

**THE METHODIST CHURCH
STANDARD FORM OF ACCOUNTS
ACCRUALS BASIS
for the year ended 31 August 2020**

Darlington	District	District no	13
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Registered Charity - Registration number	1133814
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District Chairs

Rev Richard Andrew

Synod Secretary

Mrs Penny Bissell (appointed 01/09/2019)

Treasurer

Mr J G Monkhouse

Name of District:

Darlington

No 13

Declarations and Scrutiny

I confirm that these accruals-based accounts for the year to 31 August 2020 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer



Date 03/03/2021

Name and address of treasurer: John Graham Monkhouse

Post Code: TS20 1TQ

Presentation to the District Leadership Team

I confirm that the annual report and accounts for the year ended 31 August 2020 will be presented to the District Leadership Team at its meeting on 15/03/2021

Signature of the Chair of the meeting



Name of the Chair of the meeting: Rev Richard Andrew

Date 15/03/2021

Independent Examiner's Report to the Trustees of the District, named above

The District's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2020 present a true and fair view of the District's income and expenditure for the year and of its assets and liabilities at the balance sheet date.

The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act 2011
- follow the procedures laid down in the general directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011
- state whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the general directions given by the Charity Commission.

An examination includes a review of the accounting records kept by the charity and a comparison of the accounts with those records. It also includes consideration of any unusual items, in nature or scale, or disclosures in the accounts, seeking explanations from the trustees concerning such matters.

The procedures undertaken do not provide all the evidence that would be required in an audit and, consequently, no opinion is given as to whether the accounts present a true and fair view.

My report is limited to those matters set out in the statement below.

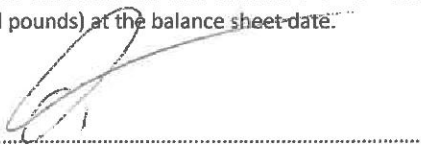
Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than as disclosed below*)

- (1) which gives me reasonable cause to believe that in any material respect the requirements
- to keep accounting records in accordance with section 130 of the Charities Act 2011
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011

have not been met, or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.
- (3) I have not obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Signature of Independent Examiner.....

Name of Independent Examiner MR J GRESHAM

Relevant professional qualification of Independent Examiner F.C.C.A.

Name of firm (where appropriate) AZETS

Address New Garth House, Upper Garth Gardens, Guisborough
Post Code TS14 6HA

Date 17.3.2021

THE METHODIST CHURCH - DARLINGTON DISTRICT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

1 Objectives and Activities

In setting our objectives and planning our activities, the District Synod (under the leadership of the District Trustees) meets twice in each year, has given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing our objectives and conforms to the Charities Act 2011.

Darlington District's vision is to support and encourage Christian communities to develop in ways that:

- attract people to Jesus Christ;
- reflect God's presence in the world;
- explore and demonstrate ways to follow Christ;
- and promote God's rule in contemporary society by the power of the Holy Spirit.

This means that the district will invest its energy in:

- directing churches and circuits in developing the appropriate way forward for each church and circuit in the context of 'Our Calling' and 'Priorities for the Methodist Church'
- developing structures and processes to enable this way forward.

We will underpin everything we do with God centred worship and prayer and seek to develop a high standard of excellence.

2 Achievements and performance

The principal purpose of the District is to act as a supporting body between Circuits and the Connexion. The District does not seek and, in large measure, does not attain direct contact with the public. The direct contact is by Churches and Circuits and it is these that the District supports in their desire to provide benefit to the public.

Under the heading Collaborative arrangements with connected charities (3.3 below) there is information on how we obtained our funds. In this paragraph we show how they were spent. The money collected, or available for dissipation, was used as grants to support Churches and Circuits throughout the District with their work in their local communities and to subsidise the administrative costs of the District. In 2019-20 the District paid grants and made commitments out of the General Fund and the DAF that totalled £100,310 which was more than the sum received from the levies on some of the funds held by Circuits within the District. The shortfall was made up by drawing on District reserves.

The policy of the trustees on grant making is to ensure that all applications can demonstrate public benefit, pass a test of sustainability, show that there is commitment from the applicant organisation (e.g. the District grant is a minor part of the total funding) and show imagination and creativity as well as a perceived need for that for which the grant is being applied.

- Grants for the adaptation of buildings so that they could more easily meet the modern needs of Churches and help Churches provide services to the community e.g. lunch clubs for the elderly and house-bound, activities for the homeless and refugees
- Grants which supported part time or full time youth workers attached to Circuits or Local Churches
- Grants to support Mission and Ministry
- Grants to support Training and Development

Circuits and Churches that have received grants from the District will show in their own Trustees' Annual Reports (where these are required to be prepared) details of the outcome of the activities undertaken as a result of receiving the grant.

During the year, work has continued on developing links with the neighbouring Newcastle District. We have been pleased to support two candidates for ministry and one probationer presbyter who serves in the District.

Ministerial Development Reviews have been supported and the leadership and foundation module for creating safer space has been rolled out across the District.

The District also supports three Methodist Primary Schools

THE METHODIST CHURCH - DARLINGTON DISTRICT
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

3 Financial review

3.1 Investment policy and performance

To comply with Methodist Standing Orders, monies for long term investment are lodged with the Trustees for Methodist Church Purposes (TMCP). TMCP acts as custodian trustee for all real estate held by Districts and for all large (over £20k) bequests and for the proceeds of sale of any property formerly owned by the District. These sums are invested in unitised investments or held on deposit. The investment returns are close to tracking the movements in the FTSE100 index. The deposit income mirrors the deposit rates available elsewhere. The Darlington District Trustees' investment policy is aligned with that of the CFB and TMCP because these organisations take into consideration the social, environmental and ethical considerations, both negatively and positively, that make investments suitable for the Methodist Church.

Short term deposits are lodged directly with the Central Finance Board (CFB) and attract good rates of interest.

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk. The total return achieved on the

3.2 Reserves level and policy

Financial Review and Reserves Policy

The unrestricted reserves total £517k of which £275k is the value attributed to the District manse and £65k received in advance for funding the District Enabler and the balance of £177k represents the year-end level of uncommitted reserves.

The District has a reserves policy covering all its unrestricted funds which is reviewed annually. Although grants are made annually out of the District Advance Fund (DAF), it is recognised that some grants will be paid by annual instalments and that there will be applications repeated in future years. The trustees seek to ensure that there is sufficient in the DAF to meet these anticipated requests and the trustees now recognise future grants as liabilities on the Balance Sheet.

The minimum policy level of the readily available part of the General Fund is such as to pay for six months' expenses, 10% of the Annual Connexional assessment + £5k. At 31 August 2020 this sum amounted to £100k against actual reserves of £177k as stated above. Actual readily available reserves were thus in excess of policy at the year end by £77k. The trustees are, however, mindful that future income from the Circuit Model Trust Funds (CMTFs) is not secure and it is judged prudent to retain a buffer against this funding volatility besides the quantified need of £100k. Furthermore, some Circuits may find it difficult to meet their future assessments due to the impact of Covid 19. Trustees have taken into account this substantial buffer when setting the District's budget for 2021-22. It is expected that the DAF will decrease, year on year, in the foreseeable future.

The reserves at the end of Aug20 were £517k [Aug19= £481k]. The reserves held at the end of Aug 20 can be further split as follows:

Unrestricted funds:

Undesignated

- General, less property	£ 241,971
- District Advance Fund	£ 54,553

Designated

- Manse Fund	£ 8,783
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Total Unrestricted funds

£ 305,307

Restricted funds:

- Training	£ 43,917
- Benevolence	£ 593

Total Restricted funds

£ 44,510

Unrestricted and undesignated funds £ 232k

Uncommitted reserves, readily available £ 177k

The Trustees have agreed that the uncommitted and readily available reserves may be reduced by £40k over the next 2 years and to do this by reducing the circuits assessments. The Trustees have also agreed that the Training Fund will continue to be reduced over the next 5 years by strongly encouraging the provision and taking up of Learning & Development.

The above proposed actions are in line with our Mission objectives.

THE METHODIST CHURCH - DARLINGTON DISTRICT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

3.3 Collaborative arrangements with connected charities

The District's main source of funding was the assessments obtained from each Circuit within the District based on the membership and staffing levels of the Circuit and this was used to defray most of the cost of administering the District. This sum amounted to £75,959 (2019: £73,623).

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the size of the Circuits' CMTFs at the start of the connexional year (01 September). In 2019-20 this sum was £77,792 and was credited to the District Advance Fund.

The District holds no funds as custodian trustee. It does, however, quarterly receive from Circuits within the District the Circuits' contributions to the Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same quarter. Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement.

4 Trustees' responsibilities

For each financial year ending on 31 August the Trustees are required to prepare financial statements that give a true and fair view of the District's financial activities during the year and of its financial position at the end of the year. In preparing these financial statements, the Trustees must:

1. select suitable accounting policies and applied them consistently using the accruals method
2. make judgements and estimates that are reasonable and prudent
3. follow applicable accounting standards
4. prepare accounts to comply with the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the District and enables them to ensure that the financial statements comply with the law. They are also responsible for safeguarding the assets of the District and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the District's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition to the above, the Trustees are responsible for the Health & Safety of the Regional Safeguarding Officer, the District Administrator & P.A to the Chair, the Administrator, the Co-ordinator and the young people employed by the District under the One Opportunity North East Scheme.

4.1 Risk

The District is largely risk averse, however in making grants to entities embarking on new and imaginative initiatives, the District is prepared to underwrite considered risks.

Risks are managed by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by either not taking them or by setting up control systems that report

THE METHODIST CHURCH - DARLINGTON DISTRICT

TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

5 Structure, governance and management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 27 January 2010.

5.1 Structure

Circuits are the coordinating charities for local groups of Churches; Circuits pay the stipends of the ministers and employ lay staff to serve the Churches in the Circuit; most decisions are made at or ratified by the half yearly Circuit Meeting. A District is the coordinating charity for a group of contiguous Circuits and makes its decisions at the half yearly synods. The Methodist Conference meets once each year as the governing body for all Methodist Churches.

1. Overall regulatory authority rests with the Methodist Conference.
2. The Conference Office implements decisions made by Conference.
3. Conference decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
4. The District passes control to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes regulatory control to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

5.2 Purpose of the District

The District is an expression, over a wider geographical area than any Circuit, of the Connexional character of the Church.

The purposes of the Methodist Church are and shall be deemed to have been since the date of the union the advancement of:

- a. the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church, and
- b. any charitable purposes for the time being of any connexional, District, Circuit, local or other organisation of the Methodist Church, and
- c. any charitable purpose for the time being of any society or institution subsidiary or ancillary to the Methodist Church, and
- d. any purpose for the time being of any charity being a charity subsidiary or ancillary of the Methodist Church.

The primary purpose of this District is to advance the mission of the Church in Darlington District by

1. providing opportunities for Circuits to work together and support each other
2. offering to Circuits resources of finance, personnel and expertise.

The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries

5.3 Governance

The District operates within a statutory framework of regulation and seeks to ensure that it follows Methodist Standing Orders. It relies on the Connexional Office at 25 Marylebone Road, London NW1 5JR to provide guidance on changes that could affect the District.

The members of the District Policy Committee (DPC) are annually appointed by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District, The Synod Secretary, and members of the Darlington Vision and Strategy team (DVST) are *ex officio* members of the DPC. When a position becomes vacant on the District Policy Committee, nominations are sought from the appropriate circuits within the District. Their names are taken to the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the District.

The District Policy Committee normally meets three times per year and deals with routine and exceptional matters. It oversees the work of the Synod Co-ordinating Group for Chinese Mission, Grants Committee, Manses Committee, Methodist Women in Britain (Darlington), Local Preachers Committee, District Vision and Strategy Team, Children & Young Persons Group.

5.4 Responsibility of the District Policy Committee

- i to formulate and promote policies which will advance the mission of the Church in the Circuits and Local Churches and, in particular, to supervise the use of resources of personnel, property and finance and to assist Local Churches and Circuits having exceptional problems
- ii to encourage inter-Circuit and ecumenical co-operation
- iii to act in an executive capacity in matters remitted to the Committee by the Synod
- iv to keep within its purview all District concerns not dealt with elsewhere
- v to contribute and respond, as the case may be, to the development of Connexional policies as reflected in the work of the Conference and the Methodist Council, and to carry out its other responsibilities with any such development in mind
- vi to be aware that the stipend of the Chair of the District is set – currently by reference to the change over a year in the Consumer Price Index and to the annual change in the Average Weekly Earnings Index – using a formula that was agreed by the Methodist Conference for all ministers within the Connexion
- vii constantly to be aware of the public benefit guidance issued by the Charity Commission

THE METHODIST CHURCH - DARLINGTON DISTRICT
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

6 Reference and Administrative Details

6.1 Name of the charity

Darlington Methodist District

6.2 Charity registration number

1133814

6.3 Principal Office

2 Edinburgh Drive
Darlington
DL3 8AW

6.4 Chair of the District

Revd Richard Andrew

6.5 Secretary of the Synod

Mrs Penny Bissell

6.6 Assistant Secretary of the Synod (Presbyteral)

Revd Susan Richardson

6.7 District Treasurer

Mr John Monkhouse

6.8 Names of trustees

The following served as trustees throughout part or all of the year 2019-20 or were trustees at the time of this report being approved:

Rev Richard Andrew- Chair of District
Rev Tim Boocock - Darlington and Barnard Castle and Teesdale Circuit.
Mrs Hazel Neasham - Darlington and Barnard Castle and Teesdale Circuit.
Rev Charity Hamilton- Middlesbrough & Eston Circuit
Mrs Margaret Walton - Stockton Circuit
Rev Beverly Hollings (Deputy Chair of District), Dist Rep to the Methodist Council - Castle Eden Circuit
Mr John Kidd - Castle Eden Circuit
Rev Andrew Robinson - Stokesley Circuit
Rev John Henry - Cleveland & Danby Circuit
Mr Colin Crossman- Cleveland and Danby Circuit
Mrs Jeanne Spencer - Bishop Auckland & Shildon Circuit
Rev John Squares - (Deputy Chair of District), Durham & Deerness Circuit
Mr David Dixon - West Durham Circuit, Finance Team.
Rev Melanie Reed - North Yorkshire Dales Circuit
Mrs Penny Bissell - Synod Secretary, (appointed 01.09.19)
Mrs Sue Smith - Secretary DPC
Mr Ron Kirk - Finance Team
Mr John Monkhouse- District Treasurer
Mr Bill Offler - District Ecumenical Officer
Mr Maurice Aspey - District Resourcing Mission Officer
Mr Mark Bagnall - Co-ordinator of Ministries and Mission.

THE METHODIST CHURCH - DARLINGTON DISTRICT
TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

6.9 District Administrator & P.A. to District Chair

Miss Rebecca Catford (resigned September 2019) and Miss Keira Prior was appointed.

6.10 Bankers

HSBC, Richmond, North Yorkshire, DL10 4QQ.
Central Finance Board of the Methodist Church
9 Bonhill Street, London, EC2A 4PE

6.11 Investment managers and custodian trustees

Trustees for Methodist Church Purposes, Central Buildings, Oldham Street, Manchester, M1 1JQ

6.12 Independent Examiner

Mr J Gresham of AZETS
New Garth House, Upper Garth Gardens, Guisborough. TS14 6HA

Approvals:



District Chair

Date

15.03.2021



District Treasurer

Date

15.03.2021.

Statement of Financial Activities (SOFA) for the year ended 31 August 2020

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds	Total 2019-20 £	Total 2018-19 £
Income from								
1 Donations and legacies		-	-	-	-	-	-	-
2 Connexional Advance & Property Fund		-	62,454	-	-	-	62,454	60,781
3 Income from investments		1,454	3,310	21	1,487	-	6,272	6,184
Income from charitable activities								
4 Assessments on circuits	2	75,959	-	-	-	-	75,959	73,623
5 From Circuit Model Trust Funds		-	77,792	-	-	-	77,792	80,625
6 Contribution to the cost of the Chair	3	40,825	-	-	-	-	40,825	39,717
7 Other charitable activities		-	-	-	-	-	-	-
8 Income from other trading activities		-	-	-	-	-	-	-
9 Other income	4	70,990	-	-	-	-	70,990	89,556
Total income		189,228	143,556	21	1,487	-	334,292	350,486
Expenditure								
9 Grants, commitments and donations	5	7,660	92,650	-	-	-	100,310	254,113
10 Salaries and associated costs	6	110,817	-	-	-	-	110,817	97,118
11 Cost of the Chair	3	45,103	-	-	-	-	45,103	51,858
12 Property Maintenance	7	9,064	-	-	-	-	9,064	19,731
13 Office expenses	8	4,410	687	-	104	-	5,201	11,363
14 Synods, committees, Conference	9	1,701	-	-	-	-	1,701	4,358
15 Training		4,155	-	-	-	-	4,155	3,136
16 Professional fees	10	1,440	-	-	-	-	1,440	3,016
17 Other outgoings	10	2,105	-	-	10,593	-	12,698	2,995
Total expenditure		186,455	93,337	-	10,697	-	290,489	447,688
Net income/(expenditure) before gains and losses on investments								
18 Net gains/(losses) on investments	11	2,773	50,219	21	(9,210)	-	43,803	(97,202)
Net income/(expenditure)		2,773	50,219	21	(13,159)	-	39,854	(97,202)
19 Transfers between funds	12	40,002	-	6,000	(46,002)	-	-	-
20 Other gains/(losses)		-	-	-	-	-	-	-
Net movement in funds		42,775	50,219	6,021	(59,161)	-	39,854	(97,202)
Total funds brought forward	19,20	474,196	4,334	2,762	103,671	-	584,963	682,165
Total funds carried forward	19,20	516,971	54,553	8,783	44,510	-	624,817	584,963

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting framework and accounting policies

i Accounting framework

The financial statements have been prepared under the Charities Act 2011 and in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for Charities applying FRS102 and UK Generally Accepted Accounting Practice as it applies from 1st January 2015.

ii Public benefit entity

The Darlington District meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s) below.

iii Basis

These accounts have been prepared on the basis of historical cost except that investments are shown at their market value at the end of the year, on the accruals basis to show a true and fair view of the District's financial position and activities.

iv Content

The financial information presented is relevant, reliable, comparable and complete. Where estimates are used these are based on experience, research and judgement. The accounts are expressed in £ Sterling, rounded to the nearest pound.

v Going concern

Based on the monetary assets and human resources available at 31 August 2020, the trustees believe that the District is a going concern.

vi Consolidation

The District oversees the work of ministers and lay workers in Churches and Circuits within the District but does not have control over those Circuits or Churches, ministers or lay workers except in extreme circumstances, none of which were applicable. For this reason, the financial statements of the Churches and Circuits within the District are not consolidated into these financial statements.

vii Income recognition

Income is brought into account when it is more likely than not that the economic benefit of the income will accrue to the Darlington District. No attempt is made to measure the value of services donated by volunteers. Details of how the contribution to the cost of the District Chair has been determined appears in Note 3. A similar figure appears in the Expenditure at Note 6.

Individual amounts categorised as *Other income* in the SOFA will be shown separately if they are considered material.

The District acts as agent in four matters:

1. the collection of quarterly assessments from circuits which are paid to the Methodist Church Fund
2. the payment of expenses of delegates from the District to the Methodist Conference
3. the collection taken at the autumn and spring synod on behalf of the Methodist Ministers' Children's Relief Fund
4. the cost of ministerial health checks recovered from Circuits

In all these matters the transactions are not reflected in the SOFA because there is no obligation on the District to make up any shortfall in assessments from Circuits. Sums received as Circuit assessments cannot be recognised as income in the District as they are the income of the MCF.

In accordance with the Charities SORP (FRSSE), the time of volunteers is not recognised.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

viii Expenditure

This is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable. Liabilities are recognised as soon as an outflow of economic benefit is considered more likely than not under the legal or constructive obligation committing the District to pay out resources.

ix Grants

Grants are recognised in full when the award is made once the District accepts that there is a legal or constructive obligation to make the payment and that such payment is probable.

x VAT

Since the District is not VAT registered, all input VAT is charged with the expenses to which it refers.

xi Tangible fixed assets

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £70,000. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings (on the assumption that it had reached the end of its useful economic life by the year-end) to be not less than its current value. Any depreciation would not be material. The property has been reviewed for impairment.

xii Investments

The investments of the Darlington District are held by the Trustees for Methodist Church Purposes (TMCP) as custodian trustees. The valuations, at market value, are those provided by TMCP. The unrealised gains arising on investments at the end of the year are shown in the SOFA and in Note 11 below.

xiii Debtors and creditors; bank and cash

Debtors are stated at the amounts owed to the District or prepaid. Creditors are initially recognised at settlement amount after any trade discounts, where normal credit terms apply, or amount advanced to the District. Subsequently creditors that are current liabilities are measured at the cash or other consideration expected to be paid. The liquid funds of bank balances and deposit account balances are shown at the realisable values.

xiv Loans

Where concessionary loans (*i.e.*, free of interest) are made to (or received by) the District to further its charitable purposes, and are repayable after more than one year, they are initially recognised at the amount paid (or received), with the carrying value adjusted in subsequent years to reflect repayments and any accrued interest, adjusted for any impairment, if necessary.

Where there is objective evidence of impairment, an immediate impairment loss is recognised in the Statement of Financial Activities. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Statement of Financial Activities.

xv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

xvi Ministers' manse costs

The District is required to provide accommodation for each Minister and his / her family. The District bears the cost of repairs, maintenance, building insurance, Council Tax and water charges. These costs are not shown separately as benefits-in-kind for Ministers as HMRC does not seek to tax these receipts in the hands of the Ministers.

2 Assessment on Circuits

All Circuits (see list given below in this note) paid their assessments to the District and to the MCF during the year or shortly after it's end. An assessment on Circuits is annually determined by Districts by reference to the number of staff in the Circuits and the number of Church members but may also take into account a Circuit's ability to pay.

The District is made up of the following Circuits:

Circuit No	Circuit Name
1	Darlington
2	Middlesbrough & Eston
3	Stockton
4	Castle Eden
5	Stokesley
7	Cleveland & Danby
10	Bishop Auckland & Shildon
11	Durham & Deerness Valley
12	West Durham
17	Barnard Castle & Teesdale
19	North Yorkshire Dales

Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits £75,959 (2019 - £73,623) to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £368,085 (2019 - £351,305) all of which were collected or shown as debtors at the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at nearly nil cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

3 Cost of Chair and trustees

The Chair of District chairs meetings of the District Policy Committee (DPC). The members of the DPC are the trustees of the District. The stipend, employer's NIC and employer's pension contributions of the Chair of District are paid by the Methodist Connexion. The Chair's other costs are met mostly by the District.

	2019-20	2018-19
	£	£
Stipend to Chair	31,065	30,210
Employer's National Insurance Contribution	3,075	3,006
Employer's pension contribution to the defined benefit scheme	6,685	6,501
Cash cost paid by the Connexion (see, SOFA, item 6)	40,825	39,717
Chair's expenses	4,278	12,141
Total cost	45,103	51,858

Since the stipend-related costs above £40,825 (2019 - £39,717) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 6). It should be noted that the chair is required to occupy the District manse. The manse is provided by the Darlington District and the District maintains the property. The sum of £750 per calendar month (2019 - £750) per calendar month) was determined by enquiry of local letting agents and does not appear elsewhere in these accounts. The Chair of District is the sole paid key management person but is supported by members of the DPC.

No accrual is made for the Chair's entitlement to a sabbatical as his / her functions are undertaken by a Deputy Chair at minimal extra cost to the District.

Payment to Trustees

It is District policy to offer to reimburse members of the District Policy Committee and others involved in the administration of District affairs for expenditure properly incurred in carrying out their duties. The Chair of the District undertakes the primary executive role within the District. Apart from the Chair of District and The District Administrator and P.A. to the Chair no member of the District Policy Committee was in receipt of any payment for work undertaken on behalf of the District, although certain travelling and administration costs were reimbursed whenever this was requested.

None of the trustees receives any remuneration in their role as Trustees.

4 Other income

	2019-20	2018-19
	£	£
Grant for provision of District Enabler	43,000	38,000
Grant for One Opportunities	5,500	24,950
RSO contribution from Newcastle District	18,911	18,890
Sundries	3,579	7,716
Total	70,990	89,556

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

5 Grants, donations and related Support costs

Net Grants and donations totalling £100,310, were made during the year (2019 - £254,113) as shown in the table below.

	2019-20	2018-19
	£	£
Unrestricted:		
- From General Fund	7,660	12,384
- From DAF	92,650	241,729
Sub total	100,310	254,113
Restricted:		
- From Benevolence Fund	-	-
Sub total	-	-
Total	100,310	254,113

Expenditure on charitable activities through the District Advance Fund

This fund receives formulaically determined contributions from the Circuit Model Trust Funds held by Circuits within the District and redistributes the monies to grantees in the District through relevant grants as assessed by the District Grants Committee. During the year the following grants commitments/paid were made:

Given to	Amount in £		Analysis of amounts given by type of work	Amount in £
Churches	9,300		Projects	9,300
Circuits	26,750		Ministry	83,350
Methodist Asylum Proj:			General	-
Institutions	-			
Individuals	-			
Darlington District	56,600			
Total	92,650			92,650

The income of the fund was £143,556 during the year.

The Grants Committee is aware that grant applications must demonstrate public benefit.

The support costs for grant-funding to third parties are insignificant (principally because the secretary of the Grants Committee is a volunteer and undertakes the vast majority of this work) and are not separately disclosed.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

6 Salaries and associated costs

Gross salaries paid to 15 part time (2019 :14) employees were as follows:

	2019-20	2018-19
	£	£
Gross pay	80,152	66,617
Employer's National Insurance contribution	4,606	3,557
Employer's pension contribution to defined contribution scheme	3,717	3,131
Employees expenses	12,485	15,170
Total cost for 15 staff members	100,960	88,475
Paid to trustee in his role as District Resourcing Mission Officer	9,857	8,643
Total staff costs (notes 6)	110,817	97,118
Cost of Chair (see Note 3)	44,278	51,858
Total weekly contractual hours of 15 Staff members	128	106

No employees received employee benefits that totalled more than £60,000. There is no accrual for holiday pay as it is immaterial; the holiday year ends on 31 August. All staff are paid at or above the living wage.

Whilst the total salary and expenses cost paid by the District was £100,960 Newcastle District of The Methodist Church contributed 50% (£18,912) towards the cost of one part time employee engaged exclusively in safeguarding matters and a part time safeguarding administrator.

Of the remaining 13 part time employees one is the Co-ordinator, another the Administrator of the One Opportunity North East scheme together with 10 young people who were employed under the same scheme. The One Opportunity North East scheme has finished at 31/08/2020 .

In addition one of the trustees, Mr M Aspey, is paid a consultancy fee and expenses as above for his role as District Resourcing Mission Officer.

Pensions

Most ordained presbyters and deacons are members of the Methodist Ministers' Pension Scheme (MMPS). This is a defined benefit scheme. The Supreme Court held in 2014 that Methodist ministers (which term includes presbyters and deacons) are not employees of the Church. For simplicity, however, when dealing with National Insurance Contributions and pension contributions, the terms 'employer' and 'employee' are used as they would be in an employing body.

On the other hand lay employees are contractually employees and have the option of joining the Pension and Assurance Scheme for Lay Employees of the Methodist Church (PASLEMC), The Pensions Trust or some other arrangement. PASLEMC is a defined benefit scheme and the employing Churches and Circuits contribute as employers to this scheme.

The Pensions Trust is a defined contribution scheme with employer's contributions being 6% of gross salary.

The Connexion accounts for both the MMPS and PASLEMC pension schemes and shows the figures in the annual Methodist Church in Great Britain accounts. The MMPS is in deficit but a plan for removal of the deficit has been proposed and is being implemented. Details of the deficits on these schemes can be found in the Annual Report and Accounts of The Methodist Church at www.methodist.org.uk .

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

7 Property costs

	2019-20	2018-19
	£	£
District office, rent and services	5,154	2,460
Chair's manse which include some renovations costs	3,910	17,271
Total costs	9,064	19,731

8 Office expenses (General fund)

	2018-19	2018-19
	£	£
Printing, postage and stationery etc.	4,410	10,447
Other	-	-
Total charged to General Fund	4,410	10,447
TMCP charges	791	916
Total	5,201	11,363

None of the remaining individual amounts (aggregated as 'Other' above) is considered material and none is listed separately

9 Synods, Committees, Conference

	2019-20	2018-19
	£	£
Synods	1,701	956
Conference	-	200
Committees	-	3,202
Chair's travel (see note 3 for 2018-9)	-	-
Total costs	1,701	4,358

None of the remaining individual amounts (aggregated as 'Other' above) is considered material and none is listed separately.

10 Other outgoings

	2019-20	2018-19
	£	£
Professional fees	1,440	1,900
Recruitment costs for District Enabler	-	1,116
Retreats	2,105	2,995
Surplus of 'One Opps NE' scheme returned to Newcastle District	10,593	-
Total other costs	14,138	6,011

None of the remaining individual amounts (aggregated as 'Sundry outgoings' above) is considered material and none is listed separately.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

11 Investment management

During the year the District paid £791 to TMCP, the custodians of the District's investments (District Advance Fund and Darlington Training and Bursary Trust (2019 - £916). The sum of £791 was levied at 0.2% on the value of the funds at the end of the year and is shown as allocated to the two groups of funds: £687 and £104 at line 13 in the SOFA. See Note 8 above for TMCP charges.

None of the remaining individual amounts – aggregated as 'Other' above - is considered material and none is listed separately.

The sum of £3949 represents an unrealised gain (2019 - nil) in the invested funds of the Training Fund. More information can be found in Note 20, Restricted Funds.

12 Transfer between funds

Transfers between funds are to reimburse funds for expenditure incurred and to transfer income received on behalf of other funds.

13 Manse and other property

The value of the District manse in Darlington is believed to be considerably greater than its historical cost in 2006 shown in the accounts. There is no depreciation on the manse as the impairment review at the end of the year confirmed that the current residual market value of the building was greater than the carrying value of that part of the asset's cost to date.

	Land	Buildings	Total
Cost or valuation			
Cost bf at 1.9.2019	70,000	205,000	275,000
Additions in the year	-	-	-
Revaluations in the year	-	-	-
Less: Disposals in the year	-	-	-
Transfers between categories	-	-	-
Cost cf at 31.8.2020	70,000	205,000	275,000

14 Debtors and prepayments

Debtors were made up as follows:

	2019-20	2018-19
	£	£
Trade debtors	-	-
Prepayments and accrued income (3 Gen fees paid in advance)	1,800	3,000
Other debtors	-	-
Total	1,800	3,000

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

15 Trustees for Methodist Church Purposes (TMCP)

The funds that support the District Advance Fund and the Manses Fund are held by TMCP in Trustees Interest Funds on which interest is credited to the accounts each month. These are regarded as medium and long term investments.

TMCP is the legal owner and Custodian Trustee of all Methodist Model Trust property, including Legacies, Endowments and Accumulated Funds. Trust property is held for and on behalf of local Managing Trustees who are responsible for the day to day management of trust property. TMCP ensure that, through providing guidance and acting under their direction, the Managing Trustees comply with charity law and Methodist law and policy as determined by the Methodist Conference.

16 Central Finance Board (CFB) and cash at bank

The District has 2 current accounts at HSBC plc, an authorised institution. The sums held on those accounts are immediately available. In addition the District has 3 deposit accounts at CFB. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

17 Creditors and accrued expenses

	2019-20	2018-19
	£	£
Creditors:		
Independent examinations	1,200	1,200
<i>Total creditors</i>	1,200	1,200
Accruals:		
Expenses	600	3,800
<i>Total accruals</i>	600	3,800
Total of creditors and accrued expenses	1,800	5,000

It is expected that all sums accrued at 31 Aug 2020 would be paid during the year to 31 Aug 2021.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

18 Grant commitments and the District Advance Fund

It is the District's policy to recognise committed grants immediately as expenditure out of this fund and thus accrue the unpaid amounts at the year-end as liabilities.

			2019-20
			£
End of year commitments to pay one-off grants or the first instalment in a future year			46,000
Anticipated second or subsequent instalments where the first instalment was paid in 2019-20 or earlier			251,001
Total anticipated commitment at 31 August 2020			<u>297,001</u>
Grants payable by future year as at 1 September 2020:			
2020-21	(current liability)		135,524
2021-22	(long term liability)	87,977	
2022-23	(long term liability)	<u>73,500</u>	161,477
Total anticipated commitment at 31 August 2019			<u>297,001</u>

This total of anticipated grants of £297,001 was within the balance of £351,554 in the DAF as at 1 September 2020. In the following year and subsequent years, further sums were and are expected to be credited to the DAF from the CMTF levies of those years.

The award of a grant by the District does not create a contractual relationship but does create an operational liability if not made subject to performance conditions creating uncertainty as to the probability of future years' grant instalments being paid. It is now judged that such future instalments of grant will probably be paid and so the amounts due are no longer classified as Designated Reserves but instead are recognised as expenditure of the year when awarded.

No institution received grants of such materiality that they should be separately disclosed in these accounts.

19 Unrestricted Funds

19.1 General Fund

Balance of £516,971 at 31 Aug 2020 (2019 - £474,196)

The purpose of the fund is for use at the discretion of the trustees in the furtherance of the general objectives of the District and which have not been designated for other purposes. About 53% of this fund is held as a freehold property, the District manse for the Chair of District. During the year £7,660 was paid out as grants and donations from the General Fund.

19.2 Other Designated Funds

Balance of £8,783 at 31 Aug 2020 (2019 - £2,762)

This fund is to serve a specific purposes but is not restricted by any document or deed to that purpose alone. These funds comprise:

The Manse Fund – balance £8,783 (2019 - £2,762) is available to meet maintenance in the accommodation at the District

20 Restricted Funds

Balance of £44,510 at 31 Aug 2020 (2019 - £103,671)

The Training Fund – balance £43,917 (2019 - £51,816) meet some of the the training costs of Ministers and lay people in the district.

The One Opportunity Fund - balance £nil (2019 - £51,266) is to meet the costs and expenses of the staff and young people employed under the One Opportunity North East scheme. The scheme end during the year and the surplus £21,186 was returned equally to the Newcastle and Darlington Districts

The Benevolence Fund - balance £593 (2019 - £589) provides financial support to ministers and lay people in the District in need of support.

The market valuations for the Training & Bursary Trust (known as the Training Fund) have been provided by TMCP. The funds of the Benevolence Fund are held on deposit at CFB.

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

21 Summary of movements on significant individual funds

Year ended 31st August 2020						
	At 1st September 2019 £	Income £	Expenditure £	Transfers £	Gains on inv assets £	At 31st August 2020 £
Unrestricted Funds						
General fund	474,196	189,228	(186,455)	40,002	-	516,971
Designated funds						
District Advance Fund	4,334	143,556	(93,337)	-	-	54,553
Other designated funds						
Manse Maintenance	2,762	21	-	6,000	-	8,783
Total unrestricted funds	481,292	332,805	(279,792)	46,002	-	580,307
Restricted Funds						
Training	51,817	1,152	(104)	(5,000)	(3,949)	43,916
One Opportunity Fund	51,265	330	(10,593)	(41,002)	-	-
Benevolence Fund	589	5	-	-	-	594
Total restricted funds	103,671	1,487	(10,697)	(46,002)	(3,949)	44,510
Total Funds	584,963	334,292	(290,489)	-	(3,949)	624,817

Year ended 31st August 2019						
	At 1st September 2018 £	Income £	Expenditure £	Transfers £	Gains on inv assets £	At 31st August 2019 £
Unrestricted Funds						
General fund	471,118	194,450	(205,043)	13,671	-	474,196
Designated funds						
District Advance Fund	80,069	144,834	(242,533)	21,964	-	4,334
Other designated funds						
Manse Maintenance	7,853	29	-	(5,120)	-	2,762
Total unrestricted funds	559,040	339,313	(447,576)	30,515	-	481,292
Restricted Funds						
Training	56,171	758	(112)	(5,000)	-	51,817
Kenya	4,195	15	-	(4,210)	-	-
One Opportunity Fund	62,174	10,396	-	(21,305)	-	51,265
Benevolence Fund	585	4	-	-	-	589
Total restricted funds	123,125	11,173	(112)	(30,515)	-	103,671
Total Funds	682,165	350,486	(447,688)	-	-	584,963

THE METHODIST CHURCH - DARLINGTON DISTRICT

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

22 Analysis of net assets amongst funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted - general	Restricted including	Total funds
	£	£	£
Tangible fixed assets	275,000	-	275,000
Current assets	604,108	44,510	648,618
Current liabilities	(137,324)	-	(137,324)
Payables due after one year	(161,477)	-	(161,477)
			-
Total	580,307	44,510	624,817

23 Connected organisations and related parties

All of the District trustees are members of one or another Church and Circuit within the District and may be trustees in their Churches and/or Circuits.

Connected organisations include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the Methodist Ministers' Children's Relief Association, CFB and TMCP, except as reported in Note 3. All of these entities have their own trustees or directors and autonomous administration such that Darlington District has no significant influence over any of them, nor they over the Darlington District. They are, therefore, not considered related parties.

Name of Connected Organisations	Receipts	Payments	Adjustments
	£	£	£
Donee: Methodist Church Fund Association	228	368,085	-
	-	228	-
Donor: Circuits within the Darlington District (assessments on Circuits)	444,044	46,000	75,959
Donor / Donee: Circuits within the Darlington District (levies / grants)	140,246	79,850	-
Donor / Donee: Churches within the Darlington District (grants)	-	9,300	-

There were no related party transactions other than those already disclosed under notes 3 and 6.

24 Volunteer contributions

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in GB is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manse, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment.

25 Capital commitments and contingent liabilities

There were no capital commitments or contingent liabilities at the year end (2019 - nil).

26 Lease commitments

Not Applicable

27 Auditor / Independent examiner

An accrual has been made for the fee of the independent examiner in the sum of £1,200 for the year (2019 - £1,200). The independent examiner provided no additional services during the year.

28 Prior Year Adjustment

There were no prior year adjustments.