

**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 2021**

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 2021**

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**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

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 2021

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Charities Act 2011 and the relevant version of the 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) and UK Generally Accepted Practice.

The 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 the relevant version of the 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) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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 and up to the date of this report were as follows:

The following people were appointed from 1 September 2020 and served throughout the year:

Lindy Edwards	Alister McClure	Keith Albans
Heather Shipman	Andrew Brown	Stephen Jakeman
Leslie Newton	Ann Fox	Susan Langdale
Peter Cross	Nicholas Bentley	Emma Crippen
Malcolm Lucas	Neville Simpson	Anne Johnson
Peter Barnett	Diane Gaskill	Ann Rigby-Jones
Beverley Duffy	Timothy Duffy	Denise Williamson
Steve Barlow	Nigel Hardwick	
Sian Henderson	Benjamin Clowes	

On 1 September 2021 the above persons stood down as trustees and were replaced as trustees by the members of the District Leadership Team as follows:

Revd Leslie Newton (Chair)
Mrs Emma Crippen (Representative Synod Secretary)
Mr Alister McClure (Methodist Council representative)
Mr Andrew Brown (Property Secretary)
Mr Malcolm Lucas (Treasurer)
Revd Nicholas Bentley (Grants Officer)
Mrs Beverley Duffy (Lay stationing representative)
Miss Naomi Prince (Young person's representative)
Ms Siân Henderson (Administrative Officer)
Revd Neville Simpson (Superintendents' representative and Deputy Chair)

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REFERENCE AND ADMINISTRATIVE INFORMATION – CONTINUED

On 13 January 2022, Mrs Bridget Bennett (Safeguarding representative) joined the District Leadership Team and was appointed a trustee.

Names and addresses of advisers:

Bank:	CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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Investment managers and custodian trustees:	Trustees for Methodist Church Purposes Central Buildings Oldham Street Manchester M1 1JQ
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Independent Examiner:	Sarah B Wearing HPH, Chartered Accountants 54 Bootham YORK YO30 7XZ
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**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

Trustees

The Trustees who have served during the year are set out on page one. All members of the District Policy Consultation were formerly appointed annually as Trustees by the Representative Synod. With effect from 1 September 2021, the members of the District Leadership Team are now appointed annually as Trustees by the Representative Synod.

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

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 Trustees, 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 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 Consultation (DPC) and the District Leadership Team (DLT). The members of the DPC were formerly the trustees of the District until 31 August 2021 when they were replaced as trustees by the members of the DLT. 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. District employees are paid at an agreed level in line with Methodist guidance for the levels of expertise and experience. The Methodist Church has a policy of paying at or above the real living wage and pay levels are increased in line with the incremental rise of the real living wage. No other key management personnel are paid for their services except for the reimbursement of out of pocket expenses.

**YORKSHIRE NORTH AND EAST DISTRICT
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STRUCTURE, GOVERNANCE AND MANAGEMENT – CONTINUED

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 Leadership Team.

- a. With regards to issues of Safeguarding, the District employs 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.
- 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 has increased considerably in the year due to the impact of the Covid-19 pandemic. Local churches are needing to draw on their reserves as income from congregational giving and letting income reduces. However, overall, churches and circuits are demonstrating considerable resilience in the face of these hard times. The District will continue to closely monitor the position in all the Circuits.
- c. Inability to attract trustees with adequate skills. The District is heavily dependent on the skills of volunteers, especially those who are trustees. 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 £678,747 (2020: £704,752) and dispersed £572,931 (2020: £606,810). The overall surplus for the year was £105,816 (2020 surplus of £97,942), which was in line with expectations. 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 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.

The Covid pandemic was the only significant event during the year which affected the finances within the District, and as noted above, this has not had a significant impact on the District finances.

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 temporary shortfall in anticipated income.

**YORKSHIRE NORTH AND EAST DISTRICT
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FINANCIAL REVIEW - CONTINUED

The District continues to hold the three freehold properties being the Chair's Manse in York, Hull International House and a property purchased several years ago with proceeds from the disposal of York International House. The District also invested proceeds from York International House in creating flats on the first floor of a church within the York Circuit. Income from both these properties supports the work of the Methodist Chaplain to the University of York.

The District has the following principal sources of funds:

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

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.

- (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 the properties owned through the investment from York International House proceeds. The operation of Hull International House is managed by a separate management committee. In January 2022 the DLT appointed a contractor to review and update the policies, processes and systems of the House, recognising the need to ensure that the House meets all the requirements and standards expected given the diversity of residents that it accommodates. The York International House properties are managed to ensure the comfort of the tenants and to maximise the funds available to support the University of York Chaplaincy.

Reserves

It is the policy of the charity to hold reserves to provide working capital for its continued operation. At the year end total reserves were £2,142,378 (2020: £2,036,562), of which £680,138 (2020: £676,274) were unrestricted funds and £1,462,240 (2020: £1,360,288) were restricted funds. The level of free unrestricted reserves (i.e. total unrestricted funds excluding the value of tangible fixed assets) is determined at around 6 months of expenditure 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. At 31 August 2021 the level of free unrestricted reserves amounted to £89,160 which was short of target, representing around 2 months of expenditure.

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 held on behalf of the Joint Public Issues Team for Yorkshire, Racing Chaplaincy and Envoy.

**YORKSHIRE NORTH AND EAST DISTRICT
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TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

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.

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 the District continued to develop work around its priorities. In July 2019 at a meeting of DPC (District Policy Group/Charity Trustees) it was agreed to delegate the powers of DPC to a District Leadership team for a trial period. The DPC of October 2020 agreed that this trial has been effective and the Representative Synod in April 2021 agreed to support the transfer of the District's trusteeship from the DPC to the DLT with effect from 1 September 2021. There has also been continuing work to ensure that the Yorkshire Districts work together effectively.

The work of Safeguarding remains a priority and the membership of the District Safeguarding Group has been strengthened over the last year. Training of all who are involved in work with young people and vulnerable adults remains a priority. The District is committed to recognising the place of Safeguarding at the heart of mission at every level.

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, with the aim of encouraging the growth of flourishing missional communities.
- 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 appropriate models of leadership, governance and management within the District.

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OBJECTIVES AND AIMS - CONTINUED

- To further encourage the implementation of the Ministerial Development Review and Supervision.
- To maximise the benefits of the strong relationship between the Learning Network and the District.

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 develop new expressions of church community, through engagement with the connexional aim of developing 'New Places for New People.'
- To facilitate the development of ordained ministry by presenting more opportunities for personal development supported by the introduction of pastoral Supervision.
- 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 District Leadership Team meets regularly through the year and oversees all aspects of the District's life, creating 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 and the Methodist Council. Communication from Synod and Conference is widely circulated, and the Leadership Team is seeking to further improve the effectiveness of communication within the District.

We believe we have strong financial controls in position.

Grant making policy

Through the appointed District Leadership Team (formerly District Grants 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. A sub-committee is empowered to award seed funding grants up to a maximum of £1,000 each to encourage churches and circuits to try "new things to reach new people". 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
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ACHIEVEMENTS AND PERFORMANCE

- Circuits are looking at plans to enable the best use of resources to further their mission
- The year's available funds to various projects have been allocated by the District Leadership Team.
- 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. The pandemic has had a significant impact on the church at every level, with a loss of some confidence as well as a reduction in income across the District. It has accelerated the closure of some smaller and more fragile churches. However, the Trustees remain confident that overall there is viability and strength in many parts of the District.

Ecumenical working is still below our hopes and dreams, but the Trustees are hopeful of further progress in this area perhaps especially through new opportunities to partner with the Diocese of Leeds, through Ripon Cathedral, in developing rural mission and ministry,

CHALLENGES FOR THE FUTURE

As noted above the Covid pandemic has presented challenges as we look to the future. Reserves have been widely used in supporting churches through this period, and will take time to re-build. On the other hand, there have been great strides made in developing online ministry and mission. It is likely that there will be a desire to continue with some online presence and this will need to be thought through carefully to ensure that there is a workable hybrid balance.

Overall, despite some churches experiencing growth, there is a sustained decline in numbers attending and belonging to the church, and that concern is deepened with the recognition of an ageing demographic. The District is exploring how it can best support circuits in reversing this trend and is keen to explore the imaginative work underway through the New Places for New People connexional initiative. It is also committed to ensure that governance structures are able to encourage and support new work, rather than hinder it. The District continues to be concerned about the plight of homelessness and research continues to help local churches and circuits respond more effectively.

The District also recognises the Climate Emergency and has invested in work to see how the District can become a Net Zero District. Considerable work has been undertaken in beginning to help churches respond to the Districts commitment to become a Net Zero Carbon District by at least 2040.

All that said, 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 is as well-equipped as possible to both encompass change and respond to new ideas.

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, our responsibility as Trustees requires us to follow best practice and:

- a) select suitable accounting policies and apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity at any time and which enable them as Trustees to ensure that the financial statements comply with the Charities Act 2011.

The Trustees are also responsible for safeguarding the assets of the charity and for their proper application, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the District Leadership Team on behalf of the Trustees on 19 May 2022 and signed on their behalf by:

Malcolm Lucas

Trustee

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 financial statements of the Yorkshire North and East District of the Methodist Church ("the Charity") for the year ended 31 August 2021.

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 financial statements in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Charity's financial statements 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.

Your attention is drawn to the fact that the charity has prepared the financial statements in accordance with the relevant version of the 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

I understand that this has been done in order for the accounts to provide a true and fair view in accordance with UK Generally Accepted Accounting Practice.

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 financial statements do not accord with those records; or
3. the financial statements do not comply with the applicable requirements concerning the form and content of financial statements set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the financial statements 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 financial statements to be reached.

Sarah Wearing FCA, DChA
HPH, Chartered Accountants, 54 Bootham, York, YO30 7XZ

19 May 2022

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
	Notes			
Income and endowments from:				
Donations and grants	2a	126,699	248,315	375,014
Charitable activities	2b	-	19,244	19,244
Other activities	2c	101,232	180,086	281,318
Investments - interest receivable		20	3,151	3,171
Total income		227,951	450,796	678,747
Expenditure on:				
Raising funds	4	19,119	21,838	40,957
Charitable activities	5	204,968	327,006	531,974
Total		224,087	348,844	572,931
Net income		3,864	101,952	105,816
Transfers between funds		-	-	-
Net movement in funds		3,864	101,952	97,942
Reconciliation of funds:				
Total funds brought forward at 1 September 2020		676,274	1,360,288	2,036,562
Total funds carried forward at 31 August 2021		£ 680,138	£ 1,462,240	£ 2,142,378

The notes on pages 14 to 23 form part of these financial statements.

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

BALANCE SHEET AS AT 31 AUGUST 2021

		Unrestricted Funds	Restricted Funds	Total	
	Notes			2021 £	2020 £
Fixed assets:					
Tangible assets	8	590,978	256,821	847,799	851,944
<i>Total fixed assets</i>		<u>590,978</u>	<u>256,821</u>	<u>847,799</u>	<u>851,944</u>
Current assets:					
Debtors	9	5,129	-	5,129	30,309
Cash at Bank and in hand		100,348	1,207,559	1,307,907	1,172,277
<i>Total current assets</i>		<u>105,477</u>	<u>1,207,559</u>	<u>1,313,036</u>	<u>1,202,586</u>
Liabilities:					
Creditors: Amounts falling due within one year	10	16,317	2,140	18,457	17,968
<i>Net current assets</i>		<u>89,160</u>	<u>1,205,419</u>	<u>1,294,579</u>	<u>1,184,618</u>
Total net assets		<u>£ 680,138</u>	<u>£ 1,462,240</u>	<u>£ 2,142,378</u>	<u>£ 2,036,562</u>
The funds of the charity:					
Unrestricted - General fund	14	680,138	-	680,138	676,274
Restricted - Other funds	13	-	1,462,240	1,462,240	1,360,288
<i>Total charity funds</i>		<u>£ 680,138</u>	<u>£ 1,462,240</u>	<u>£ 2,142,378</u>	<u>£ 2,036,562</u>

The financial statements were approved by the Trustees on 19 May 2022 and signed on its behalf by:

Malcolm Lucas
Trustee

The notes on pages 14 to 23 form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	12	135,630	82,847
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		135,630	82,847
Cash and cash equivalents at the beginning of the reporting period		1,172,277	1,089,430
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£ 1,307,907	£ 1,172,277
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 23 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 2021**

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with the relevant version of the 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), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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

The 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 the relevant version of the 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) 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 coronavirus pandemic has had little effect on the District's finances and it is expected that this will continue to be the case. 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.

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.

(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.

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

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 13 and 14 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 - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2021

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £	<i>2020</i> £
2a. Donations and grants				
Received from Circuits	126,699	-	126,699	127,753
Grants	-	248,315	248,315	276,139
	<u>£ 126,699</u>	<u>£ 248,315</u>	<u>£ 375,014</u>	<u>£ 403,892</u>

In 2020 the amount of donations and legacies which related to restricted funds was £234,457.

2b. Charitable activities				
York International House Rents	-	19,244	19,244	39,299
	<u>£ -</u>	<u>£ 19,244</u>	<u>£ 19,244</u>	<u>£ 39,299</u>

In 2020 the amount of income from charitable activities which related to restricted funds was £39,299.

2c. Other activities				
Hull International House Income	-	132,545	132,545	150,912
Miscellaneous Other Income	101,232	47,541	148,773	101,651
	<u>£ 101,232</u>	<u>£ 180,086</u>	<u>£ 281,318</u>	<u>£ 252,563</u>

In 2020 the amount of income from other activities which related to restricted funds was £178,820.

3. Funds received as agent

	Balance held at beginning of year £	Amount received £	Amount paid out £	Balance held at end of year £
Name of party:				
Methodist Church Fund	-	581,073	(581,073)	-
JPIT Yorkshire	4,028	-	-	4,028
Racing Chaplaincy	761	-	-	761
Envoy	-	3,213	(350)	2,863
Total	<u>£ 4,789</u>	<u>£ 584,286</u>	<u>£ (581,423)</u>	<u>£ 7,652</u>

In 2020 the amount received and paid out as agent was £575,787 and £576,026 respectively.

4. Expenditure on raising funds

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £	<i>2020</i> £
Manse costs	4,999	-	4,999	3,648
Expenditure on other District property	224	18,438	18,662	45,169
<i>Chair's travel and secretarial costs</i>				
Travel	26	-	26	2,659
Secretarial	12,000	-	12,000	12,000
Hospitality, retreat and other expenses	-	-	-	221
	<u>12,026</u>	<u>-</u>	<u>12,026</u>	<u>14,880</u>
Employees' and volunteers' travel	998	127	1,125	7,566
<i>Depreciation</i>				
Furniture and fittings	872	3,273	4,145	4,541
Total	<u>£ 19,119</u>	<u>£ 21,838</u>	<u>£ 40,957</u>	<u>£ 75,804</u>

In 2020, the expenditure on raising funds which related to restricted funds was £48,120.

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Expenditure on charitable activities

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2021</i> £	<i>2020</i> £
Synod, committees and administration	3,325	4,096	7,421	28,825
Salaries and associated costs	98,913	86,971	185,884	170,266
Grants and donations	20	132,240	132,260	123,583
Other expenses	60,458	103,684	164,142	152,926
Training, appraisal and development	5,776	15	5,791	14,022
	168,492	327,006	495,498	489,622
<i>Work of the District</i>				
Safeguarding officer	33,956	-	33,956	38,864
<i>Governance costs</i>				
Independent examiner's fees	2,520	-	2,520	2,520
Total	£ 204,968	£ 327,006	£ 531,974	£ 531,006

In 2020, the amount of expenditure on charitable activities which related to restricted funds was £312,848.

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.

	£
<i>Ministry grants</i>	
Yorkshire North & East District	18,645
- Digital Communications Enabler	18,645
- Circuit Support Team	38,765
- Homelessness project	2,000
- Remodelling Governance Project	9,000
Hull (Centre and West) Circuit	8,000
- Church leadership (Mosaic)	8,000
- Family worker (Clowes)	2,667
South Holderness	10,000
- Children's and Family Worker (Bransholme)	10,000
Driffield-Hornsea Circuit	3,000
- Additional ministry costs	3,000
- Family worker (Driffield)	6,000
	£ 98,077
<i>Property grants</i>	
York Circuit	25,000
- Poppleton redevelopment scheme	25,000
Hull (Centre and West) Circuit	1,212
- Clowes refurbishment scheme	1,212
	£ 26,212
<i>Seed Funding grants</i>	
Pocklington & Market Weighton Circuit	500
- Easter gift bags	500
Nidd Valley Circuit	600
- Pop up Nativity/Easter project	600
York Circuit	500
- Christmas in a bag (Copmanthorpe)	500
- Open studio and café project (Southlands)	360
Hull (Centre and West) Circuit	1,000
- Christmas hampers for the needy (Trinity)	1,000
Ripon & Lower Dales Circuit	475
- Make your own Christingle	475
- Toddlers soft play project	810
Pateley Bridge Circuit	675
- "Try praying" project	675
Thirsk & Northallerton Circuit	1,000
- Art workshop project (St James)	1,000
Tadcaster Circuit	250
- Coffe pot project (Appleton Roebuck)	250
Hull Hospitals Chaplaincy	500
- Resources for the bereaved	500
	£ 6,670
Total Grants Paid	£ 130,959

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
6. Net income before investment gains/(losses)		
This is stated after charging:		
Depreciation	4,145	4,541
Statutory accounts preparation	1,260	1,260
Independent examiner's fee for reporting on the accounts	1,260	1,260
	4,665	7,061

Depreciation of £872 relates to unrestricted funds (2020: £872), £3,273 relates to restricted funds (2020: £3,669).

7. Staff costs

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

Gross salaries	209,557	196,557
Employer's national insurance	13,755	10,214
Employer's pension contributions	8,342	8,310
	£ 231,654	£ 215,081

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

The average monthly head count was 11 (2020: 10).

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 £36,447 (2020: £30,530).

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.

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Tangible Fixed Assets

	Freehold property £	Furnitures, fittings and equipment £	Total £
<i>Cost</i>			
At 1 September 2020	827,351	63,275	890,626
Additions in year	-	-	-
At 31 August 2021	827,351	63,275	890,626
<i>Depreciation</i>			
At 1 September 2020	-	38,682	38,682
Charge for year	-	4,145	4,145
At 31 August 2021	-	42,827	42,827
<i>Net book value</i>			
At 31 August 2021	£ 827,351	£ 20,448	£ 847,799
At 31 August 2020	£ 827,351	£ 24,593	£ 851,944

Assets with a net book value of £253,548 (2020: £256,821) relate to restricted funds.

9. Debtors

	<i>Unrestricted</i> £	<i>Restricted</i> £	2021 £	2020 £
Trade debtors	2,760	-	2,760	6,580
Sundry debtors and prepayments	2,369	-	2,369	23,729
	£ 5,129	£ -	£ 5,129	£ 30,309

In 2020, £2,034 of the debtors related to restricted funds.

10. Creditors: amounts falling due within one year

	<i>Unrestricted</i> £	<i>Restricted</i> £	2021 £	2020 £
Trade creditors	-	-	-	2,454
Accruals and deferred income	2,520	2,140	4,660	4,580
Other creditors	6,145	-	6,145	6,145
Amounts held as agents	7,652	-	7,652	4,789
	£ 16,317	£ 2,140	£ 18,457	£ 17,968

In 2020, creditors of £4,514 related to restricted funds.

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Related Party transactions

Funds of £581,073 were received from the circuits on behalf of the Central Methodist Fund during the reporting period of which £581,073 was paid over to the Central Methodist Fund.

During the year out of pocket expenses relating to travel of £545 (2020: £4,502) were paid on behalf of two (2020: six) trustees.

Two trustees received remuneration during the year for their roles within the District: Sian Henderson as District Administrator and PA to the Chair, and Heather Shipman as part of the Circuit Support Team. The total amount paid to them, including pension contributions of £1,142, totalled £36,447 (2020: £25,244). The remuneration is arrived at by consideration of similar positions in other parts of the Methodist Church and is allowable under the constitution. The husband of trustee Emma Crippen received £24,646 during the year as Digital Communications Enabler. No trustee (2020: None) received any remuneration in respect of their trusteeship role.

There were no other related party transactions.

12. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES	2021 £	2020 £
Net income for the reporting period	105,816	97,942
<i>Adjustments for:</i>		
Depreciation charges	4,145	4,541
Decrease/(increase) in debtors	25,180	(21,051)
Increase in creditors	489	1,415
	<hr/>	<hr/>
Net cash provided by operating activities	£ 135,630	£ 82,847
	<hr/> <hr/>	<hr/> <hr/>
 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,307,907	1,172,277
	<hr/>	<hr/>
Total cash and cash equivalents	£ 1,307,907	£ 1,172,277
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents amounting to £1,208,695 (2020: £1,102,278) related to restricted funds.

ANALYSIS OF CHANGES IN NET DEBT	At 1 Sept 20 £	Cash-flows £	At 31 Aug 21 £
Cash	1,172,277	135,630	1,307,907
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Restricted Funds

	Pioneer Nursery Fund £	Chair's Benevolent Fund £	District Advance Fund £	York International House £	Hull International House £	York City Centre Proceeds £	Hull City Centre Proceeds £	Total £
<i>Current year</i>								
Balance at 1 September 2020	29,342	4,494	640,419	215,954	125,544	179,193	165,342	1,360,288
Income	35,000	476	251,012	19,414	132,755	236	11,903	450,796
Expenditure	(24,457)	(2,410)	(132,240)	(37,782)	(117,326)	(24,629)	(10,000)	(348,844)
Net income/(expenditure)	10,543	(1,934)	118,772	(18,368)	15,429	(24,393)	1,903	101,952
Transfers between funds	-	-	-	-	-	-	-	-
Balance at 31 August 2021	<u>£ 39,885</u>	<u>£ 2,560</u>	<u>£ 759,191</u>	<u>£ 197,586</u>	<u>£ 140,973</u>	<u>£ 154,800</u>	<u>£ 167,245</u>	<u>£ 1,462,240</u>
<i>Comparative year</i>								
Balance at 1 September 2019	24,644	4,002	523,394	219,007	117,325	196,614	175,478	1,260,464
Income	25,000	1,637	240,310	40,570	150,912	1,249	1,114	460,792
Expenditure	(20,302)	(1,145)	(123,285)	(43,623)	(142,693)	(18,670)	(11,250)	(360,968)
Net income/(expenditure)	4,698	492	117,025	(3,053)	8,219	(17,421)	(10,136)	99,824
Transfers between funds	-	-	-	-	-	-	-	-
Balance at 31 August 2020	<u>£ 29,342</u>	<u>£ 4,494</u>	<u>£ 640,419</u>	<u>£ 215,954</u>	<u>£ 125,544</u>	<u>£ 179,193</u>	<u>£ 165,342</u>	<u>£ 1,360,288</u>

Pioneer Nursery Fund

This fund supports new and pioneering expressions of faith across the District, and is funded by a Connexional grant.

Chair's Benevolent Fund

This fund makes small grants to ministers and lay people in need, at the discretion of the chair.

District Advance Fund

This fund makes grants towards projects advancing the mission of the Church, both for people and property.

York International House

This fund 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 work in York.

Hull International House

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

York City Centre Proceeds

This fund comprises the sale proceeds of former property in York city centre. The fund is available for mission purposes in York city centre and is currently being used to fund the work of a deacon.

Hull City Centre Proceeds

This fund comprises the sale of Hull Central Hall and other property. The fund is available for mission purposes in Hull city centre and is currently funding work at Selby Street Mission in Hull in addition to renting a church building where the former congregation of Central Hall worship.

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Unrestricted Funds - General Account

	General Account	
<i>Current year</i>	£	£
Balance at 1 September 2020		676,274
Income	227,951	
Expenditure	(224,087)	
Net income/(expenditure)		3,864
Gain/(loss) on investments		-
Transfers between funds		-
Balance at 31 August 2021		£ 680,138
<i>Comparative year</i>	£	£
Balance at 1 September 2019		678,156
Income	243,960	
Expenditure	(245,842)	
Net income/(expenditure)		(1,882)
Gain/(loss) on investments		-
Transfers between funds		-
Balance at 31 August 2020		£ 676,274

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Income and endowments from:				
Donations and grants	169,435	234,457	403,892	444,704
Charitable activities	-	39,299	39,299	32,246
Other trading activities	73,743	178,820	252,563	215,219
Investments	782	8,216	8,998	8,370
Total	243,960	460,792	704,752	700,539
Expenditure on:				
Raising funds	27,684	48,120	75,804	85,792
Charitable activities	218,158	312,848	531,006	582,768
Total	245,842	360,968	606,810	668,560
Net (expenditure)/income before investment gains				
	(1,882)	99,824	97,942	31,979
Net gains on investments	-	-	-	54
Net (expenditure)/income	(1,882)	99,824	97,942	32,033
Transfers between funds	-	-	-	-
Net movement in funds	(1,882)	99,824	97,942	32,033
Reconciliation of funds:				
Total funds brought forward at 1 September 2019	678,156	1,260,464	1,938,620	1,906,587
Total funds carried forward at 31 August 2020	£ 676,274	£ 1,360,288	£ 2,036,562	£ 1,938,620