

Methodist Church Funds Act, 1960

8 & 9 ELIZ. 2 Ch. xxiii

ARRANGEMENT OF SECTIONS

Section

1. Short title.
2. Interpretation.
3. Funds to which Act applies.
4. Scheduled scheme.
5. Constitution functions and management of Central Board.
6. Contributions to investment funds and deposits in deposit funds to be authorised investments.
7. Interests in investment funds not interests in land.
8. Jurisdiction of Minister of Education and Charity Commissioners.
9. Power to invest overseas missions funds.
10. Exclusion of Prevention of Fraud (Investments) Act 1958.
11. Qualification of auditor.
12. Saving for Borrowing (Control and Guarantees) Act 1946.
13. Application of Act to Scotland.
14. Extent of Act.
15. Costs of Act.

SCHEDULES:

First Schedule—Scheme.

Second Schedule—Regulations of the Central Board.



CHAPTER xxiii

An Act to make better provision for the investment of certain funds of or connected with the work of the Methodist Church in Great Britain the Channel Islands and the Isle of Man and of its overseas missions funds and to constitute and incorporate a central finance board of the Methodist Church and for other purposes.
[29th July 1960.]

WHEREAS under and by virtue of the enactments in that behalf contained in the Methodist Church Union Act 1929 and a deed of union executed in pursuance thereof the Wesleyan Methodist Church the Primitive Methodist Church and the United Methodist Church became as from the twentieth day of September nineteen hundred and thirty-two a united church or denomination under the name of the Methodist Church:

And whereas pursuant to the powers contained in section 14 (Power to adopt new model deed) of the said Act a model trust deed was adopted and numerous funds of the Methodist Church are held upon the trusts of that deed or upon the trusts of one or other of the three earlier model trust deeds which are referred to in the preamble to the said Act:

And whereas there are other funds of the Methodist Church in Great Britain the Channel Islands and the Isle of Man and other funds of charities controlled by the Methodist Conference

and having objects connected with the work of the Methodist Church in Great Britain the Channel Islands and the Isle of Man:

And whereas the overseas missions funds are funds of or connected with the work of the Methodist Church overseas:

And whereas the powers with respect to investment of the trustees of the above-mentioned funds (or the greater part of them) are unduly restricted in the circumstances now prevailing and it is expedient that such powers should be extended by enabling investment to be made in one or more common investment funds or deposit funds as provided by this Act:

And whereas it is expedient that the facilities for investing in such investment or deposit funds should subject to the provisions of this Act apply also to the funds of future trusts similar to those mentioned above:

And whereas it is expedient that such additional provision should be made regarding the investment of the overseas missions funds as is provided by this Act:

And whereas it is expedient that a body should be constituted and incorporated under the name of the Central Finance Board of the Methodist Church for the purposes appearing in this Act:

And whereas it is expedient that the other provisions contained in this Act be enacted:

And whereas the purposes of this Act cannot be effected without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows:—

Short title.

1. This Act may be cited as the Methodist Church Funds Act 1960.

Interpretation.

2. In this Act—

“the Central Board” means the Central Finance Board of the Methodist Church constituted by this Act;

“the conference” means the annual conference of the Methodist Church;

“ deposit fund ” means any deposit fund constituted by or pursuant to the scheduled scheme;

“ investment fund ” means any investment fund constituted by or pursuant to the scheduled scheme;

“ the islands ” means the Channel Islands and the Isle of Man;

“ the Methodist Church ” means the united church or denomination formed under the provisions of the Methodist Church Union Act 1929;

“ a model trust deed ” means any trust instrument which is substantially in the form of one of the following deeds (namely) the Wesleyan Methodist Chapel model deed the model trust deed of the Primitive Methodist Connexion and the model deed of the United Methodist Church (all of which are referred to in the preamble to the Methodist Church Union Act 1929) the model trust deed adopted pursuant to section 14 (Power to adopt new model deed) of the said Act and such last-mentioned deed as the same may be altered pursuant to the power contained in section 15 (Power to alter new model deed) of the said Act;

“ the overseas missions funds ” means the funds held in Great Britain and the islands of the overseas department of the Methodist Church otherwise known as the Methodist Missionary Society including both the general purposes fund of the said department and funds held by the said department in Great Britain and the islands for particular charitable purposes connected with the overseas missions work of the Methodist Church;

“ the scheduled scheme ” means the scheme contained in the First Schedule to this Act;

“ trust instrument ” means any Act of Parliament trust deed letters patent decree scheme order or other instrument or authority by which the administration of a fund to which this Act applies is regulated.

3.—(1) The funds to which this Act applies are—

- (a) the funds of the Methodist Church in Great Britain and the islands including any funds for the time being held upon the trusts of a model trust deed; and
- (b) the funds of any charity controlled by the conference and having objects connected with the work of the Methodist Church in Great Britain and the islands; and
- (c) the overseas missions funds.

Funds to which Act applies.

(2) For the purpose of sub-paragraph (b) of subsection (1) of this section a charity shall be deemed to be controlled by the conference if it is administered by a body of whose members all or a majority are appointed by the conference.

(3) This Act shall apply to any such fund as is mentioned in subsection (1) of this section whether the fund is constituted before or after the commencement of this Act save that it shall not apply to a fund constituted after such commencement if the terms of the relevant trust instrument expressly exclude its application to that fund.

Scheduled
scheme.

4. The scheduled scheme shall have effect for the purpose of enabling the funds to which this Act applies to be invested as provided by the said scheme.

Constitution
functions and
management
of Central
Board.

5.—(1) For the purpose of administering the scheduled scheme a Central Board shall be constituted and appointed in accordance with the provisions of this section and of the Second Schedule to this Act.

(2) The Central Board shall be a body corporate under the name and style of the Central Finance Board of the Methodist Church with perpetual succession and a common seal and with power without licence in mortmain to acquire and hold land and the Central Board may sue and be sued under its corporate name.

(3) In addition to its functions under the scheduled scheme the Central Board shall be capable in law of performing such additional functions relating to the administration of the funds or finances of the Methodist Church or of any charity connected with the work of the Methodist Church as the conference may from time to time resolve but nothing in this Act shall exempt the Central Board in the performance of any such additional functions from the jurisdiction of any person or from compliance with any statute or rule of law.

(4) For the performance of its functions under the scheduled scheme and any such additional functions the Central Board shall have power—

- (a) to buy take on lease or otherwise acquire any real or personal property of any kind;
- (b) to sell lease or otherwise dispose of and to hold equip develop make use of maintain and otherwise turn to account any real or personal property;
- (c) to enter into and carry out contracts engagements arrangements and guarantees of all sorts;

- (d) to borrow money with or without security and to grant mortgages and other securities of all sorts;
- (e) to employ and remunerate staff agents and advisers;
- (f) to pay or provide for pensions and gratuities for any employees or ex-employees or their families or dependants;
- (g) to act as trustee or custodian trustee of any trust and to constitute trusts;
- (h) to accept gifts;
- (i) to make appeals advertise and take such other action as may be desirable in order to raise funds for the Methodist Church or any work connected therewith;
- (j) to co-operate in any manner with any person or body;
- (k) generally to do all matters necessary or convenient to be done in the performance of its said functions or additional functions.

(5) The affairs of the Central Board shall be managed in accordance with the regulations contained in the Second Schedule to this Act as for the time being in force having regard to any revocation alteration or addition thereto made pursuant to the next following subsection.

(6) The conference may at any time and from time to time by resolution passed by not less than three-fourths of the members of the conference present and voting upon such resolution—

- (a) alter the corporate name of the Central Board; and
- (b) revoke alter or add to the regulations contained in the Second Schedule to this Act or any regulations which have previously been added thereto pursuant to this sub-paragraph.

Any such change in the corporate name of the Central Board shall not affect any rights or obligations of the Central Board or render defective any legal proceedings by or against the Central Board and any legal proceedings which might have been continued or commenced against it by its former name may be continued or commenced against it by its new name.

6.—(1) Notwithstanding anything in any trust instrument the trustees of a fund to which this Act applies may from time to time invest such fund or part thereof by contributing the same to an investment fund or by depositing moneys belonging to such fund in a deposit fund. Such contribution and deposit shall for all purposes be an authorised investment of the moneys of such fund. Contributions to investment funds and deposits in deposit funds to be authorised investments.

(2) In the administration of a trust any assets of which have been contributed to an investment fund all sums distributed from that investment fund as income shall be treated as income of the trust and all sums distributed on withdrawal from or on the winding up of that investment fund shall unless specifically designated by the Central Board as income be treated as capital of the trust.

Interests in investment funds not interests in land.

7. Notwithstanding that the assets comprised in an investment fund may include land an interest in an investment fund shall not for the purpose of any enactment or rule of law concerning charities or of any trust instrument be deemed to be an interest in land or in moneys to be laid out in the purchase of land.

Jurisdiction of Minister of Education and Charity Commissioners.

8.—(1) In the administration of an investment fund or of a deposit fund the Central Board shall enjoy the same exemption from the powers and jurisdiction of the Minister of Education or the Charity Commissioners as it would enjoy if it had been one of the bodies exempted by section 62 of the Charitable Trusts Act 1853 from the operation of that Act.

(2) A contribution to or a withdrawal from an investment fund (whether or not involving a transfer of land or any interest therein) or a deposit in or withdrawal from a deposit fund being a contribution deposit or withdrawal made in respect of a fund to which this Act applies shall not require the consent or direction of the said Minister or the Charity Commissioners except as regards a fund or any land or other property comprised therein which is or is to be vested in the Official Trustee of Charity Lands or the Official Trustees of Charitable Funds.

(3) Save as aforesaid nothing in this Act or in the scheduled scheme shall affect any power or jurisdiction of the said Minister or the Charity Commissioners.

Power to invest overseas missions funds.

9. In addition to the powers conferred upon them by section 6 (Contributions to investment funds and deposits in deposit funds to be authorised investments) of this Act the trustees of the overseas missions funds may themselves invest any moneys of those funds in the purchase of any investments or property of any sort either real or personal and wheresoever situate and whether or not being investments or property authorised by the general law for the investment of trust funds or upon loan upon the security of any property of any description or without security:

Provided that nothing in this section shall authorise the making of any investment in contravention of the provisions of the Exchange Control Act 1947.

Exclusion of Prevention of Fraud (Investments) Act 1958.

10. The provisions of sections 1 and 14 of the Prevention of Fraud (Investments) Act 1958 (which except in certain cases respectively prohibit dealing in securities without a licence and the distribution or possession for distribution of certain circulars) shall not apply to any dealings undertaken by or on behalf of

the Central Board in connection with the constitution or operation of an investment fund or a deposit fund or to the distribution in that connection by or on behalf of the Central Board of any document or to the possession of any document for the purpose of such distribution.

11. No person shall be qualified to be appointed as auditor of a deposit fund unless he is a member of one or more of the following bodies:— Qualification of auditor.

The Institute of Chartered Accountants in England and Wales;

The Institute of Chartered Accountants in Scotland;

The Association of Certified and Corporate Accountants;

The Institute of Chartered Accountants in Ireland;

Any other body of accountants established in the United Kingdom and for the time being recognised for the purposes of paragraph (a) of subsection (1) of section 161 of the Companies Act 1948 by the Board of Trade.

12. Nothing in this Act or the scheduled scheme shall authorise the Central Board to exercise the power to borrow contained in the scheduled scheme otherwise than in accordance with any order made under section 1 of the Borrowing (Control and Guarantees) Act 1946 and for the time being in force. Saving for Borrowing (Control and Guarantees) Act 1946.

13. The following provisions shall have effect for the purpose of the application of this Act to Scotland:— Application of Act to Scotland.

For any reference to “real or personal property” there shall be substituted a reference to “heritable or movable property”;

The expression “mortgages” means bonds and dispositions or assignations in security;

The expression “municipal authority” means the town council of a burgh.

14. This Act shall extend to Scotland the Channel Islands and the Isle of Man but shall not extend to Northern Ireland. Extent of Act.

15. All costs charges and expenses of and incident to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be borne and paid by and out of the general funds of the Methodist Church. Costs of Act.

SCHEDULES

Section 2.

FIRST SCHEDULE

SCHEME

Definitions.

1. In this scheme—

“ the Act ” means the Methodist Church Funds Act 1960;

“ the Central Board ” has the meaning assigned thereto in the Act;

“ the commencement date ” means as regards any particular investment fund or deposit fund the date fixed by the Central Board as the date on which such investment fund or deposit fund is to commence operating;

“ contributing fund ” means in relation to a particular investment fund a fund to which the Act applies assets of which have been contributed to and have not subsequently been wholly withdrawn from that investment fund;

“ deposit fund ” means the deposit fund constituted by this scheme or any deposit fund which may hereafter be constituted under the powers contained in this scheme;

“ the holder of a fund ” means in relation to any fund to which the Act applies the trustees in whom that fund is vested and so that a custodian trustee or like person in whom a fund is vested shall be deemed to be the holder to the exclusion of any managing trustees on whose directions the custodian trustee or like person is required to act;

“ the holder of a share ” means in relation to any share in the investment fund the person in whose name such share is recorded in the books of the Central Board;

“ investment fund ” means the investment fund constituted by this scheme or any investment fund which may hereafter be constituted under the powers contained in this scheme;

“ the Methodist Church ” has the meaning assigned thereto in the Act;

“ trust instrument ” has the meaning assigned thereto in the Act;

“ valuation date ” means as regards any investment fund a date on which a valuation of that investment fund is made in accordance with this scheme.

INVESTMENT FUNDS

Constitution
of investment
funds.

2.—(1) There is hereby constituted an investment fund to be held by the Central Board consisting of such contributions as may from time to time be made thereto in accordance with the provisions of this scheme and the property for the time being representing the same.

(2) Such investment fund shall commence operations on such date as the Central Board may fix.

(3) The Central Board may at any time or times constitute one or more additional investment funds and may fix the date or dates on which they shall commence operating.

(4) The Central Board may on the constitution of an investment fund by instrument in writing declare that the class of funds from which contributions may be made to that investment fund shall be restricted in manner declared in the instrument but subject as aforesaid and save as provided in paragraph 5 hereof all the provisions of this scheme shall apply equally to the original and any additional investment fund.

1ST SCH.
—cont.

3.—(1) Subject to the requisite consents or directions mentioned in sub-paragraphs (2) and (3) of this paragraph being obtained and subject also to compliance with the provisions of this scheme and with such conditions as the Central Board may from time to time prescribe with regard to the length of notice to be given and the procedure to be followed by the holder the holder of any fund to which the Act applies may contribute in respect of that fund to an investment fund by paying or transferring to the Central Board for the purpose of that investment fund cash or other assets of the fund or in a case where the fund is already vested in the Central Board by appropriating cash or other assets of the fund to that investment fund.

Contributions.

(2) The consent of the Central Board shall be requisite to any contribution to an investment fund and nothing in this scheme shall limit the discretion of the Central Board to refuse to accept any contribution or to refuse to accept any particular asset by way of contribution.

(3) In a case where the holder of a fund is under the provisions of a trust instrument relating to that fund required in investing that fund to obtain the consent of some other person or body or to act on the directions of some other person or body the consent or direction of such other person or body shall also be requisite for a contribution in respect of that fund to an investment fund but this provision shall not apply to any consent or direction which by virtue of the provisions of subsection (2) of section 8 (Jurisdiction of Minister of Education and Charity Commissioners) of the Act is not required for such contribution and in any event the Central Board shall not be concerned to see that any such consent or direction has been obtained.

4. An investment fund shall be held and administered as a common fund for the benefit of the contributing funds.

Administration
as common
fund.

5.—(1) Subject as hereinafter provided any moneys comprised in an investment fund shall from time to time be invested at the discretion of the Central Board in the purchase of any investments or property of any sort either real or personal and whether or not being investments or property authorised by the general law for the investment of trust funds or upon loan upon the security of any property of any description or without security:

Investment.

Provided that if on the constitution of an investment fund the Central Board shall by instrument in writing declare that the power of investment of moneys comprised in that investment fund shall be restricted in manner declared in the instrument the provisions of this paragraph shall have effect as regards that investment fund subject to the terms of such instrument.

1ST SCH.
—cont.

(2) Moneys which the Central Board does not think fit immediately to invest may be deposited in a deposit fund or at any bank.

(3) The Central Board may from time to time at its discretion transpose or vary the investments comprised in an investment fund for or into any others authorised by this paragraph.

(4) In relation to land whether freehold or leasehold comprised in an investment fund the Central Board may exercise all the powers of management or improvement which could be exercised by an absolute owner holding the land beneficially.

Shares in
investment
funds.

6.—(1) For convenience in recording the respective interests of the holders of the contributing funds in an investment fund each investment fund shall be regarded as being divided into shares each of which shall represent an equal undivided part or share in that investment fund. Such shares shall be recorded in the names of the holders for the time being of the contributing funds in books to be kept for that purpose by the Central Board. No fraction of any share shall in any event be recorded by the Central Board.

(2) Such shares and the interests represented thereby shall not be capable of being transferred or assigned but on any change occurring in the holder of a contributing fund the Central Board shall (subject to the provisions of paragraph 15 hereof) record the shares affected in the name of the new holder.

(3) The Central Board shall not be concerned with any trusts or equities affecting any share in an investment fund notwithstanding that it may have notice of such trusts or equities nor shall the Central Board recognise (even when having notice thereof) any rights in respect of a share except an absolute right to the entirety thereof in the holder thereof. Payment or transfer to the holder of a share shall discharge the Central Board in respect of any sum paid or assets transferred in respect of that share.

(4) No documents of title shall be issued by the Central Board in respect of shares in any investment fund but the Central Board shall at any time upon request certify to the holder of any contributing fund the number of shares recorded in the name of such holder.

Initial
contributions
Division into
shares.

7. On the commencement date of each investment fund the initial contributions received or to be received by the Central Board for the purposes of that investment fund shall be valued and the Central Board shall determine the number of shares into which the fund shall be divided. Such shares shall be recorded in the names of the respective holders of contributing funds in proportion to the values as at the said date of their contributions.

Subsequent
contributions
and
withdrawals.

8.—(1) Every contribution to an investment fund which is made after its commencement date shall be made at or to take effect from a valuation date and shall consist of cash equal to the basic value at that date of one or more complete shares in that investment fund arrived at in accordance with sub-paragraph (3) of paragraph 9 hereof or (with the consent of the Central Board) assets other than cash equal in value thereto and as from that date the number of shares into which that

investment fund is divided shall be increased accordingly and the additional share or shares shall be recorded in the name of the holder of the contributing fund.

1ST SCH
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(2) With every such contribution as is mentioned in sub-paragraph (1) of this paragraph there shall be paid to the Central Board in addition to the basic value of the shares such surcharge (if any) as the Central Board may assess as the appropriate surcharge for the purposes of sub-paragraph (5) of this paragraph:

Provided that in the event of the Central Board accepting a contribution in the form of assets other than cash no such surcharge shall be payable but the holder of the contributing fund shall bear the costs of transferring to and vesting in the Central Board for the purposes of the investment fund the assets in question.

(3) Subject to compliance with such conditions as the Central Board may from time to time prescribe regarding the notice to be given on withdrawal any holder of shares in an investment fund may at any valuation date withdraw all or any of those shares in which event there shall be paid or transferred to such holder as soon as practicable after the valuation date in question cash or assets other than cash as may be agreed between the holder and the Central Board of an amount or value equal at that valuation date to the basic value of the share or shares withdrawn arrived at in accordance with sub-paragraph (3) of paragraph 9 hereof less such deduction (if any) as the Central Board may assess as the appropriate deduction for the purposes of sub-paragraph (5) of this paragraph:

Provided that if assets other than cash are transferred to the holder in satisfaction of the basic value of a share no such deduction shall be made but the holder shall bear the costs of transferring the assets in question. On any such withdrawal from an investment fund the number of shares into which that investment fund is divided and the number of shares recorded in the name of the holder concerned shall as from the relevant valuation date be reduced by the number of shares withdrawn.

(4) Notice of withdrawal shall be given by the holder of the share in respect of which the withdrawal is to be made. Before giving such notice the holder shall obtain the consent or direction of any other person whose consent or direction would be necessary on a sale by the holder of investments comprised in the contributing fund but this provision shall not apply to any consent or direction which by virtue of the provisions of subsection (2) of section 8 (Jurisdiction of Minister of Education and Charity Commissioners) of the Act is not required for such withdrawal and in any event the Central Board shall not be concerned to see that any such consent or direction has been obtained.

(5) In order to ensure that the basic value of the shares in an investment fund shall not be affected to a material extent by the effects of contributions or withdrawals the Central Board shall assess and impose such surcharge (if any) in respect of any contributions in cash made to an investment fund subsequent to the commencement date and shall assess and impose such deduction (if any) in respect of any withdrawals in cash from an investment fund as it shall consider appropriate:

1ST SCH.
—*cont.*

Provided always that in respect of all contributions in cash made as on the same valuation date the surcharge shall be of the same amount per share and that in respect of all withdrawals in cash made as on the same valuation date the deduction shall be of the same amount per share.

(6) When notice of withdrawal has been given in respect of any share in an investment fund the Central Board may pending the payment out of the proceeds of withdrawal advance to the holder of the share such sum as it may think fit not exceeding the sum which it estimates to be the net amount which will be payable to such holder by virtue of the withdrawal of the share. Any sum so advanced shall be repayable with interest at such rate as may have been agreed at the time of the advance on the date of the payment out of the proceeds of withdrawal of the share concerned and the Central Board shall be entitled to a lien on the proceeds of withdrawal of any share for an amount advanced to the holder of such share pursuant to this sub-paragraph and for interest thereon.

Valuations.

9.—(1) The Central Board shall value each investment fund on such dates approximately half-yearly as it may determine and may value an investment fund on any other dates if it shall think fit to do so.

(2) The following provisions shall apply to any valuation made for the purposes of this scheme of an investment fund or of any assets contributed to or withdrawn from an investment fund:—

(a) Investments quoted on a stock exchange shall be taken at the mid-market price on the valuation date as published in relation to the relevant stock exchange or if there is no published price on that date the mid-market price on the last day preceding that date for which there is a published price. In the case of investments quoted on more than one stock exchange the expression “the relevant stock exchange” means for this purpose such stock exchange as the Central Board may consider to be the most appropriate;

(b) All assets other than investments quoted on a stock exchange shall be taken at such value as may be determined on each occasion by the Central Board and for this purpose the Central Board shall be entitled at its discretion to obtain and to accept a valuation of any asset made by a professional valuer accountant stockbroker or other person considered by the Central Board to be qualified to make such valuation or to treat the cost of acquisition of any asset as the value thereof or to make such estimates of value as they may consider appropriate;

(c) Fractions of one pound may be disregarded or rounded off to the nearest one pound.

(3) The basic value of a share shall be arrived at by—

(i) deducting from the value of an investment fund as valued in accordance with sub-paragraphs (1) and (2) of this paragraph any amount which the Central Board may have determined to distribute as income but which has not yet been withdrawn from the investment fund;

- (ii) dividing the balance by the number of shares into which the fund is divided; and
- (iii) rounding off the resulting figure to the nearest one-tenth of one penny.

10. A certificate of the Central Board as to the value of an investment fund or of any asset contributed to or withdrawn from an investment fund or as to the basic value of a share in an investment fund or as to the amount of any surcharge to be paid under sub-paragraph (2) of paragraph 8 hereof or of any deduction to be made under sub-paragraph (3) of paragraph 8 hereof shall be binding upon all concerned. Certificates
as to value.

11.—(1) The Central Board may decide at its discretion (and without regard to any rule of law usually applicable to trust funds) whether any special dividend bonus issue of shares or other cash or property received by it in respect of property comprised in an investment fund shall be treated as income or capital or shall be apportioned. The Central Board may in like manner decide any question of apportionment between income and capital which may arise on a contribution or a withdrawal or on the acquisition or disposal of any asset. Income.

(2) Notwithstanding any rule of law concerning accumulations any part of the net income of an investment fund may at the discretion of the Central Board be at any time transferred to the capital of that investment fund and unless and until so transferred shall be available for distribution as income.

(3) The Central Board shall as on each valuation date determine the amount (if any) to be distributed as income in respect of an investment fund. Each such distribution of income shall be made on or as soon as practicable after the valuation date in question to the holders of the shares in that investment fund in proportion to the numbers of shares recorded in their names on the day preceding that valuation date and the amount determined to be distributed shall be deducted in arriving at the basic value of the shares in that investment fund as at that valuation date. The Central Board may at any time at its discretion make interim distributions of income.

12. The Central Board shall be entitled to retain out of the income or capital of an investment fund any costs or expenses incurred by it in constituting or administering or winding up that investment fund or otherwise incurred in connection with the fund or in connection with any assets comprised therein including a due proportion of any overhead expenses of the Central Board. The certificate of the Central Board as to the amount of any such costs or expenses shall be conclusive. The Central Board may decide at its discretion (and without regard to any rule of law usually applicable to trust funds) whether any costs or expenses shall be charged to income or capital or shall be apportioned and may at its discretion recoup out of subsequent income costs or expenses initially charged to capital. Costs and
expenses.

13. Any moneys required to be raised for the purpose of making any payment to be made under this scheme out of an investment fund or for the purpose of the management or improvement of any assets comprised in that investment fund or for the purpose of discharging Borrowing.

1ST SCH.
—cont.

any liability properly payable out of such assets or for payment of any such costs or expenses as are mentioned in paragraph 12 hereof may be raised by the Central Board either by selling or by borrowing on the security of any asset of that investment fund.

Accounts and
information.

14. The Central Board shall keep accounts of the assets and liabilities of each investment fund and of its income and expenditure and shall cause such accounts to be audited. The Central Board shall within eighteen calendar months from the commencement date of that investment fund and thereafter not less frequently than once in every subsequent calendar year circulate to the holders of the shares of each investment fund a report on the operation of that investment fund and an audited balance sheet a capital account and statement of income and expenditure made up to the last valuation date to which the report relates. There shall be shown in each such balance sheet or in a statement annexed thereto the basic value of a share in the investment fund at the date as at which the balance sheet is made up and the amount per share which the Central Board had as on that date determined to distribute as income and there shall be shown in each such statement of income and expenditure or in a statement annexed thereto the amount (if any) which the Central Board had determined to distribute as income and the amount of income (if any) which the Central Board had determined to transfer to capital pursuant to paragraph 11 hereof.

Holder of
a fund.

15. The Central Board may assume until otherwise notified that the person persons or body ascertained to be the holder of a fund or the survivors of them continue to be the holder of that fund.

Holding of
investments.

16. Any property comprised in an investment fund may be held in the name of or under the control of the Central Board or at the discretion of the Central Board in the name of or under the control of any trust corporation as nominee for the Central Board and in the latter case the Central Board may out of the income of the investment fund remunerate any such nominee.

Winding up
of an invest-
ment fund.

17. The Central Board may by instrument in writing declare that an investment fund shall be wound up as from a date specified in the instrument. On such declaration the Central Board shall as from the specified date distribute the net assets of that investment fund (after discharging the costs of winding up and all other liabilities properly payable out of such assets) among the holders of the shares in that investment fund in proportion to their holdings of such shares. For the purpose of such winding up the Central Board may at its discretion—

- (a) appropriate any assets in specie to any share of the investment fund and so that different assets may be appropriated to different shares;
- (b) sell any asset or otherwise convert the same into money;
- (c) make or cause to be made any necessary valuations make payments to secure equality and generally settle any questions requiring to be settled for the purpose of the distribution.

DEPOSIT FUNDS

1ST SCH.

—cont.

18.—(1) There shall be a deposit fund held and administered by the Central Board for the purpose of receiving deposits of money from the holders of any of the funds to which the Act applies.

Constitution
of deposit
funds.

(2) The Central Board may at any time or times constitute one or more additional deposit funds and may fix the date or dates on which they shall commence operating.

(3) All the provisions of this scheme relating to deposit funds shall apply equally to the original and to any additional deposit fund.

19.—(1) The terms upon which money may be deposited in a deposit fund including the rate of interest to be paid by the Central Board thereon and the length of notice required for withdrawal and the minimum or maximum size of any deposit shall be in the discretion of the Central Board.

Terms of
deposit.

(2) The right of the depositors in a deposit fund shall be a right to be repaid by the Central Board their deposits on due notice of withdrawal or on the winding up of such deposit fund and meanwhile to be paid or credited interest in accordance with the terms on which the deposits were made.

(3) In the administration of a deposit fund the Central Board shall not be concerned with any trusts or equities to which any deposited funds may be subject notwithstanding that it may have notice of such trusts or equities. Payment to a depositor of any sum due to such depositor shall discharge the Central Board in respect of the sum so paid.

(4) The rights of a depositor in a deposit fund shall not be assignable.

20.—(1) The Central Board shall invest the sums received by it as deposits in a deposit fund at its discretion in any of the following manners namely:—

Range of
investment.

- (a) in the securities of or upon loan to or in the purchase of bills issued by the government of the United Kingdom or any local or municipal authority in the United Kingdom;
- (b) in any investments for the time being authorised by the law of England or the law of Scotland for the investment of trust funds;
- (c) upon deposit with any bank;
- (d) upon loan to any investment fund constituted under this scheme.

(2) The Central Board may from time to time at its discretion transpose or vary the investments comprised in a deposit fund for or into any others authorised by this paragraph.

21. Out of the income of the investments and any capital gains of a deposit fund the Central Board shall pay the expenses of management of that deposit fund and the interest payable to depositors.

1ST SCH.
—cont.
Winding up
of a deposit
fund.

22. The Central Board may at any time wind up any deposit fund repaying to the depositors the amount of their deposits and interest. Any surplus on such winding up shall be applied for such objects connected with the work of the Methodist Church being charitable objects as the Central Board shall think fit.

Accounts.

23. The Central Board shall keep accounts of the assets and liabilities of each deposit fund and shall cause such accounts to be audited. The Central Board shall within eighteen months from the commencement date of a deposit fund and thereafter not less frequently than once in every subsequent calendar year circulate to the depositors in that deposit fund a report on the operation of that deposit fund and an audited statement of account made up to a date not earlier than three months prior to the date of circulation thereof.

Central Board
may refuse
or return
deposits.

24.—(1) Nothing in this scheme shall limit the discretion of the Central Board to refuse to accept any deposit.

(2) Subject to any agreement with a depositor the Central Board may at any time pay off any deposit with interest accrued to the date of payment.

Earlier
provisions
of scheme
applicable.

25. Sub-paragraph (3) of paragraph 3 and paragraphs 15 and 16 of this scheme shall apply to deposit funds in like manner as they apply to investment funds as if references therein to a contribution referred to a deposit.

Section 5.

SECOND SCHEDULE

REGULATIONS OF THE CENTRAL BOARD

Definitions

1. In these regulations save where the context otherwise requires—
 - “ the Central Board ” means the Central Finance Board of the Methodist Church;
 - “ the conference ” means the annual conference of the Methodist Church;
 - “ the council ” means the council of the Central Board established under these regulations;
 - “ a general meeting ” means a general meeting of the members of the Central Board;
 - “ the Methodist Church ” means the united church or denomination formed under the provisions of the Methodist Church Union Act 1929.

Membership

2. The following persons shall be members of the Central Board:—
 - (a) the president vice-president and secretary for the time being of the Methodist Church who shall be ex-officio members;
 - (b) such persons not exceeding twenty in number as the conference may from time to time elect to the Central Board which persons are herein called “ elected members ”;

(c) persons nominated to the Central Board from time to time by the district synods of the Methodist Church in Great Britain the Channel Islands and the Isle of Man (each of which may nominate one person) The members so nominated are herein called "nominated members".

3. An ex-officio member shall continue a member while he holds the office which qualifies him for membership.

4. An elected member may at any time retire or be removed from membership by resolution of the conference Unless he retires or is so removed his membership shall continue for the period specified by the conference on his election or if no period was so specified for three years from the date of his election.

5. A nominated member may at any time retire or be removed from membership by the body which nominated him Unless he retires or is so removed his membership shall continue for the period specified in his nomination or if no period was so specified for three years from the date of his nomination.

6. Whenever the membership of an elected member or a nominated member ceases the conference or (as the case may be) the body which nominated that member may elect or nominate another person to be a member in his place The person whose membership has ceased shall be eligible for re-election or renomination.

General meetings

7. In each calendar year there shall be held an annual general meeting at such time and place as the council shall appoint Such other general meetings may be held in addition as shall be thought fit.

8. The council or the chairman thereof may whenever it or he thinks fit convene a general meeting and a general meeting shall be convened forthwith if the president of the conference shall so direct.

9. General meetings shall be convened by notice At least fourteen days' notice in writing (including the day on which it is served and the day for which it is given) shall be given to each member stating the place day and time of meeting and the general nature of the business Notice of an annual general meeting shall state that the meeting is to be the annual general meeting.

10. The accidental omission to give notice of a general meeting to or the non-receipt of notice of a general meeting by any member shall not invalidate the proceedings at that meeting The actions of the Central Board and of a general meeting shall be valid notwithstanding any vacancy in the membership of the Central Board.

11. The business of the annual general meeting shall include (in addition to any other business) the election of members of the council to replace those retiring by rotation the consideration of the annual reports and accounts furnished by the council, and the appointment of and the fixing of the remuneration of the auditors of the Central Board.

12. Ten members or such other number of members as may be prescribed by resolution of a general meeting shall constitute a quorum If within half an hour of the time appointed for the meeting a quorum is not present the meeting shall be adjourned to the same day in the

2ND SCH.
—cont.

next week at the same time and place or to such other day and at such other place as the council may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

13. The chairman of the council or in his absence such person as the meeting may appoint shall act as chairman of the general meeting.

14. Every member present at a general meeting shall have one vote. In the event of equality of votes the chairman of the meeting shall have a second or casting vote. There shall be no voting by proxy.

15. Subject to these regulations a general meeting may adjourn and otherwise regulate its proceedings as it shall think fit.

The council

16. There shall be a council of the Central Board consisting of not less than six and not more than twelve councillors.

17. The first councillors shall be appointed by the president of the conference.

18. At the first annual general meeting all councillors shall retire from office and at the annual general meeting in each subsequent year one-third of the councillors for the time being or if their number is not three or a multiple of three the number nearest one-third shall retire from office.

19. The councillors to retire in every year shall be those who have been longest in office since their last election but as between persons who become councillors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

20. A retiring councillor shall be eligible for re-election.

21. The general meeting at which a councillor retires in manner aforesaid may fill the vacated office by electing a person thereto and in default the retiring councillor shall if offering himself for re-election be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such councillor shall have been put to the meeting and lost.

22. The council shall have power to appoint any person to be a councillor to fill a casual vacancy among the councillors. A councillor so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the councillors who are to retire by rotation at such meeting.

23. A general meeting may by resolution of which express notice has been given in the notice of meeting remove any councillor from office at any time.

24. A general meeting may appoint a person to be a councillor in place of a councillor so removed from office or (without prejudice to action already taken under regulation 22) to fill a casual vacancy or (subject to the limit on the number of councillors) as an additional councillor. A person appointed to fill a casual vacancy or a vacancy caused by removal of a councillor shall retire by rotation at the same time as if he had become a councillor on the day on which the person whose vacancy he fills was last elected a councillor.

25. No councillor shall be appointed to any salaried office of the Central Board or to an office of the Central Board paid by fees and no remuneration or other benefit in money or money's worth shall be given by the Central Board to any councillor except repayment of out-of-pocket expenses and interest at a rate not exceeding five per centum per annum on money lent or reasonable and proper rent for premises demised or let to the Central Board provided that this provision shall not apply to a payment to a company of which a councillor may be a member in which he shall not hold more than one-hundredth part of the capital and he shall not be bound to account for any share of profits he may receive in respect of any such payment.

26. A councillor shall vacate his office if—

- (a) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
- (b) he becomes incapable of acting as councillor; or
- (c) he resigns his office by notice in writing sent to or delivered to the secretary of the council; or
- (d) he resides for twelve months out of the United Kingdom the Channel Islands and the Isle of Man; or
- (e) having been on his election as councillor a member of the Methodist Church he ceases to be such a member.

Proceedings of the council

27. The council may meet together for the dispatch of business adjourn fix their own quorum and otherwise regulate their own proceedings as they shall think fit.

28. The council may act notwithstanding any vacancy in their body but if and so long as the number of councillors is reduced below the minimum number hereby prescribed the council shall forthwith either increase the number of councillors to that number or summon a general meeting and shall not otherwise act save for transacting such urgent business as cannot reasonably be delayed.

29. The council shall elect a councillor to be their chairman and determine the period for which he is to hold office. The chairman when present shall preside at meetings of the council and in his absence the councillors present shall appoint one of themselves to be chairman of the meeting.

30. Questions arising at a meeting of the council shall be decided by a majority of votes. In case of equality the chairman of the meeting shall have a casting vote.

31. The council may delegate any of their powers to committees consisting of such member or members of their body as they think fit. A committee shall in the exercise of the powers so delegated conform with any regulations which may be imposed upon it by the council and subject to such regulations a committee may regulate its meetings as it thinks fit.

32. All acts done by any meeting of the council or of a committee of the council or by any person acting as councillor shall notwithstanding that it be afterwards discovered that there was some defect in the appointment of a councillor or person acting as councillor or that they or any of them were disqualified be as valid as if the

2ND SCH.
—cont.

councillors and every such person had been duly appointed and were qualified to be councillors.

Powers of the council

33. The business of the Central Board shall be managed by the council who may exercise all such powers of the Central Board as are not by statute or these regulations required to be exercised by a general meeting subject nevertheless to the provisions of any statute or of these regulations and to any directions not being inconsistent with such provisions as may be given by a general meeting but no direction by a general meeting shall invalidate any prior act of the council which would have been valid if that direction had not been given.

The seal

34. The seal of the Central Board shall be used only by the authority of the council or of a committee of the council authorised by the council in that behalf and every instrument to which the seal shall be affixed shall be signed by a councillor and shall be countersigned by the secretary of the council or by a second councillor or by some other person authorised by the council for that purpose.

Accounts and auditors

35. The council shall cause proper accounts to be kept and audited of the receipts and expenditure of the council and of any investment or deposit fund administered by the Central Board. Such accounts together with a report by the council on the operations of the Central Board shall be submitted to each annual general meeting.

36. The auditors of the Central Board shall be appointed by and may be removed by resolution of a general meeting provided that if there be at any time no auditors the council may appoint auditors to act until the next annual general meeting.

Table of Statutes referred to in this Act

Short title	Session and chapter
Charitable Trusts Act 1853	16 & 17 Vict. c. 137.
Methodist Church Union Act 1929	19 & 20 Geo. 5 c. lix.
Borrowing (Control and Guarantees) Act 1946	9 & 10 Geo. 6 c. 58.
Exchange Control Act 1947	10 & 11 Geo. 6 c. 14.
Companies Act 1948	11 & 12 Geo. 6 c. 38.
Prevention of Fraud (Investments) Act 1958	6 & 7 Eliz. 2 c. 45.

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