



**District  
Accruals Accounts  
2018-19**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2019**

<b>Lancashire Methodist</b>	<b>District</b>	District no	<b>21</b>
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**Registered Charity - Registration number**

<b>1134584</b>
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**District Chair**

<b>Rev'd Paul H. Davis</b>

**Synod Secretary**

<b>Rev'd Janet Pybon</b>
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**Treasurer**

<b>Andrew Whitley</b>
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# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Objectives and Activities

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

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

The District meets in Synod twice a year and in other groupings more regularly. It supports the training of ministers, both presbyteral and diaconal and provides the means for continuing training.

The District encourages all in the circuits and churches to have a vision that is greater than the local area.

The District employs people to work on its behalf in areas such as chaplaincy, evangelism and youth work.

We confirm the trustees have had regard to the Charity Commission's guidance on public benefit.

### 2 Achievements and performance

The District has produced and circulated a booklet for members to consider regarding Transforming Lives and Communities. It encourages them to look at how this matches "Our Calling", the key objectives of Methodism. In this way, the District has encouraged Circuits, Churches and members to review their priorities.

The District has purchased and adapted / equipped a doubledecker Bus to be used as a mobile Godly Play Classroom.

North West Region. The District has continued in discussions with other Districts to see how we can work together in a region.

The District has monitored the changing of ministerial appointments in the District and those involved with training.

The District has increased its team of lay-workers in Circuits to support the ministerial staff where it has not been able to appoint a minister in Stationing.

#### 2.1 Plans for future years

The District plans to continue with Transforming Lives and Communities and to develop the work of the Godly Play Bus.

There will be continuing work in the North West Region.

There will be continuing work with ministerial appointments.

### 3 Financial review

During 2018/19, the Lancashire District received total income of £348,079 (£388,652 in 2017/18) and expended £333,055 (£240,193 in 2017/18). The resulting surplus was reduced by an unrealised net loss on investments of £867, producing a net surplus of £14,157 across all Funds.

The Trustees of the District are confident that the District is a going concern, principally because Circuits continue to meet their Assessments and the District has adequate reserves to cover any shortfall in anticipated income that may arise.

#### 3.1 Investment policy and performance

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

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

There are no bench marks for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk. The total return achieved in 2018/19 on Lancashire District's TMCP invested funds was 1.26% for the year.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

### 3.2 Reserves level and policy

The District Reserves at 31st August 2019 were as follows:-

<b>Unrestricted funds:</b>		
<b>Undesignated funds</b>		
- Methodist Church Fund		£45,546
- General Expenses Fund	£568,587	
Less sum held in manse	<u>£447,773</u>	£120,814
<b>Designated funds</b>		
- District Advance Fund		£565,185
- Chaplaincy Fund		£18,102
- District Youth Fund		£47,732
- District Benevolence Fund		<u>£140,894</u>
<b>Total Unrestricted funds</b>		<b><u>£938,273</u></b>
<b>Restricted funds:</b>		
- Schools' Support Fund		£10,406
- North West Training Forum		£20,501
- Connected organisations		<u>£ 7,985</u>
<b>Total Restricted funds</b>		<b><u>£38,902</u></b>
<b>Uncommitted reserves - All funds</b>		<b><u>£ 977,175</u></b>

The two undesignated Funds, (Methodist Church Fund and General Expenses Fund) work together by collecting Assessments from Circuits and funding the District's main activities, including paying the Connexional Assessment. They combine to be classified as the District's General Fund with the purpose of being available to the Trustees in the furtherance of the general objectives of the District.

All monies are invested with the CFB or TMCP with a certain amount kept in the Current Accounts for week by week expenses. The Trustees have agreed a Reserves Policy for each Fund, the key policies relating to the Methodist Church Fund and the General Expenses Fund, as follows:-

The Reserves Policy for the Methodist Church Fund is to hold a reserve equal to 25% of one quarter's Assessment payments received from the Circuits, thereby allowing for late quarterly payments by one or more Circuits. The quarterly payments for 2019/20 are £128,084, so the actual reserve of £45,546 at 31<sup>st</sup> August 2019 is £13,525 more than the minimum reserve of £32,021. This additional reserve will be used to help to minimise the increase in District Assessments for 2020/21 and beyond.

The Reserves Policy for the General Expenses Fund is to hold sufficient in reserve to cover six months' expenditure, ie £88,000 based on the 2019/20 Forecast. The year-end balance of £120,814 results in an excess of £32,814. This sum is held to fund additional work on the Chairman's manse, including work arising from the quinquennial reviews, and also to minimise the increase in District Assessments for 2020/21 and beyond.

The Reserves Policy for the District Advance Fund is to ensure that the amount in reserve is always at least equal to the sum of all approved and anticipated grants for the current and future years. At 31<sup>st</sup> August 2019, the Fund held a balance of £565,185, of which the sum of £429,191 was committed to future grants, leaving £135,994 uncommitted. The District Youth Fund is used to grant fund projects which encourage and develop work with young people across the District and has a similar policy in that the reserve must always be at least equal to the sum of all approved and anticipated grants for the current and future years.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

### 3.3 Collaborative arrangements with connected charities

The District's main source of funding was the assessments obtained from each Circuit within the District based on the staffing levels of the Circuit and this was used to fund most of the cost of administering the District. This sum amounted to £51,667 (£51,572 in 2017/18).

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the value of each Circuit's CMTF at the start of the Connexional year (01 September). In 2018/19 this sum was £58,206 and this was credited to the District Advance Fund (£57,936 in 2017/18).

The District holds no funds as custodian trustee. It does, however, quarterly receive from Circuits within the District the Circuits' contributions to the Connexion's Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month as collected. Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement. A sum of £450,469 (£112,617 per quarter) passed through the District's Methodist Church Fund in 2018/19.

### 4 Trustees' responsibilities

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

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

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

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

In addition to the above, the Trustees are responsible for Health & Safety. Training in the responsibilities of Trustees is offered to all new trustees soon after their appointment.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 4.1 Risk

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

The District manages risks by being aware of them, quantifying their impact not only in cost terms but in possible reputational or structural damage, laying them off through an insurer and minimising them by not taking them or by setting up control systems which timeously report any significant change in the risk.

#### 5 Structure, governance and management

The District is an unincorporated association and is governed by the Methodist Church Act 1976, the Deed of Union and the Model Trust Deeds of the Methodist Church and was registered with the Charity Commissioners on 1st March 2010

##### 5.1 Structure

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

1. Overall regulatory authority rests with the Methodist Conference.
2. The Connexional Office implements decisions made by Conference and is also responsible for the stationing of presbyters and deacons (collectively known as ministers) in individual Circuits within the District.
3. Connexional decisions are passed to the Chair of the District and the appropriate officers of the District for implementation.
4. The District passes control down to Circuit level for local implementation by the Superintendent Minister, ministerial staff and Circuit Stewards, and authority is delegated to the Circuit Meeting for certain matters.
5. The Circuit Meeting passes regulatory control down to Church Councils for local implementation by the presbyter, the Church Stewards, and other officers, and this regulatory authority is then exercised by Church Councils as Managing Trustees of their charity.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

### 5.2 Purpose of the District

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

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

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

The primary purpose of this District is to advance the mission of the Methodist Church in Lancashire

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

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

### 5.3 Governance

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

The members of the District Policy Committee (DPC) are the Trustees of the Lancashire Methodist District.

The members of the DPC are appointed annually by a vote of the Synod for a continuous term not normally exceeding six years. The Chair of District is *ex officio* chair of the DPC. When a position becomes vacant on the DPC, nominations are invited from ministers and lay members of Circuits within the District. The Chair of the District then shares with nominees what the roles involve. If they wish to be considered for a role, their names and reasoned statements are taken to the DPC and the District Synod for appointment. Members may be either ministers or lay people attending Churches in the area covered by the District.

The DPC normally meets four times per year and deals with routine and exceptional matters. It oversees the work of the Grants Committee, the Nomination Committee for District Chair, the University Chaplain Management Group, the Child Friendly Church Group, the Reconciliation Group, the Complaints Support Group, the Lay Workers Support Group, the Ministers' Development Review Group, the Property Consent Panel, the Property Management Group, the Review Group, the Safeguarding Group, the World Church Links and the Methodist Schools Visitors.

### 5.4 Responsibility of the District Policy Committee

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



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Reference and Administrative Details

#### 6.1 Name of the charity

Lancashire Methodist District

#### 6.2 Charity registration number

1134584

#### 6.3 Principal Office

523 Blackpool Road, Ashton-on-Ribble, Preston. PR2.1EQ

#### 6.4 Chair of the District

Rev'd Paul H. Davis

#### 6.5 Secretary of the Synod

Rev'd Janet Pybon

#### 6.6 Assistant Secretary of the Synod (Presbyteral)

#### 6.7 District Treasurer

Andrew Whitley

#### 6.8 Names of Trustees

Unless stated after their name, the following served as trustees throughout part or all of the year 2018-19:

Rev'd Paul Davis, Rev'd Janet Pybon, Rev'd Philip Gough, Mr David Hulse, Mr Andrew Whitley, Mr John Ferris, Rev'd Ray Borg, Mr Graham Kay, Mr Andrew Bennett, Rev'd Sally Ratcliffe, Dr Peter Lumsden, Mrs Carolyn Hothersall (part year), Deacon Sylvie Phillips (part year), Rev'd John Howard-Norman, Rev'd Katharine Bland, Mrs Margaret Dugdale, Mr David Leach, Mrs Shirley Godfrey, Rev'd Sylvester Deigh, Rev'd Wilfred Robinson, Mr Antony Woodhouse, Mrs Jennifer Burnop, (part year), Mr Roland Hailwood, (part year), Mrs Kathy Bamber.

The Managing Trustees for the District are the members of the District Policy Committee. No trustee claims exemption from disclosure of his or her name here.

#### 6.9 Chair's PAs

Mrs. Carole Jones

#### 6.10 Bankers

Natwest Bank PLC, TSB PLC and The Central Finance Board of the Methodist Church

#### 6.11 Investment managers and custodian trustees

Trustees for Methodist Church Purposes

#### 6.12 Independent Examiner

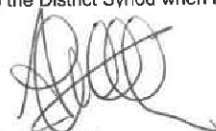
Messrs. Whitehead and Howarth  
327 Clifton Drive South  
Lytham St Annes  
FY8 1HN

#### Approvals:

The Trustees' Report and the Financial Statements were approved by the DPC on 27th January 2020 and will be presented to the District Synod when it meets.



Rev'd Paul H. Davis  
District Chair



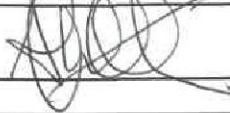
Andrew Whitley  
District Treasurer

## THE METHODIST CHURCH - LANCASHIRE DISTRICT DECLARATIONS

### Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2019 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer



Date

9th April 2020

Name of Treasurer

Andrew Whitley

Address

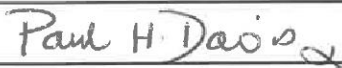
161, St Annes Road East, Lytham St Annes FY8.3HP

### Presentation to the District Policy Committee for approval.

I confirm that the annual report and accounts for the year ended 31 August 2019 were presented to the District Policy Committee at its meeting on and were approved.

27th January 2020

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev'd Paul H. Davis

Date

1st June 2020

### Independent Examiner's Report to the Trustees of the

Lancashire Methodist

District

This Report is on the District Accounts for the year ended 31<sup>st</sup> August

2019

### Respective responsibilities of Trustees and Examiner

The District's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2019 present a true and fair view of the District's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

- Examine the accounts under Section 145 of the Charities Act
- to follow the procedures laid down in the general Directions given by the Charity Commission (under Section 145(5)(b) of the Charities Act), and
- to state whether particular matters have come to my attention.



## Basis of Independent Examiner's Report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

## Independent Examiner's Statement

In connection with my examination for the year ended 31st August 2019, no matter has come to my attention:

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

have not been met; or

- (2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Name

Gareth Maddock

Signature

*Gareth Maddock*

Relevant Professional qualification or body

F.C.A

Address

Whitehead & Howarth Chartered Accountants 327 Clifton Drive  
South Lytham St Annes Lancashire FY8 1HN

Date

04/06/2020

## Statement of Financial Activities (SOFA) for the year ended 31 August 2019

	Notes to the accounts	General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (unrestricted )	Restricted Funds	Endowment Funds	Total 2018-19
		£	£	£	£		£
<b>Income from</b>							
1 Donations and legacies		525					525
2 Connexional Advance & Property Fund		20,000			20,000		40,000
3 Income from investments		999	5,169	4,249	328		10,745
<b>Income from charitable activities</b>							
4 Assessments on circuits		51,667					51,667
5 Circuit Model Trust Funds			58,206				58,206
6 Connexional Priority Fund			108,523				108,523
7 Contribution to the cost of the Chair	3	39,556					39,556
8 Other charitable activities							0
9 Income from other trading activities							0
10 Other income	4	22,641					22,641
11 Connected Organisations					16,216		16,216
<b>Total Income</b>		<b>135,388</b>	<b>171,898</b>	<b>4,249</b>	<b>36,544</b>	<b>0</b>	<b>348,079</b>
<b>Expenditure</b>							
12 Grants and donations	5, 18	3,317	111,000	3,546	26,505		144,368
13 Salaries and associated costs	6	77,150					77,150
14 Cost of the Chair	3, 6	39,556					39,556
15 Property Maintenance (Manse costs)	7	7,506					7,506
16 Office expenses	8	5,546					5,546
17 Synods, Committees, Conference	9	2,849					2,849
18 Ministerial and Lay Training		6,777					6,777
19 Professional fees							0
20 Other Charitable Expenditure	10, 11	31,634	1,086	1,899			34,619
21 Connected Organisations					14,684		14,684
<b>Total Expenditure</b>		<b>174,335</b>	<b>112,086</b>	<b>5,445</b>	<b>41,189</b>	<b>0</b>	<b>333,055</b>
<b>Net income/(expenditure) before gains and losses on investments</b>							
		<b>-38,947</b>	<b>59,812</b>	<b>-1,196</b>	<b>-4,645</b>	<b>0</b>	<b>15,024</b>
22 Net gains/(losses) on investments				-867			-867
<b>Net income/(expenditure)</b>		<b>-38,947</b>	<b>59,812</b>	<b>-2,063</b>	<b>-4,645</b>	<b>0</b>	<b>14,157</b>
23 Transfers between funds	12	31,046	-37,500	-3,546	10,000		0
24 Other gains/(losses)	13						0
	13						0
	13						0
<b>Net movement in funds</b>		<b>-7,901</b>	<b>22,312</b>	<b>-5,609</b>	<b>5,355</b>	<b>0</b>	<b>14,157</b>
Total funds brought forward		622,034	542,873	212,337	33,547		1,410,791
Total funds carried forward		<b>614,133</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>1,424,948</b>

## Statement of Financial Activities (SOFA) for the year ended 31 August 2018

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (unrestricted) £	Restricted Funds £	Endowment Funds	Total 2017-18 £
<b>Income from</b>							
1 Donations and legacies		2,112			250		2,362
2 Connexional Advance & Property Fund		25,000			20,000		45,000
3 Income from investments		658	3,163	4,164	183		8,168
<b>Income from charitable activities</b>							
4 Assessments on circuits		51,572					51,572
5 Circuit Model Trust Funds			57,936				57,936
6 Connexional Priority Fund			140,685				140,685
7 Contribution to the cost of the Chair	3	38,728					38,728
8 Other charitable activities							0
9 Income from other trading activities							0
10 Other income	4	5,608			32,395		38,003
11 Connected Organisations					6,198		6,198
<b>Total Income</b>		<b>123,678</b>	<b>201,784</b>	<b>4,164</b>	<b>59,026</b>	<b>0</b>	<b>388,652</b>
<b>Expenditure</b>							
12 Grants and donations	5	3,317	67,077	2,890	25,844		99,128
13 Salaries and associated costs	6	64,238					64,238
14 Cost of the Chair	3, 6	38,728					38,728
15 Property Maintenance (Manse costs)	7	9,248					9,248
16 Office expenses	8	4,522					4,522
17 Synods, Committees, Conference	9	2,852					2,852
18 Ministerial and Lay Training		6,767					6,767
19 Professional fees		0					0
20 Other Charitable Expenditure	10, 11	1,646	847	2,062			4,555
21 Connected Organisations					10,155		10,155
<b>Total Expenditure</b>		<b>131,318</b>	<b>67,924</b>	<b>4,952</b>	<b>35,999</b>	<b>0</b>	<b>240,193</b>
<b>Net income/(expenditure) before gains and losses on investments</b>							
		<b>-7,640</b>	<b>133,860</b>	<b>-788</b>	<b>23,027</b>	<b>0</b>	<b>148,459</b>
22 Net gains/(losses) on investments				5,994			5,994
<b>Net income/(expenditure)</b>		<b>-7,640</b>	<b>133,860</b>	<b>5,206</b>	<b>23,027</b>	<b>0</b>	<b>154,453</b>
23 Transfers between funds	12	18,005	-14,500	-3,605	100		0
24 Other gains/(losses)							0
<b>Net movement in funds</b>		<b>10,365</b>	<b>119,360</b>	<b>1,601</b>	<b>23,127</b>	<b>0</b>	<b>154,453</b>
<b>Total funds brought forward</b>							
		<b>611,669</b>	<b>423,513</b>	<b>210,736</b>	<b>10,420</b>		<b>1,256,338</b>
<b>Total funds carried forward</b>		<b>622,034</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>1,410,791</b>

## Balance Sheet as at 31 August 2019

Notes to the Accounts		General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (Unrestricted) £	Restricted Funds £	Endowment Funds £	Totals 2019 £	Totals 2018 £
<b>Fixed Assets</b>								
Tangible fixed assets	13	447,773					447,773	447,773
Investment properties						0	0	0
Investments						0	0	0
<b>Total fixed assets</b>		<b>447,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>447,773</b>	<b>447,773</b>
<b>Current Assets</b>								
Debtors and Prepayments	14	2,523				2,523		3,875
Loans by the District		0				0		0
Investments with TMCP	15	20,281	565,185	143,604			729,070	707,494
Central Finance Board Deposits	16	104,929		58,944	30,907		194,780	201,732
Cash at Bank and in hand	16	43,337		4,180	7,995		55,512	54,582
<b>Total current assets</b>		<b>171,070</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>981,885</b>	<b>967,683</b>
<b>Current liabilities</b>								
Creditors (due in under 1 year)	17	4,710				4,710		4,665
Grants payable in 2019-20	18					0		0
<b>Total current liabilities</b>		<b>4,710</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,710</b>	<b>4,665</b>
<b>Net current assets/liabilities</b>		<b>166,360</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>977,175</b>	<b>963,018</b>
<b>Total assets less current liabilities</b>		<b>614,133</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>1,424,948</b>	<b>1,410,791</b>
<b>Long term liabilities (due after more than one year)</b>								
Grants payable after 2017-18						0		
Loans to the District						0		
<b>Net assets</b>	<b>22</b>	<b>614,133</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>1,424,948</b>	<b>1,410,791</b>
<b>Funds of the District</b>								
General Fund (Unrestricted)	19.1	614,133					614,133	622,034
District Advance Fund (Unrestricted)	18		565,185				565,185	542,873
Designated Funds (Unrestricted)	19.2			206,728			206,728	212,337
<b>Total Unrestricted Funds</b>							<b>1,386,046</b>	<b>1,377,244</b>
Restricted Funds	20				38,902		38,902	33,647
Endowment Funds						0	0	0
<b>Total Funds</b>		<b>614,133</b>	<b>565,185</b>	<b>206,728</b>	<b>38,902</b>	<b>0</b>	<b>1,424,948</b>	<b>1,410,791</b>

Signed

Andrew Whitley  
District Treasurer



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### 1 Accounting framework and accounting policies

#### i Accounting framework

The financial statements have been prepared under the Charities Act 2011 in accordance with the 2014 version of *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP)* applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective from 1 January 2015 – the Charities SORP (FRS102 as amended by Update Bulletin 1) – in replacement for the SORP's 2005 version specified in its related 2008 Regulations and in accordance with the 'true and fair override' provision contained therein.

#### ii Public benefit entity

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

#### iii Basis

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

#### iv Content

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



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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### v Going concern

Based on the monetary assets and human resources available at 31 August 2019, the Trustees believe that the District is a going concern.

### vi Consolidation

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

### vii Income recognition

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

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

The District acts as agent in three matters:

1. the collection of quarterly assessments from circuits which are paid to the Methodist Church Fund
2. the payment of expenses of representatives from the District to the Methodist Conference
3. the collection taken at the spring synod on behalf of the Methodist Ministers' Children's Relief Fund

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

In accordance with the Charities SORP (FRS102), the time of volunteers is not recognised.

# **THE METHODIST CHURCH - LANCASHIRE DISTRICT**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **viii Expenditure**

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

### **ix Grants**

Grants are recognised annually only as and when any performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant. Such commitments are noted as contingent liabilities and included within the District Advance Fund in these accounts.

### **x VAT**

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **xi Tangible fixed assets**

These are capitalised if they can be used for more than one year, and individually cost at least £1,000. The freehold property is shown in the accounts at 2015 deemed values, of which the land component is deemed to be £111,943. No depreciation is provided on the building because the trustees consider the current residual fair value of the manse buildings to be not less than their current value. Any depreciation would not be material. The property has been reviewed for impairment.

### **xii Investments**

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

### **xiii Debtors and creditors; bank and cash**

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### xiv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts. The sums received and paid in 2018/19 are shown in note 23 below.

### xv Transition to FRS 102

Other than some reclassification of expenditure between categories and the inclusion of the District Chair's remuneration and associated costs, no re-statement of items has been required in making the transition to FRS102.

### xvi Ministers' manse costs

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

## 2 Assessment on Circuits

All Circuits (see list given below in this note) paid their assessments to the District and to the MCF during the year. An assessment on Circuits is annually determined by District with reference to the number of ministerial and lay staff in the Circuits.

The District is made up of the following Circuits:

Circuit No	Circuit Name
21/01	Burnley & Pendle Circuit
21/02	West Pennine Moors Circuit
21/03	Great Harwood Circuit
21/08	Banks and Hesketh Banks Circuit
21/09	Clitheroe Circuit
21/10	Chorley and Leyland Circuit
21/11	Preston Ribble Circuit
21/12	Blackpool Circuit
21/14	South Fylde Circuit
21/15	North Fylde Circuit
21/16	North Lancashire Circuit

### Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £450,469 (2017-18: £456,700) all of which were collected before the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at no cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 3 Cost of Chair and trustees

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

	2018-19	2017-18
	£	£
Stipend to Chair	30,116	29,445
Employer's National Insurance Contribution	2,994	2,947
Employer's pension contribution to the defined benefit scheme	6,446	6,336
Cash cost paid by the Connexion (see, SOFA, line 7)	39,556	38,728
Chair's expenses	4,588	4,227
<b>Total cost</b>	<b>44,144</b>	<b>42,955</b>

Since the stipend-related costs above (i.e. £39,556; (2017-18 £38,728) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 6). It should be noted that the chair is required to occupy the District manse. The manse is provided by the Lancashire District and the District maintains the property. The Chair of District is the sole paid key management person and is supported by members of the DPC.

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

### Payment to Trustees

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

The only Trustee who is an employee of the District is the District Safeguarding Officer.

### 4 Other income

The District does not undertake fundraising. Other income is as follows:-	2018-19	2017-18
(i) Income transferred from the North West Training Forum		£ 32,395
(ii) Funds received via a "Near Neighbours Grant"		£ 4,100
(iii) Grant funding from 2015/16 not required to be paid back		£ 1,008
(iv) Circuit recharges re Lay-workers	£ 22,631	
(v) Miscellaneous income	£ 10	£ 500



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 5 Grants, donations and related Support costs

Grants and donations totalling £181,868 were made during the year (2017-18: £113,628) as shown in the table below.

	2018-19	2017-18
	£	£
<b>Unrestricted:</b>		
- From General Fund	3,317	3,317
- From DAF		
to Circuits / Churches - Mission / Ministry	60,500	57,077
to Circuits / Churches - Property	45,500	5,000
to Circuits / Churches - General	5,000	5,000
to District Services - Mission / Ministry	30,000	2,500
to District Services - General	7,500	12,000
- From Designated Funds (unrestricted)	3,548	2,890
<b>Sub total</b>	<b>155,363</b>	<b>87,784</b>
<b>Restricted:</b>		
- From N.W.Training Forum to Circuits / Churches	26,505	25,844
<b>Sub total</b>	<b>26,505</b>	<b>25,844</b>
<b>Total</b>	<b>181,868</b>	<b>113,628</b>

It should be noted that in the SOFA, grants from the DAF to District Services are treated as "Transfers between Funds"

### Expenditure on charitable activities through the District Advance Fund

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

Given to	Amount in £		Analysis of amounts given by type of work	Amount in £
Churches	46,900		Projects	50,500
Circuits	59,100		Mission / Ministry	60,500
District	42,500		General	17,500
Institutions	148,500			
Individuals	-			-
<b>Total</b>	<b>148,500</b>			<b>148,500</b>

The Grants Committee is aware that grant applications must demonstrate public benefit. As already stated, grants from the DAF to District Services are treated as "Transfers between Funds" in the SOFA

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 6 Salaries and associated costs

Gross salaries paid to five part time (2017-18 = one FT+ two PT) employees were as follows:

	2018-19 £	2017-18 £
Gross pay	61,195	46,594
Employer's National Insurance contribution	2,596	3,045
Employer's pension contribution to defined contribution scheme	3,529	6,337
<b>Total cost for three staff members</b>	<b>67,320</b>	<b>55,976</b>
Cost of Chair (see Note 3)	39,556	38,728
<b>Total staff costs</b>	<b>106,876</b>	<b>94,704</b>
Total weekly contractual hours of five Staff members	100	80

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

One part time employee was engaged exclusively in safeguarding matters, and the other provided secretarial / office management assistance in the District Office. Two part-time employees worked in South Fylde Circuit. It should be noted that line 13 of the SOFA (Salaries and associated costs) includes travel, telephone and other expenses paid to staff which are not included in the above table.

### Pensions

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

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 7 Property costs

	2018-19 £	2017-18 £
Chair's manse / District Office	5,458	6,964
Other manses	2,048	2,283
<b>Total Property Costs</b>	<b>7,506</b>	<b>9,247</b>

### 8 Office expenses (General fund)

	2018-19 £	2017-18 £
Printing, postage and stationery	2,276	1,170
Telephone / Internet	1,401	1,309
IT /computer equipmt	578	1,127
IT sundries/ website	533	-
Payroll administration	480	480
Other	278	436
<b>Total charged to General Fund</b>	<b>5,546</b>	<b>4,522</b>

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

### 9 Synods, Committes, Conference

	2018-19 £	2017-18 £
Synods	-	-
Conference	-	-
Committees	1,014	1,161
Chair's travel / expenses	1,835	1,691
Other	-	-
<b>Total staff costs</b>	<b>2,849</b>	<b>2,852</b>

### 10 Other outgoings

	2018-19 £	2017-18 £
Godly Play Bus project, part Connexional Funded	30,205	-
School Visits	410	753
Independent Exam.	630	660
Sundry outgoings	1,959	1,979
	<b>33,204</b>	<b>3,392</b>
TMCP administration charge	1,415	1,163
<b>Total other costs</b>	<b>34,619</b>	<b>4,555</b>

The Godly Play Bus Project 2018/19 funding was spent on purchasing, upgrading and fitting the bus appropriately, staff training and other preparations for the service to start early in 2019/20.

None of the individual "sundry outgoings" listed above is considered material and none is listed separately.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 11 Investment management

During the year the District paid £1,415 to TMCP, the custodians of the District's investments, including £1,086 from the District Advance Fund. (£ 1,163, including £847 from the District Advance Fund in 2017/18). The sum of £1,415 was levied at 0.2% on the value of the funds at the end of the year 2017/18 and is included in line 20 of the SOFA "Other Charitable Expenditure", as follows:-

General Fund	40	40 for 2017/18
DAF	1,086	847 for 2017/18
Designated Funds (unrestricted)	<u>289</u>	<u>276</u> for 2017/18
	<u>1,415</u>	<u>1,163</u> for 2017/18

### 12 Transfer between funds

During the year, £37,500 (£14,500 in 2017-18) was awarded in grants to District services, as follow

To support the funding of the Lancaster University Chaplain	£10,000
To support the funding of the District Safeguarding Officer	£5,000
To support District-wide Training	£2,500
To support Godly Play Bus project	£10,000
To develop Schools Support Fund	£10,000
	<u>£37,500</u>

In addition, a sum of £3,546 (£3,605 in 2017-18) from interest on investments was transferred from unrestricted designated funds to the unrestricted General Fund to supplement funding for the day- to-day activities of the District.

### 13 Manse and other property

District Chair's Manse, No. 523 Blackpool Road, Ashton, Preston.

	Land	Buildings	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
Balance brought forward at 1 Sep.18, at deemed values	111,943	335,830			447,773
Additions In the year					
Revaluations in the year					
Less: Disposals in the year					
Transfers between categories					
<b>Balance carried forward at 31 August 2019</b>	<b>111,943</b>	<b>335,830</b>			<b>447,773</b>

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 14 Debtors and prepayments

Debtors were made up as follows:

	2018-19 £	2017-18 £
Trade debtors		
Prepayments and accrued income		
Stipends paid in advance	1,358	2,737
Other debtors		
Methodist Insurance premium paid in advance	1,165	1,138
<b>Total (net)</b>	<b>2,523</b>	<b>3,875</b>

### 15 Trustees for Methodist Church Purposes

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

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



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 16 Central Finance Board (CFB) and cash at bank

The District has three current accounts which are held at Natwest Bank PLC (two accounts) and at TSB plc (one account), both authorised institutions. The sums held on those accounts are immediately available. In addition, the District has six deposit accounts at CFB, a common deposit fund. Interest is earned on these accounts and credited monthly; the sums deposited can be withdrawn without notice and without loss of interest. These sums are viewed as being liquid.

In 2016/17, only four bank accounts were held at CFB, but with two new Funds being placed under the management of the District, it was appropriate to open a new CFB Deposit account for each, the District Schools' Support Fund and the North West Training Forum Fund.

### 17 Creditors and accrued expenses

	2018-19 £	2017-18 £
<b>Creditors:</b>		
District Assessment paid in advance		
Independent examinations	630	630
Donated funds to be distributed	-	
Funds held for Lancs Theological Society	750	750
Other creditors	2,830	2,785
<b>Total creditors</b>	<b>4,210</b>	<b>4,165</b>
<b>Accruals:</b>		
Ground rent re Lancaster Manse	500	500
<b>Total accruals</b>	<b>500</b>	<b>500</b>
<b>Total of creditors and accrued expenses</b>	<b>4,710</b>	<b>4,665</b>

It is expected that all sums accrued at 31 Aug 2019 will be paid during the year to 31 Aug 2020, with the possible exception of the sum of £750 payable to the Lancashire Theological Society.

### 18 Grant commitments and the District Advance Fund

Grants are recognised annually only as and when any performance conditions attaching to the award are met, even when the award is for a recurrent grant over more than one year. All grants awarded for payment in future financial years are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant. Such commitments are noted as contingent liabilities and included within the District Advance Fund in these accounts, as follows:-

	£
Planned to be paid 2019/20	187,800
Planned to be paid 2020/21	118,609
Planned to be paid 2021/22	89,027
Planned to be paid 2022/23	33,755
<b>Total commitment</b>	<b>429,191</b>

This sum is comfortably within the balance of £565,185 held in the DAF at 31st August 2019 and further sums are expected to be credited to the DAF from CMTF Levies and CPF distribution in each of these years.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 19 Unrestricted Funds

##### 19.1 General Fund

Balance of £614,133 at 31st August 2019 (£ 622,034 at 31st August 2018)

As the District's MCF and General Expenses Fund work together to collect Assessments from Circuits and fund the District's main activities, they combine to be classified as the District's General Fund. Their net movement in funds for 2018 /19 of -£ 7,901 is attributable to a deficit on the District's mainstream business. The purpose of the General Fund is to use at the discretion of the Trustees in the furtherance of the general objectives of the District. 73% of the value of the General Fund is now held as the property which is the District Chair's manse.

##### 19.2 Other Designated Funds

Balance of £206,728 at 31st August 2019 (£212,337 at 31st August 2018)

The funds are to serve specific purposes but are not restricted by any document or deed to that purpose alone. These funds comprise:

**District Youth Fund - balance £47,732 at 31st August 2019 (£50,941 at 31st August 2018)** is used to fund projects which encourage and develop work with young people across the District, including a contribution to young people's events.

**Chaplaincy Fund - balance £18,102 at 31st August 2019 (£17,427 at 31st August 2018)** will be used in the near future to help fund the Lancaster University Chaplain post following the cessation of grant funding.

**Benevolence Fund - balance £140,894 at 31st August 2019 (£143,969 at 31st August 2018)** The Fund is available for use across a range of cases of hardship, including ministers, lay-staff, lay-people and anyone in the community suffering hardship. It can also be used to support the consequences of national or global disasters. The sum in reserve is well in excess of the sums normally required and the District Team is reviewing the Fund and how it could be used. In particular, there is a need to work with TMCP to find a way to release the constraints on the use of this Fund.

#### 20 Restricted Funds

The Restricted Funds are the newly established Schools' Support Fund (£10,406 at 31st August 2019), the Fund for the NW Training Forum which is being used to fund the Children and Youth Worker Enablers' training project across the North West region (£20,501 at 31st August 2019) and a "Connected Organisation" which is the "Lancashire District World Church Fund". This Fund is managed by a Committee reporting to the District Policy Committee, but its accounts are separately maintained and audited, before being brought into the District accounts.

The balance on the Fund was £7,995 at 31st August 2019 (£6,463 at 31st August 2018).

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

### 21 Summary of movements on significant individual funds

Fund	Balance at 31.Aug.18	Income £	Expenditure £	Balance at 31.Aug.19 £
General Fund	622,034	135,388	174,335	
Transfers		31,046		614,133
Dist. Advance Fund	542,873	171,898	112,086	
Transfers			37,500	665,186
Designated Funds	212,337	4,249	5,445	
Transfers			3,546	
Revaluation		-867		206,728
Restricted Funds	33,547	36,544	41,189	
Transfers		10,000		38,902

District Total	1,410,791	388,258	374,101	1,424,948
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1,424,948

### 22 Analysis of net assets among funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted - general and designated funds £	Restricted £	Total funds £
Tangible fixed assets	447,773		447,773
Fixed asset investments			-
Current assets	942,983	38,902	981,885
Current liabilities	-	4,710	4,710
Payables due after one year			-
Total	1,386,046	38,902	1,424,948

### 23 Connected organisations and related parties

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

Connected organisations include the Methodist Connexion, Circuits and Churches within the District, other Methodist Districts in Great Britain, the CFB and TMCP. All of these entities have their own trustees or directors and autonomous administration such that Lancashire District has no significant influence over any of them, nor they over the Lancashire Methodist District. They are, therefore, not considered related parties.

Name of Connected Organisations	Receipts £	Payments £	Adjustments £
Donee: Methodist Church Fund		450,469	
Donee: Churches within the Lancashire District (grants)		46,900	
Donor / Donee: Circuits within the Lancashire District (levies / grants)	58,206	59,100	
Donor / Donee: Connexional Priority Fund (Levy on sale)	108,523		
Donor: Circuits within the Lancashire District (Assessments from Circuits)	502,136		
Total	668,865	556,469	-

There were no related party transactions.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2019**

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### **24 Volunteer contributions**

Every entity (Connexion, District, Circuit, Church) within the Methodist Church in Great Britain is heavily reliant on volunteers who contribute their skills, time and money in the furtherance of the work of the Church. Principally this contribution is by serving on committees of the District that deal with mission, manees, finance, policy, grants, training, development. We are grateful to all of them for their help and commitment. No attempt has been made by this District to value these non-monetary contributions to the District in monetary terms.

### **25 Capital commitments and contingent liabilities**

There were no capital commitments at 31st August 2019.

The District has a contingent liability at 31st August 2019 of £429,191, in respect of grants awarded for payment in future financial years which are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant.

### **26 Independent Examiner**

An accrual has been made for the fee of the independent examiner in the sum of £630 for the year to 31st August 2019 (2017-18: £630). The independent examiner provided no additional services during the year.