

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
(registered as a charity - registration number 1136133)
Annual Report and Financial Statements
for the year ended 31 August 2018**

HPH
Chartered Accountants
54 Bootham
York
YO30 7XZ

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Annual Report and Financial Statements

for the year ended 31 August 2018

Contents

	<i>Page</i>
Trustees' Annual Report	1 - 9
Statement of Financial Activities	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13-21
Independent Examiner's Report	22

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

The Trustees of the Yorkshire North and East District of the Methodist Church submit their annual report and the financial statements for the year ended 31 August 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and the Statement of Recommended Practice: (FRS102).

REFERENCE AND ADMINISTRATIVE INFORMATION

Name: Yorkshire North and East District of the Methodist Church
Charity Number: 1136133
Address of Office: The District Office, 28 The Green, Acomb, York, YO26 5LR
01904 783 013 www.yorkshirenemethodist.org

Trustees who served during the year are as follows:

Lindy Edwards
Heather Shipman
David Godfrey
Stephen Caddy
Leslie Newton
John Vince
Joseph Kwallah
Audrey Powell
Patricia Malham
Peter Cross
Malcolm Bott
Malcolm Lucas
Janet Bryer
David Holden
Peter Barnett
Beverley Duffy
Jaqueline Gaitley
Ruth Duck
Robert Amos
Steve Barlow
David Hunt
Deborah Lucas
Peter Clark
Sian Henderson
Rory Dalgliesh
John Schofield
Alister McClure
Kate Gibbs
Fiona Fidgin
Andrew Brown

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

The following people were appointed from 1st September 2018 to Yorkshire North and East District:

Lindy Edwards
Heather Shipman
David Godfrey
Leslie Newton
Peter Cross
Janet Bryer
David Holden
Peter Barnett
Beverley Duffy
Jaqueline Gaitley
Steve Barlow
Deborah Lucas
Sian Henderson
Rory Dalglish
Alistair McClure
Andrew Brown
Ann Fox
Nicholas Bentley
Neville Simpson
Diane Gaskill
Michael Broddle
Joan Richardson
Timothy Duffy
Nigel Hardwick
Alan Moir
Iain Ballard
Benjamin Clowes
Keith Albans
Stephen Jakeman
Susan Langdale

Names of senior staff to whom day-to-day management is delegated by the Trustees:

Revd Leslie Newton
Mrs Jacqueline Gaitley (Synod Secretary)
Revd David Godfrey (Presbyteral Synod Secretary to 31 August 2018)
Revd Ann Fox (Presbyteral Synod Secretary from 1st September 2018)
Mrs Janet Bryer (Treasurer)
Mrs Beverley Duffy (Lay stationing representative)
Mr Andrew Brown (Property Secretary)
Ms Siân Henderson (Administrative Officer)

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Trustees' Annual Report for the year ended 31 August 2018**

Names and addresses of advisers:

Bank: CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Investment managers and custodian trustees:
Trustees for Methodist Church Purposes
Central Buildings
Oldham Street
Manchester
M1 1JQ

Independent Examiner: R W Woolley
HPH, Chartered Accountants
54 Bootham
YORK
YO30 7XZ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Statement of Trustees' responsibilities:

Charity Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its financial activities for that period, together with its assets and liabilities at the end of the period, and adequately distinguish any material special trust or other restricted fund of the Charity. In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the policies adopted are in accordance with the appropriate SORP on Accounting by Charities and the Accounting Regulations and with applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Legal and administrative information

The governing body of the District is the Methodist Church and the governing body of the Methodist Church is the Conference. The District's governing documents are the Deed of Union 1932 and The Methodist Church Act 1976 which give the authority under which the Methodist Church acts. The constitutional practice and discipline of the Methodist Church governs the activities of the District.

The District is a Registered Charity number 1136133.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT – CONTINUED

Trustees

The Trustees who have served during the year are set out on pages one and two. All members of the District Policy Committee are appointed annually as Trustees by the Representative Synod.

The principal address of the District's Independent Examiner and Bankers are listed on page three.

The Trustees under the direction of the District Treasurer are responsible for the detailed examination of the financial statements and for presenting them to Synod.

Trustees are given a short period of training prior to their first meeting at which they are made aware of their responsibilities.

Decisions within the Methodist Church are reached in accordance with the rules and regulations set out in the document entitled 'Constitutional Practice and Discipline of the Methodist Church' and under the direction of the Methodist Conference. It is in accordance with these regulations that decisions are reached by the Synod, District Policy Committee, and other related committees within the District. Delegated authority is administered in the same way.

All decisions reached are examined for their effect on a wider ecumenical network. This is both in accordance with a signed Covenant agreement with the York Diocese, part of the Middlesbrough Diocese, the United Reformed Church and the Cape of Good Hope, and without formal agreement with those of other denominations. The Trustees are also keen to work at a regional level and decisions which establish a common pattern of working are made, whenever possible.

Pay and remuneration for key management personnel

The Chair of the District chairs the 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 levels of payment are agreed annually by the Methodist Conference. The administrative officer is paid at an agreed level in line with Methodist guidance for the levels of expertise and experience. The pay levels are increased in line with the percentage increase given to the Methodist ministers as agreed by Methodist Conference. The Methodist Church has a policy of paying at or above the real living wage. No other key management personnel are paid for their services except for the reimbursement of out of pocket expenses.

Risk Assessment

The Trustees have examined the major strategic business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to monitor these risks. These are reviewed by the District Executive.

- a. With regard to issues of Safeguarding, the District appointed a Safeguarding Officer who has professional expertise in this matter and there is a well-resourced Safeguarding Committee. A considerable amount of time and effort is placed in the training and resourcing of personnel both within the District and in support of circuits and local churches.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT - CONTINUED

- b. Inability to obtain assessments from Circuits. Although this District would not be liable for any shortfall in the assessment paid by any Circuit within the District to the Methodist Church Fund (the Connexion), the District may, nonetheless, feel the need to make up any shortfall. This risk is deemed low.

- c. Inability to attract trustees with adequate skills. The District is heavily dependent on the skills of volunteers, especially those who are trustees (members of the District Policy Committee). At present, this risk is deemed low.

FINANCIAL REVIEW

The District Accounts includes:

- (a) The General Account which is the main operating account through which the expenditure and revenue for both operational and strategic purposes are handled. During the year the District received total income of £181,510 (2017: £127,302) and dispersed £149,567 (2017 £177,512). The risks of operating the finances of the District are judged to be minimal. All Circuit payments which contribute to the operating account were made on time (subject to one administrative error) and in line with the payment levels which were agreed by the Circuit meetings, DPC and District synod. Any Circuits which have difficulty in meeting their District obligations are encouraged to contact the District.

There were no significant events during the year which affected the finances of the District.

The trustees of the District have every reason to believe that the District is a going concern, principally because Circuits continue to meet their assessments and the District has adequate reserves to cover a short-term shortfall in anticipated income. Trustees do not foresee any factors that will significantly affect the financial performance or position in the next year or two.

The District continues to hold the three freehold properties being the Chair's Manse in York, a York International property and Hull International House in Hull.

The District has the following principal sources of funds:

- Interest on investments
- Levies on the Circuit Model Trust Funds of Circuits within the District
- Assessments on Circuits within the District

These sums are used to administer the District and to provide grants to Circuits, Churches and individuals in the District so that they may embark on or continue with projects that fulfil the mission of the District by bringing more people to Christ or by providing facilities that might enable this to happen.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

FINANCIAL REVIEW - CONTINUED

- (b) The District Advance Fund which deals with the allocation of funding received from the Connexion for the provision of grants for the development of mission and ministry projects and property schemes generated by local Circuits and other organisations.

- (c) The District is also responsible for Hull International House and York International House. The operation of Hull International House is managed by a separate management committee. A significant review of the operations several years ago has ensured increasing financial security. There is significant work to be performed on the building but this is supported by a developing maintenance plan. York International House is managed to ensure the comfort of the tenants and maximise the funds available for mission.

Reserves

It is the policy of the charity to hold reserves to provide working capital for its continued operation. At the year end the total net assets were £1,906,587 (2017 £1,774,868), of which £683,899 (2017 £660,383) were unrestricted funds and £1,222,688 (2017 £1,114,485) were restricted funds. The surplus for the year was £131,719 (2017 surplus of £20,697). The District has chosen to utilise some of its reserves for the capital improvement of one of its properties (the Chair's Manse). This has reduced the level of unrestricted reserves to around 6 months of the funds needs for continued operation. It is considered inappropriate that the District maintains reserves in excess of this when the funds can be used for the work of the organisation.

FUNDS HELD ON BEHALF OF OTHERS

The Chair's Benevolent Fund is used to assist ministers and others in difficulty.

FUNDS HELD ON BEHALF OF OTHERS – AGENCY TRANSACTIONS

Funds are also held on behalf of the Joint Public Issues Team for Yorkshire.

DONATIONS TO THE WORLD CHURCH

During the year donations totalling £54,721 (2017 £56,638) were given to the Methodist World church including from the Circuits which made up the Yorkshire North and East District. These funds do not flow through the District accounts.

PUBLIC BENEFIT STATEMENT

The Trustees wish to confirm that they have complied with the duty in section 17 of the 2011 Charities Act to have due regard to guidance published by the Charity Commission in respect of public benefit in exercising their powers and duties. They have done so via a detailed system of checks and balances involving regular feedback to Synod and through ensuring that actions taken, and decisions made are always in accordance with the Constitutional Practice and Discipline of the Methodist Church.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

OBJECTIVES AND AIMS

Nature and Purposes

The primary purpose for which the Yorkshire North and East District is constituted is to advance the mission of the Church in the region, by providing opportunities for Circuits to work together and support each other, by offering them resources of finance, personnel and expertise which may not be available locally, and by enabling them to engage with the wider society of the region as a whole. The District serves the Local Churches and Circuits and the Conference in the support, deployment and oversight of the various ministries of the Church, and in programmes of training.

The District has responsibility for the evaluation of applications by Local Churches and Circuits for approval of, or consent to, their proposals, when required, or for assistance from district or connexional bodies or funds. Wherever possible the work of the District is carried out ecumenically. The District is thus an expression, over a wider geographical area than the Circuit, of the connexional nature of the Church.

Objectives

During the year, building on the establishment of the new District, an Envisioning Group was established to review the policies and management structure of the District. In September 2018 at a meeting of DPC (District Policy Group/Charity Trustees) it was noted the Chair and the superintendents had identified some issues that might be considered in the development of priorities, including resourcing property and financial oversight in circuits, supporting staffing shortfalls, and encouraging lay leadership. The Envisioning Group then reported to the Spring DPC. It was agreed to have a small coordinating group to oversee key elements of the District's work. It was recognised that it might be necessary to have ad hoc groups. There has also been continuing work to ensure that the Yorkshire Districts work together most effectively.

Initiatives concerned with Safeguarding have been extended beyond the remit of Children to encompass Vulnerable Adults. There has been additional training as a result of Courage, Cost & Hope - the report on the Past Cases Review (PCR). The work is by no means complete and will continue to be a District priority.

The implementation of the Property Consents process is working well.

The awarding of Grants through the District Advance Fund continues to work well.

Yearly Objectives

- To facilitate the activities of all the Circuits in the District.
- To focus on pursuing the key priorities of 1) Growing Lay Leadership, 2) Reimagining Worship, 3) Developing 'Our Voice' 4) Remodelling Governance.
- To utilise the funds made available to the District from the Connexion in order to further the mission of the circuits and local churches
- To continue to develop leadership, governance and management within the District.
- To further encourage the implementation of the Ministerial Development Review and Supervision
- To encourage the relationship between the Learning Network and the District.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

OBJECTIVES AND AIMS - CONTINUED

Long Term Objectives

- To develop the working of Connexion and District
- To increase the involvement of lay ministry in the life of the Church.
- To facilitate the development of ordained ministry by presenting more opportunities for personal development. Much of this may be achieved by the implementation of Ministerial Development Review.
- To further develop the opportunities for both ecumenical working and working at regional level.
- To further develop leadership, governance and management within the District.
- To ensure the best use of financial resources as their location within the District bodies changes.
- To give increased consideration to succession planning.

Strategies for achieving the objectives

The Envisioning Group met regularly to consider matters within the District and to seek the best way forward. DPC then established a Coordinating Group to work with the Circuits to achieve the District strategy. The Synod in October 2019 will centre around the theme 'Flourish'. The committee structure of the District is such that regular reviews of all aspects of the District's life are undertaken and there are opportunities for new ideas to be discussed and debated. Interaction, particularly between the Chair with Connexional bodies ensures that there is considerable contact with national policies and decision making and that those bodies also hear of local views and concerns. This has further been enhanced with advocacy to the Strategies and Resources Committee, Methodist Council and the Methodist Anglican Panel for Unity in Mission. The District website was updated for the new District. Reports from Synod and Conference were prepared by the Synod Secretary and made available to all churches via the website.

We believe we have strong financial controls in position.

Grant making policy

Through the appointed District Advance Fund Committee grants are awarded for the development of Mission and Ministry Projects and for Property Schemes generated by the local churches, circuits and other organisations. It is the policy and approach of the District to review requests on a case by case basis taking into consideration the funds available for disbursement, the particular mission and funding needs of each applicant and the overall spread of mission needs across the District.

Extent of the use of volunteers in achieving aims

Volunteers are involved in all aspects of the work of the District from personnel and administration to representational roles as well as providing the income with which the Charity operates. The level of dependence on voluntary workers within the District is extremely high, as it is in any Church organisation.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Trustees' Annual Report for the year ended 31 August 2018

ACHEIVEMENTS AND PERFORMANCE

- Circuits are looking at plans to enable the best use of resources to further their mission
- The District Grants Committee has met and has allocated the year's available funds to various projects.
- Safeguarding initiatives and training are well advanced in planning and implementation.

The Trustees are pleased with this year's achievements in relation to their objectives. Almost all applications for grants have received funding and safeguarding is now running to plan in the District. Ecumenical working is still below our hopes and dreams but the Trustees are hopeful of further development in this area, particularly planning toward the Joint Public Issues Team (Yorkshire) working with the United Reformed Church and Baptist Church. It would seem that local initiatives are most successful and that national direction is at present awaiting impetus from the latest Joint Implementation Committee report.

CHALLENGES FOR THE FUTURE

Concerns about the increasing secularisation of society continue to be at the forefront of discussion and the recent upturn in the economy in some sectors but not others is continually testing our social policies and action. The Trustees are aware that the congregations in some churches are growing. Maintaining a Christian presence in a community is very important and balancing the closure of churches with maintaining a presence in rural communities will continue to be a challenge. The relevance of the Church to an ever changing social profile is something which we all must take on board. At the present time there are a considerable number of unknowns with regard to our future available income and staffing levels which may well provide considerable challenges for the future. However, it is with confidence that we will approach these challenges and a trust that with prayer we will fulfil the purposes which God has in mind for us.

The District continues to review its ways of working to be appropriate for its situation. This continues in working with other Districts in Yorkshire, Districts in the North East and ecumenical colleagues. The District is as well-equipped as possible to both encompass change and respond to new ideas. The review of the work of the Learning Network will continue to bring changes, but the District is confident of embracing these.

Approved by the Trustees on 16 February 2019 and signed on their behalf by:

Jacqueline Gaitley

Trustee

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Statement of Financial Activities for the year ended 31 August 2018

	Unrestricted Funds £	Restricted Funds £	2018 £	2017 £
Notes				
Income and endowments from:				
Donations and legacies	2	157,641	287,411	445,052
Charitable activities		-	37,311	37,311
Other trading activities		27,599	143,123	170,722
Investments		365	4,645	5,010
Total		<u>185,605</u>	<u>472,490</u>	<u>658,095</u>
Expenditure on:				
Raising funds	4	45,012	10,794	55,806
Charitable activities	5	106,832	363,664	470,496
Total		<u>151,844</u>	<u>374,458</u>	<u>526,302</u>
Net income before investment (losses)	6	33,761	98,032	131,793
Net (losses) on investments	8	(74)	-	(74)
Net income		<u>33,687</u>	<u>98,032</u>	<u>131,719</u>
Transfers between funds		(10,171)	10,171	-
Net movement in funds		<u>23,516</u>	<u>108,203</u>	<u>131,719</u>
Reconciliation of funds:				
Total funds brought forward at 1 September 2017		660,383	1,114,485	1,774,868
Total funds carried forward at 31 August 2018		<u><u>£ 683,899</u></u>	<u><u>£ 1,222,688</u></u>	<u><u>£ 1,906,587</u></u>

The notes on pages 14 to 21 form part of these financial statements.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Balance Sheet at 31 August 2018**

		Unrestricted Funds	Restricted Funds	2018 £	Total 2017 £
Fixed assets:					
Tangible assets	9	596,966	255,567	852,533	850,897
Investments	8	3,499	-	3,499	3,573
<i>Total fixed assets</i>		<u>600,465</u>	<u>255,567</u>	<u>856,032</u>	<u>854,470</u>
Current assets:					
Debtors	10	7,499	-	7,499	8,697
Cash at Bank and in hand		88,877	970,271	1,059,148	924,225
<i>Total current assets</i>		<u>96,376</u>	<u>970,271</u>	<u>1,066,647</u>	<u>932,922</u>
Liabilities:					
Creditors: Amounts falling due within one year	11	12,942	3,150	16,092	12,524
<i>Net current assets</i>		<u>83,434</u>	<u>967,121</u>	<u>1,050,555</u>	<u>920,398</u>
Total net assets		<u><u>683,899</u></u>	<u><u>1,222,688</u></u>	<u><u>£ 1,906,587</u></u>	<u><u>£ 1,774,868</u></u>
The funds of the charity:					
Unrestricted - General fund	15	683,899	-	683,899	660,383
Restricted - Other funds	14	-	1,222,688	1,222,688	1,114,485
<i>Total charity funds</i>		<u><u>£ 683,899</u></u>	<u><u>£ 1,222,688</u></u>	<u><u>£ 1,906,587</u></u>	<u><u>£ 1,774,868</u></u>

The financial statements were approved by the Trustees on 16 February 2019 and signed on its behalf by:

Jacqueline Gaitley
Trustee

The notes on pages 14 to 21 form part of these financial statements.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**
Cash Flow Statement for the year ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	13	140,088	11,501
Cash flows from investing activities:			
Purchase of property, plant and equipment		(5,172)	(85,730)
Proceeds from sale of investments		-	2,115
Dividends, interest and rents from investments		7	-
		<hr/>	<hr/>
Net cash used in investing activities		(5,165)	(83,615)
Change in cash and cash equivalents in the reporting period		134,923	(72,114)
Cash and cash equivalents at the beginning of the reporting period		924,225	996,339
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£ 1,059,148	£ 924,225
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 22 form part of these financial statements

YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The charity constitutes a public benefit entity as defined by FRS 102.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The registered address is: 28 The Green, Acomb, York, YO26 5LR.

(b) Going concern

The Charity has cash resources and has no requirement for external funding. The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

(c) Income recognition

Received from Circuits

Income received from Circuits has been accounted for on the accruals basis.

Circuits contribute funds to the District each quarter, to fund the activities of the Church.

Grants, District development enabler and donations

This income is accounted for on an accruals basis.

Interest received and other income

This income is accounted for on an accruals basis.

(d) Expenditure recognition and irrecoverable VAT

Cost of generating funds

Cost of generating voluntary income

These represent the costs of the manse and the Chair's travel, administration and secretarial expenses.

Cost of charitable activities

The District's connexion assessment and District Travel Fund payments, and other costs of charitable activities are shown here.

Grants to institutions

Grants are payments made to third parties in the furtherance of the charitable objectives of the Church.

Governance costs

Governance costs include independent examiner's fees and bank charges.

The Charity is not registered for VAT. Irrecoverable VAT is included with the item of expense to which it relates.

Circuit assessment income and expenditure is not included in the District accounts. The District is only used to transfer the resources from the Circuits to the Methodist Church and therefore has no entitlement to the income.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

1. Accounting policies - continued

(e) Fixed assets

Tangible fixed assets are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt. Where cost is not available, a reasonable estimate of cost or of the buildings current value to the District is used. Where an estimate based on insurance value is used this takes account of the fact that cover will be based on demolition and reinstating the current building and not the original cost less accumulated depreciation. A professional valuation is not required, but if available, that figure is used. Provision is made for depreciation where appropriate, as follows:

Furniture and fittings	15% reducing balance per annum
Hull International House - Furniture and equipment	over 10 years straight line
Website development	over 3 years straight line

(f) Investments

Fixed asset investments are included at market value on the balance sheet date. Any gain or loss on investment is taken to the SOFA.

(g) Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks.

(h) Fund accounting

The funds held constitute: General Funds held for any purpose of the District which are Unrestricted, Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose, the aim and use of each designated fund is set out in the notes to the financial statements, Restricted funds which are held for a narrower purpose and Endowment funds which represent gifts, the capital normally being unavailable for spending, and the income from which is either Restricted or Unrestricted. Details of each material fund are disclosed in notes 14 and 15 to these accounts. Any funds may be held in ways other than in cash.

(i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(j) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(k) Financial instruments

The Church only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(l) Cash at bank and in hand

Cash at bank and cash in hand includes cash and any short term deposit accounts with a maturity of three months or less from the date of opening.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

2. Donations and legacies	<i>Unrestricted</i> £	<i>Restricted</i> £	2018 £	2017 £
Received from Circuits	132,590	-	132,590	92,792
Grants	25,051	284,804	309,855	256,222
Donations	-	2,607	2,607	4,087
	<u>157,641</u>	<u>287,411</u>	<u>445,052</u>	<u>353,101</u>

In 2017, the amount of donations and legacies which related to restricted funds was £260,309.

3. Funds received as agent

Name of party	Amount received £	Amount paid out £	Balance held at period end £
Methodist church fund	587,309	587,309	-
JPIT Yorkshire	5,000	723	4,277
Total	<u>592,309</u>	<u>588,032</u>	<u>4,277</u>

4. Expenditure on raising funds

	<i>Unrestricted</i> £	<i>Restricted</i> £	2018 £	2017 £
Manse costs	8,159	-	8,159	24,422
Expenditure on other District property	-	8,191	8,191	12,570
<i>Chair's travel and secretarial costs</i>				
Travel	4,865	-	4,865	3,466
Secretarial	10,800	-	10,800	10,800
Hospitality and retreat	3,226	-	3,256	1,496
	<u>18,891</u>	<u>-</u>	<u>18,921</u>	<u>15,762</u>
Employees and volunteers travel	16,998	-	16,998	7,336
<i>Depreciation</i>				
Furniture and fittings	934	2,603	3,537	3,301
Total	<u>£ 27,984</u>	<u>£ 10,794</u>	<u>£ 55,806</u>	<u>£ 63,391</u>

In 2017, the expenditure on raising funds which related to restricted funds was £14,899.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

5. Expenditure on charitable activities

	<i>Unrestricted</i>	<i>Restricted</i>	<i>2018</i>	<i>2017</i>
	£	£	£	£
Synod, committees and administration	45,014	450	45,464	28,587
Salaries and associated costs	-	63,247	63,247	52,722
Methodist conference	15,490	109	15,599	33,706
Grants to institutions	-	164,788	164,788	259,906
Other expenses	10,442	129,378	139,820	79,857
Training, appraisal and development	4,481	5,692	10,173	7,910
	<u>75,427</u>	<u>363,664</u>	<u>439,091</u>	<u>462,688</u>
<i>Work of the District</i>				
Safeguarding officer	28,705	-	28,705	16,244
	<u>28,705</u>	<u>-</u>	<u>28,705</u>	<u>16,244</u>
<i>Governance costs</i>				
Independent examiner's fees	2,700	-	2,700	2,580
	<u>2,700</u>	<u>-</u>	<u>2,700</u>	<u>2,580</u>
Total	<u>£ 106,832</u>	<u>£ 363,664</u>	<u>£ 470,496</u>	<u>£ 481,512</u>

In 2017, the amount of expenditure on charitable activities which related to restricted funds was £361,313.

Grants to institutions

Grants made to institutions from the District Advance Fund (a restricted fund) included the following grants for the benefit of people, in line with the charity's aims.

	£
SEARCH - Methodist art collection	6,000
Collingham Methodist Church	15,000
Touchstone - Interfaith project	10,000
Goole & Selby - Mission trinity administrator	10,000
Hedon Methodist Church - redesign of church rooms	18,000
Haxby Wiggington Methodist Church Development	20,000
Holy Rood House	10,000
South Holderness - Deacon and family worker	42,880
Lidgett Grove Methodist Church - Pioneer Missioner	2,000
Open Doors Project - Hull	9,000
Pioneer Ministers Hull	7,000
Acomb Community Gardens	13,408
Haxby Family worker	1,500
	<u>£ 164,788</u>
Grants from restricted fund	<u>£ 164,788</u>

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

	2018 £	2017 £
6. Net income before investment (losses)		
This is stated after charging:		
Depreciation	3,537	3,301
Independent examiner's fees for reporting on the accounts:	2,700	2,580
	3,537	2,580

£3,634 relates to unrestricted funds (2017: £2,329).

7. Staff costs

Staff working for the Yorkshire and North East District of the Methodist Church are employed by the Yorkshire and North East District.

The Yorkshire and North East District pay the wages costs of the staff. The total paid during the year was £61,776 (2017: £50,749).

No employees earned more than £60,000 during the year.

The average monthly head count was 5 (2017: 5).

The key management personnel of the charity comprise of the trustees and the District executives. The total employee benefits of the key management personnel were £18,096 (2017: £Nil).

The Charity also benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with Charities SORP, the economic contribution of general volunteers is not recognised in the accounts.

8. Investments

	The Trustees For Methodist Church Purposes £	
Valuation at 1 September 2017	3,573	
Loss on investments	(74)	
Interest received	7	
Management fees	(7)	
	£ 3,499	
Valuation at 31 August 2018		
	2018 £	2017 £
(Loss) from investments in the year	(£ 67)	(£ 99)

None of the loss (2017: none) relates to restricted funds.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

9. Tangible Fixed Assets

	Freehold property £	Furniture and fittings £	Total £
<i>Cost</i>			
At 1 September 2017	825,146	52,483	877,629
Additions in year	2,205	2,968	5,173
At 31 August 2018	<u>827,351</u>	<u>55,451</u>	<u>882,802</u>
<i>Depreciation</i>			
At 1 September 2017	-	26,732	26,732
Charge for year	-	3,537	3,537
At 31 August 2018	<u>-</u>	<u>30,269</u>	<u>30,269</u>
<i>Net book value</i>			
At 31 August 2018	<u>£ 827,351</u>	<u>£ 25,182</u>	<u>£ 852,533</u>
At 31 August 2017	<u>£ 825,146</u>	<u>£ 25,751</u>	<u>£ 850,897</u>

Assets with a net book value of £255,567 (2017: £256,038) relate to restricted funds.

10. Debtors

	<i>Unrestricted</i> £	<i>Restricted</i> £	2018 £	2017 £
Sundry debtors and prepayments	<u>£ 7,499</u>	<u>£ -</u>	<u>£ 7,499</u>	<u>£ 8,697</u>

In 2017, none of the debtors related to restricted funds.

11. Creditors: amounts falling due within one year

	<i>Unrestricted</i> £	<i>Restricted</i> £	2018 £	2017 £
Accruals and deferred income	2,520	3,150	5,670	6,379
Other creditors	10,422	-	10,422	6,145
	<u>12,942</u>	<u>3,150</u>	<u>16,092</u>	<u>12,524</u>

In 2017, creditors of £3,979 related to restricted funds.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

12. Related Party transactions

Funds of £587,309 were received from the circuits on behalf of the central Methodist fund during the reporting period of which £587,309 was paid over to the central Methodist Fund.

During the year out of pocket expenses relating to travel of £6,871 (2017: £5,475) were paid on behalf of eight (2017: seven) Trustees.

One of the Trustees received remuneration for her role as district administrator and PA to the Chair. During the year the amounts paid to Sian Henderson totalled £17,011 including pension contributions of £963. The remuneration is arrived at by consideration of similar positions in other parts of the Methodist Church and is allowable under the constitution.

13 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2018 £	2017 £
Net income for the reporting period	131,719	20,697
<i>Adjustments for:</i>		
Depreciation charges	3,537	3,301
Losses on investments	74	110
Dividends, interest and rents from investments	(7)	(11)
Decrease in stock	-	240
Decrease/(increase) in debtors	1,197	(3,812)
Increase/ (decrease) in creditors	3,568	(9,024)
	<hr/>	<hr/>
Net cash provided by operating activities	£ 140,088	£ 11,501
	<hr/> <hr/>	<hr/> <hr/>
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,059,148	924,225
	<hr/>	<hr/>
Total cash and cash equivalents	£ 1,059,148	£ 924,225
	<hr/> <hr/>	<hr/> <hr/>

In 2017, cash at bank and in hand of £863,262 related to restricted funds.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH**

Notes to the Financial Statements
for the year ended 31 August 2018

14. Restricted Funds

	District Church Life Committee £	Chair's Benevolent Fund £	District Advance Fund £	York International House £	Hull International House £	City Centre Proceeds £	Total £
Balance at 1 September 2017	-	2,878	329,312	202,312	106,758	473,225	1,114,485
Incoming resources	-	2,253	287,733	37,777	143,012	1,715	472,490
Resources expended	-	(1,647)	(165,578)	(17,452)	(144,187)	(45,594)	(374,458)
Net incoming/(outgoing) resources	-	606	122,155	20,325	(1,175)	(43,879)	98,032
Transfers between funds	-	(1,696)	3,037	8,160	670	-	10,171
Balance at 31 August 2018	£ -	£ 1,788	£ 454,504	£ 230,797	£ 106,253	£ 429,346	£ 1,222,688
Balance at 1 September 2016	-	1,063	285,097	201,000	62,325	543,798	1,093,283
Incoming resources	3,263	3,268	247,258	31,526	153,093	-	438,408
Resources expended	(4,892)	(350)	(216,056)	(42,570)	(112,344)	-	(376,212)
Net incoming/(outgoing) resources	(1,629)	2,918	31,202	(11,044)	40,749	-	62,196
Transfers between funds	1,629	(1,103)	13,013	12,356	3,684	(70,573)	(40,994)
Balance at 31 August 2017	£ -	£ 2,878	£ 329,312	£ 202,312	£ 106,758	£ 473,225	£ 1,114,485

District Church Life Committee

This restricted fund exists to provide training to ministers and lay members of the Church.

Chair's Benevolent Fund

The Chair's Benevolent fund exists to make small grants to ministers and lay people in need.

District Advance Fund

The District Advance fund makes grants towards projects advancing the mission of the Church, for people and property.

York International House

The District provides (primarily) student accommodation in two properties, one owned by the District and the other within a local church. Surpluses in the fund are used to fund University chaplaincy.

Hull International House

Hull International House is a property in Hull which offers residence for students and others on low income with the aim of promoting a community spirit generated by residents and staff.

City Centre Proceeds

The City Centre Proceeds results from the selling of certain city centre properties in Hull and York. In accordance with CPD, the funds are now to be used for mission with Hull City Centre (£232,519) and York City Centre (£196,827).

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
Notes to the Financial Statements
for the year ended 31 August 2018**

15. Unrestricted Funds - General Account

	Designated Funds £	General fund £	Total £
Balance at 1 September 2017	595,695	64,688	660,383
Incoming resources	49	185,556	185,605
Resources expended	-	(151,844)	(151,844)
	<hr/>	<hr/>	<hr/>
Net incoming/(outgoing) resources	49	33,712	33,761
Transfers between funds	(61,011)	50,840	(10,171)
Gain on investments	-	(74)	(74)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2018	<u>£ 534,733</u>	<u>£ 149,166</u>	<u>£ 683,899</u>
Balance at 1 September 2016	608,497	52,391	660,888
Incoming resources	4	127,298	127,302
Resources expended	-	(168,691)	(168,691)
	<hr/>	<hr/>	<hr/>
Net incoming/(outgoing) resources	4	(41,393)	(41,389)
Transfers between funds	(12,806)	53,800	40,994
Gain on investments	-	(110)	(110)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	<u>£ 595,695</u>	<u>£ 64,688</u>	<u>£ 660,383</u>

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF YORKSHIRE NORTH AND EAST DISTRICT OF THE METHODIST CHURCH

I report to the Trustees on my examination of the accounts of the Yorkshire North and East District of the Methodist Church ("the Charity") for the year ended 31 August 2018.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 154 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

Responsibilities and basis of report

As the trustees of the Charity you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charities accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the Charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants England and Wales which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Robert W Woolley BA (Hons) FCA MAAT DChA MCMI
HPH, Chartered Accountants
54 Bootham, York, YO30 7XZ

16 February 2019