

**DARLINGTON METHODIST CIRCUIT
(Charity Registration No: 1132005)**

**TRUSTEES ANNUAL REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDING
31 AUGUST 2020**

DARLINGTON METHODIST CIRCUIT
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FOR THE YEAR ENDED 31 AUGUST 2020

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CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2020

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 2020:-

Chair: Revd Beverly Hollings Superintendent Minister (to 29 February 2020)
Revd John Howard (from 1 March 2020)

Secretary: Mrs Valerie Tooth

Circuit Staff: Revd Solomon Joseph (to 31 August 2020) Presbyter
Rev Bill Mullally (to 31 August 2020) Presbyter

Resident in Circuit: *Revd Catherine Minor Hospital Chaplain

Circuit Stewards: Simon Charters
Margaret Garrett
Hazel Neasham

Lay Employees: Morvyn Sanderson Children's and Young People's Worker
*Lindy Lewis Admin/Communications
Lyn Cookson Pastoral Missioner & Safeguarding Officer
Chris Russell Pastoral Missioner

Church

Representatives: Alison Banner Barton
*Joan Marwood Barton
Norma Krishnan Bondgate (to 16 August 2020)
*Janet Bryer Bondgate (to 31 July 2020)
Glenys Drummond Bondgate (to 16 August 2020)
Brian Cooper Cockerton
Robert Dean Cockerton
David Fairer Cockerton
Alison Hunter Cockerton (to 21 July 2020)

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CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2020

Church	Irene Taylor	Cockerton
Representatives	Susan Ashmore	Cockerton (from 23 July 2020)
(Continued):	Ali Dinsdale	Elm Ridge
	Mary Everitt	Elm Ridge
	David Hall	Elm Ridge
	Richard McElheran	Elm Ridge
	Stephen Sutcliffe	Elm Ridge
	Sue Case	Harrowgate Hill
	Margaret Cuthbert	Harrowgate Hill
	Vanessa Simpson	Harrowgate Hill
	Barbara Carter	Haughton
	Ann Thubron	Haughton
	Catherine Warden	Haughton
	Jane Miller	Hurworth
	Hazel Neasham	Hurworth
	Andy Robinson	Hurworth
	Graham Bright	Pierremont/The Well
	Brian Russell	Pierremont/The Well
	Chris Russell	Pierremont/The Well
Other:	Revd John Bower	Supernumerary Minister
	Revd Selby White	Supernumerary Minister
	Margaret Wearmouth	Methodist Women in Britain
	Josanne Hall	Methodist Homes for the Aged
	David Hogg	Circuit Archivist
	Karen Riley	Action for Children
	Brian Simpson	Secretary for Worship & Local Preachers (LWLP)
	Helen Hamilton	LWLP Representative
	Susan Jaleel	LWLP Representative (to 29 September 2020)
	Liz McAllister	Circuit Complaints Officer
	Catherine Warden	Manse Steward & 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 2020

Introduction

Welcome to the Trustees Annual Report of Darlington Methodist Circuit for the year ended 31 August 2020. 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 2020

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.
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.

Throughout the 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 person 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 activities at Christmas and Easter which have provided opportunities for those that live alone or in a residential setting to have fun and fellowship. The restrictions that Covid-19 brought have required the Pastoral Missioners to rethink their work. This has seen more telephone contact, the introduction of a weekly Zoom meeting and deliveries of fish and chips and afternoon tea and activities to replace the usual Holiday at Home.

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. All the hospitality projects were affected by the Covid-19 restrictions and unfortunately were closed from the first lockdown.

Sadly Bondgate Church ceased to meet and the Coffee Station ceased to operate. The MAX group which had also met at Bondgate closed.

Pierremont Methodist Church closed on 30 September 2019 and the majority of members transferred to the former Northland Methodist Church premises to plant a new church society called The Well. The society at The Well has thrived and whilst the first lockdown meant that they have been unable to have their usual services they have had weekly prayer meetings and services that were on Facebook. A team of enthusiastic volunteers and the paid host ensured that the charity shop and the café continued to meet local need. Whilst the shop and café had to close during periods of lockdown, the baby bank has responded to requests from the community, statutory and voluntary services by operating a call and collect or deliver service.

The Children and Young People's Workers continued to work in both primary and secondary schools and run a Holiday Club and Make Lunch dinners from The Well until the first lockdown. Following the introduction of lockdown, the workers and volunteers put together materials that could be delivered to schools and individual homes. Older children and youths kept in touch on social media. As they were unable to host Make Lunch, the lay staff and volunteers delivered food parcels every week of the school holidays to families most in need.

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Regular worship continues to be offered in Barton, Cockerton, Elm Ridge, Haughton, Harrowgate Hill, Hurworth and The Well. When it was not possible to meet for worship, weekly services were recorded and broadcast on You Tube. Printed services were distributed for those who do not have access to computers and the internet. Sunday worship is supplemented by various fellowship and study groups and a number of churches host uniformed organisations. Many of our organisations had to stop meeting and put together their own arrangements to ensure that they maintained contact with their members.

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. This takes place at The Well, although the group has not met since February 2020 due to Covid-19 restrictions. Two young people from ONE Opportunity North East have been tasked with providing technical support, one running social media and the other making podcasts and images for worship.

People

Revd Beverly Hollings, titular Superintendent with shared responsibility for the adjoining Barnard Castle and Teesdale Circuit left us in February and moved to another appointment. We are very grateful to the Revd John Howard who took over the responsibility until 31 August 2020, when a new Superintendent Revd Tim Boocock was appointed. Both the Revd Bill Mullally and Revd Solomon Joseph left the Circuit, Bill to take up an appointment in Cambridge and Solomon to return to India. Two new presbyters were appointed to take up their appointments from 1 September. Revd Graham Cutler from an appointment in Bolton to work in the Barnard Castle and Middleton and Teesdale Circuit and Revd Brian Hutton from South Africa to work in the Darlington Circuit. They are supported by a team of Circuit Stewards and Lay Staff consisting of a full-time and a 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 seven active churches in the Darlington Circuit.

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Property (Continued)

While the responsibility for the maintenance of the properties lies with the 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.

Manses: The Circuit owns three manses. One was occupied by Revd Solomon Joseph, a second was 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. The Circuit is planning to undertake a review of manses as the newly appointed Superintendent Revd Tim Boocock does not require a manse and since Revd Solomon Joseph returned to India, the manse he occupied is no longer required.

The Circuit is liaising with the District and the Darlington Borough Council regarding the disposal of the Pierremont Church building and site. A review is also underway to look at the future of the Bondgate Church and its extensive premises.

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. 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 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 £3,500. Covid-19 restrictions have impacted on all of the above and we are looking forward to a time when the work can resume. In the meantime Presbyters, lay staff and volunteers respond as best they can to needs as they arise.

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Governance

The Circuit is primarily governed by the rules and guidance of The Constitutional Practice and Discipline 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. In the current connexional year, as a consequence of Covid-19, two meetings were held on a virtual basis, relying on email for all exchanges. All activities of the Circuit Meeting are also governed by CPD.

Financial Review

The annual accounts for the year 2019/20 are attached to this report.

At the close of the period, the Circuit held net current assets of £390,000 (2019: £405,000). All of these funds are unrestricted. However, of this amount, the figure of £121,000 is regarded as required to satisfy our Reserves Policy (see note below). Also a £30,000 commitment made in 2016/17 but as yet unspent to support of our churches (Pierremont) develop building infrastructure for their local vision has been transferred to support that vision, which is now being pursued through The Well Methodist Church. A further £30,000 is set aside to underwrite further development of The Well. This leaves a total of £209,000 for further use to support our purpose.

All of the funds held at the Central Finance Board of the Methodist Church (“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, 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 2020 this is equivalent to £121,000.

The Circuit has adequate reserve funds to cover the planned deficit and this Reserves Policy has been approved by the trustees.

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 Tim Boocock
Trustee



Date: 24.6.21

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STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	General Fund (Unrest- ricted) £	Circuit Model Trust (Unrest- ricted) £	Revaluation Reserve (Unrest- ricted) £	Total 2019-20 £	Total 2018-19 £	
Income							
1	Donations and legacies	S1	1,224	-	-	1,224	6,280
2	Income from monetary investments	S2	706	2,529	-	3,235	3,698
3	Income from properties	S3	10,285	-	-	10,285	9,580
4	Assessments on Churches	S4	187,005	-	-	187,005	189,569
5	Capital receipts	S5	-	36,286	-	36,286	-
6	Grants received	S6	-	-	-	-	5,000
7	Other charitable income	S7	166	-	-	166	96
8	Total income		199,386	38,815	-	238,201	214,223
Expenditure							
9	Grants and donations	S8	3,535	-	-	3,535	3,492
10	Salaries and associated costs	S9	136,490	-	-	136,490	183,624
11	Property expenses	S10	21,013	-	-	21,013	39,881
12	Connexional model trust levy	S11	-	11,887	-	11,887	19,861
13	District assessment and levy	S12	48,612	-	-	48,612	46,520
14	Costs of activities	S13	13,747	-	-	13,747	14,740
15	Costs of administration	S14	9,733	-	-	9,733	15,409
	Connexional Priority Levy						
	- property sale	S5	-	7,257	-	7,257	-
16	Other outgoings		312	598	-	910	1,764
17	Total charitable expenditure		233,442	19,742	-	253,184	325,291
18	Gains/(losses) on monetary investments		-	-	-	-	-
19	Gains/(losses) on investment properties		-	-	-	-	-
20	Net income/(expenditure)		(34,056)	19,073	-	(14,983)	(111,068)
21	Transfers between funds		56,426	(56,426)	-	-	-
22	Other gains/(losses)		-	-	-	-	-
23	Net movement in funds		22,370	(37,353)	-	(14,983)	(111,068)
24	Total funds brought forward		503,772	298,920	417,063	1,219,755	1,330,823
25	Total funds carried forward		526,142	261,567	417,063	1,204,772	1,219,755

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STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 AUGUST 2019

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

DARLINGTON METHODIST CIRCUIT
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BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2019-20 £	Total 2018-19 £
Fixed Assets					
Circuit manses 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	11,584	-	11,584	22,370
Loans by the Circuit	BS3	-	80,000	80,000	-
Investments with TMCP	BS4	-	181,567	181,567	298,920
Central Finance Board deposits	BS4	136,872	-	136,872	121,077
Cash at bank and in hand	BS4	33,127	-	33,127	14,871
Total current assets		181,583	261,567	443,150	457,238
Current liabilities					
Creditors (due in under 1 year)	BS5	53,380	-	53,380	52,483
Grants payable within 2020-21		-	-	-	-
Total current liabilities		53,380	-	53,380	52,483
Net current assets		128,203	261,567	389,770	404,755
Total assets less current liabilities					
Long term liabilities (due after more than one year)		-	-	-	-
Grants payable after 2020-21		-	-	-	-
Loans to the circuit		-	-	-	-
Net assets		943,203	261,567	1,204,770	1,219,755
Funds of the Circuit					
General Fund (Unrestricted)		526,140	-	526,140	503,772
Circuit Model Trust Fund (Unrestricted)		-	261,567	261,567	298,920
Revaluation Reserve		417,063	-	417,063	417,063
Total unrestricted funds		943,203	261,567	1,204,770	1,219,755
Restricted Funds		-	-	-	-
Endowment Funds		-	-	-	-
Total Funds		920,835	298,920		1,219,755

The financial statements were approved by the Trustees on
signed by:

and were

Rev Tim Boocock
Trustee

Trusts Board

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BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2018-19 £
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	22,370	-	22,370
Loans by the Circuit		-	-	-
Investments with TMCP	BS4	-	298,920	298,920
Central Finance Board deposits	BS4	121,077	-	121,077
Cash at bank and in hand	BS4	14,871	-	14,871
Total current assets		158,318	298,920	457,238
Current liabilities				
Creditors (due in under 1 year)	BS5	52,483	-	52,483
Grants payable within 2018-19		-	-	-
Total current liabilities		52,483	-	52,483
Net current assets		105,835	298,920	404,755
Total assets less current liabilities		920,835	298,920	1,219,755
Long term liabilities (due after more than one year)		-	-	-
Grants payable after 2018-19		-	-	-
Loans to the circuit		-	-	-
Net assets		920,835	298,920	1,219,755
Funds of the Circuit				
General Fund (Unrestricted)		503,772	-	503,772
Circuit Model Trust Fund (Unrestricted)		-	298,920	298,920
Revaluation Reserve		417,063	-	417,063
Total unrestricted funds		920,835	298,920	1,219,755
Restricted Funds		-	-	-
Endowment Funds		-	-	-
Total Funds		920,835	298,920	1,219,755

DARLINGTON METHODIST CIRCUIT
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Note A1 - Accounting Framework and accounting policies

i Accounting framework

The financial statements have been prepared in accordance with Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued 16 July 2014) with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities Act 2011.

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 2020, 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 there is entitlement and the amount is reliably measurable once 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 2020

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.

The Presbyters of the Circuit undertake the primary executive roles within the Circuit.

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

	2020	2019
	£	£
Mrs M Sanderson	25,388	24,648
Mrs L C Russell	7,522	8,106
Mrs L Cookson	16,828	5,646
D Fairer	4,030	-
Mrs S Case	605	-
	<hr/>	<hr/>
	54,373	38,400
	<hr/>	<hr/>

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

	2020	2019
	£	£
Total paid	6,239	2,223
	<hr/>	<hr/>
Number of Trustees paid	10	7
	<hr/>	<hr/>

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

	2020	2019
	£	£
Revd Solomon Joseph	573	-
Revd Bill Mullally	708	-
	<hr/>	<hr/>
	1,081	-
	<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 2020

Note A3 - Independent examiner

An accrual had been made for the fee of the independent examiner of £2,328 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:	2019-20	2018-19
	£	£
Barton	6,360	5,156
Bondgate	15,309	18,468
Cockerton	46,588	46,920
Elm Ridge	59,848	62,157
Harrowgate Hill	19,040	21,584
Haughton	14,588	14,012
Hurworth	11,820	10,772
Pierremont	4,484	10,500
The Well	8,968	-
	<hr/>	<hr/>
	187,005	189,569
	<hr/>	<hr/>

Note S5 - Capital receipts

This includes the net sum received on sale of North Cowton Church after sales expenses and repayment of a returnable grant to TMCP of £36,286. The connexial priority levy of £7,257 is shown in expenditure.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Note S6 - Grants received

Two grants were received from Darlington District during the year:

- £500 received to support the Christmas event “Journey to Bethlehem”. The costs of this were borne by Elm Ridge Methodist Church; the grant was forwarded to them.
- £1,500 received to support the roll out of the program “Holy Habits”. Due to Covid-19 pandemic, this roll out was delayed until 2020-21; this amount is included in other creditors.

Note S7 - Other charitable income

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

Note S8 - Grants and donations

A donation of £3,480 was given to Darlington Area Churches Youth Ministry (“DACYM”), as approved by the Circuit Meeting (2018-19 £3,480).

Note S9 - 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 Pastoral and Youth Missionary work, plus administrative support. The total costs consists of the following stated net of recoveries under the Coronavirus Job Retention Scheme:-

	2019-20	2018-19
	£	£
Presbyters and presbyteral support	68,325	67,056
Lay Workers	67,433	115,707
Apprenticeship levy	732	861
	<hr/>	<hr/>
Total paid through Methodist Central Payroll	136,490	183,624
	<hr/> <hr/>	<hr/> <hr/>
Payroll costs are made up of:		
Stipends and salaries	111,398	155,243
Employers National Insurance Contributions	8,016	10,221
Employers pension contributions	16,344	16,952
Apprenticeship levy	732	861
Recharge from Barnard Castle and Teesdale Methodist Circuit	-	347
	<hr/>	<hr/>
	136,490	186,475
	<hr/> <hr/>	<hr/> <hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Note S10 - 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, although this manse is now for sale. The other two properties were used as manses for the presbyters.

During the year, the Circuit passed responsibility for the North Road ("Northland") site to the society formerly situated in the Pierremont Church. Consequently the Circuit took responsibility for the Pierremont site. The Circuit continued to meet the costs of the redundant North Cowton Chapel up until its sale in February 2020.

Details of the costs are given below:-

	2019-20	2018-19
	£	£
Council Tax - manses	4,168	4,010
Water Rates - manses	1,235	1,335
Insurance - manses	1,452	1,597
Utilities - empty manses	46	-
Manse maintenance and repairs	7,505	14,561
All costs - Northland	4,162	14,059
All costs - North Cowton	(1,058)	3,419
Bondgate Property Review	-	900
All costs - Pierremont	3,503	-
	<hr/>	<hr/>
	21,013	39,881
	<hr/> <hr/>	<hr/> <hr/>

Note S11 - Connexional Model Trust Levy

This is applied annually to balances held in TMCP funds.

Note S12 - 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 2020

Note S13 - Costs of activities

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

	2019-20	2018-19
	£	£
Presbyters	5,304	6,124
Pioneer Missioner	33	943
Pastoral Missioners	1,428	2,041
Youth Work	5,064	3,774
Preaching and worship	1,918	1,858
	<hr/>	<hr/>
	13,747	14,740
	<hr/> <hr/>	<hr/> <hr/>

Note S14 - Costs of administration

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

	2019-20	2018-19
	£	£
Telephone and internet	575	523
Travel	33	69
Postage and stationery	1,188	1,302
Circuit communications, website and email administration	904	10,510
Independent examiner's fee	2,328	2,280
Other costs	636	725
Property and finance administration	4,069	-
	<hr/>	<hr/>
	9,733	15,409
	<hr/> <hr/>	<hr/> <hr/>

During 2018/19 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 that year and impairment of the remaining value of the system.

Note BS1 - Fixed Assets

The Circuit managed three manses throughout the year: 26 Barnes Road, 20 Peterhouse Close, 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. This manse is now on the market for sale.

DARLINGTON METHODIST CIRCUIT
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Note BS1 - Fixed Assets (Continued)

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 2019-20, the figures being reflected in the revaluation figures below:-

Valuation -Manses	2019-20
	£
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/>

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/> <hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Note BS1 - Fixed Assets (Continued)

As a post balance sheet event, 26 Barnes Road and 9 Mowbray Drive were placed for sale, the Circuit seeking to replace both with a manse meeting the standards of the Methodist Church. 26 Barnes Road was sold for £255,000 (gross before costs). 9 Mowbray Drive is on the market for £305,000. Consequently, the trustees have not revalued any property in the year.

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.

In 2019/2020 there was no charge. This liability applies to all of the manse properties.

Note BS3 - Debtors and prepayments

	2020	2019
	£	£
Pre-paid stipends for current year	3,134	5,664
Pre-paid apprenticeships levy	-	41
Insurance - Manses 2019/20	-	1,452
Elm Ridge Q3 assessment	-	15,213
Payroll control	8,275	-
Admin fee charges to churches	165	-
Other	10	-
Loan to Barnard Castle and Teesdale Trust	80,000	-
	<hr/>	<hr/>
	91,584	22,370
	<hr/> <hr/>	<hr/> <hr/>

During the year, the accounting company providing payroll services to the Circuit churches informed those churches that they would no longer provide that service beyond March 2020. It was therefore decided to bring all staff onto the Circuit payroll and that the costs of church staff will be recharged to those churches along with an administration fee. The payroll control value above represents the value of charges made to churches and August furlough claim from HMRC that was outstanding at the year end.

Also during the year, the Circuit agreed to advance £80,000 to Barnard Castle and Teesdale Circuit to support their purchase of a new manse before the sale of their existing manse, this sum was repaid in November 2020.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

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.

During the year, the CFB Manse Account was closed in order to reduce administration and account charges, the balance being transferred to the CFB General Account. Also during the year, the three NatWest accounts were closed and their balances transferred to the CAF General Account,, for the same reason.

Values held in each account are shown below:-

Unrestricted Fund Name	Opening Balance £	Income £	Expend- iture £	Transfers £	Balance £
CAF General Account	7,821	51,266	47,064	21,104	33,127
CFB General Account	55,871	186,531	213,508	107,978	136,872
CFB Manse Account	65,206	410	-	(65,616)	-
TMCP Model Trust Fund	275,157	39,144	100,227	(56,270)	157,804
TMCP Various Bequests	23,763	204	48	(156)	23,763
Northland (NatWest) General	3,871	-	5	(3,866)	-
Northland (NatWest) Shop	3,177	-	5	(3,172)	-
Northland (NatWest) Sundry	2	-	-	(2)	-
Total Cash Funds of the Circuit	434,868	277,555	360,857	-	351,566

Note BS5 - Liabilities under 1 year

Represents church assessments for 2019-20 received in the period, plus work done and staff expenses relating to the current year but unpaid at 31 August 2020:-

	2020 £	2019 £
Church assessments	42,663	48,027
Accrued expenditure	10,717	4,456
	53,380	52,483

DARLINGTON METHODIST CIRCUIT

DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2020 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

Name of Treasurer

Address

Presentation to the Circuit Meeting for approval

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

Signature of the Chair of the meeting

Name of the Chair of the meeting

Date:

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 2020, which are set out on pages 10 to 22.

Responsibilities and basis of report

As the charity trustees, 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 Trust'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 Act.

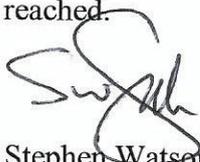
Independent examiner's statement

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 accordance with section 130 of the Charities Act; or
- (2) the accounts did not accord with those records; or
- (3) the accounts did 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: 24 June 2021