

DARLINGTON METHODIST CIRCUIT
(Charity Registration No: 1132005)

TRUSTEES ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDING
31 AUGUST 2019

DARLINGTON METHODIST CIRCUIT
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FOR THE YEAR ENDED 31 AUGUST 2019

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DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2019

Address: Circuit Office, Elm Ridge Methodist Church, Carmel Road South,
Darlington DL3 8DJ

Examiner: Stephen Watson Gardner F.C.A. of King Hope, Chartered Accountants,
31 Victoria Road, Darlington DL1 5SB

Managing Trustees in the year ended 31 August 2019:-

Chair: Revd Beverly Hollings Superintendent Minister

Secretary: Mrs Valerie Tooth

Circuit Staff: Revd Solomon Joseph (from 1 September 2018) Presbyter
Rev Bill Mullally Presbyter

Resident in Circuit: *Revd Catherine Minor Hospital Chaplain

Circuit Stewards: Simon Charters
Margaret Garrett
Susan Jaleel
Hazel Neasham

Lay Employees: Morvyn Sanderson Children's and Young People's Worker
*Lindy Lowis Admin/Communications
Lyn Cookson (Trustee from 8 May 2019) Pastoral Missioner
& Safeguarding Officer
Chris Russell Pastoral Missioner
*Andrew Cuthbertson (to 31 August 2019) Property & Finance
*Graham Jones (to 31 August 2019) Pioneer Missioner

Church Representatives: Alison Banner Barton
*Marjorie Brentley (to 5 December 2018) Barton
*Joan Marwood Barton
Norma Krishnan Bondgate
*Janet Bryer Bondgate
Glenys Drummond Bondgate
Brian Cooper Cockerton
Robert Dean Cockerton
David Fairer Cockerton
Alison Hunter Cockerton
Liz McAllister (to 8 May 2019) Cockerton

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CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2019

Church Representatives (Continued):	Irene Taylor Ali Dinsdale Mary Everitt Angela Gibson David Hall Richard McElheran Stephen Sutcliffe Brian White Elaine Armer Sue Case Margaret Cuthbert Helen Hamilton Vanessa Simpson Barbara Carter Ann Thubron Valerie Tooth Catherine Warden Jane Miller Hazel Neasham Andy Robinson Graham Bright Brian Russell Chris Russell	Cockerton Elm Ridge Elm Ridge (to 31 August 2019) Elm Ridge Elm Ridge Elm Ridge Elm Ridge (to 31 August 2019) Elm Ridge (to 31 May 2019) Harrowgate Hill (from 1 June 2019) Harrowgate Hill Harrowgate Hill (to 8 May 2019) Harrowgate Hill Harrowgate Hill Haughton Haughton (to 31 August 2019) Haughton Haughton Hurworth Hurworth Hurworth Pierremont Pierremont Pierremont
Other:	Revd John Bower Revd Alan Powers Revd Selby White Margaret Wearmouth Josanne Hall David Hogg Karen Riley Brian Simpson Helen Hamilton Susan Jaleel Liz McAllister Catherine Warden	Supernumerary Minister (to 29 January 2019) Supernumerary Minister Supernumerary Minister Methodist Women in Britain Methodist Homes for the Aged Circuit Archivist Action for Children Secretary for Worship & Local Preachers (LWLP) LWLP Representative LWLP Representative Circuit Complaints Officer (from 26 September 2018) GDPR Officer

**denotes a member of the Circuit Meeting who is not a trustee*

There are no Trustees holding title to any of the Circuit's property.

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TRUSTEES ANNUAL REPORT

YEAR ENDED 31 AUGUST 2019

Introduction

Welcome to the Trustees Annual Report of Darlington Methodist Circuit for the year ended 31 August 2019. Whilst primarily a financial report we hope to also provide insight into our aims and mission.

Public Benefit

The Darlington Methodist Circuit provides a seven-day week Christian ministry across Darlington and the surrounding area, through its network of staff, volunteers, members and premises. Its activities are open to the whole community. More details are provided under the paragraphs "Interconnexion for Mission, Mutual Encouragement and Help" and "Life of the Circuit".

The trustees have had due regard to the Charities Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant.

Mission Statement

The Circuit Meeting's Statement of Purpose is: The Darlington Methodist Circuit exists to challenge and equip every Methodist community in the circuit to grow together in identity (who God calls us to be) and in mission (what God calls us to do). The Circuit's Mission is to be "Disciples Making Disciples" and has adopted a Mission Prayer summarising our aspirations:-

Our Father, heaven and earth are in your hands.
As we pray, may you embrace us,
as we praise, may we embrace you,
as we give, may you embrace our world,
as we go, may our world embrace you.
Because of Jesus, we are in your hands.
Break through into our lives
with the power of your Holy Spirit.
Make us into disciples who make disciples,
hungry for your kingdom to come here and now. Amen.

Aims

The purposes of the Methodist Church are the advancement of:-

- a. the Christian faith in accordance with the doctrinal standards and the 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;

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TRUSTEES ANNUAL REPORT

YEAR ENDED 31 AUGUST 2019

Aims (Continued)

- d. any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

The Darlington Methodist Circuit aims:

1. To provide varied, relevant and inclusive worship across the Circuit Churches and at monthly Together at Bondgate events.
2. To provide training to nurture faith in Christ, as well as to develop local preachers and leaders of worship, and to equip staff and volunteers with best practice, including pastoral care and safeguarding.
3. To increase awareness of and support voluntary charitable work in Darlington and around the UK and beyond.
4. To participate in ecumenical relationships, including Darlington Churches Together partnerships.
5. To continue to give active support to the wider Methodist District and Connexion.
6. To promote the exploration of sustainable futures for all the Churches in the Circuit

Organisation

The Darlington Methodist Circuit acts as an umbrella or resource body. The Circuit is the primary unit in which Local Churches express and experience their interconnexion in the Body of Christ, for purposes of mission, mutual encouragement and help.

It is in the Circuit that ministers are stationed and local preachers are trained and admitted and exercise their calling. The purposes of the Circuit include the effective deployment of the resources of ministry, which include people, property and finance, as they relate to the Methodist churches in the Circuit, to churches of other denominations and to participation in the life of the communities served by the Circuit, including local schools and colleges and in ecumenical work in the area.

In September 2017, the Superintendent had received a request from the Superintendent of the Barnard Castle and Teesdale Circuit about the possibility of opening a conversation about the two Circuits joining together. The Circuit agreed to discuss this possibility and a Joint Circuit Leadership Team was established. After much consideration in June 2019 both Circuits voted on the matter and the result was unanimous agreement to form a new Circuit by 2021. The Methodist Church's Constitutional Practice and Discipline (CPD) for the formal process for Circuit changes has been triggered.

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Interconnexion for Mission, Mutual Encouragement and Help

In recent years, the Circuit has intentionally worked towards a stronger identity, encouraging church communities to be more circuit-minded, to support each other and to work better together. This continues with the monthly Together at Bondgate services, on the first Sunday morning of each month.

This year the Circuit Pastoral Missioners have continued to work across the Circuit through visits to church members, training and support of pastoral visitors and by building on links with care and residential homes across the town. Relationships continue to blossom with the elderly persons and their extended family and friends. All this is conducted whilst having consideration for the best Safeguarding practice. The Methodist course "Creating Safer Space" has been offered a number of times during the year. They have also hosted a week of "Holiday at Home" activities at the end of the summer holidays and activities at Christmas and Easter which have provided opportunities for those that live alone or in a residential setting to have fun and fellowship.

Funding for the Circuit Pioneer Missioner ended on 31 August 2019.

Hospitality projects across the Circuit continue to make effective links with local communities. The Mustard Tree café at Hurworth Methodist Church continues to flourish, including working with vulnerable young adults, offering vocational opportunities and providing resources for mental wellbeing to the local community. The community café at Haughton (Coffee@Haughton), run by volunteers, continues to operate on two mornings mid-week providing a welcome space for social interaction and is regularly visited by a class of children who are pupils at the nearby special school. A Craft and Chat group has grown out of the café's customer base and meets at the chapel. Haughton also provides a soup lunch during the winter months. Bondgate Coffee Station, run by volunteers, has operated on a Monday, Tuesday and Wednesday morning 10 am to 12 noon, providing hospitality with tea and coffee with fresh scones and tea loaf. The Circuit continues to support the MAX group at Bondgate, which offers a space for those with learning difficulties.

Pierremont Methodist Church have made the brave decision to seek permission to cease to worship and start a Church Plant at Northland at the beginning of November 2019. They will be known as The Well. Throughout the year Northland Community Resource Centre has continued to operate with a team of enthusiastic volunteers and the paid host. The students have placements in the garden, the charity shop and the café.

The Children and Young People's Workers continue to work in both primary and secondary schools and run a Holiday Club and Make Lunch dinners from Northland. During the summer holidays over 100 children attended holiday club week which culminated in a BBQ for the children, parents, carers and volunteers. Each school holiday with financial support from Transforming Lives for Good (TLG) charity and more recently a grant from Asda, Make Lunch feeds local children and provides social contact and support for parents and carers.

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Regular worship continues to be offered in Barton, Bondgate, Cockerton, Elm Ridge, Haughton, Harrowgate Hill, Hurworth and Pierremont. Sunday worship is supplemented by various fellowship and study groups and a number of churches host uniformed organisations.

Partnering with a local ecumenical youth work charity, Darlington Area Churches' Youth Ministry, the Circuit continues to deliver the monthly Sunday evening café church for teenagers and young adults at Hurworth extended to a weekly provision at Haughton. Two further young people from ONE Opportunity North East have worked with Sweaty Church and developed the youth media offer.

People

The ministerial team is Revd Beverly Hollings, titular Superintendent with shared responsibility for the adjoining Barnard Castle and Teesdale Circuit, Revd Bill Mullally and Revd Solomon Joseph. They are supported by a team of Circuit Stewards and Lay Staff consisting of a full-time and two part-time Children's and Youth Workers, two part-time Pastoral Missioners, a part-time Circuit Communications Officer and a part-time Finance and Property Officer.

Treasurer Responsibilities: These duties have been undertaken by the Circuit Treasurer, Simon Charters and the Circuit Finance and Property Officer.

Local Preachers: The Local Preachers have met regularly with the Local Preachers from Barnard Castle and Teesdale Circuit and shared an away day.

Safeguarding

A Safeguarding Children and Vulnerable Adults Policy is in place. Safeguarding training (in accordance with Methodist Connectional Policy) has been provided for those who had not completed the training or who were new to roles in the church. This continues to be an active area for work.

Property

Churches: There are eight active churches in the Darlington Circuit. Northland Community Resource Centre continues to be managed by the Circuit Meeting and steps to explore options for a sustainable future for the use of this building in its local community are being investigated. North Cowton Church closed in December 2015 and the building was sold in February 2020.

While the responsibility for the maintenance of the properties lies with trustees of each church, the Circuit is responsible for arranging quinquennial inspections. Satisfactory independent inspections were undertaken where required during the year with individual reports presented to the Property Steward of each church.

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Manses: The Circuit owns three manses. One was occupied by Revd Solomon Joseph, a second is occupied by the Revd Bill Mullally, a third is occupied by a private tenant. Ongoing repairs continue within the approved budget. Satisfactory independent inspections were undertaken where required. All manses are in good condition. Manses have all been inspected to ensure full accessibility.

In February 2018, the Circuit agreed to be one of two circuits nationally in participating in a pilot study looking at the viability of making other uses of church buildings, particularly where a church has closed or, perhaps, the building was too big for the congregation's needs. The intention is that churches should think imaginatively about the use of buildings or surplus space, taking account of mission needs, other Christian presence in the area, local strategic plans (e.g., health, education) and ecumenical partnerships. Work continues on this study.

General Data Protection Regulation (GDPR)

The Circuit and churches actively work towards compliance with GDPR. During the course of the year, the Circuit held meetings with church representatives and appointed a lay GDPR lead.

Life of the Circuit

Circuit Vision: We continue to develop our understanding of the circumstances of our local churches, with a particular concern due to financial and numerical decline. The Circuit Leadership has endeavoured to encourage the Circuit to fresh thinking about reaching out beyond the walls of the church to the local community, with a focus on inclusion.

Youth Work: Messy Church continues to happen regularly in several churches, along with interdenominational work involving schools, uniformed and youth activities. The Circuit provides governors and chaplaincy for the Methodist Primary School at Melsonby. The Drop In at Bondgate Church for young people from the Queen Elizabeth Sixth Form College continues. A summer holiday club has been supplemented by the Make Lunch project, which provides a hot meal for children and their families who might otherwise experience holiday hunger. Uniformed Organisations are an important part of the ministry at Bondgate, Cockerton, Elm Ridge, Harrowgate Hill and at Hurworth. The Circuit continues to support the work of Darlington Area Churches' Youth Ministry, including by a grant of £3,480.

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Governance

The Circuit is primarily governed by the rules and guidance of The Constitutional Practice and Discipin of the Methodist Church ("CPD") which is updated and approved annually by the Conference of the Methodist Church.

This document is available on the Methodist Church website: www.methodist.org.uk

New trustees are appointed primarily by the Circuit churches, in accordance with CPD. The number of trustees appointed by each church is commensurate with the size of the membership of the church. Guidance documents for new trustees are provided online at the Methodist Church website.

Appointments to lay posts within the Circuit are by proposal, seconder and vote within the Circuit Meeting, again in accordance with CPD.

Where a post is considered essential for the purpose of the Circuit, but no lay person is available, the Circuit has authority to employ a member of staff to carry out that post. The Circuit follows Methodist Church policy of providing at least the Living Wage. Actual salaries are determined in conjunction with the Methodist District, taking into account the tasks of the role.

All decisions of the Circuit, including employment of lay workers, are made at a Circuit Meeting, where all Trustees may vote. Circuit Meetings occur at least four times each year, more may be called if required. All activities of the Circuit Meeting are also governed by CPD.

Financial Review

The annual accounts for the year 2018/19 are attached to this report.

At the close of the period, the Circuit held net current assets of £405,000 (2018: £516,000). All of these funds are unrestricted. However, of this amount, the figure of £150,000 is regarded as required to satisfy our Reserves Policy (see note below), £30,000 has been committed in 2016/17 but as yet unspent to support of our churches (Pierremont) develop building infrastructure for their local vision. This leaves a total of £225,000 for further use to support our purpose.

All of the funds held at the Central Finance Board ("CFB") are available for the purposes of the Circuit, however if any were to be requested for specific developments, for example, major property expenditure, these would be subject to a project review by the Methodist Church.

All of the Fixed Asset values are held in manses and may only be realised on sale.

The principal source of funds is through assessments levied on Circuit churches. This supports the costs of Presbyters and lay workers, who lead worship, provide pastoral and safeguarding services, and seek to extend God's Kingdom through mission. These funds also support an assessment paid to the Darlington Methodist District.

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Financial Review (Continued)

The Circuit has run a deficit of Income less Expenditure during the year, as a deliberate act, with budget approved by the Trustees, to pursue the purposes of the Circuit. The Circuit believes that any surplus funds, subject to its Risk and Reserves Policies, should be put to good use.

Whilst this cannot continue indefinitely, the Circuit continues to plan and budget its activities within the reasonable constraints of its balance sheet and Policies. This is reviewed annually as the budget is formed and agreed by the Trustees.

No professional advice was sought on any financial matters during the year.

Risk

The Circuit Meeting, acting as Trustees, have considered the key areas of risk to which the Circuit is subject and as part of our comprehensive insurance policy with Methodist Insurance, insurance is in place and is considered adequate to cover the range of known risks, including the manse portfolio, employers' liability, public liability and trustee indemnity.

Aside from the financial risks above, the key risk to the Circuit meeting its purpose lies in the provision of Presbyters and governance by the Methodist Church. Absence of such would severely hamper the work of the Circuit.

Reserves Policy

The Circuit Reserves Policy, agreed by the Trustees, seeks to ensure a minimum reserve equal to six months' operating costs. At August 2019 this is equivalent to £150,000.

The Circuit has adequate reserve funds to cover the planned deficit and a Reserves Policy has been brought to the Circuit Meeting.

Investment Policy

The Circuit Investment Policy requires that funds held in excess of day-to-day needs are invested in the funds of the Central Finance Board of the Methodist Church via the Trustees for Methodist Church Purposes.

This requirement has been met throughout the year.

ON BEHALF OF THE TRUSTEES



Rev John Howard
Trustee

Date: 24/6/2020

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STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	General Fund (Unrest- ricted) £	Circuit Model Trust (Unrest- ricted) £	Revaluation Reserve (Unrest- ricted) £	Total 2018-19 £	Total 2017-18 £
Income						
1	Donations and legacies	S1 6,280	-	-	6,280	6,318
2	Income from monetary investments	S2 784	2,914	-	3,698	3,093
3	Income from properties	S3 9,580	-	-	9,580	9,810
4	Assessments on Churches	S4 189,569	-	-	189,569	189,643
5	Capital receipts	-	-	-	-	-
6	Grants received	S5 5,000	-	-	5,000	10,133
7	Other charitable income	S6 96	-	-	96	-
8	Total income	211,309	2,914	-	214,223	218,997
Expenditure						
9	Grants and donations	S7 3,492	-	-	3,492	27,750
10	Salaries and associated costs	S8 183,624	-	-	183,624	186,475
11	Property expenses	S9 39,881	-	-	39,881	56,333
12	Connexional model trust levy	S10 -	19,861	-	19,861	95,773
13	District assessment and levy	S11 46,520	-	-	46,520	49,120
14	Costs of activities	S12 14,740	-	-	14,740	26,548
15	Costs of administration	S13 15,409	-	-	15,409	8,260
16	Other outgoings	S14 953	811	-	1,764	4,809
17	Total charitable expenditure	304,619	20,672	-	325,291	455,068
18	Gains/(losses) on monetary investments	-	-	-	-	-
19	Gains/(losses) on investment properties	-	-	-	-	-
20	Net income/(expenditure)	(93,310)	(17,758)	-	(111,068)	(236,071)
21	Transfers between funds	88,568	(88,568)	-	-	-
22	Other gains/(losses)	-	-	-	-	-
23	Net movement in funds	(4,742)	(106,326)	-	(111,068)	(236,071)
24	Total funds brought forward	508,514	405,246	417,063	1,330,823	1,566,894
25	Total funds carried forward	503,772	298,920	417,063	1,219,755	1,330,823

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STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	General Fund (Unrest- ricted) £	Circuit Model Trust (Unrest- ricted) £	Revaluation Reserve (Unrest- ricted) £	Total 2017-18 £
Income					
1	Donations and legacies	S1 6,318	-	-	6,318
2	Income from monetary investments	S2 548	2,545	-	3,093
3	Income from properties	S3 9,810	-	-	9,810
4	Assessments on Churches	S4 189,643	-	-	189,643
5	Capital receipts	-	-	-	-
6	Grants received	S5 10,133	-	-	10,133
7	Other charitable income	S6 -	-	-	-
8	Total income	216,452	2,545	-	218,997
Expenditure					
9	Grants and donations	S7 27,750	-	-	27,750
10	Salaries and associated costs	S8 186,475	-	-	186,475
11	Property expenses	S9 56,333	-	-	56,333
12	Connexional model trust levy	S10 -	95,773	-	95,773
13	District assessment and levy	S11 49,120	-	-	49,120
14	Costs of activities	S12 26,548	-	-	26,548
15	Costs of administration	S13 8,260	-	-	8,260
16	Other outgoings	S14 1,043	3,766	-	4,809
17	Total charitable expenditure	355,529	99,539	-	455,068
18	Gains/(losses) on monetary investments	-	-	-	-
19	Gains/(losses) on investment properties	-	-	-	-
20	Net income/(expenditure)	(139,077)	(96,994)	-	(236,071)
21	Transfers between funds	114,932	(114,932)	-	-
22	Other gains/(losses)	(122,067)	250,000	(127,933)	-
23	Net movement in funds	(146,212)	38,074	(127,933)	(236,071)
24	Total funds brought forward	654,726	367,172	544,996	1,566,894
25	Total funds carried forward	508,514	405,246	417,063	1,330,823


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BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2018-19 £	Total 2017-18 £
Fixed Assets					
Circuit manse and equipment	BS1/2	815,000	-	815,000	815,000
Investment properties		-	-	-	-
Investments		-	-	-	-
Total fixed assets		815,000	-	815,000	815,000
Current Assets					
Debtors	BS3	22,370	-	22,370	14,719
Loans by the Circuit		-	-	-	-
Investments with TMCP	BS4	-	298,920	298,920	405,246
Central Finance Board deposits	BS4	121,077	-	121,077	132,626
Cash at bank and in hand	BS4	14,871	-	14,871	19,406
Total current assets		158,318	298,920	457,238	571,997
Current liabilities					
Creditors (due in under 1 year)	BS5	52,483	-	52,483	56,174
Grants payable within 2019-20		-	-	-	-
Total current liabilities		52,483	-	52,483	56,174
Net current assets		105,835	298,920	404,755	515,823
Total assets less current liabilities		920,835	298,920	1,219,755	1,330,823
Long term liabilities (due after more than one year)		-	-	-	-
Grants payable after 2019-20		-	-	-	-
Loans to the circuit		-	-	-	-
Net assets		920,835	298,920	1,219,755	1,330,823
Funds of the Circuit					
General Fund (Unrestricted)		503,772	-	503,772	508,514
Circuit Model Trust Fund (Unrestricted)		-	298,920	298,920	405,246
Revaluation Reserve		417,063	-	417,063	417,063
Total unrestricted funds		920,835	298,920	1,219,755	1,330,823
Restricted Funds		-	-	-	-
Endowment Funds		-	-	-	-
Total Funds		920,835	298,920	1,219,755	1,330,823

The financial statements were approved by the Trustees on 24th June 2020
signed by:


Rev John Howard
Trustee

and were

DARLINGTON METHODIST CIRCUIT
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BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2017-18 £
Fixed Assets				
Circuit manses and equipment	BS1	815,000	-	815,000
Investment properties		-	-	-
Investments		-	-	-
Total fixed assets		815,000	-	815,000
Current Assets				
Debtors	BS3	14,719	-	14,719
Loans by the Circuit		-	-	-
Investments with TMCP	BS4	-	405,246	405,246
Central Finance Board deposits	BS4	132,626	-	132,626
Cash at bank and in hand	BS4	19,406	-	19,406
Total current assets		166,751	405,246	571,997
Current liabilities				
Creditors (due in under 1 year)	BS5	56,174	-	56,174
Grants payable within 2018-19		-	-	-
Total current liabilities		56,174	-	56,174
Net current assets		110,577	405,246	515,823
Total assets less current liabilities		925,577	405,246	1,330,823
Long term liabilities (due after more than one year)		-	-	-
Grants payable after 2018-19		-	-	-
Loans to the circuit		-	-	-
Net assets		925,577	405,246	1,330,823
Funds of the Circuit				
General Fund (Unrestricted)		508,514	-	508,514
Circuit Model Trust Fund (Unrestricted)		-	405,246	405,246
Revaluation Reserve		417,063	-	417,063
Total unrestricted funds		925,577	405,246	1,330,823
Restricted Funds		-	-	-
Endowment Funds		-	-	-
Total Funds		925,577	405,246	1,330,823

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note A1 - 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 (FRS 102) as amended by Update Bulletin 1).

ii. *Public benefit entity*

Darlington Methodist Circuit 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 freehold properties are shown at valuation, and on the accruals basis to show a true and fair view of the Circuit's financial position and activities.

iv *Content*

The accounts are expressed in £Sterling, rounded to the nearest pound.

v *Going concern*

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

vi *Consolidation*

The financial statements of the Churches within the Circuit are not consolidated in 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 Circuit. No attempt is made to measure the value of services donated by volunteers.

viii *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 valuation. No depreciation is provided on the buildings because the Trustees consider the current residual fair value of the Manse buildings (on the assumption that they had reached the end of their useful economic life by the year end) to be not less than the carrying value. The properties have been reviewed for impairment.

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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note A1 - Accounting Framework and accounting policies (Continued)

ix VAT

As the Circuit is not VAT registered all input VAT is charged with the expenditure to which it relates.

Note A2 - Payments to Trustees

No payments are made to Trustees as remuneration for their work in that capacity.

Remuneration was however, paid to Trustees as follows for employment other than their position as Trustee at the same time as being a Trustee:-

	2019	2018
	£	£
Mrs M Sanderson	24,648	24,260
Mrs L C Russell	8,106	7,136
Mrs L Cookson	5,646	-
	<hr/>	<hr/>
	38,400	31,396
	<hr/>	<hr/>

Trustees are however, reimbursed for expenditure properly incurred in carrying out their duties. The total amounts and number of Trustees were:-

	2019	2018
	£	£
Total paid	2,223	852
	<hr/>	<hr/>
Number of Trustees paid	7	8
	<hr/>	<hr/>

During the previous year, collections were taken in respect of a leaving gift for the following Trustee:

	2019	2018
	£	£
A Stobart	-	1,610
	<hr/>	<hr/>

There were no other related party transactions to disclose.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note A3 - Independent examiner

An accrual had been made for the fee of the independent examiner of £2,280 including VAT. No additional charges were made for other services.

Note S1 - Donations and legacies

This comprises all free-will giving received by the Circuit as a contribution to its work.

Note S2 - Income from monetary investments

This is interest received on accounts held at the Methodist Central Finance Board ("CFB") and Trustees for Methodist Church Purposes ("TMCP").

Note S3 - Income from properties

This includes rentals received in respect of 26 Barnes Road, Darlington and room bookings at the Northlands site.

Note S4 - Assessments on churches

Assessments levied upon the Circuit churches. Details are as follows:-

Church:	2018-19 £	2017-18 £
Barton	5,156	5,671
Bondgate	18,468	20,516
Cockerton	46,920	48,664
Elm Ridge	62,157	56,652
Harrowgate Hill	21,584	19,668
Haughton	14,012	14,712
Hurworth	10,772	13,876
Pierremont	10,500	9,884
	<hr/>	<hr/>
	189,569	189,643
	<hr/>	<hr/>

Note S5 - Grants received

This includes grants received from Darlington District in respect of support for the Pioneer Missioner.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note S6 - Other charitable income

This includes income received specifically as part of the activities of the Circuit and miscellaneous receipts.

Note S7 - Grants and donations

A donation of £3,480 was given to Darlington Area Churches Youth Ministry ("DACYM"), as approved by the Circuit Meeting (2017-18 £3,480). Other amounts in 2017/18 represent support payments to Bondgate Church to assist with property expenditure.

Note S8 - Salaries and associated costs

Payroll is administered on the Circuit's behalf by a central Methodist department.

During the year, the Circuit was served by two full-time presbyters. The Circuit is also served by a number of Lay Workers covering Pioneer, Pastoral and Youth Missionary work, plus administrative support. In August 2019, the Circuit started to pay Barnard Castle and Teesdale Methodist Circuit for the part-time employment of the Property and Finance Administrator. The increase in Lay Workers reflected this first full year of employment of Pastoral and Pioneer Missioners. The total costs consists of the following:-

	2018-19	2017-18
	£	£
Presbyters and presbyteral support	67,056	78,873
Lay Workers	115,707	106,888
Apprenticeship levy	861	714
	<hr/>	<hr/>
Total paid through Methodist Central Payroll	183,624	186,475
	<hr/>	<hr/>
Payroll costs are made up of:		
Stipends and salaries	155,243	156,275
Employers National Insurance Contributions	10,221	10,002
Employers pension contributions	16,952	19,484
Apprenticeship levy	861	714
Recharge from Barnard Castle and Teesdale Methodist Circuit	347	-
	<hr/>	<hr/>
	183,624	186,475
	<hr/>	<hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note S9 - Property expenses

Throughout the year the Circuit owned three properties, of which one 26 Barnes Road, was let on a short-term basis. During the year this let was extended. The other two properties were used as manses for the presbyters.

The Circuit continues to take responsibility for the North Road ("Northland") site and to meet the costs of the redundant North Cowton Chapel. The Circuit also agreed to support Bondgate Church with a property review during the year.

Details of the costs are given below:-

	2018-19	2017-18
	£	£
Council Tax - manses	4,010	4,162
Water Rates - manses	1,335	1,229
Insurance - manses	1,597	1,641
Utilities - empty manses	-	(300)
Manse maintenance and repairs	14,561	11,757
All costs - Northland	14,059	36,826
All costs - North Cowton	3,419	1,018
Bondgate Property Review	900	-
	<hr/>	<hr/>
	39,881	56,333
	<hr/>	<hr/>

Note S10 - Connexional Model Trust Levy

This is applied annually to balances held in TMCP funds. The 2017-18 amount included £78,767 Connexional Property Fund Levy arising from the sale of 18 Greencroft Close.

Note S11 - District Assessment Levy

This is paid annually to support the work of the Darlington Methodist District.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note S12 - Costs of activities

This represents the costs of the primary purpose of the Circuit, excluding stipend and salary costs.

	2018-19	2017-18
	£	£
Presbyters	6,124	5,546
Pioneer Missioner	943	1,326
Pastoral Missioners	2,041	2,254
Youth Work	3,774	8,421
Preaching and worship	1,858	3,423
Giving garden	-	5,578
	<hr/>	<hr/>
	14,740	26,548
	<hr/>	<hr/>

Note S13 - Costs of administration

This represents the costs of administering the circuit, excluding salary costs:-

	2018-19	2017-18
	£	£
Telephone and internet	523	448
Travel	69	68
Postage and stationery	1,302	2,285
Circuit Office costs including rent		-
Circuit communications, website and email administration	10,510	2,443
Accounting services	-	-
Independent examiner's fee	2,280	2,220
Other costs	725	796
	<hr/>	<hr/>
	15,409	8,260
	<hr/>	<hr/>

During the year the circuit took the decision to write off the remaining value of the Church Desk IT system purchased in 2017/18 due to the lack of use. The figure of £10,510 above includes £9,606 being the charge for the year and impairment of the remaining value of the system.

DARLINGTON METHODIST CIRCUIT
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note S14 - Other outgoings

These include £3,032 costs in the previous year in respect of the sale of 18 Greencroft Close.

Note BS1 - Fixed Assets - 2019

The Circuit managed three manses throughout the year: 26 Barnes Road, 20 Peterhouse Close, all in Darlington and 9 Mowbray Drive, Hurworth. 26 Barnes Road was let during the year, but is not considered an investment property as the letting is considered temporary.

A full revaluation of the properties was conducted in 2016-17 enabling the individual values of the manses to be accounted for separately. The Trustees did not consider it necessary to conduct a revaluation in 2018-19, the figures being reflected in the revaluation figures below:-

Valuation -Manses	2018-19 £
Balance brought forward	815,000
Additions	-
Revaluations (+/-)	-
Disposals (-)	-
Transfers* (+/-)	-
	<hr/>
Balance carried forward	815,000
	<hr/> <hr/>
Accumulated depreciation	
Balance brought forward	-
Additions	-
Revaluations (+/-)	-
Disposals (-)	-
Transfers* (+/-)	-
	<hr/>
Balance carried forward	-
	<hr/> <hr/>
Net book value	
Carried forward	815,000
	<hr/> <hr/>
Brought forward	815,000
	<hr/> <hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note BS1 - Fixed Assets - 2019 (Continued)

The value of manses carried forward is made up of:-

	£
26 Barnes Road	245,000
20 Peterhouse Close	275,000
9 Mowbray Drive	295,000
	<hr/>
	815,000
	<hr/>

Note BS2 - Contingent Liability

Although the full financial effect of revaluation is included in these financial statements, a proportion of any receipt on sale would be expected to become payable to the Methodist Church by way of levy.

The Methodist Connexional Priority Fund levy is currently charged at 20% of the first £100,000 and 40% of any excess over £100,000.

Note BS3 - Debtors and prepayments

	2019 £	2018 £
Pre-paid stipends for current year	5,664	3,937
Pre-paid apprenticeships levy	41	-
Website (Church Desk) prepayment	-	9,606
Insurance - Northland building 2018/19	-	1,176
Insurance - Manses 2019/20	1,452	-
Elm Ridge Q3 assessment	15,213	-
	<hr/>	<hr/>
	22,370	14,719
	<hr/>	<hr/>

The Elm Ridge Q3 assessment was paid in September 2019.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

Note BS4 - Details of cash funds

The CAF General Account is used for day to day expenses. The CFB accounts are the main current accounts held at the Central Finance Board of the Methodist Church and the TMCP accounts hold interest bearing deposit values. Values held in each account are shown below:-

Unrestricted Fund Name	Opening Balance £	Income £	Expend- iture £	Transfers £	Balance £
CAF General Account	11,365	29,954	75,498	42,000	7,821
CFB General Account	85,414	174,557	233,068	28,968	55,871
CFB Manse Account	47,212	394	-	17,600	65,206
TMCP Model Trust Fund	381,483	2,712	20,624	(88,414)	275,157
TMCP Various Bequests	23,763	202	48	(154)	23,763
Northland (NatWest) General	4,864	-	993	-	3,871
Northland (NatWest) Shop	3,177	-	-	-	3,177
Northland (NatWest) Sundry	-	2	-	-	2
Total Cash Funds of the Circuit	557,278	207,821	330,231	-	434,868

Note BS5 - Liabilities under 1 year

Represents church assessments for 2018-19 received in the period, plus work done and staff expenses relating to the current year but unpaid at 31 August 2019:-

	2019 £	2018 £
Church assessments	48,027	42,884
Accrued expenditure	4,456	13,290
	52,483	56,174


DARLINGTON METHODIST CIRCUIT

DECLARATIONS

Treasurer

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

Signature of Treasurer



Date

24/06/2020

Name of Treasurer

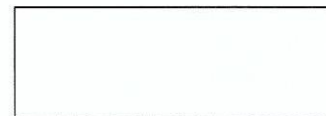
Simon Charters

Address


39 George Stephenson Drive, Darlington. DL2 2GE

Presentation to the Circuit Meeting for approval

I confirm that the annual reports and accounts for the year ended 31 August 2019 were, or will be* presented to the Circuit Meeting at its meeting on 18th May 2020 and were approved



Signature of the Chair of the meeting



Name of the Chair of the meeting

JOHN HOWARD

Date:

24th June 2020

Independent Examiner's Report to the Trustees of the Darlington Circuit

I report to the Trustees on my examination of the accounts of Darlington Methodist Circuit for the year ended 31 August 2019, which are set out on pages 10 to 22.

Responsibilities and basis of report

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

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

Independent examiner's statement

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

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

Signed:

Name: Stephen Watson Gardner

Relevant professional qualification or
Member of professional body:

Fellow of the Institute of Chartered Accountants
in England and Wales

Address: King Hope
31 Victoria Road
Darlington
DL1 5SB

Date: 25 July 2020