

DARLINGTON METHODIST CIRCUIT
(Charity Registration No: 1132005)

TRUSTEES ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDING
31 AUGUST 2018

DARLINGTON METHODIST CIRCUIT

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FOR THE YEAR ENDED 31 AUGUST 2018

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CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2018

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 2018:-

Chair: Revd Dr Andrew Stobart Superintendent Minister & Safeguarding
Officer

Secretary: Mrs Valerie Tooth

Circuit Staff: Revd Dr Andrew Stobart Presbyter
Revd Bill Mullally Presbyter

Resident in Circuit: * Revd Catherine Minor Hospital Chaplain
* Revd Robert Gee 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 Pastoral Missioner
Chris Russell Pastoral Missioner
*Andrew Cuthbertson Property & Finance
*Graham Jones Pioneer Missioner

Church

Representatives: Alison Banner Barton
* Marjorie Brentley Barton
* Joan Marwood Barton
Keith Chapman Bondgate (to 15 February 2018)
June Hogg Bondgate (to 15 February 2018)
Norma Krishnan Bondgate
* Janet Bryer Bondgate (from 5 March 2018)
Glenys Drummond Bondgate
Brian Cooper Cockerton
Robert Dean Cockerton

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CIRCUIT INFORMATION

YEAR ENDED 31 AUGUST 2018

Church

**Representatives
(Continued):**

David Fairer	Cockerton
Alison Hunter	Cockerton (from 9 May 2018)
Liz McAllister	Cockerton
Jan Sams	Cockerton (to 9 May 2018)
Irene Taylor	Cockerton
Ali Dinsdale	Elm Ridge
Mary Everitt	Elm Ridge
Peter Gallop	Elm Ridge (to 13 July 2018)
Angela Gibson	Elm Ridge (from 13 July 2018)
David Hall	Elm Ridge
Richard McElheran	Elm Ridge
Stephen Sutcliffe	Elm Ridge
Brian White	Elm Ridge
Elaine Armer	Harrowgate Hill
Margaret Cuthbert	Harrowgate Hill (from 1 February 2018)
Helen Hamilton	Harrowgate Hill
Vanessa Simpson	Harrowgate Hill
Susan Bakes	Haughton (to 27 May 2018)
Barbara Carter	Haughton
Ann Thubron	Haughton
Valerie Tooth	Haughton
Catherine Warden	Haughton (from 27 May 2018)
Lyn Hatch	Hurworth (to 15 April 2018)
Jane Miller	Hurworth
Hazel Neasham	Hurworth
Andy Robinson	Hurworth
Graham Bright	Pierremont
Brian Russell	Pierremont
Chris Russell	Pierremont

Other:

Revd John Bower	Supernumerary Minister
Revd Alan Powers	Supernumerary Minister
Revd Selby White	Supernumerary Minister
Joan Robinson	Connexional Fund Treasurer
Margaret Wearmouth	Methodist Women in Britain
Josanne Hall	Methodist Homes for the Aged
David Hogg	Circuit Archivist
Jean Lazenby	World Mission (to 16 July 2018)
Karen Riley	Action for Children
Brian Simpson	Local Preachers' Secretary

**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 2018

Introduction

Welcome to the Trustees Annual Report of Darlington Methodist Circuit for the year ended 31 August 2018. 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.

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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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.

At the beginning of the year, the Superintendent 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. This request remained under informal consideration over the year. In the event that, at a future date, the two Circuits decide to proceed with a formal conversation, the Methodist Church's Constitutional Practice and Discipline (CPD) formal process for Circuit changes would be 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 has been expressed particularly in monthly Together at Bondgate services, on the first Sunday morning of each month. Together at Bondgate has continued throughout this year.

The Circuit Pastoral Missioners have continued to develop their work across the circuit over this year, especially through visits to church members, training and support of pastoral visitors and forging links with care and residential homes across the town. It has been particularly heartwarming to see relationships blossom with the elderly person and their extended family and friends. All this was done with consideration for the best Safeguarding practice and multiple training opportunities for the Methodist course "Creating Safer Space" were offered. 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.

Since the Circuit Pioneer Missioner began employment with the Circuit on 1 September 2016, he has spent time developing various links within and beyond the Circuit, seeking new ways of offering the ministry of the church. In the last year the Pioneer Missioner has led three 24/7 prayer events from various locations across the town and led conversations with ecumenical neighbours about potential partnerships. He has co-hosted a monthly men's breakfast that has 20 men attending, representing 12 different denominations. With some financial and human resource from Cockerton Church he has successfully established a Lighthouse Community Group at West Park (a developing residential estate to the north west of Darlington) where he is working closely with West Park Academy (a non-church school) and hosting meetings in a café on the shopping parade.

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 continues to operate on two mornings mid-week, a Craft and Chat session, plus a soup lunch, are in development. Unfortunately, financial pressures have led to closure of the Bondgate Centre. The Circuit continues to support the MAX group at Bondgate, which offers a space for those with learning difficulties.

The work of the Giving Garden at Pierremont Methodist Church has continued to grow with a team of enthusiastic volunteers and the employed Garden Host. The students have placements in the garden, the charity shop and the café. Pierremont Church has successfully raised funds for the first phase of their redevelopment and building work will start in the coming months. 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 Dr Andrew Stobart and Revd Bill Mullally supported by two half-time supernumerary (retired) presbyters and a team of Circuit Stewards and Lay Staff consisting of a full-time and two part-time Children's and Youth Workers, full-time Pioneer Missioner, two part-time Pastoral Missioners, a part-time Circuit Communications Officer and a part-time Finance and Property Officer. Dr Andrew Stobart left the Circuit in August and Revd Beverly Hollings takes the role as titular superintendent with shared responsibility for the adjoining Barnard Castle and Teesdale Circuit. The Circuit has also received a match for a third presbyter, the Revd Solomon Joseph, who will join the Circuit in September 2018.

Treasurer Responsibilities: The Circuit ceased to use Oakvale Business Services for bookkeeping and other financial services during the year. These duties have been absorbed by the Circuit Treasurer, Simon Charters and the Circuit Finance and Property Officer.

Local Preachers: The new group of trainee Leaders of Worship have begun the new Methodist Training Course with the help of Revd Martin Ramsden from the Regional Learning Network.

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. Advice has been taken regarding the development potential of the North Cowton chapel building before it is marketed for sale as it is surplus to requirements.

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 the Superintendent, a second is occupied by the Revd Bill Mullally, the third is occupied by a private tenant. During the year a fourth manse was sold as it was surplus to requirements. 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.

General Data Protection Regulation (GDPR)

The Circuit and churches have actively worked towards compliance with GDPR. During the course of the year, the Circuit held meetings with church representatives in anticipation of the legislation coming into force in May 2018. Guidance was eventually provided centrally by the Trustees for Methodist Church Purposes Methodist Church for the Circuit and churches to follow.

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. Some churches have picked up this challenge; plans to create new community groups to reach out in the new West Park development are being formed by one church, while another has prayer walked the local area.

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. Children's work at Hurworth Methodist Church has experienced some growth at Messy Church and Zone at Pierremouth on a Friday evening encourages families to meet together as "church", strengthening community outreach. Uniformed Organisations are an important part of the ministry at Bondgate, Cockerton, Elm Ridge, Harrowgate Hill, Hurworth and at Northland Community Resource Centre, where the Brigades continue despite the closure of the church. 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 Disciple 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 2017/18 are attached to this report.

At the close of the period, the Circuit held net current assets of £516,000 (2017: £501,000). All of these funds are unrestricted. However, of this amount, the figure of £140,000 is regarded as required to satisfy our Reserves Policy (see note below), £30,000 has been committed to support further Circuit-wide missional work in 2018-19 and £30,000 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 £316,000 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 2018 this is equivalent to £140,000.

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 Beverly Hollings
Trustee

Date: 30/05/19

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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 £	Total 2016-17 £
Income						
1	Donations and legacies	S1	6,318	-	6,318	3,050
2	Income from monetary investments	S2	548	2,545	3,093	3,234
3	Income from properties	S3	9,810	-	9,810	9,680
4	Assessments on Churches	S4	189,643	-	189,643	199,946
5	Capital receipts		-	-	-	-
6	Grants received	S5	10,133	-	10,133	15,690
7	Other charitable income	S6	-	-	-	17,562
8	Total income		216,452	2,545	218,997	249,162
Expenditure						
9	Grants and donations	S7	27,750	-	27,750	3,980
10	Salaries and associated costs	S8	186,475	-	186,475	174,525
11	Property expenses	S9	56,333	-	56,333	47,941
12	Connexional assessment and model trust levy	S10	-	95,773	95,773	22,870
13	District assessment and levy	S11	49,120	-	49,120	49,016
14	Costs of activities	S12	26,548	-	26,548	21,033
15	Costs of administration	S13	8,260	-	8,260	13,701
16	Other outgoings	S14	1,043	3,766	4,809	1,513
17	Total charitable expenditure		355,529	99,539	455,068	334,579
18	Gains/(losses) on monetary investments		-	-	-	-
19	Gains/(losses) on investment properties		-	-	-	-
20	Net income/(expenditure)		(139,077)	(96,994)	(236,071)	(85,417)
21	Transfers between funds		114,932	(114,932)	-	-
22	Other gains/(losses)	BS1	(122,067)	250,000	(127,933)	544,996
23	Net movement in funds		(146,212)	38,074	(127,933)	459,579
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	1,566,894

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STATEMENT OF FINANCIAL ACTIVITIES (SOFA)

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Revaluation Reserve (Unrestricted) £	Total 2016-17 £
Income					
1 Donations and legacies	S1	3,050	-	-	3,050
2 Income from monetary investments	S2	642	2,592	-	3,234
3 Income from properties	S3	9,680	-	-	9,680
4 Assessments on Churches	S4	199,946	-	-	199,946
5 Capital receipts		-	-	-	-
6 Grants received	S5	15,690	-	-	15,690
7 Other charitable income	S6	17,562	-	-	17,562
8 Total income		246,570	2,592	-	249,162
Expenditure					
9 Grants and donations	S7	3,980	-	-	3,980
10 Salaries and associated costs	S8	174,525	-	-	174,525
11 Property expenses	S9	47,941	-	-	47,941
12 Connexional assessment & model trust levy	S10	-	22,870	-	22,870
13 District assessment and levy	S11	49,016	-	-	49,016
14 Costs of activities	S12	21,033	-	-	21,033
15 Costs of administration	S13	13,701	-	-	13,701
16 Other outgoings	S14	622	891	-	1,513
17 Total charitable expenditure		310,818	23,761	-	334,579
18 Gains/(losses) on monetary investments		-	-	-	-
19 Gains/(losses) on investment properties		-	-	-	-
20 Net income/(expenditure)		(64,248)	(21,169)	-	(85,417)
21 Transfers between funds		57,017	(57,017)	-	-
22 Other gains/(losses)		-	-	544,996	544,996
23 Net movement in funds		(7,231)	(78,186)	544,996	459,579
24 Total funds brought forward		661,957	445,358	-	1,107,315
25 Total funds carried forward		654,726	367,172	544,996	1,566,894

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BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2017-18 £	Total 2016-17 £
Fixed Assets					
Circuit manses and equipment	BS1/2	815,000	-	815,000	1,065,000
Investment properties		-	-	-	-
Investments		-	-	-	-
Total fixed assets		815,000	-	815,000	1,065,000
Current Assets					
Debtors	BS3	14,719	-	14,719	7,611
Loans by the Circuit		-	-	-	-
Investments with TMCP	BS4	-	405,246	405,246	367,172
Central Finance Board deposits	BS4	132,626	-	132,626	168,088
Cash at bank and in hand	BS4	19,406	-	19,406	12,852
Total current assets		166,751	405,246	571,997	555,723
Current liabilities					
Creditors (due in under 1 year)	BS5	56,174	-	56,174	53,829
Grants payable within 2018-19		-	-	-	-
Total current liabilities		56,174	-	56,174	53,829
Net current assets		110,577	405,246	515,823	501,894
Total assets less current liabilities		925,577	405,246	1,330,823	1,566,894
Long term liabilities (due after more than one year)		-	-	-	-
Grants payable after 2017-18		-	-	-	-
Loans to the circuit		-	-	-	-
Net assets		925,577	405,246	1,330,823	1,566,894
Funds of the Circuit					
General Fund (Unrestricted)		508,514	-	508,514	654,726
Circuit Model Trust Fund (Unrestricted)		-	405,246	405,246	367,172
Revaluation Reserve		417,063	-	417,063	544,996
Total unrestricted funds		925,577	405,246	1,330,823	1,566,894
Restricted Funds		-	-	-	-
Endowment Funds		-	-	-	-
Total Funds		925,575	405,246	1,330,823	1,566,894

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

and were

Rev Beverly Hollings
Trustee

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BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	General Fund (Unrestricted) £	Circuit Model Trust (Unrestricted) £	Total 2016-17 £
Fixed Assets				
Circuit manses and equipment	BS1	1,065,000	-	1,065,000
Investment properties		-	-	-
Investments		-	-	-
Total fixed assets		1,065,000	-	1,065,000
Current Assets				
Debtors	BS3	7,611	-	7,611
Loans by the Circuit		-	-	-
Investments with TMCP		-	367,172	367,172
Central Finance Board deposits		168,088	-	168,088
Cash at bank and in hand		12,852	-	12,852
Total current assets		188,551	367,172	555,723
Current liabilities				
Creditors (due in under 1 year)	BS5	53,829	-	53,829
Grants payable within 2017-18		-	-	-
Total current liabilities		53,829	-	53,829
Net current assets		134,722	367,172	501,894
Total assets less current liabilities		1,199,722	367,172	1,566,894
Long term liabilities (due after more than one year)		-	-	-
Grants payable after 2017-18		-	-	-
Loans to the circuit		-	-	-
Net assets		1,199,722	367,172	1,566,894
Funds of the Circuit				
General Fund (Unrestricted)		654,726	-	654,726
Circuit Model Trust Fund (Unrestricted)		-	367,172	367,172
Revaluation Reserve		544,996	-	544,996
Total unrestricted funds		1,199,722	367,172	1,566,894
Restricted Funds		-	-	-
Endowment Funds		-	-	-
Total Funds		1,199,722	367,172	1,566,894

DARLINGTON METHODIST CIRCUIT
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NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018, 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.

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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:-

	2018	2017
	£	£
A G Simons	-	9,352
Mrs M Sanderson	24,260	24,260
Mrs L C Russell	7,136	6,981
	<hr/>	<hr/>
	31,396	40,593
	<hr/>	<hr/>

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

	2018	2017
	£	£
Total paid	852	9,546
	<hr/>	<hr/>
Number of Trustees paid	8	11
	<hr/>	<hr/>

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

	2018	2017
	£	£
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 2018

Note A3 - Independent examiner

An accrual had been made for the fee of the independent examiner of £2,220 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:	2017-18 £	2016-17 £
Barton	5,671	4,588
Bondgate	20,516	22,284
Cockerton	48,664	48,768
Elm Ridge	56,652	72,656
Harrowgate Hill	19,668	21,372
Haughton	14,712	11,060
Hurworth	13,876	10,660
Pierremont	9,884	8,558
	<hr/>	<hr/>
	189,643	199,946
	<hr/>	<hr/>

Note S5 - Grants received

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

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 (2016-17 £3,480). Other amounts 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, except for the interns in 2016-17 whose costs are borne by 3rd parties and recharged to the Circuit.

During the year, the Circuit was served by one full-time presbyter and two part-time supernumerary presbyters. The Circuit is also served by a number of Lay Workers covering Pioneer, Pastoral and Youth Missionary work, plus administrative support.

	2017-18	2016-17
	£	£
Presbyters and presbyteral support	78,873	58,500
Lay Workers	106,888	103,316
Apprenticeship levy	714	-
	<hr/>	<hr/>
Total paid through Methodist Central Payroll	186,475	161,816
Cost of interns paid via other third parties	-	12,709
	<hr/>	<hr/>
	186,475	174,525
	<hr/>	<hr/>
Payroll costs are made up of:		
Stipends and salaries	156,275	136,736
Employers National Insurance Contributions	10,002	9,318
Employers pension contributions	19,484	15,762
Apprenticeship levy	714	-
	<hr/>	<hr/>
	186,475	161,816
	<hr/>	<hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

Note S9 - Property expenses

At the start of the year the Circuit owned four properties, of which one 26 Barnes Road, was let on a short-term basis. During the year this let was extended.

One property, 18 Greencroft Close, was sold in December 2017.

The Circuit continues to take responsibility for the North Road ("Northland") site and to meet the costs of the redundant North Cowton Chapel.

Details of the costs are given below:-

	2017-18	2016-17
	£	£
Council Tax - manses	4,162	5,255
Water Rates - manses	1,229	1,198
Insurance - manses	1,641	1,989
Utilities - empty manses	(300)	1,148
Manse maintenance and repairs	11,757	24,153
All costs - Northland	36,826	9,399
All costs - North Cowton	1,018	4,799
	<hr/>	<hr/>
	56,333	47,941
	<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 2018

Note S12 - Costs of activities

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

Telephone, travel and sundry expenses:

	2017-18	2016-17
	£	£
Presbyters	5,546	6,263
Pioneer Missioner	1,326	1,538
Pastoral Missioners	2,254	2,413
Youth Work	8,421	7,378
Preaching and worship	3,423	2,356
Training	-	185
Consultancy	-	900
Giving garden	5,578	-
	<hr/>	<hr/>
	26,548	21,033
	<hr/>	<hr/>

Note S13 - Costs of administration

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

	2017-18	2016-17
	£	£
Telephone and internet	448	515
Travel	68	176
Postage and stationery	2,285	1,435
Circuit Office costs including rent	-	1,260
Circuit communications, website and email administration	2,443	1,444
Accounting services	-	5,126
Independent examiner's fee	2,220	2,160
Other costs	796	1,585
	<hr/>	<hr/>
	8,260	13,701
	<hr/>	<hr/>

Note S14 - Other outgoings

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

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

Note BS1 - Fixed Assets - 2018

The Circuit managed four manses during the year: 26 Barnes Road, 18 Greencroft Close, 20 Peterhouse Close, all in Darlington and 9 Mowbray Drive, Hurworth. 18 Greencroft Close was sold in December 2017. 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 2017-18, the figures being reflected in the revaluation figures below:-

Cost or valuation -Manses	2017-18
	£
Balance brought forward	1,065,000
Additions	-
Revaluations (+/-)	-
Disposals (-)	(250,000)
Transfers* (+/-)	-
	<hr/>
Balance carried forward	815,000
	<hr/>
Accumulated depreciation	
Balance brought forward	-
Additions	-
Revaluations (+/-)	-
Disposals (-)	-
Transfers* (+/-)	-
	<hr/>
Balance carried forward	-
	<hr/>
Net book value	
Carried forward	815,000
	<hr/>
Brought forward	1,065,000
	<hr/>

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

Note BS1 - Fixed Assets - 2018 (Continued)

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

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

Other gains/losses represent adjustments required to reflect the reduction of manse asset values held in General Funds and revaluation Reserve but received into Circuit Model Trust Fund when sold.

The full details of the sale of 18 Greencroft Close are as follows:-

	General Fund £	Circuit Model Trust £	Revaluation Reserve £	Total £
Balance at 1 September 2017	122,067	-	127,933	250,000
	<hr/>	<hr/>	<hr/>	<hr/>
Value of Sale	-	250,000	-	250,000
Less:				
Costs of sale	-	3,032	-	3,032
Connexional Priority Fund Levy	-	78,767	-	78,767
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds received	-	168,201	-	168,201
	<hr/>	<hr/>	<hr/>	<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.

This liability was realised in the case of the sale of 18 Greencroft Close and remains for the retained properties

DARLINGTON METHODIST CIRCUIT
Charitable Trust Registered No: 1132005

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

Note BS3 - Debtors and prepayments

	2018	2017
	£	£
Pre-paid stipends for current year	3,937	6,561
Quinquennials paid for circuits - Invoiced 2017/18	-	1,050
Website (Church Desk) prepayment	9,606	-
Insurance - Northland building 2018/19	1,176	-
	<hr/>	<hr/>
	14,719	7,611
	<hr/>	<hr/>

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	4,448	35,015	130,098	102,000	11,365
CFB General Account	109,215	188,166	236,799	24,832	85,414
CFB Manse Account	58,873	239	-	(11,900)	47,212
TMCP Model Trust Fund	343,409	249,370	96,460	(114,836)	381,483
TMCP Various Bequests	23,763	144	48	(96)	23,763
NatWest General	5,227	613	976	-	4,864
Northland Shop	3,177	-	-	-	3,177
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Funds of the Circuit	548,112	473,547	464,381	-	557,278
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 2018:-

	2018	2017
	£	£
Church assessments	42,884	45,993
Accrued expenditure	13,290	7,836
	<hr/>	<hr/>
	56,174	53,829
	<hr/>	<hr/>

DARLINGTON METHODIST CIRCUIT

DECLARATIONS

Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2018 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

30/5/19

Name of Treasurer

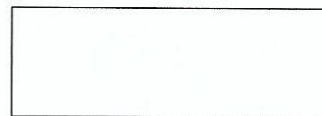
Simon Charters

Address

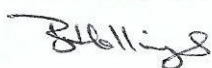
39 George Stephenson Drive, Darlington. DL2 2GE

Presentation to the Circuit Meeting for approval

I confirm that the annual reports and accounts for the year ended 31 August 2018 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

Revd. Beverley Hollings

Date:

30/05/19

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 2018, 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').

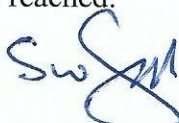
I report in respect of my examination of the Trustee's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions give by the Charity Commission under section 145(5)(b) of the 2011 Act.

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: 30 May 2019