

Financial statements

For the year to

31 August 2025

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Statement of the Council's Responsibilities

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

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

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

In addition, the Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Central Finance Board of the Methodist Church and ensuring the consolidated accounts of the Central Finance Board of the Methodist Church and Epworth Investment Management are also disclosed with reasonable accuracy.

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



John Sandford, Chair
8th December 2025

Chair's Statement

Introduction

This is my last statement for the annual report and accounts of the Central Finance Board (CFB) as I step down as Chair at the annual general meeting in December. Also stepping down is our Deputy Chair, Peter Hobbs. I must thank him for the tremendous support he has given me through most of my tenure, bringing a commercial perspective to the governance of the CFB as we have undergone considerable change.

I hope that the annual general meeting will approve Revd Tim Swindell as my successor. Tim's incredible experience as the Connexional treasurer and membership of the Methodist Council and its successor, the Connexional Council, will ensure that the CFB continues to serve the Church as both the manager of its investment funds and as its witness in the UK Financial community.

A period of change

When I joined the Council of the CFB 14 years ago, we had a relatively comfortable existence, privileged to manage the assets of the broader Church, including substantial portfolios held on behalf of several pension schemes. I realised early in my tenure that these schemes would eventually leave our management, and that if we were to continue supporting the Church, we would need to invest in our regulated subsidiary, Epworth Investment Management. This change began with the hiring of a new, outward-looking Chief Executive Officer upon the retirement of our great servant and friend, Bill Seddon. With your Council's support, he reshaped Epworth's business, initially investing in compliance and business development, and then in the CFB and Epworth's investment offerings. The final stage of this change has been to focus the CFB and Epworth on what we do best – delivering investment and ethical performance that meets the needs of our client base - by outsourcing the operational tasks that take place behind these activities.

Further retirements

Joining Peter and me in stepping down from Council at the end of this year are Morwenna Williams and Revd Peter Howson. They formally stepped down as Council members two years ago due to the archaic age restrictions in our statute but have continued to serve Council as observers. I must thank them for the energy and challenge that they have brought to our Council meetings. They will be difficult to replace.

I have greatly enjoyed my time as Chair of the CFB. It has been a privilege and honour to serve with such motivated colleagues amongst the Board, Council and Executive. I thank you all for the support that you have given me over the years.



John Sandford
Chair

8th December 2025

Chief Executive Officer’s report

The Chair has already reflected on the tremendous change that the CFB has undergone over the last few years. I believe that this period of change is coming to an end. Our investment propositions in the CFB have been greatly simplified, whilst Epworth’s have developed to offer propositions that align with our target client needs. We have moved operational support to large institutions that are highly regulated and well-capitalised. One task that is left for the year ahead is to re-examine our investment process. We have significantly broadened our asset allocation offering, and the benefits of this are being seen in our clients’ portfolios and the multi-asset funds. However, the equity elements of these offerings, whilst delivering great ethical outcomes, have disappointed in their investment returns. Resolving this is hopefully the last task I need to take on before we have a business that is stable and moving forward.

Consolidation of CFB Funds

In last year’s report, I noted the substantial decline in the value of the unitheld funds that are managed by the CFB, as the pension scheme monies that we previously managed have moved to other investment solutions. We have therefore continued the programme of funds consolidation that we started a few years ago. At the end of the financial year, the Funds offered by the CFB were transitioning into the following:

	Value as at 31 August 2025*
CFB Deposit Fund	£435.9m
CFB Managed Equity Fund	£20.4m
CFB Managed Fixed Interest Fund	£29.9m
CFB Managed Mixed Fund	£26.5m
Connexional Council Medium Term Fund	£84.8m
Connexional Council Long Term Fund	£23.2m
	£620.7m

*These values are estimated as the Funds were transitioning on 31 August 2025

The above consolidation involved the merging of the CFB Global Equity Fund and the CFB UK Equity Fund into the CFB Managed Equity Fund. The CFB Property Fund was closed, with most investors moving their investment into the CFB Deposit Fund. No further Fund changes are planned.

New Deposit Fund System

2025 has been dominated by changes to the operating model and supporting systems for the CFB’s investment and deposit funds. The CFB has previously employed an internal team working on legacy systems to undertake the unit pricing, fund administration and fund accounting of the CFB Funds. The register of unit holders and depositors has also been maintained internally. With the legacy systems frequently failing as they neared the end of their useful life, a project has taken place over the last eighteen months to identify and migrate to new external providers.

The significant client and transaction numbers all relate to the CFB Deposit Fund. The migration of this Fund to CACEIS for fund administration and JTC for investor records has caused considerable disruption within the Church. The CFB Deposit Fund is authorised by the Methodist Church Funds Act 1960 to take deposits from defined investors within the Church. It is established as a Fund to pool deposits from various investors to benefit from the higher rates of interest available from the wholesale, rather than retail, market and to spread the risk of a default by one of the Fund’s investments. The Deposit Fund is not a bank, and it mustn’t hold itself out to be one, as it has no prudential regulation and does not participate in the Financial Services Compensation Scheme. It should also be noted that the CFB relies solely on a sign-off by a Methodist Minister for the opening of new accounts – it does not verify the source of any payments made into the Fund or undertake identity checks on the trustees of an account. It is therefore critical that the funds flowing through the CFB Deposit fund only come from those approved Methodist investors under the Act. Unfortunately, during the migration to the new providers, it became apparent that some Methodist Churches are not aware of this important distinction and certain practices are therefore being stopped as part of the migration. This is causing a high level of inconvenience to Church treasurers who have to redirect many of the payments they receive from church members to their Church’s bank account. The CFB also used to process

cheques for free – even though it required a 40-minute excursion from the office to pay them into the Fund’s bank account at the local branch of HSBC. JTC have indicated that their cost for processing cheques is £25 per cheque and that they will seek to recover these costs from 1st September 2026. This has caused further concern amongst treasurers, where their "free" internet banking does not facilitate a dual authorisation process, and they therefore rely upon cheques for making payments.

Recognising the issues that this Fund migration has caused for Church treasurers, the CFB has worked with the Connexion’s Executive Director of Finance & Resources to provide external support for treasurers seeking assistance to find banking resources that can meet their needs and provide training where required. More details on this can be found at the CFB’s website.

The migration of the CFB’s systems to a fund management solution has caused further issues for treasurers with narratives on their statements using fund-type wording, rather than banking ones. Given the legal structure of the Fund, this is appropriate, but where the narratives have been very unhelpful is the lack of details on the transferee/transferee for movements between Church and Circuit investors. Given that the ability to support assessments, the payment of centralised Gift Aid claims, and other intra-Church movements is a function that the CFB has long endorsed and wishes to continue to do so, these narratives need improving. Our agent JTC has delivered an interim solution in the form of "contract notes" for each subscription/redemption that give these details, and is working on a "stage 2" release of the online portal that will include these additional details in the online narratives and on statements. This update will also enable read-only access for support colleagues who are not on the original Church mandate.

Developments in Epworth Investment Management Limited

The CFB’s wholly owned subsidiary, Epworth Investment Management Limited (Epworth), continues to develop its investment services for the UK’s charity sector. It’s Cash Plus Fund – in which the CFB Deposit Fund is invested – consistently attracts new charity investors due to its relatively high rate of interest with instant access. The assets managed by Epworth’s portfolio services have grown 19% during the year to £152m. Epworth’s other main investment product, its Multi Asset Fund for Charities, has received a tremendous boost with the announcement of a major initiative with the leading faith charity, Christian Aid. Their “In Their Lifetime” (ITL) programme works with communities across the world to speed up the pace of change in poverty eradication. Half of the management fee from any new external investment in the Multi Asset Fund will be donated to the ITL programme. In this way, investors in the Fund can be assured of not just good investment returns but also of tangible and identifiable contributions to a better world.

Investment Performance

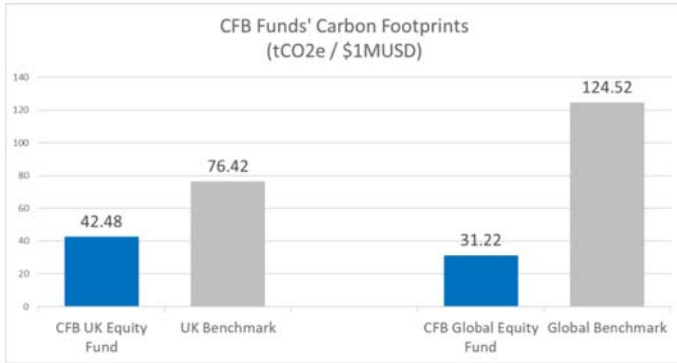
The underlying securities in the CFB equity funds have a bias towards companies that offer long-term and quality characteristics. Certain key sectors, such as oil & gas, resources and defence stocks, are excluded from the funds’ investable universe on ethical grounds. The characteristics that the Funds seek tend to lie in the industrial sectors that have not been beneficiaries of the recent surge in valuations in the technology companies, particularly those linked to artificial intelligence. The Funds have also been underweighting the financial sector. These factors have led to a significant underperformance in the equity funds over the last year:

CFB Fund Performance	1 year %	3 years pa %	5 years pa %	10 years pa %
UK Equity	4.27%	8.33%	8.67%	6.41%
FT All Share	16.81%	12.87%	13.02%	8.02%
Global Equity	4.61%	8.62%	8.93%	11.20%
FT All World	13.25%	12.46%	12.32%	13.09%
Managed Mixed	2.32%	3.83%	5.39%	6.11%

Chief Executive Officer's report

Carbon performance

The main underlying investments of the above Equity Funds are the Epworth UK Equity Fund and the Epworth Global Equity Fund. Carbon data for these funds is produced on a quarterly basis. Epworth follows the same ethical policies and exclusions as the CFB. Its equity funds, therefore, have a relatively high number of exclusions on ethical grounds, with the carbon footprint of the company being one of the key factors in excluding a company from the Funds' investable universe. As of 30th September 2025, the carbon footprint of these funds in comparison with their benchmark comparators was as follows:



John Sandford

Lastly, I must express my thanks to John Sandford, who has always been there to support and advise since I joined the CFB in 2015. His grasp of issues and constructive challenge have been of tremendous help, and I will miss him.

David Palmer
Chief Executive Officer
8th December 2025

Report of the Head of Asset Allocation

The financial year saw returns from risk assets concentrated in specific themes and trends that left much of the market behind, as the global economy survived ongoing political disruption and uncertainty from the rapid development of artificial intelligence “AI” technology. The re-election of Donald Trump reintroduced his chaotic negotiating style to the global political landscape, leading to some significant volatility during the year. Equities initially celebrated the return of Trump’s capitalistic economic reputation, though this was soon replaced by acute fears over the impact of trade tariffs on global growth. These fears largely subsided after trade agreements were struck, whilst economic data suggested momentum had not stalled as initially feared. Greater friction between economies drove a sharp rally in the value of gold and other precious metals, as central banks and investors looked to diversify into hard assets and away from traditional currency exposures. Meanwhile, investors were anxiously attempting to predict the long-term implications that AI technology will have on the economy, leading to significant dispersion between stocks and sectors judged to be potential winners and losers. Bonds, on the other hand, were caught between solid economic momentum suppressing credit spreads whilst government debt burdens ballooned ever higher and central banks cut rates as inflation rates appeared to pass their peak.

Looking forward, at the CFB we are pursuing a balanced investment approach that scrutinises the lofty valuations of perceived AI beneficiaries, whilst also identifying attractive assets out of favour with current market momentum that might provide longer term investment value. We expect inflation and therefore interest rates globally to continue their gentle decline. Overall economic fundamentals appear to remain attractive for further investment growth, but investors must tread carefully around on-going political disruption and volatile sentiment.

The CFB UK Equity Fund (investing mainly into the Epworth UK Equity Fund) and the CFB Global Equity Fund (investing mainly into the Epworth Global Equity Fund) both delivered positive returns over the year, though lagged their benchmarks owing to the intense concentration of stocks associated with the AI boom that the funds contain only modest exposure too. The balanced approaches of the CFB Managed Fixed Interest and Managed Mixed Funds delivered modest returns, focusing on long term quality investment exposures.

Principles of corporate governance

The Methodist Church Funds Act, 1960

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

Membership

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

General Meetings

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

The business of the annual General Meeting shall include:

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

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

The Chair

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

The Council

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

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

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

- cause proper accounts to be kept and audited of receipts and expenditure of Council and any investment or deposit fund administered by the CFB;

- submit these accounts together with a report on the CFB operations to the annual General Meeting.

There is no published Code which applies directly to the CFB, but the importance of high standards of corporate governance in the conduct of its affairs is recognised. The Council has therefore defined its terms of reference.

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

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

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

Council committees

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

Audit, Risk and Governance Committee

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

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

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

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

Principles of corporate governance

Nominations and Remuneration Committee

The Nominations and Remuneration Committee comprises of the Chair and members of the CFB council and Board of Epworth Investment Management Limited, and Secretary/Head of Finance in attendance. It meets as required each year and is responsible for:

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

Management structure

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

Executive Committee

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

- **Identification and review of strategic, operational, business, investment & financial risks**

The Executive Committee is responsible for identifying the major risks faced by the CFB and for determining the appropriate course of action to manage and mitigate those risks. This includes investment risks relating to the investment funds managed by the CFB and Epworth Investment Management Ltd. The Compliance & Risk Manager, whilst an independent function reporting to the Board, will advise EXCO in the identification, management & mitigation of risks. The Audit, Risk and Governance Committee review risk assessments produced by management at each meeting, considering and assessing the actions taken and proposed.

- **Insurances**

The CFB maintains insurance cover, including professional indemnity cover, and works closely with brokers to ensure that appropriate levels of cover are maintained with reputable insurers.

- **Ethics**

The CFB aims to follow a discipline in which the ethical dimension is an integral part of all investment decisions; to construct investment portfolios which are consistent with the moral stance and teachings of the Christian faith; to encourage strategic thinking on the ethics of investment; and to be a Christian witness

in the investment community. To assist the CFB in this aim, the Methodist Church established the Joint Advisory Committee on the Ethics of Investment (JACEI) which reports annually to the Methodist Conference.

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

The CFB works with other churches and denominations both in the UK and Overseas mainly through the Church Investors Group (CIG). It exercises its responsibilities as a shareholder by

voting all shares according to templates agreed with and through CIG. It is a signatory of the UK Stewardship Code and CDP (formally the Carbon Disclosure Project). It also works through membership of collaborative organisations such as the Institutional Investors Group on Climate Change.

- **Employees**

The CFB appreciates its responsibility to encourage and assist in the employment, training, promotion and personal career development of all employees, without prejudice. It is committed to maintaining a working environment where members of staff are individually valued and recognised, and assists its employees in achieving an appropriate work/life balance, including policies on maternity and paternity leave, and emergency time off. The CFB is an accredited Living Wage Employer.

- **Health & safety**

The CFB recognises and accepts its responsibility for, and is committed to ensuring the provision of, adequate systems for the health, safety and welfare of employees. It aims to achieve best practice in health, safety and welfare of staff. Health and safety issues are considered by the Audit, Risk and Governance Committee.

- **Environment**

The Executive Committee reviews environmental matters from time to time and encourages staff to minimise the carbon footprint of the CFB through their working practices.

- **Suppliers**

The CFB aims to develop long term business relationships with its suppliers who are required to adhere to business principles consistent with those of the CFB. We expect them to adopt and implement acceptable safety, environmental, labour, human rights and legal standards in line with these standards.

- **Relations with unit holders and depositors**

The CFB encourages interaction with its unit holders and depositors. Members of the Executive meet with key clients regularly throughout the year.

CFB unitised funds

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

Opinion

We have audited the financial statements of the Central Finance Board of the Methodist Church Funds ("the CFB Funds") (CFB Managed Equity Fund, CFB Managed Fixed Interest Fund, CFB Managed Mixed Fund, Connexionally Council Managed Medium Term fund (formerly the 'CFB Methodist Council Managed Medium Term Fund'), (Connexionally Council Managed Long Term Fund (formerly the 'CFB Methodist Council Managed Long Term Fund') for the year ended 31 August 2025 which comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Price and income history, the Balance sheet, the Distribution table, the Net asset value/fund size table, the Average dealing spread, the Summary of investments and other assets and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the CFB Funds' affairs as at 31 August 2025 and of their results 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;

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

Responsibilities of Council members

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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


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

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

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



EE3FF624A5724EE
Richard Hiltor (Senior Statutory Auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

London

WC2B 5AH

09-Dec-25 | 11:40 GMT

CFB Managed Equity Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		275	2,964
		275	2,964
Income	3	368	897
Expenses		(13)	-
Net income		355	897
Total return for the period		630	3,861
Finance costs: distributions		(368)	(897)
Change in net assets attributable to unitholders		262	2,964

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	24,666	28,950
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	1,101
Amounts payable on cancellation of units	(4,550)	(8,349)
	(4,550)	(7,248)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	262	2,964
Closing net assets attributable to unitholders	20,378	24,666

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021	2,773.7	2,027.0	50.76
28 February 2022	3,131.3	2,752.9	75.91
28 February 2023	3,025.2	2,526.8	80.37
18 months to 31 August 2024	3,172.8	2,695.0	99.57
31 August 2025	3,369.3	2,911.1	53.91

CFB Managed Equity Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		20,373	24,665
Current assets			
Debtors	6	89	111
Cash and bank balances	7	11	1
Total current assets		100	112
Total assets		20,473	24,777
Liabilities			
Creditors		(6)	-
Distribution payable	8	(89)	(111)
Total liabilities		(95)	(111)
Net assets attributable to unitholders		20,378	24,666

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024	11.26	20 January 2025
1 December 2024 to 29 February 2025	8.73	20 April 2025
1 March 2025 to 31 May 2025	19.78	20 July 2025
1 June 2025 to 31 August 2025	14.14	20 October 2025

CFB Managed Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	28.7	1,073,474	2,677.4
28 February 2022	30.8	1,046,567	2,943.3
28 February 2023	28.9	1,025,117	2,824.1
31 August 2024	24.7	780,741	3,159.3
31 August 2025	20.4	628,268	3,243.4

Average dealing spread

	Year to 31.08.25 %	18 mths to 31.08.24 %
	0.19	0.19

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	31.08.24 CFB %
CFB UK Equity Fund	4,971	24.4	6,165	25.0
CFB Global Equity Fund	15,402	75.6	18,500	75.0
Total investments	20,373	100.0	24,665	100.0
Net current assets	5		1	
Total value of fund	20,378		24,666	

CFB Managed Equity Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Recognition of income

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

(c) Management expenses

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

In respect of the CFB Managed Equity Fund, no further Management fees including custodian charges and transaction fees are incurred beyond the costs borne by the underlying holdings in the CFB Funds. At 31 August 2025, the costs recovered by the CFB from the underlying funds were as follows:

- CFB UK Equity Fund 0.55% per annum (28.02.24: 0.55%)
- CFB Global Equity Fund 0.65% per annum (28.02.24: 0.65%)

(d) Distribution policy

All available income of the Funds is distributed to unit holders.

(e) Basis of valuation

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

(f) Foreign exchange

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

(g) Transaction costs

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

(h) Going concern

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

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

CFB Managed Equity Fund

3. Gross Income

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
UK dividends	368	897
Bank interest	-	-
Total income	368	897

4. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	3,159.4	2,824.1
Return before operating charges	137.9	434.9
Operating charges	-	-
Return after operating charges	137.9	434.9
Distribution on income units	(53.9)	(99.6)
Closing net asset value per unit	3,243.4	3,159.4

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	4.4	15.4

5. Taxation

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

6. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	89	111
	89	111

7. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	11	1
Other bank accounts	-	-
	11	1

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

8. Distributions payable

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Distributions payable	89	111
	89	111

9. Risk management policies

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

Market price risk

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

Currency risk

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

Transaction risk

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

Liquidity risk

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

10. Related party transactions

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

11. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.24: £Nil).

CFB Managed Equity Fund

12. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets		20,373		20,373
Total	-	20,373	-	20,373

For the period ended 31 August 2024

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

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

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

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

13. Ultimate controlling party

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

14. Investments

	31.08.25
	£'000s
Opening investments	24,665
Purchase of investments	600
Sale of investments	(5,167)
Net gain/(loss) for the year	275
Closing investments	20,373

CFB Managed Fixed Interest Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		(1,058)	1,103
		(1,058)	1,103
Income	3	1,432	1,254
Expenses		(151)	(51)
Net income		1,281	1,203
Total return for the period		223	2,306
Finance costs: distributions		(1,389)	(1,256)
Change in net assets attributable to unitholders		(1,166)	1,050

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	34,673	21,807
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	470	13,188
Amounts payable on cancellation of units	(4,089)	(1,372)
	(3,619)	11,816
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	(1,166)	1,050
Closing net assets attributable to unitholders	29,888	34,673

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021	220.70	210.50	1.51
28 February 2022	215.00	201.20	1.57
28 February 2023	200.30	163.40	2.84
18 months to 31 August 2024	178.50	164.80	10.21
31 August 2025	178.30	168.20	5.65

CFB Managed Fixed Interest Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		28,701	33,059
Current assets			
Debtors	6	80	416
Cash and bank balances	7	1,494	1,546
Total current assets		1,574	1,962
Total assets		30,275	35,021
Liabilities			
Creditors		(14)	(7)
Distribution payable	8	(373)	(341)
Total liabilities		(387)	(348)
Net assets attributable to unitholders		29,888	34,673

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024 (1)	1.28	20 January 2025
1 December 2024 to 28 February 2025 (1)	1.34	20 April 2025
1 March 2025 to 31 May 2025 (1)	0.89	20 July 2025
1 June 2025 to 31 August 2025	2.15	20 October 2025

(1) The distributions payable are after deductions in relation to overpayments in the prior period

CFB Managed Fixed Interest Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	7.2	3,406,596	210.3
28 February 2022	6.4	3,199,859	201.8
28 February 2023	21.8	12,665,088	172.2
31 August 2024	34.7	19,413,192	178.6
31 August 2025	29.9	17,340,107	172.4

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.26	0.26

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	31.08.24 CFB %
CFB Gilt Fund	-	-	-	-
CFB Corporate Bond Fund	-	-	-	-
CFB Short Fixed Interest Fund	-	-	-	-
Vanguard U.K. Government Bond Index Fund	14,941	52.1	17,795	53.8
Rathbones Ethical Bond Fund	6,243	21.8	6,299	19.1
Rathbone Greenbank Global Sustainable Bond Fund	3,032	10.5	3,614	10.9
CT UK Social Bond Fund	4,485	15.6	5,351	16.2
Total investments	28,701	100.0	33,059	100.0
Net current assets	1,187		1,614	
Total value of fund	29,888		34,673	

CFB Managed Fixed Interest Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Recognition of income

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

(c) Management expenses

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

As at 31 August 2025 expenses were recovered at the following rate:

- 0.25% per annum

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

- CFB Gilt Fund 0.25% per annum
- CFB Corporate Bond Fund 0.35% per annum
- CFB Short Fixed Interest Fund 0.26% per annum

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

(d) Distribution policy

All available income of the Funds is distributed to unit holders.

(e) Basis of valuation

Listed investments are valued at bid-market values at the close of business on an accounting date less, in the case of fixed interest securities, interest accrued. Investments in single priced funds are valued at the single prices quoted. Suspended securities are valued by the Manager having regard to the last dealing price on the date of suspension and subsequent available information. Suspended

securities are written off after they have been carried at nil value for two years or if the Managers do not expect any returns for the Fund.

(f) Foreign exchange

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

(g) Transaction costs

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

(h) Going concern

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

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

The preparation of the Fund's financial statements requires

CFB Managed Fixed Interest Fund

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

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

3. Gross income

	Year to 18 mths to	
	31.08.25	31.08.24
	£'000s	£'000s
UK dividends	1,359	1,202
Bank interest	73	52
Total income	1,432	1,254

4. Change in net assets per unit Charity units

	Year to 18 mths to	
	31.08.25	31.08.24
	p per unit	p per unit
Opening net asset value per unit	178.6	172.2
Return before operating charges	(0.5)	16.6
Operating charges	-	-
Return after operating charges	(0.5)	16.6
Distribution on income units	(5.7)	(10.2)
Closing net asset value per unit	172.4	178.6

Performance

	Year to 18 mths to	
	31.08.25	31.08.24
	%	%
Return after charges	(0.3)	9.6

5. Taxation

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

6. Debtors

	31.08.25	31.08.24
	£'000s	£'000s
Accrued income	80	-
Other debtors	-	416
	80	416

7. Cash and bank balances

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.

	31.08.25	31.08.24
CFB Deposit Fund	1,494	1,546
Other bank accounts	-	-
	1,494	1,546

8. Distributions payable

	31.08.25	31.08.24
	£'000s	£'000s
Distributions payable	373	341
	373	341

9. Risk management policies

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

Market price risk

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

Transaction risk

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

Liquidity risk

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

10. Related party transactions

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

11. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (31.08.24: £Nil)

CFB Managed Fixed Interest Fund

12. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	28,701			28,701
Total	28,701	-	-	28,701

For the period ended 31 August 2024

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

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

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

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

13. Ultimate controlling party

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

14. Investments

	31.08.25
	£'000s
Opening investments	33,059
Purchase of investments	-
Sale of investments	(3,300)
Net gain/(loss) for the year	(1,058)
Closing investments	28,701

CFB Managed Mixed Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		273	1,646
		273	1,646
Income		584	1,266
Expenses	4	(177)	(250)
Net income		407	1,016
Total return for the period		680	2,662
Finance costs: distributions	7	(584)	(1,266)
Change in net assets attributable to unitholders		96	1,396

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	27,833	28,340
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	19	555
Amounts payable on cancellation of units	(1,498)	(2,458)
	(1,479)	(1,903)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	96	1,396
Closing net assets attributable to unitholders	26,450	27,833

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021	518.2	400.3	7.20
28 February 2022	578.9	509.1	12.94
28 February 2023	555.7	487.8	15.18
18 months to 31 August 2024	551.1	484.6	23.86
31 August 2024	557.7	497.7	11.68

CFB Managed Mixed Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		26,441	27,805
Current assets			
Debtors	8	195	193
Cash and bank balances	9	35	43
Total current assets		230	236
Total assets		26,671	28,041
Liabilities			
Creditors		(25)	(14)
Distribution payable	10	(196)	(194)
Total liabilities		(221)	(208)
Net assets attributable to unitholders		26,450	27,833

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024	2.11	20 January 2025
1 December 2024 to 28 February 2025	2.80	20 April 2025
1 March 2025 to 31 May 2025	2.74	20 July 2025
1 June 2025 to 31 August 2025	4.03	20 October 2025

CFB Managed Mixed Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	28.7	5,760,466	498.5
28 February 2022	30.7	5,652,614	543.3
28 February 2023	28.3	5,497,576	515.5
31 August 2024	27.8	5,135,002	542.0
31 August 2025	26.5	4,861,482	544.3

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.65	0.65

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	31.08.24 CFB %
Epworth Multi-Asset Fund for Charities	26,441	100.0	27,805	100.0
Total investments	26,441	100.0	27,805	100.0
Net current assets	9		27	
Total value of fund	26,450		27,832	

CFB Managed Mixed Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Recognition of income

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

(c) Management expenses

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

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

- 0.60% per annum (28.02.24: 0.60%)

(d) Distribution policy

All available income of the Funds is distributed to unit holders.

(e) Basis of valuation

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

(f) Foreign exchange

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

(g) Transaction costs

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

(h) Going concern

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

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

CFB Managed Mixed Fund

3. Gross income

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
UK dividends	581	1,258
Bank interest	3	8
Total income	584	1,266

4. Expenses

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Administration grant	164	250
Audit expense	13	-
Total expense	177	250

5. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	542.0	515.5
Return before operating charges	14.0	50.4
Operating charges	-	-
Return after operating charges	14.0	50.4
Distribution on income units	(11.7)	(23.9)
Closing net asset value per unit	544.3	542.0

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	2.6	9.8

6. Taxation

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

7. Distributions

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

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Net distribution for year	584	1,266

8. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	195	193
Other debtors	-	-
	195	193

9. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	35	43
Other bank accounts	-	-
	35	43

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

10. Distributions payable

	18 mths to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Distributions payable	196	194
	196	194

CFB Managed Mixed Fund

11. Risk management policies

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

Market price risk

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

Transaction risk

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

Liquidity risk

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

redemptions may therefore be deferred.

12. Related party transactions

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

13. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (31/8/24: £Nil).

14. Fair value of financial assets and financial liabilities

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

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

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

Level 1 The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included above that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.

Level 3 Inputs that are unobservable (i.e. for which market data is unavailable) for the asset or liability.

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

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

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

For the year ended 31.08.25

Category	Level 1 £’000	Level 2 £’000	Level 3 £’000	Total £’000
Investment assets	26,441			26,441
Total	26,441	-	-	26,441

For the period ended 31.08.25

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

15. Ultimate controlling party

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

16. Investments

	31.08.25 £’000s
Opening investments	27,805
Purchase of investments	-
Sale of investments	(1,637)
Net gain/(loss) for the year	273
Closing investments	26,441

Connexional Council Managed Medium Term Fund (CFB Methodist Council Managed Medium Term Fund)

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		120	1,711
		120	1,711
Income	3	705	1,258
Expenses		(74)	(105)
Net income		631	1,153
Total return for the period		751	2,864
Finance costs: distributions	6	(705)	(1,258)
Change in net assets attributable to unitholders		46	1,606

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	23,641	25,998
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	-
Amounts payable on cancellation of units	(750)	(3,963)
	(750)	(3,963)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	46	1,606
Closing net assets attributable to unitholders	22,937	23,641

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021	118.0	101.4	1.66
28 February 2022	125.6	116.4	2.07
28 February 2023	120.4	105.5	2.28
18 months to 31 August 2024	118.6	106.8	5.75
31 August 2025	119.8	113.4	3.58

Connexional Council Managed Medium Term Fund

(CFB Methodist Council Managed Medium Term Fund)

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		22,329	23,211
Current assets			
Debtors	7	209	206
Cash and bank balances	8	637	457
Total current assets		846	663
Total assets		23,175	23,874
Liabilities			
Creditors		(13)	(5)
Distribution payable	9	(225)	(228)
Total liabilities		(238)	(233)
Net assets attributable to unitholders		22,937	23,641

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024 (1)	0.87	20 January 2025
1 December 2024 to 28 February 2025 (1)	0.76	20 April 2025
1 March 2025 to 31 May 2025 (1)	0.80	20 July 2025
1 June 2025 to 31 August 2025	1.15	20 October 2025

(1) The distributions payable are after deductions in relation to overpayments in the prior period

Connexional Council Managed Medium Term Fund (CFB Methodist Council Managed Medium Term Fund)

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	26.0	22,656,886	114.8
28 February 2022	27.1	22,656,886	119.5
28 February 2023	26.0	23,498,954	110.7
31 August 2024	23.6	20,078,233	117.8
31 August 2025	22.9	19,434,178	118.0

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.30	0.30

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	31.08.24 CFB %
CFB Managed Fixed Interest Fund	11,353	50.9	12,380	53.3
Epworth Global Equity Fund	4,626	20.7	4,656	20.1
Epworth Climate Stewardship Fund	4,765	21.3	4,625	19.9
The Property Income Trust for Charities	1,585	-	-	-
CFB Property Fund	-	7.1	1,550	6.7
Total investments	22,329	100.0	23,211	100.0
Net current assets	608		430	
Total value of fund	22,937		23,641	

Connexional Council Managed Medium Term Fund (CFB Methodist Council Managed Medium Term Fund)

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Recognition of income

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

(c) Management expenses

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

In respect of the CFB Methodist Council Managed Long Term Fund, the following Management fees including custodian charges and transaction fees were borne by the underlying holdings in the CFB Funds. At 31 August 2025, the costs charged by the CFB to the underlying funds were as follows:

- Epworth Climate Stewardship Fund 0.65% per annum (28.02.24: 0.65%)
- Epworth Global Equity Fund 0.65% per annum (28.02.24: 0.65%)
- The Property Income Trust for Charities nil
- CFB Managed Fixed Fund 0.25% per annum (28.02.24: nil)

(d) Distribution policy

All available income of the Funds is distributed to unit holders. units.

(e) Basis of valuation

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

(f) Foreign exchange

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

(g) Transaction costs

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

(h) Going concern

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

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

Connexional Council Managed Medium Term Fund (CFB Methodist Council Managed Medium Term Fund)

3. Gross income

Charity units	Year to	18 mths to
	31.08.25	31.08.24
	£'000s	£'000s
UK dividends	690	1,228
Bank interest	15	30
Total income	705	1,258

4. Change in net assets per unit

Charity units	Year to	18 mths to
	31.08.25	31.08.24
	p per unit	p per unit
Opening net asset value per unit	117.8	110.7
Return before operating charges	3.3	12.9
Operating charges	-	-
Return after operating charges	3.3	12.9
Distribution on income units	(3.6)	(5.8)
Closing net asset value per unit	117.5	117.8

Performance

	Year to	18 mths to
	31.08.25	31.08.24
	%	%
Return after charges	2.8	11.7

5. Taxation

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

6. Distributions

	Year to	18 mths to
	31.08.25	31.08.24
	£'000s	£'000s
Net distribution for year	705	1,258

7. Debtors

	31.08.25	31.08.24
	£'000s	£'000s
Accrued income	209	196
Other debtors	-	10
	209	206

8. Cash and bank balances

	31.08.25	31.08.24
	£'000s	£'000s
CFB Deposit Fund	637	457
Other bank accounts	-	-
	637	457

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

9. Distributions payable

	31.08.25	31.08.24
	£'000s	£'000s
Distributions payable	225	228
	225	228

10. Risk management policies

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

Market price risk

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

Transaction risk

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

Liquidity risk

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

Property Fund gearing, investment, liquidity and other risks

The Fund invests 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.

Connexional Council Managed Medium Term Fund (CFB Methodist Council Managed Medium Term Fund)

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

11. Related party transactions

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

12. Contingent assets and liabilities

As at 31 August 2025, there are aware of no commitments, contingent assets or liabilities. (28.02.24: £Nil).

13. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	9,391	11,353	1,585	22,329
Total	9,391	11,353	1,585	22,329

For the period ended 31 August 2024

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

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

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

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

14. Ultimate controlling party

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

15. Investments

	31.08.25 £'000s
Opening investments	23,211
Purchase of investments	1,586
Sale of investments	(2,588)
Net gain/(loss) for the year	120
Closing investments	22,329

Connexional Council Managed Long Term Fund (CFB Methodist Council Managed Long Term Fund)

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		2,296	8,203
		2,296	8,203
Income	3	2,450	4,326
Expenses		(412)	(619)
Net income		2,038	3,707
Total return for the period		4,334	11,910
Finance costs: distributions	6	(2,450)	(4,332)
Change in net assets attributable to unitholders		1,884	7,578

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	84,035	85,542
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	-
Amounts payable on cancellation of units	(1,818)	(9,085)
	(1,818)	(9,085)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	1,884	7,578
Closing net assets attributable to unitholders	84,101	84,035

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021	128.4	101.3	2.22
28 February 2022	144.7	127.4	3.06
28 February 2023	139.4	122.0	3.09
18 months to 31 August 2024	141.8	122.4	6.86
31 August 2025	145.7	133.3	4.03

Connexional Council Managed Long Term Fund

(CFB Methodist Council Managed Long Term Fund)

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		83,073	83,200
Current assets			
Debtors	7	590	694
Cash and bank balances	8	1,137	951
Total current assets		1,727	1,645
Total assets		84,800	84,845
Liabilities			
Creditors		(42)	(35)
Distribution payable	9	(657)	(775)
Total liabilities		(699)	(810)
Net assets attributable to unitholders		84,101	84,035

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024 (1)	0.99	20 January 2025
1 December 2024 to 29 February 2025 (1)	0.76	20 April 2025
1 March 2025 to 31 May 2025 (1)	1.16	20 July 2025
1 June 2025 to 31 August 2025	1.12	20 October 2025

(1) The distributions payable are after deductions in relation to overpayments in the prior period

Connexional Council Managed Long Term Fund (CFB Methodist Council Managed Long Term Fund)

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	82.6	66,292,119	124.5
28 February 2022	90.4	66,292,119	136.3
28 February 2023	85.6	66,292,119	129.1
31 August 2024	84.1	59,770,441	140.6
31 August 2025	84.1	58,466,823	143.9

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.66	0.66

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	31.08.24 CFB %
CFB Managed Fixed Interest Fund	12,353	14.9	12,262	14.7
Epworth Global Equity Fund	30,867	37.1	30,796	37.0
Epworth Climate Stewardship Fund	31,129	37.5	31,609	38.0
CFB Property Fund	-	-	8,533	10.3
The Property Income Trust for Charities	8,724	10.5	-	-
Total investments	83,073	100.0	83,200	100.0
Net current assets	1,028		835	
Total value of fund	84,101		84,035	

Connexional Council Managed Long Term Fund

(CFB Methodist Council Managed Long Term Fund)

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Recognition of income

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

(c) Management expenses

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

In respect of the CFB Methodist Council Managed Long Term Fund, the following Management fees including custodian charges and transaction fees were borne by the underlying holdings in the CFB Funds. At 31 August 2025, the costs charged by the CFB to the underlying funds were as follows:

- Epworth Climate Stewardship Fund 0.65% per annum (28.02.24: 0.65%)
- Epworth Global Equity Fund 0.65% per annum (28.02.24: 0.65%)
- The Property Income Trust for Charities nil
- CFB Managed Fixed Fund 0.25% per annum (28.02.24: nil)

(d) Distribution policy

All available income of the Funds is distributed to unit holders.

(e) Basis of valuation

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

(f) Foreign exchange

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

(g) Transaction cost

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

(h) Going concern

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

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

Connexional Council Managed Long Term Fund (CFB Methodist Council Managed Long Term Fund)

3. Gross income

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
UK dividends	2,411	4,192
Bank interest	39	134
Total	2,450	4,326

4. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	140.6	129.1
Return before operating charges	7.3	18.4
Operating charges	-	-
Return after operating charges	7.3	18.4
Distribution on income units	(4.0)	(6.9)
Closing net asset value per unit	143.9	140.6

Performance

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Return after charges	5.2	14.3

5. Taxation

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

6. Distributions

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Net distribution for year	2,450	4,332

7. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	590	599
Other debtors	-	95
	590	694

8. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	1,137	951
Other bank accounts	-	-
	1,137	951

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

9. Distributions payable

	31.08.25 £'000s	31.08.24 £'000s
Distributions payable	657	775

10. Risk management policies

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

Market price risk

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

Transaction risk

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

Liquidity risk

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

Property Fund gearing, investment, liquidity and other risks

The Fund invests in 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.

Connexional Council Managed Long Term Fund (CFB Methodist Council Managed Long Term Fund)

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.

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

11. Related party transactions

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

12. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.24: £Nil).

13. Fair value of financial assets and financial liabilities

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

Investments are held at fair value. An analysis of the valuation technique used to derive fair value of the investments is shown below: The fair value of investments has been determined using the following hierarchy:

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	61,997	12,352	8,724	83,073
Total	61,997	12,352	8,724	83,073

For the period ended 31 August 2024

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

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

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

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

14. Ultimate controlling party

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

15. Investments

	31.08.25 £'000s
Opening investments	83,200
Purchase of investments	9,107
Sale of investments	(11,530)
Net gain/(loss) for the year	2,296
Closing investments	83,073

Funds to be closed

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

Opinion

We have audited the financial statements of the Closing Funds of the Central Finance Board of the Methodist Church Closing Funds ("the Closing funds") (CFB UK Equity Fund and CFB Global Equity Fund) for the year ended 31 August 2025 which comprise the Statement of total return, the Statement of change in net assets attributable to unitholders, the Price and income history, the Balance sheet, the Distribution tables, the Net asset value/fund size table, the Average dealing spread, the Summary of investments and other assets, the Portfolio valuation and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Closing funds' affairs as at 31 August 2025 and of their results 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;

Basis for opinion

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

Responsibilities of Council members

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist

Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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Richard Hinton (Senior Statutory Auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

London

WC2B 5AH

09-Dec-25 | 11:40 GMT

CFB UK Equity Fund

Statement of total return

For the Year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		(78)	2,262
		(78)	2,262
Income	2	459	2,415
Expenses	3	(113)	(399)
Net income		346	2,016
Total return for the period		268	4,278
Finance costs: distributions	6	(459)	(2,414)
Change in net assets attributable to unitholders		(191)	1,864

Statement of change in net assets attributable to unitholders

For the 12 month period to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	30,071	63,390
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	676	1,843
Amounts payable on cancellation of units	(22,223)	(37,082)
	(21,547)	(35,239)
Dilution levy/adjustment	83	56
Change in net assets attributable to unitholders from investment activities	(191)	1,864
Closing net assets attributable to unitholders	8,416	30,071

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity & Pension units			
28 February 2021	2,076.8	1,531.5	42.64
28 February 2022	2,329.8	2,062.8	63.01
28 February 2023	2,267.5	1,872.6	71.75
18 months to 31 August 2024	2,335.1	1,941.9	107.55
31 August 2025	2,365.0	2,165.9	64.42

CFB UK Equity Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		8,507	29,981
Current assets			
Debtors	7	42	167
Cash and bank balances	8	6	110
Total current assets		48	277
Total assets		8,555	30,258
Liabilities			
Creditors	9	(98)	(14)
Distribution payable		(41)	(173)
Total liabilities		(139)	(187)
Net assets attributable to unitholders		8,416	30,071

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024	17.71	20 January 2025
1 December 2024 to 28 February 2025	11.54	20 April 2025
1 March 2025 to 31 May 2025	23.79	20 July 2025
1 June 2025 to 31 August 2025	11.38	20 October 2025
Pension units		
1 September 2024 to 30 November 2024	24.35	20 January 2025
1 December 2024 to 28 February 2025	11.54	20 April 2025
1 March 2025 to 31 May 2025	23.79	20 July 2025

CFB UK Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
28 February 2021	324.2	4,486,119	11,671,792	2,006.6
28 February 2022	188.2	4,294,962	4,240,949	2,204.5
28 February 2023	63.4	1,733,993	1,197,271	2,162.6
31 August 2024	30.07	808,761	482,751	2,328.3
31 August 2025	8.42	359,059	-	2,347.2

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.50	0.50

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.25 Benchmark* %	31.08.24 Market value £'000s	31.08.24 CFB %	31.08.24 Benchmark* %
Equity investment instruments	8,507	100.0	100.0	29,981	100.0	100.0
Total investments	8,507	100.0	100.0	29,981	100.0	100.0
Net current assets / (liabilities)	(91)			90		
Total value of fund	8,416			30,071		

* Benchmark: All Share

Portfolio valuation

As at 31 August 2025

	Holding 000s	Market value £'000s	%
Equity investment instruments			100.0
Epworth UK Equity Fund for Charities	3,371	6,310	74.2
Impax New Energy Investors II LP	304	1	0.0
Impax New Energy Investors III LP	26	2,196	25.8
Total investments		8,507	100.0

CFB UK Equity Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Going concern

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

(c) Management expenses

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

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. As at 31 August 2025 expenses were recovered at the following rate:

- 0.55% per annum (28.02.24: 0.55%)

(d) Distribution policy

All available income of the Funds is distributed to unit holders. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

(e) Basis of valuation

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

(f) Foreign exchange

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

currencies are translated into sterling at the exchange rates ruling on the transaction dates.

(g) Recognition of income

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

2. Gross income

	Year to 31.08.2025	18 mths to 31.08.2024
	£'000s	£'000s
UK dividends	532	2,418
Overseas dividends	-	-
Bank interest	8	22
Equalisation	(83)	(57)
Management fee recharge	2	32
Total income	459	2,415

3. Expenses

	Year to 31.08.2025	18 mths to 31.08.2024
	£'000s	£'000s
Administration grant	100	399
Audit expense	13	-
Total expense	113	399

CFB UK Equity Fund

4. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	12 mths to 28.02.24 p per unit
Opening net asset value per unit	2,328.3	2,162.6
Return before operating charges	83.5	292.6
Operating charges	(0.2)	(18.9)
Return after operating charges	83.3	273.7
Distribution on income units	(64.4)	(108.0)
Closing net asset value per unit	2,347.2	2,328.3

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	3.6	12.7

Pension units

	Year to 31.08.25 p per unit	12 mths to 28.02.24 p per unit
Opening net asset value per unit	2,328.3	2,162.6
Return before operating charges	56.2	291.2
Operating charges	(0.2)	(15.1)
Return after operating charges	(56.0)	276.1
Distribution on income units	(59.7)	(110.4)
Termination price per unit	(2,324.6)	
Closing net asset value per unit	-	2,328.3

Performance

	%	%
Return after charges	(0.2)	12.8

5. Taxation

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

withholding tax is credited to income when it is declared.

6. Distributions

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

	Year to 31.08.2025 £'000s	18 mths to 31.08.2024 £'000s
31 May 2023	-	729
31 August 2023	-	408
30 November 2023	-	498
29 February 2024	-	243
31 May 2024	-	420
31 August 2024	-	173
30 November 2024	228	-
29 February 2025	94	-
31 May 2025	178	-
31 August 2025	42	-
	542	2,471
Income on creation and cancellation of units	(83)	(57)
Net distribution for year	459	2,414

7. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	42	167
Sales awaiting settlement	-	-
	42	167

8. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	-	89
Other bank accounts	6	21
	6	110

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

9. Creditors

	31.08.25 £'000s	31.08.24 £'000s
Purchases awaiting settlement	86	-
Other creditors	12	14
	98	14

CFB UK Equity Fund

10. Risk management policies

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

Market price risk

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

Transaction risk

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

Liquidity risk

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

11. Related party transactions

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

12. Contingent assets and liabilities

As at 31 August 2025, there are potential commitments of EUR 441,529 (£382,107 equivalent) relating to investments in private equity funds, and no contingent assets or liabilities of which we are aware.

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

14. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	6,310		2,197	8,507
Total	6,310	-	2,197	8,507

For the period ended 31 August 2024

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

CFB UK Equity Fund

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

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

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

15. Ultimate controlling party

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

16. Subsequent Events

Subsequent to year end the fund was closed with all assets remaining transferred to investors, financial statements have been prepared on a break up basis.

17. Investments

	31.08.25
	£'000s
Opening investments	29,981
Purchase of investments	323
Sale of investments	(21,719)
Net gain/(loss) for the year	(78)
Closing investments	8,507

CFB Global Equity Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net gains/(losses) on investments during the period		933	7,007
		933	7,007
Income	2	249	1,314
Expenses	3	(167)	(401)
Taxation: irrecoverable withholding tax	5	-	-
Net income		82	913
Total return for the period		1,015	7,920
Finance costs: distributions	6	(249)	(1,005)
Change in net assets attributable to unitholders		766	6,915

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	29,905	49,789
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	358	3,113
Amounts payable on cancellation of units	(15,121)	(29,925)
	(14,763)	(26,812)
Dilution levy/adjustment	30	13
Change in net assets attributable to unitholders from investment activities	766	6,915
Closing net assets attributable to unitholders	15,938	29,905

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity & Pension units			
28 February 2021	828.20	577.50	4.70
28 February 2022	990.90	810.20	7.78
28 February 2023	903.60	784.10	13.24
18 months to 31 August 2024	1,030.50	840.30	21.87
31 August 2025	1,104.60	927.70	14.02

CFB Global Equity Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		15,840	29,526
Current assets			
Debtors	7	111	191
Cash and bank balances	8	69	315
Total current assets		180	506
Total assets		16,020	30,032
Liabilities			
Creditors	9	(15)	4
Distribution payable		(67)	(131)
Total liabilities		(82)	(127)
Net assets attributable to unitholders		15,938	29,905

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 November 2024	2.26	20 January 2025
1 December 2024 to 28 February 2025	2.13	20 April 2025
1 March 2025 to 31 May 2025	5.23	20 July 2025
1 June 2025 to 31 August 2025	4.40	20 October 2025
Pension units		
1 September 2024 to 30 November 2024	2.26	20 January 2025
1 December 2024 to 28 February 2025	2.13	20 April 2025
1 March 2025 to 31 May 2025	5.23	20 July 2025

CFB Global Equity Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Units in issue Pension units	Net asset value p per unit
28 February 2021	148.9	5,516,747	13,221,753	794.7
28 February 2022	139.0	5,450,337	10,419,475	876.1
28 February 2023	49.8	2,865,497	2,966,990	855.2
31 August 2024	29.9	1,877,260	1,070,167	1,014.6
31 August 2025	15.9	1,522,555	-	1,048.7

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	0.40	0.40

Summary of investments and other assets

As at 31 August 2025

	31.08.25 Market value £'000s	31.08.25 CFB %	31.08.24 Market value £'000s	28.02.24 CFB %
Global equities	15,840	100.0	29,526	100.0
Total investments	15,840	100.0	29,526	100.0
Net current assets	98		379	
Total value of fund	15,938		29,905	

Portfolio valuation

As at 31 August 2025

	Holding 000s	Market value £'000s	%
Epworth Global Equity Charities	8,472	14,306	90.3
Generation IM Climate Solution Fd	3,252	501	3.2
Impax New Energy Investors	12	1,033	6.5
Total investments		15,840	100.0
Net current assets		98	
Total value of Fund		15,938	

CFB Global Equity Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

a. Basis of accounting

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

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

The set of financial statements has been prepared for the year ended 31 August 2025. The comparative is the period 1 March 2023 to 31 August.

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

b. Going concern

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

c. Management expenses

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

Management expenses, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. As at 31 August 2025 expenses were recovered at the following rate:

- 0.65% per annum (28.02.24: 0.65%)

d. Distribution policy

All available income of the Funds. Distributions take into account income received on the creation of units and income deducted on the cancellation of units.

e. Basis of valuation

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

f. Foreign exchange

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

g. Recognition of income

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

2. Gross income

	Year to 31.08.25 £'000s	18 mths to 28.02.24 £'000s
Overseas dividends	248	1,244
Bank interest	26	18
Equalisation	(30)	(14)
Management fee recharge	5	66
Total income	249	1,314

3. Expenses

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Administration grant	153	401
Audit expense	14	-
Total expense	167	401

CFB Global Equity Fund

4. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	1,014.6	853.7
Return before operating charges	48.2	191.9
Operating charges	(0.1)	(9.1)
Return after operating charges	48.1	182.8
Distribution on income units	(14.0)	(21.9)
Closing net asset value per unit	1,048.7	1,014.6

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	4.7	21.4

Pension units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	1,014.6	853.7
Return before operating charges	18.9	191.7
Operating charges	(0.1)	(5.9)
Return after operating charges	18.8	185.8
Distribution on income units	(9.6)	(24.9)
Termination price per unit	(1,023.8)	
Closing net asset value per unit	-	1,014.6

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	0.9	21.8

5. Taxation

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

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Withholding tax	-	-

6. Distributions

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

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
31 May 2023	-	219
31 August 2023	-	244
30 November 2023	-	159
29 February 2024	-	105
31 May 2024	-	160
31 August 2024	-	131
30 November 2024	78	-
28 February 2025	43	-
31 May 2025	91	-
31 August 2025	67	-
	279	1,018
Income on creation and cancellation of units	(30)	(13)
Net distribution for year	249	1,005

7. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	111	191
Sales awaiting settlement	-	-
	111	191

8. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	46	256
Other bank accounts	23	59
	69	315

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

9. Creditors

	31.08.25 £'000s	31.08.24 £'000s
Purchases awaiting settlement	-	-
Other creditors	(15)	(4)
	(15)	(4)

CFB Global Equity Fund

10. Risk management policies

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

Market price risk

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

Currency risk

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

At 31 August 2025 foreign currency exposure was:

Currency	31.08.25 £'000s	31.08.24 £'000s
Canadian Dollar		
United States Dollar	501	980
Euro	1,058	1,180
Swiss Franc	33	30
Danish Krone	2	7
	1,594	2,197

Transaction risk

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

Liquidity risk

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

11. Related party transactions

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

12. Contingent assets and liabilities

As at 31 August 2025, there are potential commitments of USD 256,489 and EUR 207,778 (totalling £369,737 equivalent) relating to investments in private equity funds, and no contingent assets or liabilities of which we are aware.

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

CFB Global Equity Fund

14. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31 August 2025

Category	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investment assets	14,306		1,534	15,840
Total	14,306		1,534	15,840

For the period ended 31 August 2024

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

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

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

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

15. Ultimate controlling party

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

16. Subsequent events

Subsequent to year end the fund was closed with all assets remaining transferred to investors, financial statements have been prepared on a break up basis. The Ultimate Controlling Party is the Central Finance Board of the Methodist Church Management Account.

17. Investments

	31.08.25 £'000s
Opening investments	29,526
Purchase of investments	929
Sale of investments	(15,548)
Net gain/(loss) for the year	933
Closing investments	15,840

Closed funds

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

Opinion

We have audited the financial statements of the Closed Funds of the Central Finance Board of the Methodist Church Closed Funds ("the Closed funds") (CFB Property Fund) for the year ended 31 August 2025 which comprise Statement of total return, Balance Sheet, Statement of change in unitholder's funds, The Price and income history table, the Distribution table, the Net asset value/fund size table, Average dealing spread, Portfolio valuation table and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Closed funds' affairs as at 31 August 2025 and of their results 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;

Basis for opinion

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

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

Responsibilities of Council members

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from

financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit

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

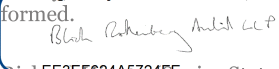
procedures required to identify non-compliance with laws and regulations to enquiry of the council members and other management and the inspection of regulatory and legal correspondence, if any.

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

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

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council's members as a result of our audit work, for this report, or for the opinions we have formed.


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

09-Dec-25 | 11:40 GMT

CFB Property Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Net (losses) on investments during the period		307	(953)
		307	(953)
Income	2	620	1,251
Expenses		(13)	-
Net income		607	1,251
Total return for the period		914	298
Finance costs: distributions	5	(567)	(1,252)
Change in net assets attributable to unitholders		347	(954)

Statement of change in net assets attributable to unitholders

For the year to 31 August 2025

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening net assets attributable to unitholders	12,948	15,419
Movement due to creations and cancellations of units		
Amounts receivable on issue of units	-	-
Amounts payable on cancellation of units	(13,295)	(1,517)
	(13,295)	(1,517)
Dilution levy/adjustment	-	-
Change in net assets attributable to unitholders from investment activities	347	(954)
Closing net assets attributable to unitholders	-	12,948

Price and income history

Year to/period	Highest price p	Lowest price p	Income p per unit
Charity units			
28 February 2021 (*)	70.0	67.5	2.92
28 February 2022	79.0	68.9	3.48
28 February 2023	87.0	65.6	3.28
18 months to 31 August 2024	65.8	61.1	5.49
31 August 2025	63.3	61.1	6.28

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

CFB Property Fund

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		-	12,925
Current assets			
Debtors and accrued income	6	-	128
Cash and bank balances	7	-	83
Total current assets		-	211
Total assets		-	13,136
Liabilities			
Creditors		-	-
Distribution payable	8	-	(188)
Total liabilities		-	(188)
Net assets attributable to unitholders		-	12,948

Distribution

Distribution period	Distribution payable p per unit	Date payable
Charity units		
1 September 2024 to 30 September 2024	0.29	17 January 2024
1 October 2024 to 30 October 2024	0.35	17 January 2024
1 November 2024 to 30 November 2024	0.30	17 January 2024
1 December 2024 to 31 December 2024	0.27	17 April 2024
1 January 2025 to 31 January 2025	0.27	17 April 2024
1 February 2025 to 28 February 2025	0.29	17 April 2024
1 March 2025 to 31 March 2025	0.29	17 July 2024
1 April 2025 to 30 April 2025	0.28	17 July 2024
1 May 2025 to 31 May 2025	0.35	17 July 2024

CFB Property Fund

Net asset value/fund size

Date	Net asset value £m	Units in issue Charity units	Net asset value p per unit
28 February 2021	20.70	30,344,825.97	68.10
28 February 2022	25.70	31,998,589.50	80.50
28 February 2023	15.40	23,479,731.92	66.60
31 August 2024	12.95	21,176,454.68	61.10
31 August 2025	-	-	-

Average dealing spread

	Year to 31.08.25 %	18 months to 31.08.24 %
	3.00	3.00

Portfolio valuation

As at 31 August 2025

	31.08.25 Market value 000s	31.08.25 CFB %	31.08.24 Market value 000s	28.02.24 CFB %
The Property Income Trust for Charities	-	-	12,925	100.0
Total investments	-	-	12,925	100.0
Net current assets	-	-	23	
Total value of fund	-	-	12,948	

CFB Property Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for the year ended August 2025. The comparative is the period 1 March 2023 to 31 August 2024.

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

(b) Going concern

As the Fund was closed on 31 August 2025, the going concern basis is no longer appropriate and the financial statements have been prepared on a break up basis. No future activities are anticipated, and the fund will no longer be reported in future financial periods. There have been no significant changes to the accounting policies which were previously adopted under the going concern assumption and which are outlined below.

(c) Recognition of income

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

(d) Distribution policy

All available income of the Funds is distributed to unit holders.

(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.

2. Gross income

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
UK dividends	615	1,242
Bank interest	5	9
Total income	620	1,251

3. Change in net assets per unit

Charity units

	Year to 31.08.25 p per unit	18 mths to 31.08.24 p per unit
Opening net asset value per unit	61.1	65.6
Return before operating charges	8.0	1.3
Operating charges	-	-
Return after operating charges	8.0	1.3
Distribution on income units	(6.3)	(5.8)
Termination price per unit	(62.8)	
Closing net asset value per unit	-	61.1

Performance

	Year to 31.08.25 %	18 mths to 31.08.24 %
Return after charges	13.1	2.0

CFB Property Fund

4. Taxation

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

5. Distributions

The distributions comprise:

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
31 March 2023	-	73
30 April 2023	-	107
31 May 2023	-	69
30 June 2023	-	75
31 July 2023	-	67
31 August 2023	-	78
30 September 2023	-	72
31 October 2023	-	68
30 November 2023	-	61
31 December 2023	-	61
31 January 2024	-	68
29 February 2024	-	74
31 March 2024	-	59
30 April 2024	-	53
31 May 2024	-	78
30 June 2024	-	59
31 July 2024	-	64
31 August 2024	-	66
30 September 2024	62	-
31 October 2024	74	-
30 November 2024	63	-
31 December 2024	57	-
31 January 2025	57	-
28 February 2025	61	-
31 March 2025	61	-
30 April 2025	59	-
31 May 2025	73	-
Net distribution for year	567	1,252

6. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Accrued income	-	128
	-	128

7. Cash and bank balances

	31.08.25 £'000s	31.08.24 £'000s
CFB Deposit Fund	-	83
	-	83

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

8. Distributions payable

	31.08.25 £'000s	31.08.24 £'000s
Distributions payable	-	188
	-	188

9. Risk management policies

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

Market price risk

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

Property Fund gearing, investment, liquidity and other risks

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

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

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

CFB Property Fund

10. Related party transactions

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

11. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.24: £Nil).

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

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

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

Valuation of investments – fair value pricing

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

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

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

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

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

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

13. Fair value of financial assets and financial liabilities

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

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

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

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

For the year ended 31.08.25

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

For the period ended 31.08/24

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

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

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

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

14. Ultimate controlling party

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

15. Investments

	31.08.25 £’000s
Opening investments	12,925
Purchase of investments	-
Sale of investments	(13,232)
Net gain/(loss) for the year	307
Closing investments	-

CFB Deposit Fund

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

Opinion

We have audited the financial statements of the Deposit Fund of the Central Finance Board of the Methodist Church Funds ('the Deposit Fund') for the year ended 31 August 2025 which comprise the Statement of total return, Balance Sheet, Statement of change in unitholder's funds, the Distribution table, the Income distribution history, the Net asset value/fund size table, the Total expense ratios, Summary of deposits by maturity, the Summary of investments by credit rating, the Summary of investments by banking group and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Deposit Fund's affairs as at 31 August 2025 and of their results for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Methodist Church Funds Act 1960;

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

Responsibilities of Council members

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

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

Auditor's Responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

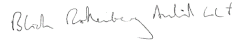
A further description of our responsibilities is available on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist

Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



Richard Pimlott (Senior Statutory Auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

London

WC2B 5AH

09-Dec-25 | 11:40 GMT

CFB Deposit Fund

Statement of total return

For the year to 31 August 2025

	Note	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Gross income		20,276	27,847
Expenses	2	(897)	(1,087)
Net income and total return for the period		19,379	26,760
Finance costs: distributions		(19,382)	(26,752)
Net undistributed income		(3)	8

Balance sheet

As at 31 August 2025

	Note	31.08.25 £'000s	31.08.24 £'000s
Assets			
Fixed assets			
Investments		438,263	406,406
Current assets			
Debtors	6	18	18
Cash and bank balances		560	(90)
Total current assets		578	(72)
Total assets		438,841	406,334
Current liabilities			
Creditors	9	(1,069)	(89)
		(1,069)	(89)
Net current assets		(491)	(161)
Net assets		437,772	406,245
Represented by:			
Current deposits	7	290,041	278,511
Term deposits	7	147,500	127,500
Income reserve	10	231	234
Unitholders' funds		437,772	406,245

Statement of change in unitholders' funds

	Year to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Opening unitholders' funds	406,245	353,217
Amounts deposited by unitholders	484,970	670,490
Amounts withdrawn by unitholders	(472,823)	(644,218)
Distributions	19,383	26,748
Change in net assets attributable to unit holders from investment activities	(3)	8
Closing unitholders' funds	437,772	406,245

CFB Deposit Fund

Distribution

For the year ended	Total £'000s	Rate %	AER %
30 September 2024	1,696	4.85	4.96
31 October 2024	1,732	4.74	4.84
30 November 2024	1,630	4.64	4.74
31 December 2024	1,625	4.62	4.72
31 January 2025	1,664	4.55	4.65
28 February 2025	1,469	4.42	4.51
31 March 2025	1,622	4.42	4.51
30 April 2025	1,582	4.37	4.46
31 May 2025	1,635	4.24	4.33
30 June 2025	1,586	4.22	4.3
31 July 2025	1,599	4.18	4.26
31 August 2025	1,542	4.05	4.13

Income distribution history

For the year ended/period	Average rate %	Average AER %
28 February 2021	0.48	0.48
28 February 2022	0.03	0.03
28 February 2023	1.70	1.71
18 months ended 31 August 2024	4.82	4.92
31 August 2025	4.44	4.54

Net asset value/fund size

Date	Net asset value £m
28 February 2021	356.3
28 February 2022	484.4
28 February 2023	353.2
31 August 2024	406.2
31 August 2025	437.8

CFB Deposit Fund

Total expense ratios

As at 31 August 2025

	31.08.25 %	31.08.24 %
Administration grant (including custody and transaction costs)	0.26	0.26
Trustee fees	0.02	0.02
Other expenses	0.01	0.01
	0.29	0.29

Trustees fees and other charges including vat relate to the Fund's investment in the Epworth Cash Plus Fund for Charities

Summary of deposits by maturity

As at 31 August 2025

Repayable within	31.08.25 £'000s	31.08.24 £'000s
On call	1	-
Overnight	47,368	31,265
5 business days	34,783	49,775
1 month	34,783	30,851
2 months	28,458	42,546
3 months	28,458	35,596
6 months	85,388	78,651
1 year	123,360	111,957
2 years	52,503	25,765
3 years	3,161	-
Total deposits	438,263	406,406

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities.

Summary of investments by credit rating

As at 31 August 2025

	31.08.25 £'000s	31.08.25 %	31.08.24 £'000s	31.08.24 %
Aa1	-	-	-	-
Aa2	91,099	20.8	89,692	22.1
Aa3	85,407	19.5	25,755	6.3
A1	125,851	28.7	185,612	45.7
A2	135,906	31.0	95,685	23.5
BAA1			9,662	2.4
	438,263	100.0	406,406	100.0

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities

CFB Deposit Fund

Summary of deposits by banking group

As at 31 August 2025

	31.08.25 %	31.08.24 %
Development Bank of Singapore (DBS)	10.8	12.2
Standard Chartered	10.1	5.0
Landesbank Baden-Wuerttemberg	10.1	9.2
National Westminster Group	9.4	3.6
DNB Bank SA	7.9	4.3
Sumitomo Mitsui Banking Corporation	7.2	7.9
Toronto Dominion	7.2	4.3
Goldman Sachs Intl Bank	6.5	5.8
CIC	5.1	2.9
DZ Bank	5.1	0.0
Mitsubishi UFG	4.3	0.7
Lloyds	2.9	10.1
UBS	2.9	10.1
Royal Bank of Canada	2.7	1.7
CIBC	2.2	0.7
Commonwealth Bank of Australia	2.2	2.9
Bank of Nova Scotia	1.4	1.5
Societe Generale	0.7	7.9
Nordea	0.7	0.0
Santander	0.6	0.6
Nationwide	0.0	0.0
Credit Agricole	0.0	2.9
Rabobank	0.0	2.2
BNP Paribas	0.0	1.4
Citibank	0.0	0.7
National Australia Bank	0.0	0.7
SEB	0.0	0.7
	100.0	100.0

Figures based on underlying holding in the Epworth Cash Plus Fund for Charities

CFB Deposit Fund

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Basis of accounting

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

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

The set of financial statements has been prepared for year ended 31 August 2025. The comparative is for the period 1 March 2023 to 31 August 2024.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Fund's accounting policies (see note 13).

The fund has taken an exception to the preparation of a cashflow under section 7.1A.

(b) Recognition of income

Interest on bank and building society deposits is accrued on a daily basis. Premiums and discounts arising on the purchase of short dated investments are amortised on a straight line basis from the date of purchase to maturity. This amortisation is taken to the Income account. Revenue is recognised over the period to which they relate.

(c) Management expenses

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

Management fees, including custodian charges and transaction fees, are charged to the funds monthly based on the net assets of each fund. At 31 August 2025, the costs charged by the CFB to the underlying funds were as follows:

- 0.26% per annum (31.08.24: 0.26%)

(d) Transaction costs

No direct transaction costs are incurred in respect of dealing in the CFB Deposit fund.

(e) Distribution policy

All available income of the Fund, after deduction of management and other expenses, and transfers to/from income reserve, is distributed to account holders. The Fund maintains an income reserve to facilitate the payment of interest to depositors (Note 9).

(f) Basis of valuation

The Fund invests entirely through the Epworth Cash Plus Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited. All deposits with the Epworth Cash Plus Fund for Charities are valued at cost.

(g) Going concern

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

(h) Foreign exchange

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

2. Expenses

	Year to 31.08.25 £'000s	18 mths to 31.08.24 £'000s
Administration grant	817	1,060
Bank charges	72	27
Audit expenses	8	-
	897	1,087

3. Taxation

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

4. Investments

	31.08.25 £'000s
Opening investments	406,406
New investments	303,440
Distributions invested	20,276
Sale of investments	(291,859)
Closing investments	438,263

CFB Deposit Fund

5. Deposits with authorised banks

All deposits are with the Epworth Cash Plus Fund for Charities. Deposits made by the Epworth Cash Plus Fund for Charities are with financial institutions which have permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits.

6. Debtors

	31.08.25 £'000s	31.08.24 £'000s
Interest receivable	18	18

7. Current & term deposits

	31.08.25 £'000s	31.08.24 £'000s
CFB Fund accounts	4,015	3,427
Churches, trusts and others	433,526	402,584
Current and term deposits	437,541	406,011

8. Maturity analysis

	31.08.25 £'000s	31.08.24 £'000s
On demand	47,369	31,266
Within 3 months	126,482	158,768
Within 1 year	208,748	190,608
Within 2 years	52,503	25,764
Within 3 years	3,161	-
Unitholders' funds	438,263	406,406

Figures relate to the Fund's investment in the Epworth Cash Plus Fund for Charities.

9. Creditors

	31.08.25 £'000s	31.08.24 £'000s
Other accruals	126	89
Withdrawals payable	201	-
Deposits received in advance	742	-
	1,069	89

10. Income reserve

The Fund operates an income reserve which is accumulated out of income and held on trust for depositors for the time being. The income reserve is maintained to ensure payment of interest to depositors each month even though a proportion of the income earned by the Fund will not be received until maturity of individual deposits. The reserve is also available to augment the Fund's deposit rate and to provide against potential default of counterparties.

	31.08.25 £'000s	31.08.24 £'000s
Balance at start of period	234	226
Transfer to reserves	(3)	8
Balance at period end	231	234

11. Risk management policies

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

Interest rate risk

The Fund invests in fixed rate and floating rate deposits with an approved list of institutions maintained by the Manager. Changes in the interest rates may result in income either increasing or decreasing. The financial profile of the Fund's financial assets and liabilities at 31 August 2025 is set out below:

	31.08.25 £'000s	31.08.24 £'000s
£ floating rate financial assets	20,933	24,129
£ fixed rate financial assets	417,330	382,277

£ financial assets not carrying interest	578	(72)
£ financial liabilities not carrying interest	(1,069)	(89)
	437,772	406,245

Figures relate to the Fund's investment in the Epworth Cash Plus Fund for Charities.

Credit risk

The Fund's transactions expose it to the risk that the counterparty will not repay the deposit on maturity. To minimise this risk, investments are made with banks and other institutions which meet rigorous criteria based on independent credit ratings and size, with a maximum average maturity date for the investments of no more than 180 days. Risk is further minimised by limiting the proportion of the Fund deposited with any single bank or other institution.

Liquidity risk

To ensure that the Fund can meet obligations that may arise from depositors wishing to make withdrawals, the Manager must maintain at all times a minimum of 10% of the Fund's assets in investments realisable within 5 working days.

12. Related party transactions

The entire money market activities of the CFB Deposit Fund are invested through the Epworth Cash Plus Fund for Charities, a Charity Commission established Common Deposit Fund managed by Epworth Investment Management Limited. Epworth Investment Management Limited is a related party in that the Central Finance Board of the Methodist Church holds 100% of the company's share capital. (2024: 100%)

13. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities of which we are aware. (28.02.24: £Nil).

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

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

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

CFB Deposit Fund

or the financial position reported in future periods.

Valuation of investments – fair value pricing

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

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

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

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

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

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

15. Fair value of financial assets and liabilities

There is no material difference between the value of the financial assets and liabilities as shown in the balance sheet and their fair value.

16. Ultimate controlling party

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

**Consolidated accounts of the Central Finance Board
of the Methodist Church (The CFB) and Epworth
Investment Management Limited**

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

Opinion

We have audited the financial statements of Central Finance Board of the Methodist Church Management Account ('the Management account' or 'the CFB') and its subsidiary ('the Group') for the year ended 31 August 2025 which comprise the Income and expenditure account – The CFB, the Consolidated income and expenditure account, the Balance sheet, the Cashflow statement and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Group and Management account's affairs as at 31 August 2025 and of their results 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;

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters

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

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

Responsibilities of Council members

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

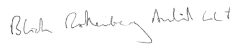
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the Council's members, as a body, in accordance with Section 35 to the second schedule of the Methodist Church Funds Act 1960. Our audit work has been undertaken so that we might state to the Council's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council's members as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



EE3EF624A5724FE...

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

09-Dec-25 | 11:40 GMT

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Income and expenditure account - The CFB

For the year to 31 August 2025

	Notes	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Income	2	3,934.7	5,879.0
Expenditure			
Income recharge		616.3	818.6
Staff costs	3	2,438.3	3,635.6
Establishment costs		170.6	287.8
Administration expenses		1051.8	1,157.2
		4,277.0	5,899.2
(Deficit) for the period		(342.3)	(20.2)

The income and expenditure account relates entirely to continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been prepared.

Consolidated income and expenditure account

For the year to 31 August 2025

	Notes	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Income	2	3,837.2	5,570.8
Expenditure			
Staff costs	3	2,482.1	3,627.2
Establishment costs		170.6	287.8
Administration expenses		1,567.9	1,721.3
Corporation tax	17	-	-
		4,220.6	5,636.3
(Deficit) for the period		(383.4)	(65.5)

The income and expenditure account relates entirely to continuing operations.

There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been prepared.

The consolidated accounts combines the financial results of the group by eliminating the intra-group income and cost recharges that are shown in the individual companies.

The consolidated income and expenditure account therefore, reflects the external income and external costs to the group.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Balance sheet

As at 31 August 2025

	Note	The CFB		Group	
		31.08.25 £'000s	31.08.24 £'000s	31.08.25 £'000s	31.08.24 £'000s
Fixed assets					
Tangible fixed assets	1d/4	44.2	17.9	44.2	17.9
Investments	5	919.8	919.8	-	-
		964.0	937.7	44.2	17.9
Current assets					
Debtors and prepayments	6	599.7	474.3	750.7	668.1
Cash at bank and in hand		760.8	1,428.3	1,425.8	2,144.2
		1,360.5	1,902.6	2,176.5	2,812.3
Creditors					
Amounts falling due within one year	7	733.0	556.2	856.3	732.1
Net current assets					
		627.5	1,346.4	1,320.2	2,080.2
Creditors: amounts falling due after more than one year	8	-	259.7	-	259.7
Provision for other liabilities	9	-	90.6	-	90.6
Net assets		1,591.5	1,933.8	1,364.4	1,747.8
Accumulated fund					
Balance brought forward		1,933.8	1,954.0	1,747.8	1,813.3
Designated surplus/(deficit) in the period		-	-	-	-
Surplus/(deficit) in the period		(342.3)	(20.2)	(383.4)	(65.5)
Shareholders' funds - equity		1,591.5	1,933.8	1,364.4	1,747.8

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

Cashflow statement

For the year to 31 August 2025

	Note	The CFB		Group	
		12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Cash flow generated from operating activities					
(Loss) for the period		(342.3)	(20.2)	(383.4)	(65.5)
Add back : depreciation for the period		13.6	12.6	13.6	12.6
(Increase)/decrease in debtors		(125.4)	1,280.3	(82.5)	70.5
(Decrease)/increase in creditors		(82.8)	(81.4)	(135.5)	520.0
(Decrease)/increase in provisions		(90.6)	90.6	(90.6)	90.6
Net cash flow from operating activities		(627.5)	1,281.9	(678.4)	628.2
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets	4	(40.0)	(17.3)	(40.0)	(17.3)
Cash inflow/(outflow) before management of liquid resources and financing					
		(667.5)	1,264.6	(718.4)	610.9
Increase/(decrease) in cash	10	(667.5)	1,264.6	(718.4)	610.9

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

Notes to the accounts

For the year to 31 August 2025

1. Accounting policies

(a) Accounting convention

The CFB, a public benefit entity, was established by the Methodist Church Funds Act 1960. It is a statutory body with no shareholders. The financial statements have been prepared in accordance with the historic cost convention and applicable law on United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The CFB Council members have chosen to consolidate the accounts of the CFB and its wholly owned subsidiary, Epworth Investment Management Limited to show a clearer overall position of the group.

The set of financial statements has been prepared for the year ended 31 August 2025. The comparatives shown are for the 18 month period 1 March 2023 to 31 August 2024, so are not entirely comparable.

Management are also required to exercise judgment in applying the organisation's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the organisation's accounting policies.

(b) Going concern

Given the substantial reserves held by the CFB and its strong liquidity position, the accounts have been prepared on a going concern basis. Additionally, the CFB has committed to providing financial support to its subsidiary, Epworth Investment Management Limited, if required, to ensure the subsidiary can meet its liabilities as they fall due for at least 12 months from the date of signing these financial statements. This commitment, while not currently needed, demonstrates the CFB's ability to support Epworth Investment Management Limited should financial assistance become necessary.

(c) Basis of consolidation

The Income and Expenditure Account and Balance Sheet consolidate the financial statements of the Central Finance Board together with the financial results of Epworth Investment Management Limited, its wholly owned subsidiary. The results of the subsidiary entity are consolidated on a line by line basis in accordance with section 9 of FRS 102. Any inter entity balances have been eliminated on consolidation. Each of the two entities have the same reporting date and uniform group accounting policies have been adopted.

No group entities have been excluded from the consolidation.

(d) Tangible fixed assets

Tangible fixed assets are written off over their expected useful lives by providing depreciation under the straight line method. A full year's provision is taken to income and expenditure account in the year of purchase.

Depreciation rates per annum are as follows: Leasehold improvements 20%; Office and Computer equipment 25%; Furniture and fittings 20%.

(e) Taxation

As an organisation with exempt charity status, the CFB is not subject to UK Taxation. Epworth Investment Management Limited is a subsidiary of the CFB, and is subject to UK taxation. Epworth Investment Management Limited adopted a tax policy on 9 June 2020. A copy is available on our website at <https://epworthim.com/Epworth-tax-policy>. The disclosures made in these financial statements comply with commitments made in that tax policy. In reference to deferred tax, this is recognised in respect of all timing differences at the rates of tax expected to apply when the timing differences reverse. Deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

(f) Operating lease

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

(g) Income

Recharges to funds represent management fees charged to the CFB Funds. Recharge income receivable are amounts, excluding VAT, invoiced in respect of services to Epworth Investment Management Limited. Revenue is recognised over the period to which they relate.

(h) Pension costs

Contributions payable to the pension scheme are charged to the income and expenditure as they are incurred.

(i) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the discounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

(j) Valuation of subsidiaries

Investments in subsidiaries are measured at cost less impairment.

(k) Grants

Grant income is recognised under the accruals model.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

2. Income

	The CFB		Group	
	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Fund management fees	1,752.4	3,447.8	3,409.9	5,490.7
Recharge income	1,960.4	2,395.9	1.4	23.7
Other income	221.9	35.3	425.9	56.4
	3,934.7	5,879.0	3,837.2	5,570.8

All income is derived in the United Kingdom.

3. Staff costs

For the year to 31 August 2025

	The CFB		Group	
	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Wages and salaries	1,848.7	2,750.4	1,881.9	2,744.6
Social security costs	221.7	317.3	225.7	312.3
Other pension costs	367.9	567.9	374.5	570.3
	2,438.3	3,635.6	2,482.1	3,627.2

Key Management Personnel compensation for the year to 31 August 2025 was £1,015.5k (£1,169.6k including employer's pension contributions). The corresponding figures for the 18 month period to 31 August 2024 were £1,106.2k (£1,262.7k including employer's pension contributions).

4. Tangible fixed assets - the CFB and Group

	Leasehold improvements £'000s	Furniture & fittings £'000s	Office equipment £'000s	Computer & electronics £'000s	Total £'000s
Cost at 01.09.24	320.3	68.5	37.4	23.6	449.8
Additions	-	6.0	6.9	27.1	40.0
Disposals	(320.3)	(68.5)	(17.0)	(1.2)	(407.0)
Cost at 31.08.25	-	6.0	27.3	49.5	82.8
Depreciation at 01.09.24	319.6	68.5	32.2	11.6	431.9
Charge for the period	0.7	0.9	3.1	9.0	13.8
Disposal	(320.3)	(68.5)	(17.0)	(1.2)	(407.0)
Depreciation at 31.08.25	-	0.9	18.3	19.4	38.6
Net book value at 31.08.24	0.7	-	5.2	12.0	17.9
Net book value at 31.08.25	-	5.1	9.0	30.1	44.2

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

5. Fixed asset investments - the CFB

As at 31 August 2025

	Investments £'000s
Unlisted investments	
At 01.09.24	919.8
Additions	-
Cost at 31.08.25	919.8
Impairment	
At 01.09.24	-
Charge for the period	-
At 31.08.25	-
Net book value at 31.08.24	919.8
Net book value at 31.08.25	919.8

The unlisted investments include a 100% interest in the issued ordinary and preference share capital of Epworth Investment Management Limited, a company registered in England and Wales. The entity's registered address is at Methodist Church House, 25 Tavistock Place, London, WC1H 9SF. The cost of the investment was £919.8k and it was valued by the directors at £1,043.3k. This amount represents 100% of the total assets of Epworth Investment Management Limited. 100% of subsidiaries share capital, 38,000 (2024: 38,000) ordinary shares are held by the CFB.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

6. Debtors

Due within one year

	The CFB		Group	
	31.08.25 £'000s	31.08.24 £'000s	31.08.25 £'000s	31.08.24 £'000s
Other debtors	199.3	240.2	440.6	462.0
Amounts due from group undertakings	243.3	134.0	-	-
Accrued income	4.4	4.4	45.7	17.1
Prepayments	152.7	95.7	264.4	189.0
	599.7	474.3	750.7	668.1

7. Creditors due within one year

	The CFB		Group	
	31.08.25 £'000s	31.08.24 £'000s	31.08.25 £'000s	31.08.24 £'000s
Other creditors	156.9	122.9	258.6	196.3
Amounts due to group undertakings	78.4	-	-	-
Accruals	235.9	93.0	335.9	195.5
Grant deferred	261.8	340.3	261.8	340.3
	733.0	556.2	856.3	732.1

During the prior period to 31 August 2024, a grant totalling £600,000 was received in relation to a project to replace the deposit fund system. Amounts classified as due within one year or after more than one year reflected management's estimate of the performance criteria expected to be met in subsequent financial years. These amounts are disclosed in notes 7 and 8 to the financial statements.

8. Creditors due after more than one year

	The CFB		Group	
	31.08.25 £'000s	31.08.24 £'000s	31.08.25 £'000s	31.08.24 £'000s
Grant deferred	-	259.7	-	259.7
	-	259.7	-	259.7

9. Provision for other liabilities

	The CFB		Group	
	31.08.25 £'000s	31.08.24 £'000s	31.08.25 £'000s	31.08.24 £'000s
Dilapidations provision	-	90.6	-	90.6
	-	90.6	-	90.6

The CFB settled their dilapidation obligations related to their office leasing arrangement during the year. Under the terms of the lease agreement, the CFB was contractually obligated to restore the leased property to its original condition upon lease termination. This obligation arose from the leasehold improvements carried out by the CFB, including the construction of partition walls, the installation of kitchen facilities, and other structural modifications and was settled with agreement with the landlord.

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

10. Cash flow

For the year to 31 August 2025

	The CFB		Group	
	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s	12 months to 31.08.25 £'000s	18 months to 31.08.24 £'000s
Reconciliation of net cash flow to movement in net debt				
(Decrease)/increase in cash in period	(667.6)	1,264.6	(718.4)	610.9
Opening net cash	1,428.3	163.7	2,144.2	1,533.3
Net cash at period end	760.8	1,428.3	1,425.8	2,144.2

	The CFB			Group		
	31.08.25 £'000s	Cash flow £'000s	31.08.24 £'000s	31.08.25 £'000s	Cash flow £'000s	31.08.24 £'000s
Analysis of net cash						
Bank	103.6	22.0	81.6	108.6	(138.9)	247.5
Deposit	657.2	(689.5)	1,346.7	1,317.2	(579.5)	1,896.7
	760.8	(667.5)	1,428.3	1,425.8	(718.4)	2,144.2

11. Reserves policy

Under the provisions of the Methodist Church Funds Act 1960, the CFB is set up as a non-profit making organisation and is entitled to retain from the income and capital of the funds under its care such amounts as are required to meet its costs. The Council of the CFB however recognises the need to retain additional amounts sufficient to permit the CFB to carry on and develop its activities in the best interests of its users. Such amounts (the reserves) may be required to enable it to finance its longer term operations, including capital spending activities relating to its premises, systems development, etc. The CFB Council reserves policy is committed to a position where the free reserves (defined as those not covering fixed assets or the investment in Epworth Investment Management Limited) cover 6 months worth of CFB expenditure. At 31 August 2025, the free reserves represented 29.2% of the future year's budget. (31 August 2024: 56.0%).

The CFB is exempted from the provisions of the Financial Services Act 1986 and is also not required to apply for regulation under the Financial Services & Markets Act 2000. Its regulated wholly owned subsidiary, Epworth Investment Management Limited (Epworth), is subject to the capital adequacy rules as set out by the FCA.

From 1 January 2022 a new capital adequacy regime came into force. As part of this, Epworth chose to apply a group capital test which takes into account not only the capital of Epworth but also of the Central Finance Board as its parent. As at 31 August 2025 Epworth held regulatory capital of £692.7 compared to capital adequacy requirement of £628k. In addition to this, the Central Finance Board is required to hold capital in excess of the value of its investment in Epworth. At 31 August 2025, the value of the holding in Epworth was £919.8k and the Central Finance Board's capital at that date was £1,591.5k which is in excess of this figure by £671.7k. (31 August 2024: CFB Capital held was £1,933.8k which exceeded the value of the investment in Epworth by £1,014).

12. Other financial commitments

At 31 August 2025 the Central Finance Board was committed to making the following annual payments in respect of the non-cancellable operating lease of 9 Bonhill Street, London EC2A 4PE.

	31.08.25 £'000s	31.08.24 £'000s
Operating lease which expires:		
In 1 year	-	28.7
In 2 to 5 years	-	-

The lease ended on 25 November 2024. During the year lease costs incurred were £29.7k (2024: £161k). Lease costs incurred under the new lease were £93,116 (2024: £nil).

The CFB moved to a new office at Methodist Church House, 25 Tavistock Place, London, WC1H 9SF on 18 November 2024. As of the date these financial statements were signed, the lease agreement for the new office has not yet been signed. Consequently, the future lease payments related to this move have not been included in the operating lease commitments disclosed in these financial statements. The lease commitments will be updated in the next reporting period once the lease is finalised and signed.

The group has a corporate card facility held with HSBC, limited to £10,000. At 31 August 2025, the total outstanding under these facilities was £2,975 (2024: £2,407).

Consolidated accounts of the Central Finance Board of the Methodist Church (The CFB) and Epworth Investment Management Limited

13. Pension arrangements

The CFB has a defined contribution pension scheme in place with Aviva. This scheme is auto enrolment compliant and enables staff to choose the level of contributions they make within a defined range. The Central Finance Board double matches employee contributions up to maximum thresholds.

The group pension cost charge for the year ended 31 August 2025 amounted to £374.5k (18 month period ended 31 August 2024: 570.3k). Contributions totalling £26.7k (2024 - £33.4k) were payable to the fund at the balance sheet date.

14. Corporate status

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

15. Related party transactions

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

16. Contingent assets and liabilities

As at 31 August 2025, there are no commitments, contingent assets or liabilities other than the 'other financial commitments' disclosed in note 12 to the accounts (2024: Nil).

17. Taxation

Taxation represents the sum of corporation tax currently payable. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. The Group tax analysis and reconciliation includes only figures for Epworth Investment Management Limited, a taxable subsidiary of the CFB. Since the CFB is not subject to UK Taxation and its tax liability was nil, it is therefore not included in the reconciliation.

Analysis of corporation tax charge for the period

	12 months ended	18 months ended
	31.08.25	31.08.24
	£'000s	£'000s
Corporation tax charge for the period	-	-
Tax charge for the period	-	-

The loss on ordinary activities before taxation for the year ended 31 August 2025 was £41.1k, while the accounting tax charge for the period was £nil.

The expected current tax credit for the year ended 31 August 2025 at UK main tax rate of 25% was £10.1k. The reason that the actual current tax charge for the Group varies from what would be expected is explained below in the following tax reconciliation with accompanying narratives:

Tax Reconciliation

	12 months ended	18 months ended
	31.08.25	31.08.24
	£'000s	£'000s
(Loss)/profit on ordinary activities before tax	(41.1)	(45.3)
Expenses not tax deductible	0.6	0.5
Adjusted (loss)/profit on ordinary activities before tax	(40.5)	(44.8)
Expected tax credit 25% or prorated (2024: 19%)	(10.1)	(8.5)
Trading losses carried forward*	10.1	8.5
Current tax charge per accounts	-	-

*Trading losses carried forward – Tax losses can be carried forward and relieved against future profits, so that the correct amount of tax is applied to the overall historic profits generated, and not just for that period. Once the tax losses have all been used, tax will then become chargeable on the profits generated thereafter. Trading losses for the year ended 31 August 2025 have been carried forward for future use, and have not been recognised as a deferred tax asset. Group losses carried forward were £338k as at 31 August 2025 (2024: £297k).

Deferred tax

Deferred taxation is an accounting concept which seeks to match taxes to the period when the income or expenses are recognised for accounting purposes. It does this by shifting the tax expense from the year the tax is paid (or tax deduction received) to the years in which the income or expenditure is recognised in the financial statements.

As at 31 August 2025, the Group had no deferred tax assets or liabilities recognized in its Statement of Financial Position; and had no movements in deferred tax expensed or credited to the Statement of Comprehensive Income during the period.

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