion that reserves should be retained at an amount at least equivalent to that which would be required of it were it a regulated organisation. At 29 February 2012, the reserves of the CFB are approximately £69,000 in excess of this requirement (28/02/2011 - £115,000 deficit).

11 Other Financial Commitments

At 29 February 2012 the Board was committed to making the following annual payments in respect of the non-cancellable operating lease of 9 Bonhill Street, London EC2A 4PE

	29/02/2012	28/02/2011
	£	£
Operating lease which expires: In 2 to 5 years:	<u>62,000</u>	<u>57,977</u>

The lease is for a period from 3 May 2005 to 23 March 2014, and was subject to a review on 27 April 2010.

12 Pension Arrangements

The CFB participates in a funded multi - employer defined benefit pension scheme. It has not been possible for the CFB to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore, in accordance with FRS 17 multi - employer exemption, the scheme is accounted for as if it were a defined contributions scheme.

The pension cost charge for the period amounted to £244,969 (28/2/2011: £239,276). An actuarial report has been completed as at 1 September 2010 which shows a deficit of £3.5m. The Trustees of the Scheme are proposing no action to reduce the deficit at this point.

13 Corporate Status

The Central Finance Board of the Methodist Church is a body corporate established under the Methodist Church Funds Act, 1960

14 Related party transactions

During the year, the CFB invoiced £304,770, including VAT, (2011: £248,148) to Epworth Investment Management Limited for management expenses. The balance due by them at 29 February 2012 was £66,069 (2011: £56,810). Epworth Investment Management Limited is a related party in that the Central Finance Board of the Methodist Church holds 25% of the company's share capital.

Central Finance Board of the Methodist Church Management Account

Detailed Income and Expenditure Account

for the year to 29 February 2012

	Year to 29/2/2012 £	Year to 28/2/2011 £
Income		
Grants Receivable	2,041,518	2,048,638
Fees Receivable	253,953	210,184
Interest Receivable	6,610	3,424
Dividends receivable	2,500	2,500
	<u>2,304,581</u>	<u>2,264,746</u>
Personnel costs		
Salaries, Pension Schemes and Consultancy	1,462,117	1,406,061
	<u>1,462,117</u>	<u>1,406,061</u>
Establishment costs		
Rent and Service Charges	90,420	81,991
Insurance	2,500	2,636
Electricity	7,410	5,900
Cleaning	6,845	6,763
Health and Safety	700	785
Repairs, Maintenance & Security - Property	5,026	3,516
Establishment costs over-accrual in prior year	(24,268)	-
	<u>88,633</u>	<u>101,591</u>
Information and Custodian costs		
Investment Information Services	196,877	197,086
Custodian Fees	44,294	51,635
Performance Measurement/Risk Assessment	23,775	23,073
	<u>264,946</u>	<u>271,794</u>
Computer costs		
Computer Maintenance and Development	145,338	157,691
	<u>145,338</u>	<u>157,691</u>
Administration costs		
Insurance	29,679	31,509
Telephones & communications	9,455	12,784
General Expenses	5,396	7,285
Repairs and Maintenance - Office Equipment	13,577	14,766
Publicity and Annual Report	25,558	23,304
Printing and Stationery	11,583	16,932
Postage	7,400	5,353
Legal and Professional Fees	8,775	4,000
Board and Committee Expenses	4,667	13,943
Audit Fees	33,348	31,901
	<u>149,438</u>	<u>161,777</u>
Total expenditure	<u>2,110,472</u>	<u>2,098,914</u>
Surplus for the year	<u>194,109</u>	<u>165,832</u>

This page does not form part of the audited accounts