

SUMMARY

Treasurer's reports are circulated to each Leading Team meeting, to keep members informed of the financial position of the District. Key points to note in this report are:

- District finances expected to underspend for 2020/21
- District response required to Methodist pension reserve fund appeal
- Circuit cash stocktake is in progress
- Letting agreement for 99 Grange Road being updated
- Expressions of interest to be sought for district treasurer

2020/21 DISTRICT FINANCES

Financial results for the year are not yet finalised, so this report is based on financial data to 31 July.

We general fund is expected to end the year with a surplus of £15,000, compared to a budgeted loss of £6,000, primarily due to lower travel and event costs due to lockdowns, and to no major repairs being required on the Grange Road manse. Some of these costs will return in future years, but it is still hard to predict levels of spending in future years.

The advance fund is expected to have a surplus of £95,000 for the year, primarily due to higher than budgeted income, and £32,000 of grants awarded in previous years but not paid out lapsing.

Restricted funds are proceeding broadly as anticipated. Who is Your Neighbour? has experienced a significant reduction in funds, but has recently been successful with grant claims and is expected to be able to operate comfortably within these as it prepares to become an independent charity.

Further details are given in appendix 1.

CONNEXIONAL PENSION DEFICIT

Further information about how we must all respond to the Connexional (ie shared, not "head office") pension deficit continues to be released and is available at <https://www.methodist.org.uk/for-churches/finance/pension-reserve-fund/>

The FAQ document in particular has been recently updated following a rigorous but constructive dialogue between the central finance team and district treasurers, and now seems to me a comprehensive aide memoire.

As a district we need to consider whether and how much to contribute from unrestricted funds directly under our control. As is set out in the Connexional documentation, a fund equating to 15% of cash balances held across the country needs to be assembled by December, but it is recognised that ability to contribute will vary considerably. This decision has potential to influence decisions to be made over the coming weeks at circuit meetings and church councils.

In January I laid out financial projections to the district to August 2025, based on new staff roles arising from our mission strategy, £65,000 annual transforming mission/ properties fit for mission grants, and no increase

in assessments on circuits. These included an estimated position as at August 2021. I have updated these to my latest forecast for 2020/21 but making no changes to assumptions about future years as follows:

GENERAL FUND	2018/19 Actual	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Plan	2023/24 Plan	2024/25 Plan
General fund balance	260,312	268,113	283,351	275,967	276,114	267,725	255,545
Exclude fixed assets & long term liabilities	(219,607)	(218,562)	(215,970)	(213,378)	(211,063)	(208,862)	(205,826)
Liquid funds	40,705	49,551	67,381	62,589	65,051	58,863	49,719
Minimum reserve (3 months spend)	24,700	26,947	28,426	39,863	40,353	40,852	41,362
Excess	16,005	22,605	38,955	22,726	24,699	18,011	8,357

ADVANCE FUND	2018/19 Actual	2019/20 Actual	2020/21 Forecast	2021/22 Budget	2022/23 Plan	2023/24 Plan	2024/25 Plan
Income	159,048	177,285	176,281	150,000	150,000	150,000	150,000
Grants & admin	(156,300)	(114,738)	(55,014)	(65,000)	(65,000)	(65,000)	(65,000)
Admin	(847)	(1,062)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
District staff salaries (1)	-	(43,847)	(25,258)	(116,608)	(119,371)	(93,307)	(94,933)
Surplus/ deficit	1,901	17,638	95,009	(32,608)	(35,371)	(9,307)	(10,933)
Uncommitted funds	36,051	53,689	148,698	116,090	80,719	71,412	60,479
Less long term term loan			(36,000)	(32,000)	(28,000)	(24,000)	(20,000)
Uncommitted liquid funds	36,051	53,689	112,698	84,090	52,719	47,412	40,479
Minimum reserve (3 months salaries)	-	10,962	6,315	29,152	29,843	23,327	23,733
Excess	36,051	42,727	106,384	54,938	22,876	24,085	16,745

Note (1): includes salary, pension, NIC and other incremental costs for both new missional roles paid direct from advance fund, plus district match funding put into restricted funds where we receive grants from other Methodist organisations to employ staff

I have provided more information about the advance fund, as both the income received and grant requests are hard to predict with any great precision.

Our total cash held at 31 August 2021 also includes approximately £146,000 of grants awarded but not yet paid over and £90,000 in restricted funds.

CIRCUIT FINANCES

All circuits continue to be in a position to cover their assessments in the immediate future, although most are nervous about falling assessments from their churches resulting in unplanned deficits over the coming year.

I have arranged with circuit treasurers that we will undertake a cash stocktake as at 31 August, which will give us broad brush view of where and how cash resources have reduced over a year of lockdowns. For reasons of practicality this will not attempt to differentiate between restricted and unrestricted cash. I have assured treasurers that this exercise is separate to the pension appeal, and will not be shared beyond the district.

99 GRANGE ROAD

The assured shorthold tenancy agreement for the manse at 99 Grange Road, Rotherham (not currently required as Gill instead uses the Stone Arches flat in Doncaster) is being updated as the previous version was not TMCP compliant. It appears that Merryweathers, our letting agents, will take some time to understand our requirements. I have proposed myself and Sean as signatories on behalf of us as managing trustees

DISTRICT TREASURER

In the coming weeks we will recommence the process of seeking a new district treasurer, who would become a member of the Leading Team in my place. If you know of anyone who might be suitable please speak with them, Gill or me. I have held this role since 2013, and we have been attempting to find a new treasurer with varying levels of intensity since I was appointed to the employed Mission Development Support Worker post. The role needs someone who can understand and present numbers, and some familiarity with finance/accounting. But Katrin does most of the work!

Neil Harland

3 September 2021

APPENDIX 1 – YTD FINANCIAL PERFORMANCE

	Actual YTD	Budget YTD	Var Forecast FY		Budget FY	Notes
UNRESTRICTED FUNDS						
District assessment	111,866	111,866	-	111,866	111,866	
Other income	791	1,650	(859)	800	1,800	
	112,657	113,516	(859)	112,666	113,666	
Manse & flat						
Letting income	9,845	10,043	(198)	10,755	10,955	
Costs	(10,953)	(15,576)	4,623	(13,000)	(17,000)	
	(1,108)	(5,533)	4,425	(2,245)	(6,045)	
Safeguarding						
Employment costs	(22,766)	(25,223)	2,457	(24,836)	(27,521)	
Other	(444)	(2,739)	2,295	(1,500)	(3,000)	
	(23,210)	(27,962)	4,752	(26,336)	(30,521)	
HR						
Income	4,960	-	4,960	6,520	-	
Employment costs	(10,522)	-	(10,522)	(12,041)	-	
Other	(4,300)	(8,250)	3,950	(5,000)	(9,000)	
	(9,862)	(8,250)	(1,612)	(10,520)	(9,000)	
Retreats						
Income	(1,000)	3,500	(4,500)	(1,000)	3,500	
Costs	(132)	(8,000)	7,868	(500)	(8,000)	
	(1,132)	(4,500)	3,368	(1,500)	(4,500)	
Other costs						
Admin & comms employment	(32,045)	(30,624)	(1,421)	(34,827)	(33,406)	
Other office costs	(14,231)	(14,233)	2	(16,000)	(16,000)	
Chair & volunteer expenses	(2,916)	(13,750)	10,834	(5,000)	(15,000)	
Synod & conference expenses	(732)	(2,000)	1,268	(1,000)	(2,500)	
Organisations supported	-	-	-	-	(1,000)	
Surplus/ (deficit) before transfers	27,421	6,664	20,757	15,238	(4,306)	
Transfer to Learning Network	-	-	-	-	(1,500)	
Transfer to other funds	-	-	-	-	-	
Surplus/ (deficit) on unrestricted funds after transfer	27,421	6,664	20,757	15,238	(5,806)	
Advance fund						
Income	176,281	120,000	56,281	176,281	120,000	
Transfer to other funds	-	-	-	(25,258)	(25,258)	
L&D grants	(4,088)	(9,163)	5,075	(7,000)	(10,000)	
Ministerial development	(943)	(4,587)	3,644	(2,500)	(5,000)	
Keep Fishing grants	-	(6,875)	6,875	-	(7,500)	1
New missional roles	-	-	-	-	-	
Other grants	(45,514)	(65,000)	19,486	(45,514)	(65,000)	2
Other costs	(509)	(913)	404	(1,000)	(1,000)	
Surplus/ (deficit) on advance fund	125,227	33,462	91,765	95,009	6,242	

1) Scheme paused

2) £77k grants awarded, less £32k grants lapsed

	Actual YTD	Budget YTD	Var	Forecast FY	Budget FY	Notes
RESTRICTED FUNDS						
MDSW						
Income	25,758	25,758	-	25,758	25,758	
Transfer from other funds	-	-	-	12,858	12,858	
Employment costs	(32,509)	(32,549)	40	(35,506)	(35,506)	
Other costs	(317)	(3,663)	3,346	(1,000)	(4,000)	
	(7,068)	(10,454)	3,386	2,110	(890)	
Youth (Hodkin Bequest)						
Income	-	2,037	(2,037)	-	2,037	
Costs	-	(4,000)	4,000	-	(4,000)	
	-	(1,963)	1,963	-	(1,963)	
Peak rural enabler						
Income	39,480	39,600	(120)	39,480	39,600	
Transfer from other funds	-	-	-	12,400	12,400	
Employment costs	(31,829)	(31,812)	(17)	(34,710)	(34,710)	
Other costs	(15,343)	(16,643)	1,300	(17,550)	(18,167)	
	(7,692)	(8,855)	1,163	(380)	(877)	
35 Chapel Walk						
Income	581	-	581	581	-	
Employment costs	-	-	-	-	-	
Other costs	(5,918)	-	(5,918)	(5,918)	-	
Transfer from other funds	-	-	-	-	-	
	(5,337)	-	(5,337)	(5,337)	-	
Who is your neighbour?						
Grant income	27,161	82,500	(55,339)	27,161	90,000	
Employment costs	(51,932)	(68,750)	16,818	(60,000)	(75,000)	
Other costs	(14,838)	(13,750)	(1,088)	(20,000)	(15,000)	
Transfer from other funds	-	-	-	-	-	
	(39,609)	-	(39,609)	(52,839)	-	
Learning Network region						
Income	-	9,163	(9,163)	-	10,000	
Costs	(4,367)	(10,538)	6,171	(5,000)	(11,500)	
Transfer from other funds	-	-	-	-	1,500	
	(4,367)	(1,375)	(2,992)	(5,000)	-	
Persian ministry						
Income	30,000	-	30,000	30,000	-	
Transfer from other funds	-	-	-	-	-	
Employment costs	-	-	-	(5,000)	-	
Other costs	-	-	-	(3,000)	-	
	30,000	-	30,000	22,000	-	
NPNP Pilot						
Income	10,000	-	10,000	10,000	-	
Costs	-	-	-	31	-	
	10,000	-	10,000	10,031	-	
Surplus/ (deficit) on restricted funds	(24,073)	(22,647)	(1,426)	(29,415)	(3,730)	
Total all funds	128,575	17,479	111,096	80,832	(3,294)	

	31-Aug-20 Actual £	31-Jul-21 Actual £	YTD Movement £
Fixed assets	223,906	218,920	(4,986)
Debtors and prepayments	1,755	36,000	34,245
CAF	25,267	20,685	(4,582)
TMCP	250,915	286,538	35,623
Lloyds (WiYN)	82,378	44,501	(37,877)
MWiB	2,697	2,698	1
CFB	85,871	114,132	28,261
Total cash	447,128	468,554	21,426
Grants payable	(205,947)	(145,785)	60,162
Held for other organisations	(13,399)	(538)	12,861
Other	(13,041)	(8,647)	4,394
Total creditors	(232,387)	(154,970)	77,417
Net assets	440,402	568,504	128,102

FUNDS	31-Aug-20 Actual £	31-Jul-21 Actual £	31-Aug-21 Forecast £
Unrestricted funds	268,113	295,606	283,351
MDSW	14,216	7,148	16,326
Hodkin Bequest	1,064	1,064	1,064
Peak Rural Enabler	2,144	(5,549)	1,764
Venture FX	(36)	(36)	(36)
35 Chapel Walk	5,336	-	(1)
DLMN region	6,665	2,298	1,665
WiYN	86,460	46,306	33,621
MWiB	2,697	2,698	2,697
Persian ministry	-	30,000	22,000
NPNP Pilot	-	10,000	10,031
Restricted funds	118,546	93,929	89,131
Advance Fund	53,743	178,969	148,752
Total funds	440,402	568,504	521,234

Unrestricted liquid funds (months spend held)	4.9	8.1	6.6
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Debtors includes £36k Advance Fund property loan to Greenhill Methodist Church, repayable in instalments by July 2030.