

**District  
Accruals Accounts  
2017-18**

**THE METHODIST CHURCH  
STANDARD FORM OF ACCOUNTS  
ACCRUALS BASIS  
for the year ended 31 August 2018**

**Lancashire Methodist**

**District**

**District no**

**21**

**Registered Charity - Registration number**

**1134584**

**District Chair**

**Rev'd Paul H. Davis**

**Synod Secretary**

**Rev'd Janet Pybon**

**Treasurer**

**Andrew Whitley**

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 1 Objectives and Activities

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

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

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

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

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

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

### 2 Achievements and performance

The District has revisited the Transforming Lives and Communities policy document in preparation for adoption in 2018/19 and looked at how the District priorities match with "Our Calling", the key objectives of Methodism. The District has encouraged Circuits and Churches to look at their priorities.

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

The District has monitored the changing of ministerial appointments in the District and those involved with training. The District proposed the re-invitation of the Chair for a further three years.

The District has established a team of lay-workers who are employed by the District, but work in the Circuits to support the ministerial staff where it has not been possible to appoint a minister through the Stationing process.

#### 2.1 Plans for future years

The District plans to continue with "Faithful and Fruitful" and to continue to encourage the churches and circuits to look at priorities.

There will be continuing work in the North West Region.

There will be continuing work with ministerial appointments.

### 3 Financial review

During 2017/18, the Lancashire District received total income of £388,652 (£333,162 in 2016/17) and expended £240,193 (£325,079 in 2016/17). The resulting surplus was supplemented with an unrealised gain of £5,994 resulting in a net surplus of £154,453 across all Funds.

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

#### 3.1 Investment policy and performance

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

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

There are no benchmark for the expected returns or appreciation on investments at TMCP and CFB. It is the District's policy to manage the cash and investment resources of the District so that a rate of return on investment – both by way of dividend and capital appreciation – is obtained at least as good as market rate considering the District's low appetite for risk. The total return achieved in 2017/18 on Lancashire District's TMCP invested funds was 1.23% for the year, but the outcome for those funds invested in CFB managed funds was a return of 7.4%, including unrealised gains on revaluation.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 3.2 Reserves level and policy

The District Reserves at 31st August 2018 were as follows:-

<b>Unrestricted funds:</b>		
<b>Undesignated funds</b>		
- Methodist Church Fund		£49,121
- General Expenses Fund	£572,913	
Less sum held in manses	<u>£447,773</u>	£125,140
<b>Designated funds</b>		
- District Advance Fund		£542,873
- Chaplaincy Fund		£17,427
- District Youth Fund		£50,841
- District Benevolence Fund		<u>£143,969</u>
<b>Total Unrestricted funds</b>		<b><u>£929,471</u></b>
<b>Restricted funds:</b>		
- Schools' Support Fund		£351
- North West Training Forum		£26,733
- Connected organisations		<u>£ 6,463</u>
<b>Total Restricted funds</b>		<b><u>£33,547</u></b>
<b>Uncommitted reserves - All funds</b>		<b><u>£ 963,018</u></b>

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

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

The Reserves Policy for the Methodist Church Fund is to hold a reserve equal to 25% of one quarter's Assessment payments received from the Circuits, thereby allowing for late quarterly payments by one or more Circuits. The quarterly payments for 2018/19 are £125,534, so the actual reserve of £49,121 at 31<sup>st</sup> August 2018 is £17,738 more than the minimum reserve of £31,383. This additional reserve will be used to help to minimise the increase in District Assessments for 2019/20 and beyond.

The Reserves Policy for the General Expenses Fund is to hold sufficient in reserve to cover six months' expenditure, ie £50,000 based on the 2018/19 Budget. The year-end balance of £125,140 results in an excess of £75,140. This sum is held to fund additional work on the manses, including work arising from the quinquennial reviews, and also to minimise the increase in District Assessments for 2019/20 and beyond.

The Reserves Policy for the District Advance Fund is to ensure that the amount in reserve is always at least equal to the sum of all approved and anticipated grants for the current and future years. At 31<sup>st</sup> August 2018, the Fund held a balance of £542,873, of which the sum of £276,691 was committed to future grants, leaving £266,182 uncommitted. The District Youth Fund is used to grant fund projects which encourage and develop work with young people across the District and has a similar policy in that the reserve must always be at least equal to the sum of all approved and anticipated grants for the current and future years.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 3.3 Collaborative arrangements with connected charities

The District's main source of funding was the assessments obtained from each Circuit within the District based on the staffing levels of the Circuit and this was used to fund most of the cost of administering the District. This sum amounted to £51,572 (£58,054 in 2016/17).

The District also obtained from each Circuit with a reserve, known as a Circuit Model Trust Fund (CMTF), a levy based on the value of each Circuit's CMTF at the start of the Connexional year (01 September). In 2017/18 this sum was £57,936 and this was credited to the District Advance Fund (£72,384 in 2016/17).

The District holds no funds as custodian trustee. It does, however, quarterly receive from Circuits within the District the Circuits' contributions to the Connexion's Methodist Church Fund (MCF). These sums are collected as agent for the MCF and are passed to the MCF later in the same month as collected. Funds received by the District as agent are not recognised as an asset in the financial statements because the funds are not within its control. No fee is earned in respect of this agency arrangement and the District incurs no cost through this arrangement. A sum of £456,700 (£114,175 per quarter) passed through the District's Methodist Church Fund in 2017/18.

### 4 Trustees' responsibilities

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

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

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

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

In addition to the above, the Trustees are responsible for Health & Safety.

Training in the responsibilities of Trustees is offered to all new trustees soon after their appointment.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 4.1 Risk

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

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

### 5 Structure, governance and management

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

#### 5.1 Structure

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 5.2 Purpose of the District

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

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

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

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

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

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

### 5.3 Governance

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

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

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

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

### 5.4 Responsibility of the District Policy Committee

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## TRUSTEES' ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

### 6 Reference and Administrative Details

#### 6.1 Name of the charity

Lancashire Methodist District

#### 6.2 Charity registration number

1134584

#### 6.3 Principal Office

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

#### 6.4 Chair of the District

Rev'd Paul H. Davis

#### 6.5 Secretary of the Synod

Rev'd Janet Pybon

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

#### 6.7 District Treasurer

Andrew Whitley

#### 6.8 Names of Trustees

Unless stated after their name, the following served as trustees throughout part or all of the year 2017-18:

Rev'd Paul Davis, Rev'd Janet Pybon, Rev'd Philip Gough, Mr David Hulse, Mr Andrew Whitley, Mr David Breare, Mr John Ferris, Rev'd Ray Borg, Mr Graham Kay, Mr Andrew Bennett, Rev'd Sally Ratcliffe, Dr Peter Lumsden, Mrs Carolyn Hothersall, Rev'd John Howard-Norman, Rev'd Katharine Bland, Mrs Sheila Walsh, Mr David Leach, Mrs Shirley Godfrey, Rev'd Sylvester Deigh, Rev'd Wilfred Robinson, Mr Antony Woodhouse, Mrs Jennifer Burnop, Mrs Kathy Bamber.

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

#### 6.9 Chair's PAs

Mrs. Carole Jones

#### 6.10 Bankers

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

#### 6.11 Investment managers and custodian trustees

Trustees for Methodist Church Purposes

#### 6.12 Independent Examiner

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

#### Approvals:

The Trustees' Report and the Financial Statements were approved by the DPC on 4th February 2019 and will be presented to the District Synod on 11th May 2019.



Rev'd Paul H. Davis  
District Chair



Andrew Whitley  
District Treasurer

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

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



**Statement of Financial Activities (SOFA) for the year ended 31 August 2017**

	Notes to the accounts	General Fund (Unrestricted) £	District Advance Fund (Unrestricted) £	Designated Funds (unrestricted ) £	Restricted Funds £	Endowment Funds	Total 2016-17 £
<b>Income from</b>							
1 Donations and legacies		1,704					1,704
2 Connexional Advance & Property Fund		25,000					25,000
3 Income from investments		588	2,621	3,891			7,100
<b>Income from charitable activities</b>							
4 Assessments on circuits		58,054					58,054
5 Circuit Model Trust Funds			72,384				72,384
6 Connexional Priority Fund			104,291				104,291
7 Contribution to the cost of the Chair	3	38,097					38,097
8 Other charitable activities							0
9 Income from other trading activities							0
10 Other income	4	510					510
11 Connected Organisations					26,022		26,022
<b>Total Income</b>		<b>123,953</b>	<b>179,296</b>	<b>3,891</b>	<b>26,022</b>	<b>0</b>	<b>333,162</b>
<b>Expenditure</b>							
12 Grants and donations	5, 18	3,317	165,595	2,591			171,503
13 Salaries and associated costs	6	57,487					57,487
14 Cost of the Chair	3, 6	38,097					38,097
15 Property Maintenance (Manse costs)	7	11,168					11,168
16 Office expenses	8	3,192					3,192
17 Synods, Committees, Conference	9	2,955					2,955
18 Ministerial and Lay Training		6,493					6,493
19 Professional fees							0
20 Other Charitable Expenditure	10, 11	1,160	602	3,206			4,968
21 Connected Organisations					29,216		29,216
<b>Total Expenditure</b>		<b>123,869</b>	<b>166,197</b>	<b>5,797</b>	<b>29,216</b>	<b>0</b>	<b>325,079</b>
<b>Net income/(expenditure) before gains and losses on investments</b>							
		<b>84</b>	<b>13,099</b>	<b>-1,906</b>	<b>-3,194</b>	<b>0</b>	<b>8,083</b>
22 Net gains/(losses) on investments				10,536			10,536
<b>Net income/(expenditure)</b>		<b>84</b>	<b>13,099</b>	<b>8,630</b>	<b>-3,194</b>	<b>0</b>	<b>18,619</b>
23 Transfers between funds	12	18,637	-15,283	-3,354			0
24 Other gains/(losses)							
Manse Disposal - Capital adjustments	13	-218,663					-218,663
Manse Disposal - Net sale income	13		174,379				174,379
Manse Disposal - Connexional Levy	13		-49,752				-49,752
<b>Net movement in funds</b>		<b>-199,942</b>	<b>122,443</b>	<b>5,276</b>	<b>-3,194</b>	<b>0</b>	<b>-75,417</b>
Total funds brought forward		811,611	301,070	205,460	13,614		1,331,755
<b>Total funds carried forward</b>		<b>611,669</b>	<b>423,513</b>	<b>210,736</b>	<b>10,420</b>	<b>0</b>	<b>1,256,338</b>

## Balance Sheet as at 31 August 2018

Notes to the Accounts		General Fund (Unrestricted)	District Advance Fund (Unrestricted)	Designated Funds (Unrestricted)	Restricted Funds	Endowment Funds	Totals 2018	Totals 2017
		£	£	£	£	£	£	£
<b>Fixed Assets</b>								
Tangible fixed assets	13	447,773					447,773	447,773
Investment properties							0	0
Investments							0	0
<b>Total fixed assets</b>		<b>447,773</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>447,773</b>	<b>447,773</b>
<b>Current Assets</b>								
Debtors and Prepayments	14	3,875					3,875	17,805
Loans by the District		0					0	0
Investments with TMCP	15	20,150	542,873	144,471			707,494	582,059
Central Finance Board Deposits	16	112,572		62,076	27,084		201,732	178,608
Cash at Bank and in hand	16	42,329		5,790	6,463		54,582	36,051
<b>Total current assets</b>		<b>178,926</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>967,683</b>	<b>814,623</b>
<b>Current liabilities</b>								
Creditors (due in under 1 year)	17	4,665					4,665	5,958
Grants payable in 2017-18	18						0	0
<b>Total current liabilities</b>		<b>4,665</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,665</b>	<b>5,958</b>
<b>Net current assets/liabilities</b>		<b>174,261</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>963,018</b>	<b>808,665</b>
<b>Total assets less current liabilities</b>		<b>622,034</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>1,410,791</b>	<b>1,256,338</b>
<b>Long term liabilities (due after more than one year)</b>								
Grants payable after 2017-18							0	
Loans to the District							0	
							0	
<b>Net assets</b>	<b>22</b>	<b>622,034</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>1,410,791</b>	<b>1,256,338</b>
<b>Funds of the District</b>								
General Fund (Unrestricted)	19.1	622,034					622,034	611,669
District Advance Fund (Unrestricted)	18		542,873				542,873	423,513
Designated Funds (Unrestricted)	19.2			212,337			212,337	210,736
<b>Total Unrestricted Funds</b>							<b>1,377,244</b>	<b>1,246,918</b>
Restricted Funds	20				33,547		33,547	10,420
Endowment Funds						0	0	0
<b>Total Funds</b>		<b>622,034</b>	<b>542,873</b>	<b>212,337</b>	<b>33,547</b>	<b>0</b>	<b>1,410,791</b>	<b>1,256,338</b>

Signed



Andrew Whitley  
District Treasurer

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### 1 Accounting framework and accounting policies

#### i Accounting framework

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

#### ii Public benefit entity

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

#### iii Basis

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

#### iv Content

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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### v Going concern

Based on the monetary assets and human resources available at 31 August 2018, the Trustees believe that the District is a going concern.

### vi Consolidation

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

### vii Income recognition

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

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

The District acts as agent in three matters:

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

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **viii Expenditure**

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

### **ix Grants**

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

### **x VAT**

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **xi Tangible fixed assets**

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

### **xii Investments**

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

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### xiv Methodist Church Fund

The District acts as agent for the Methodist Church Fund (MCF) by collecting its assessments on Circuits and does not, therefore, include the assessments in the SOFA. If a Circuit is late in paying its MCF assessment to the District but such sum is received before the quarterly transfer to the MCF, the amount paid late will be shown as a debtor in the District's accounts. The sums received and paid in 2017/18 are shown in note 23 below.

### xv Transition to FRS 102

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

### xvi Ministers' manse costs

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

## 2 Assessment on Circuits

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

The District is made up of the following Circuits:

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

### Contribution to Methodist Church Fund (MCF)

In addition to the assessments on the Circuits to help defray the costs of running the District, the District acted as agent for the Methodist Church Fund which levied assessments on the Circuits in this District totalling £456,700 (2016-17: £442,946) all of which were collected before the end of the year and paid over to the MCF in the year. No balance was held at the end of the year; no fee is received for this service which is performed at no cost to the District. These sums collected for and remitted to the MCF do not appear elsewhere in these financial statements.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 3 Cost of Chair and trustees

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

	2017-18	2016-17
	£	£
Stipend to Chair	29,445	28,980
Employer's National Insurance Contribution	2,947	2,880
Employer's pension contribution to the defined benefit scheme	6,336	6,237
Cash cost paid by the Connexion (see, SOFA, line 7)	38,728	38,097
Chair's expenses	4,227	3,974
<b>Total cost</b>	<b>42,955</b>	<b>42,071</b>

Since the stipend-related costs above (i.e. £38,728; (2016-17 £38,097) are borne by the Connexion, they appear both in the Income of the District and the Expenditure of the District (See Note 6). It should be noted that the chair is required to occupy the District manse. The manse is provided by the Lancashire District and the District maintains the property. The Chair of District is the sole paid key management person and is supported by members of the DPC.

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

### Payment to Trustees

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

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

### 4 Other income

The District does not undertake fundraising. Other income is as follows:-

(i) Income transferred from the North West Training Forum and placed into a new Fund	£ 32,395
(ii) Funds received via a "Near Neighbours Grant"	£ 4,100
(iii) Grant funding from 2015/16 not required to be paid back	£ 1,008
(iv) Miscellaneous income	£ 500
	<b>£ 38,003</b>



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 5 Grants, donations and related Support costs

Grants and donations totalling £113,628 were made during the year (2016-17: £186,786) as shown in the table below.

	2017-18	2016-17
	£	£
<b>Unrestricted:</b>		
- From General Fund	3,317	3,317
- From DAF		
to Circuits / Churches - Mission / Ministry	57,077	87,319
to Circuits / Churches - Property	5,000	
to Circuits / Churches - General	5,000	78,276
to District Services - Mission / Ministry	2,500	
to District Services - General	12,000	15,283
- From Designated Funds (unrestricted)	2,890	2,591
<b>Sub total</b>	<b>87,784</b>	<b>186,786</b>
<b>Restricted:</b>		
- From N.W.Training Forum to Circuits / Churches	25,844	
<b>Sub total</b>	<b>25,844</b>	<b>-</b>
<b>Total</b>	<b>113,628</b>	<b>186,786</b>

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

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

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

Given to	Amount In £	Analysis of amounts given by type of work	Amount In £
Churches	13,400	Projects	5,000
Circuits	53,677	Mission / Ministry	59,577
District	14,500	General	17,000
Institutions	81,577		
Individuals	-		-
<b>Total</b>	<b>81,577</b>		<b>81,577</b>

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 6 Salaries and associated costs

Gross salaries paid to one full-time and two part time (2016-17 = one FT+ two PT) employees were as follows:

	2017-18 £	2016-17 £
Gross pay	46,594	48,850
Employer's National Insurance contribution	3,045	3,375
Employer's pension contribution to defined contribution scheme	6,337	6,236
<b>Total cost for three staff members</b>	<b>55,976</b>	<b>58,461</b>
Cost of Chair (see Note 3)	38,728	38,097
<b>Total staff costs</b>	<b>94,704</b>	<b>96,558</b>
Total weekly contractual hours of three Staff members	80	80

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

One of the two part time employees was engaged exclusively in safeguarding matters, and the other provided secretarial / office management assistance in the District Office.

It should be noted that line 13 of the SOFA (Salaries and associated costs) includes travel, telephone and other expenses paid to staff which are not included in the above table.

### Pensions

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

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Property costs

	2017-18 £	2016-17 £
Chair's manse / District Office	6,964	8,524
Other manses	2,283	2,644
<b>Total Property Costs</b>	<b>9,247</b>	<b>11,168</b>

### 8 Office expenses (General fund)

	2017-18 £	2016-17 £
Printing, postage and stationery	1,170	907
Telephone / Internet	1,309	1,387
IT /computer equipmt	1,127	
IT sundries/ website		190
Payroll administration	480	480
Other	436	228
<b>Total charged to General Fund</b>	<b>4,522</b>	<b>3,192</b>

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

### 9 Synods, Committes, Conference

	2017-18 £	2016-17 £
Synods	-	-
Conference	-	-
Committees	1,161	1,365
Chair's travel / expenses	1,691	1,590
Other		
<b>Total staff costs</b>	<b>2,852</b>	<b>2,955</b>

### 10 Other outgoings

	2017-18 £	2016-17 £
School Visits	753	520
Independent Exam.	660	600
Sundry outgoings	1,979	2,950
	<b>3,392</b>	<b>4,070</b>
TMCP administration charge	1,163	898
<b>Total other costs</b>	<b>4,555</b>	<b>4,968</b>

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 11 Investment management

During the year the District paid £1,163 to TMCP, the custodians of the District's investments, including £847 from the District Advance Fund. (£ 898, including £602 from the District Advance Fund in 2016/17). The sum of £1,163 was levied at 0.2% on the value of the funds at the end of the year 2016/17 and is included in line 20 of the SOFA "Other Charitable Expenditure", as follows:-

£	£		
		General Fund	40
		DAF	847
		Designated Funds (unrestricted)	276
			<u>1,163</u>
			40 for 2016/17
			602 for 2016/17
			<u>256</u> for 2016/17
			<u>898</u> for 2016/17

### 12 Transfer between funds

During the year, £14,500 (£15,283 in 2016-17) was awarded in grants to District services, as follow

To support the funding of the Lancaster University Chaplain	£2,500
To support the funding of the District Safeguarding Officer	£7,000
To support District-wide Training	£5,000

£14,500

In addition, a sum of £3,605 (£3,354 in 2016-17) from interest on investments was transferred from unrestricted designated funds to the unrestricted General Fund to supplement funding for the day- to-day activities of the District. Finally, a sum of £100 was transferred from the General Fund to open the new restricted Schools' Support Fund.

### 13 Manse and other property

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

	Land	Buildings	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
Balance brought forward at 1 Sep.17, at deemed values	111,943	335,830			447,773
Additions in the year					
Revaluations in the year					
Less: Disposals in the year					
Transfers between categories					
<b>Balance carried forward at 31 August 2018</b>	<u>111,943</u>	<u>335,830</u>			<u>447,773</u>

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 14 Debtors and prepayments

Debtors were made up as follows:

	2017-18 £	2016-17 £
Trade debtors		
Prepayments and accrued income		
Stipends paid in advance	2,737	
Other debtors		
Crossfield Trust Grant 2016/17 - Lancaster University Chaplaincy		5,000
Re-charges to other Districts		12,805
Methodist Insurance premium paid in advance	1,138	
<b>Total (net)</b>	<b>3,875</b>	<b>17,805</b>

### 15 Trustees for Methodist Church Purposes

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

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

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

### 17 Creditors and accrued expenses

	2017/18 £	2016-17 £
<b>Creditors:</b>		
District Assessment paid in advance		
Independent examinations	630	600
Donated funds to be distributed	-	408
Funds held for Lancs Theological Society	750	
Other creditors	2,785	4,575
<b>Total creditors</b>	<b>4,166</b>	<b>5,583</b>
<b>Accruals:</b>		
Ground rent re Lancaster Manse	500	375
<b>Total accruals</b>	<b>500</b>	<b>375</b>
<b>Total of creditors and accrued expenses</b>	<b>4,666</b>	<b>5,958</b>

It is expected that all sums accrued at 31 Aug 2018 will be paid during the year to 31 Aug 2019, with the possible exception of the sum of £750 payable to the Lancashire Theological Society.

### 18 Grant commitments and the District Advance Fund

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

	£
Planned to be paid 2018/19	172,100
Planned to be paid 2019/20	42,800
Planned to be paid 2020/21	39,609
Planned to be paid 2021/22 and 2022/23	22,182
<b>Total commitment</b>	<b>276,691</b>

This sum is comfortably within the balance of £542,873 held in the DAF at 31st August 2018 and further sums are expected to be credited to the DAF from CMTF Levies and CPF distribution in each of these years.

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 19 Unrestricted Funds

#### 19.1 General Fund

Balance of £622,034 at 31st August 2018 (£ 611,669 at 31st August 2017)

As the District's MCF and General Expenses Fund work together to collect Assessments from Circuits and fund the District's main activities, they combine to be classified as the District's General Fund. Their net movement in funds for 2017 /18 of +£10,365 is attributable to a surplus of on the District's mainstream business. The purpose of the General Fund is to use at the discretion of the Trustees in the furtherance of the general objectives of the District. 72% of the value of the General Fund is now held as the property which is the District Chair's manse.

#### 19.2 Other Designated Funds

Balance of £212,337 at 31st August 2018 (£210,736 at 31st August 2017)

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

**District Youth Fund - balance £50,941 at 31st August 2018 (£53,612 at 31st August 2017)** is used to fund projects which encourage and develop work with young people across the District, including a contribution to young people's events.

**Chaplaincy Fund - balance £17,427 at 31st August 2018 (£17,675 at 31st August 2017)** will be used in the near future to help fund the Lancaster University Chaplain post following the cessation of grant funding.

**Benevolence Fund - balance £143,969 at 31st August 2018 (£139,449 at 31st August 2017)** The Fund is available for use across a range of cases of hardship, including ministers, lay-staff, lay-people and anyone in the community suffering hardship. It can also be used to support the consequences of national or global disasters. The sum in reserve is well in excess of the sums normally required and the District Team is looking at the Fund and how it could be used. In particular, there is a need to work with TMCP to find a way to release the constraints on the use of this Fund.

### 20 Restricted Funds

The Restricted Funds are the newly established Schools' Support Fund (£351 at 31st August 2018), the Fund for the NW Training Forum which is being used to fund the Children and Youth Worker Enablers' training project across the North West region (£26,733 at 31st August 2018) and a "Connected Organisation" which is the "Lancashire District World Church Fund". This Fund is managed by a Committee reporting to the District Policy Committee, but its accounts are separately maintained and audited, before being brought into the District accounts. The balance on the Fund was £6,463 at 31st August 2018 (£10,420 at 31st August 2017).

# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

### 21 Summary of movements on significant individual funds

Fund	Balance at 31.Aug.17	Income	Expenditure	Balance at 31.Aug.18
		£	£	£
<b>General Fund</b>	611,669	123,678	131,318	
Transfers		18,005		<b>622,034</b>
<b>Dist. Advance Fund</b>	423,513	201,784	67,924	
Transfers			14,500	<b>642,873</b>
<b>Designated Funds</b>	210,736	4,164	4,952	
Transfers			3,605	
Revaluation		5,994		<b>212,337</b>
<b>Restricted Funds</b>	10,420	59,026	35,999	
Transfers		100		<b>33,547</b>
<b>District Total</b>	<b>1,256,338</b>	<b>412,751</b>	<b>258,298</b>	<b>1,410,791</b>

### 22 Analysis of net assets among funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted - general and designated funds	Restricted	Total funds
	£	£	£
Tangible fixed assets	447,773		447,773
Fixed asset investments			-
Current assets	934,136	33,547	967,683
Current liabilities	4,665		4,665
Payables due after one year			-
<b>Total</b>	<b>1,377,244</b>	<b>33,547</b>	<b>1,410,791</b>

### 23 Connected organisations and related parties

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

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

Name of Connected Organisations	Receipts	Payments	Adjustments
	£	£	£
Donee: Methodist Church Fund	-	456,700	
Donee: Churches within the Lancashire District (grants)	-	13,400	
Donor / Donee: Circuits within the Lancashire District (levies / grants)	57,936	53,677	
Donor / Donee: Connexional Priority Fund (Levy on sale)	140,685		
Donor: Circuits within the Lancashire District (assessments on Circuits)	508,272		
<b>Total</b>	<b>706,893</b>	<b>523,777</b>	<b>-</b>

There were no related party transactions.



# THE METHODIST CHURCH - LANCASHIRE DISTRICT

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **24 Volunteer contributions**

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

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

There were no capital commitments at 31st August 2018.

The District has a contingent liability at 31st August 2018 of £276,691, in respect of grants awarded for payment in future financial years which are conditional on the Grants Committee being satisfied, on the basis of progress reports from the grantee, that the grant's achievements to date justify the payment of further instalments of that grant.

### **26 Independent Examiner**

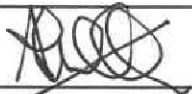
An accrual has been made for the fee of the independent examiner in the sum of £630 for the year to 31st August 2018 (2016-17: £600). The independent examiner provided no additional services during the year.

## THE METHODIST CHURCH - LANCASHIRE DISTRICT DECLARATIONS

### Treasurer

I confirm that these accrual based accounts for the year ended 31 August 2018 have been prepared from the records of the District and that they include all funds under the control of the District Policy Committee.

Signature of Treasurer



Date

24th April 2019

Name of Treasurer

Andrew Whitley

Address

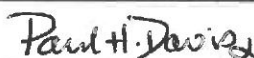
161, St Annes Road East, Lytham St Annes FY8.3HP

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

I confirm that the annual report and accounts for the year ended 31 August 2018 were presented to the District Policy Committee at its meeting on and were approved.

4th February 2019

Signature of the Chair of the meeting



Name of the Chair of the meeting

Rev'd Paul H. Davis

Date

6th June 2019

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

Lancashire Methodist

District

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

2018

### Respective responsibilities of Trustees and Examiner

The District's trustees are responsible for ensuring that the annual report and accounts for the year to 31 August 2018 present a true and fair view of the District's income and expenditure for the year and of its assets and liabilities at the balance sheet date. The trustees consider that an audit is not necessary for this year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility to:

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

## Basis of Independent Examiner's Report

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

## Independent Examiner's Statement

In connection with my examination, no matter has come to my attention (other than that disclosed below\*):

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011;
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the Charities Act 2011 have not been met;

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

(3) I have /have not\* obtained independent verification of all investments with the Trustees for Methodist Church Purposes or held in other trusts, bank balances and funds at the Central Finance Board of the Methodist Church which are individually in excess of £10,000 (ten thousand pounds) at the balance sheet date.

Name of independent examiner

Gareth Maddock

Signature of independent examiner

Gareth Maddock

Relevant Professional qualification of independent examiner

FCA

Name of firm (where appropriate)

Whitehead & Howarth

Address

327 Clifton Drive South  
Lytham St Annes FY8 1HN

Date

24/06/2019