

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 2022

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 2022**

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**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022.

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and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.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:

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) (resigned 31 August 2022)
Revd Neville Simpson (Superintendents' representative and Deputy Chair)
Bridget Bennett (Safeguarding representative)

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REFERENCE AND ADMINISTRATIVE INFORMATION – CONTINUED

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:	Sarah B Wearing HPH, Chartered Accountants 54 Bootham York YO30 7XZ

**YORKSHIRE NORTH AND EAST DISTRICT
OF THE METHODIST CHURCH
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022**

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.

In their decision-making, trustees keep in mind ecumenical relationships and also opportunities for collaboration at regional level, seeking to establish a common pattern of working, whenever possible.

Pay and remuneration for key management personnel

The Chair of the District chairs the District Leadership Team (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 District Safeguarding Group. 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 due to the continuing impact of the Covid-19 pandemic. Local churches and circuits are needing to draw on their reserves as income from congregational giving and letting income has generally reduced. However, overall, churches and circuits continue to demonstrate 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 £790,136 (2021: £678,747) and dispersed £799,868 (2021: £572,931). The overall deficit for the year was £9,732 (2021: surplus of £105,816), 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 continuing impact of 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

- (b) 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. This church is in the process of being disposed, with a consequential loss of rental income from these flats. The income from these properties supports the work of the Methodist Chaplain to the University of York. As a result of the reduced income the work of the Methodist Chaplain has been significantly reduced from 1st September 2022.

Over the last year, the trustees have given a significant amount of attention to the operation of Hull International House, seeking to ensure that the House is able to operate safely and effectively. The DLT remains committed to seeing the House play its part in fulfilling the mission of the District and work is continuing to ensure that a secure and stable position can be established.

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.

- (c) 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.

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 £2,132,646 (2021: £2,142,378), of which £685,699 (2021: £680,138) were unrestricted funds and £1,446,947 (2021: £1,462,240) 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 2022 the level of free unrestricted reserves amounted to £92,320 which was short of target, representing around 4 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
OF THE METHODIST CHURCH
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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.

The work of Safeguarding remains a priority with ongoing training of all who are involved in work with young people and vulnerable adults. 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 support 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.

**YORKSHIRE NORTH AND EAST DISTRICT
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OBJECTIVES AND AIMS - CONTINUED

- To further encourage the implementation of the Connexion's practice of Pastoral 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 continue work towards achieving the District's aim of being Net Zero by at least 2040.
- To facilitate the development and support of ordained ministry by presenting more opportunities for personal development alongside 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 continuing careful 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

The DLT oversees the awarding of grants 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.
- During the year external funding was awarded which enabled the District to employ a Wellbeing Officer. This role is primarily focussed around supporting lay employees within the District, but also contributes to helping the District create a good culture of wellbeing.

Given the ongoing challenges as churches feel the long-term impact of the pandemic, the Trustees are content 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. There continues to be some closures of churches around the District, but overall there is viability and strength in many parts of the District.

Ecumenical working is still below our hopes and ambitions, but the Trustees remain hopeful of making further progress in this area. There have been some positive and encouraging conversations with the Diocese of Leeds, through Ripon Cathedral, exploring rural mission and ministry. Also, a shared appointment between the Church of England and the Methodist Church is looking likely to come to pass in Ryedale.

A new Circuit, the "Kairos Circuit" was formed on the 1st September 2021. It seeks to offer people an opportunity to discover and grow in faith in new ways.

CHALLENGES FOR THE FUTURE

As noted above the Covid pandemic has presented challenges as we look to the future. Reserves continue to be widely used in supporting churches. On the other hand, there have been great strides made in developing online ministry and mission. The District continues to encourage further work in this area, not least through the employment of a Digital Communications Enabler.

Overall, despite some churches experiencing growth, there is a continuing decline in numbers attending and belonging to the church, and that concern is deepened with the recognition of an ageing demographic. The District continues to offer as much help as possible to support circuits 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 is sustaining its priority of responding to the Climate Emergency. Considerable work continues to be undertaken in helping churches respond to the District's commitment to become a Net Zero Carbon District by at least 2040.

All that said, it is with confidence that we approach these challenges and a trust that with prayer we will fulfil the purposes which God has in mind for us. We believe that 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 2022**

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 18 May 2023 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 2022.

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

18 May 2023

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Notes				
Income and endowments from:				
Donations and grants	2a 178,899	353,664	532,563	375,014
Charitable activities	2b -	16,894	16,894	19,244
Other activities	2c 108,198	127,122	235,320	281,318
Investments - interest receivable	365	4,994	5,359	3,171
Total income	287,462	502,674	790,136	678,747
Expenditure on:				
Raising funds	4 29,815	30,710	60,525	40,957
Charitable activities	5 252,086	487,257	739,343	531,974
Total	281,901	517,967	799,868	572,931
Net income/(expenditure)	5,561	(15,293)	(9,732)	105,816
Transfers between funds	-	-	-	-
Net movement in funds	5,561	(15,293)	(9,732)	105,816
Reconciliation of funds:				
Total funds brought forward at 1 September 2021	680,138	1,462,240	2,142,378	2,036,562
Total funds carried forward at 31 August 2022	£ 685,699	£ 1,446,947	£ 2,132,646	£ 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 2022

	Notes	Unrestricted Funds	Restricted Funds	2022 £	Total 2021 £
Fixed assets:					
Tangible assets	8	593,379	250,275	843,654	847,799
<i>Total fixed assets</i>		<u>593,379</u>	<u>250,275</u>	<u>843,654</u>	<u>847,799</u>
Current assets:					
Debtors	9	3,025	-	3,025	5,129
Cash at Bank and in hand		105,437	1,199,312	1,304,749	1,307,907
<i>Total current assets</i>		<u>108,462</u>	<u>1,199,312</u>	<u>1,307,774</u>	<u>1,313,036</u>
Liabilities:					
Creditors: Amounts falling due within one year	10	16,142	2,640	18,782	18,457
<i>Net current assets</i>		<u>92,320</u>	<u>1,196,672</u>	<u>1,288,992</u>	<u>1,294,579</u>
Total net assets		£ 685,699	£ 1,446,947	£ 2,132,646	£ 2,142,378
The funds of the charity:					
Unrestricted - General fund	14	685,699	-	685,699	680,138
Restricted - Other funds	13	-	1,446,947	1,446,947	1,462,240
<i>Total charity funds</i>		<u>£ 685,699</u>	<u>£ 1,446,947</u>	<u>£ 2,132,646</u>	<u>£ 2,142,378</u>

The financial statements were approved by the Trustees on 18 May 2023 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 2022**

	Note	2022 £	2021 £
Cash flows from operating activities:			
Net cash (used in)/provided by operating activities	12	(3,158)	135,630
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(3,158)	135,630
Cash and cash equivalents at the beginning of the reporting period		1,307,907	1,172,277
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting period		£ 1,304,749	£ 1,307,907
		<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 2022**

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 2022**

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
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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2022

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2022</i> £	<i>2021</i> £
2a. Donations and grants				
Received from Circuits	120,899	-	120,899	126,699
Grants	58,000	353,664	411,664	248,315
	<u>£ 178,899</u>	<u>£ 353,664</u>	<u>£ 532,563</u>	<u>£ 375,014</u>

In 2021 the amount of donations and grants which related to restricted funds was £248,315.

2b. Charitable activities

York International House Rents	-	16,894	16,894	19,244
	<u>£ -</u>	<u>£ 16,894</u>	<u>£ 16,894</u>	<u>£ 19,244</u>

In 2021 the amount of income from charitable activities which related to restricted funds was £19,244.

2c. Other activities

Hull International House Income	-	118,306	118,306	132,545
Miscellaneous Other Income	108,198	8,816	117,014	148,773
	<u>£ 108,198</u>	<u>£ 127,122</u>	<u>£ 235,320</u>	<u>£ 281,318</u>

In 2021 the amount of income from other activities which related to restricted funds was £180,086.

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	-	576,293	(576,293)	-
JPIT Yorkshire	4,028	-	-	4,028
Racing Chaplaincy	761	-	-	761
Envoy	2,863	-	(175)	2,688
Total	<u>£ 7,652</u>	<u>£ 576,293</u>	<u>£ (576,468)</u>	<u>£ 7,477</u>

In 2021 the amount received and paid out as agent was £584,286 and £581,423 respectively.

4. Expenditure on raising funds

	<i>Unrestricted</i> £	<i>Restricted</i> £	<i>2022</i> £	<i>2021</i> £
Manse costs	5,191	-	5,191	4,999
Expenditure on other District property	1,396	25,150	26,546	18,662
<i>Chair's travel and secretarial costs</i>				
Travel	3,334	-	3,334	496
Secretarial	12,000	-	12,000	12,000
	<u>15,334</u>	<u>-</u>	<u>15,334</u>	<u>12,496</u>
Employees' and volunteers' travel	7,022	2,287	9,309	655
<i>Depreciation</i>				
Furniture and fittings	872	3,273	4,145	4,145
Total	<u>£ 29,815</u>	<u>£ 30,710</u>	<u>£ 60,525</u>	<u>£ 40,957</u>

In 2021, the expenditure on raising funds which related to restricted funds was £21,838.

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2022**

5. Expenditure on charitable activities

	<i>Unrestricted</i>	<i>Restricted</i>	<i>2022</i>	<i>2021</i>
	£	£	£	£
Synod, committees and administration	22,330	4,198	26,528	7,421
Salaries and associated costs	122,450	75,660	198,110	185,884
Grants and donations	5,221	207,933	213,154	132,260
Other expenses	58,802	198,930	257,732	164,142
Training, appraisal and development	9,615	536	10,151	5,791
	<hr/> 218,418	<hr/> 487,257	<hr/> 705,675	<hr/> 495,498
<i>Work of the District</i>				
Safeguarding officer	31,148	-	31,148	33,956
<i>Governance costs</i>				
Independent examiner's fees	2,520	-	2,520	2,520
Total	<hr/> £ 252,086	<hr/> £ 487,257	<hr/> £ 739,343	<hr/> £ 531,974

In 2021, the amount of expenditure on charitable activities which related to restricted funds was £327,006.

Grants to institutions

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

		£
<i>Ministry grants</i>		
Yorkshire North & East District	- Digital Communications Enabler	30,000
	- Circuit Support Team	22,000
	- Remodelling Governance Project	6,000
Mosaic Church, Hull	- Leadership support	12,000
Clowes Memorial, Hull	- Families and children's worker	2,667
Princes Avenue, Hull	- Persian Ministry support	15,333
Willerby, Hull	- Pastor for older persons	3,640
Driffield-Hornsea Circuit	- Family worker	6,000
York Circuit	- York University Chaplaincy	24,000
Kairos Circuit	- Development support	30,000
		<hr/> £ 151,640
<i>Property grants</i>		
Wesley Centre, Harrogate	- Refurbishing kitchen and toilets	6,500
Acomb, York	- re Garden Room project	15,305
Bransholme, S. Holderness	- Vandal proof windows	2,000
		<hr/> £ 23,805
<i>Seed Funding grants</i>		
York Circuit	- "Walk the Talk York" podcast	650
Wesley Chapel, Harrogate	- Christmas shoppers event Christmas shoppers event	200
Queen Street, Scarborough	- Noah's Ark library	500
Wetherby	- Junior Church mobile library	300
Clowes Memorial, Hull	- Youth club resources	500
	- Lego church	500
Hedon	- Digital hub	1,000
Tadcaster Circuit	- Prayer cards	300
Bilton Area, Nidd Valley	- Monday Fun Station	500
Brough, Hull	- Homes for Ukraine project	400
		<hr/> £ 4,850
<i>Other grants</i>		
Connexional Pension Reserve Fund		£ 15,375
	Total Grants Paid	<hr/> £ 195,670

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
6. Net income before investment gains/(losses)		
This is stated after charging:		
Depreciation	4,145	4,145
Statutory accounts preparation	1,260	1,260
Independent examiner's fee for reporting on the accounts	1,260	1,260
	4,665	6,665

Depreciation of £872 relates to unrestricted funds (2021: £872), £3,273 relates to restricted funds (2021: £3,273).

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	228,283	209,557
Employer's national insurance	15,557	13,755
Employer's pension contributions	11,282	8,342
	£ 255,122	£ 231,654

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

The average monthly head count was 11 (2021: 11).

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 £25,598 (2021: £36,447).

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 2022**

8. Tangible Fixed Assets

	Freehold property £	Furnitures, fittings and equipment £	Total £
<i>Cost</i>			
At 1 September 2021	827,351	63,275	890,626
Additions in year	-	-	-
At 31 August 2022	827,351	63,275	890,626
<i>Depreciation</i>			
At 1 September 2021	-	42,827	42,827
Charge for year	-	4,145	4,145
At 31 August 2022	-	46,972	46,972
<i>Net book value</i>			
At 31 August 2022	£ 827,351	£ 16,303	£ 843,654
At 31 August 2021	£ 827,351	£ 20,448	£ 847,799

Assets with a net book value of £250,275 (2021: £253,548) relate to restricted funds.

9. Debtors

	<i>Unrestricted</i> £	<i>Restricted</i> £	2022 £	2021 £
Trade debtors	694	-	694	2,760
Sundry debtors and prepayments	2,331	-	2,331	2,369
	£ 3,025	£ -	£ 3,025	£ 5,129

In 2021, none of the debtors related to restricted funds.

10. Creditors: amounts falling due within one year

	<i>Unrestricted</i> £	<i>Restricted</i> £	2022 £	2021 £
Accruals and deferred income	2,520	2,640	5,160	4,660
Other creditors	6,145	-	6,145	6,145
Amounts held as agents	7,477	-	7,477	7,652
	£ 16,142	£ 2,640	£ 18,782	£ 18,457

In 2021, creditors of £2,140 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 2022**

11. Related Party transactions

Funds of £576,293 were received from the circuits on behalf of the Central Methodist Fund during the reporting period of which £576,293 was paid over to the Central Methodist Fund.

During the year out of pocket expenses relating to travel of £3,922 (2021: £545) were paid on behalf of five (2021: two) 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 Naomi Prince who succeeded her in this role in August 2022. The total amount paid to them, including pension contributions of £1,156, totalled £25,598 (2021: £36,447). 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 £29,328 during the year as Digital Communications Enabler. No trustee (2021: 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	2022	2021
	£	£
Net (expenditure)/income for the reporting period	(9,732)	105,816
<i>Adjustments for:</i>		
Depreciation charges	4,145	4,145
Decrease in debtors	2,104	25,180
Increase in creditors	325	489
	<hr/>	<hr/>
Net cash (used in)/provided by operating activities	(£ 3,158)	£ 135,630
	<hr/> <hr/>	<hr/> <hr/>
 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash at bank and in hand	1,304,749	1,307,907
	<hr/>	<hr/>
Total cash and cash equivalents	£ 1,304,749	£ 1,307,907
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents amounting to £1,199,312 (2021: £1,208,695) related to restricted funds.

ANALYSIS OF CHANGES IN NET DEBT	At	Cash-flows	At
	1 Sept 21		31 Aug 22
	£	£	£
Cash	1,307,907	(3,158)	1,304,749
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**YORKSHIRE NORTH AND EAST DISTRICT
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2022**

13. Restricted Funds

	Kairos 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 2021	39,885	2,560	759,191	197,586	140,973	154,800	167,245	1,462,240
Income	28,000	8,623	330,240	17,087	118,312	198	214	502,674
Expenditure	(67,885)	(1,780)	(197,833)	(15,156)	(165,946)	(54,367)	(15,000)	(517,967)
Net income/(expenditure)	(39,885)	6,843	132,407	1,931	(47,634)	(54,169)	(14,786)	(15,293)
Transfers between funds	-	-	-	-	-	-	-	-
Balance at 31 August 2022	£ -	£ 9,403	£ 891,598	£ 199,517	£ 93,339	£ 100,631	£ 152,459	£ 1,446,947
<i>Comparative 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	£ 39,885	£ 2,560	£ 759,191	£ 197,586	£ 140,973	£ 154,800	£ 167,245	£ 1,462,240

Kairos Fund (formerly Pioneer Nursery Fund)

This fund supports a new single church/circuit for those interested in pioneering new forms of church 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 a property owned by the District. 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.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Unrestricted Funds - General Account

	General Account	
<i>Current year</i>	£	£
Balance at 1 September 2021		680,138
Income	287,462	
Expenditure	(281,901)	
Net income/(expenditure)		5,561
Gain/(loss) on investments		-
Transfers between funds		-
Balance at 31 August 2022		<u><u>£ 685,699</u></u>
<i>Comparative 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		<u><u>£ 680,138</u></u>

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15. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	2021 £
Income and endowments from:			
Donations and grants	126,699	248,315	375,014
Charitable activities	-	19,244	19,244
Other trading activities	101,232	180,086	281,318
Investments	20	3,151	3,171
Total	227,951	450,796	678,747
Expenditure on:			
Raising funds	19,119	21,838	40,957
Charitable activities	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	105,816
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