

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 underspent for 2020/21
- Advance fund receipts are significantly higher than budgeted
- Circuit cash stocktake in progress but indicating total funds held are unchanged
- Lease extension for Stone Arches flat requires approval

2020/21 DISTRICT FINANCES

Draft financial results for 2020/21 show considerable underspend due to the impacts of the covid pandemic.

The general fund ended the year with a surplus of £18k, compared to a budgeted loss of £6k, 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 are now returning, and we have again allowed contingency for a small amount of unplanned spend at Grange Road.

The advance fund had a surplus of £107,000 for the year, primarily due to £57k higher than budgeted income (which is based on amounts in Circuit Model Trust Funds at 31 August and so hard to predict), 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.

These unplanned one-off financial benefits allowed us to contribute £26k to the pension reserve fund without impairing our future ability to support churches and circuits, as discussed at our last meeting.

2021/22 DISTRICT FINANCES

We budgeted for a £7k deficit on the general fund this year. I am currently expecting a deficit of £15k, due to the £8k contribution from the general fund to the pension reserve fund appeal we agreed in September.

I expect to receive £245k into the advance fund this year, significantly higher than the £150k budgeted. This is partly a one-off effect of property sales across our circuits in the last couple of years (part of the levy on sales is directed to district advance funds). When making an advance fund contribution of £18k to the pension reserve fund appeal we allowed for £65k to be carried forward as a reserve, meaning that we are able to award transforming mission and properties fit for mission grants totalling £220k this year. Of this we have thus far awarded £20k of district funding to the NPNP Pilot.

New Places for New People pilot funding restricted fund represents Connexional grant, which will be passed down to Derbyshire North East Circuit, who will employ the new pioneer.

Who Is Your Neighbour will become an independent charity at some point during this Connexional year. This will not affect district finances as they are fully funded by external grants.

All other restricted funds are expected to remain broadly neutral for the year.

CIRCUIT FINANCES

I am still awaiting some information on cash held by circuits and churches at 31 August 2021, but from that received so far the total cash we collectively hold across our circuits, churches and in the district will be broadly unchanged at around £13m. This is partly due property sales offsetting lower lettings and offertory income. Recurring income will likely continue to be squeezed, and donations are being made in many places to the pension appeal. However whilst some of this money is restricted or ringfenced for imminent projects, we collectively hold far more than is needed. We may be income-poor, but we are cash-rich.

DISTRICT PROPERTIES

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) has not yet been updated to a TMCP compliant version. I will continue to work with Merryweathers, our letting agents, to resolve this but this will take time.

Lease on the Stone Arches flat expires in January. This flat is now being used on a regular basis, so I will seek a 12 month extension. This will likely result in a small increase to the £550 per month rent. Margaret and I will continue to be the signatories for this lease. **Providing DLT is willing to grant this, I will need your minuted approval to negotiate and sign the extension.**

Neil Harland

2 November 2021

APPENDIX 1 – 2020/21 DRAFT RESULTS

	Actual YTD	Budget YTD	Var
UNRESTRICTED FUNDS			
District assessment	111,866	111,866	-
Other income	793	1,800	(1,007)
	112,659	113,666	(1,007)
<u>Manse & flat</u>			
Letting income	10,740	10,955	(215)
Costs	(12,478)	(17,000)	4,522
	(1,738)	(6,045)	4,307
<u>Safeguarding</u>			
Employment costs	(24,836)	(27,522)	2,686
Other	(618)	(3,000)	2,382
	(25,454)	(30,522)	5,068
<u>HR</u>			
Income	6,689	-	6,689
Employment costs	(12,237)	-	(12,237)
Other	(4,442)	(9,000)	4,558
	(9,990)	(9,000)	(990)
<u>Retreats</u>			
Income	(1,000)	3,500	(4,500)
Costs	(132)	(8,000)	7,868
	(1,132)	(4,500)	3,368
<u>Other costs</u>			
Admin & comms employment	(36,444)	(33,406)	(3,038)
Other office costs	(16,610)	(16,000)	(610)
Chair & volunteer expenses	(3,024)	(15,000)	11,976
Synod & conference expenses	(732)	(2,000)	1,268
Organisations supported	-	(1,000)	1,000
Surplus/ (deficit) before transfers	17,535	(3,807)	21,342
Transfer to Learning Network	-	(1,500)	1,500
Transfer to other funds	-	-	-
Surplus/ (deficit) on unrestricted funds after transfer	17,535	(5,307)	22,842
Advance fund			
Income	176,940	120,000	56,940
Transfer to other funds	(25,258)	(25,258)	-
L&D grants	(4,838)	(10,000)	5,162
Ministerial development	(1,143)	(5,000)	3,857
Keep Fishing grants	-	(7,500)	7,500
New missional roles	-	-	-
Other grants	(37,764)	(65,000)	27,236
Other costs	(509)	(1,000)	491
Surplus/ (deficit) on advance fund	107,428	6,242	101,186

	Actual YTD	Budget YTD	Var
RESTRICTED FUNDS			
MDSW			
Income	25,758	25,758	-
Transfer from other funds	12,858	12,858	-
Employment costs	(35,464)	(35,507)	43
Other costs	(337)	(4,000)	3,663
	2,815	(891)	3,706
Youth (Hodkin Bequest)			
Income	-	2,037	(2,037)
Costs	-	(4,000)	4,000
	-	(1,963)	1,963
Peak rural enabler			
Income	39,480	39,600	(120)
Transfer from other funds	12,400	12,400	-
Employment costs	(34,755)	(34,711)	(44)
Other costs	(16,916)	(18,167)	1,251
	209	(878)	1,087
35 Chapel Walk			
Income	(4,234)	-	(4,234)
Employment costs	-	-	-
Other costs	(1,159)	-	(1,159)
Transfer from other funds	-	-	-
	(5,393)	-	(5,393)
Who is your neighbour?			
Grant income	50,161	90,000	(39,839)
Employment costs	(61,469)	(75,000)	13,531
Other costs	(19,596)	(15,000)	(4,596)
Transfer from other funds	-	-	-
	(30,904)	-	(30,904)
Learning Network region			
Income	-	10,000	(10,000)
Costs	(4,502)	(11,500)	6,998
Transfer from other funds	-	1,500	-
	(4,502)	-	(4,502)
Persian ministry			
Income	30,000	-	30,000
Transfer from other funds	-	-	-
Employment costs	(2,050)	-	(2,050)
Other costs	-	-	-
	27,950	-	27,950
NPNP Pilot			
Income	10,000	-	10,000
Costs	-	-	-
	10,000	-	10,000
Surplus/ (deficit) on restricted funds	175	(3,732)	3,907
Total all funds	125,138	(2,797)	127,935

APPENDIX 2 – YTD FINANCIAL PERFORMANCE

	Actual YTD	Budget YTD	Var	Forecast FY	Budget FY	Notes
UNRESTRICTED FUNDS						
District assessment	31,378	31,118	260	125,512	124,471	
Other income	1	83	(82)	1	1,000	
	31,379	31,201	178	125,513	125,471	
<u>Manse & flat</u>						
Letting income	920	931	(11)	11,174	11,174	
Costs	(1,738)	(1,446)	(292)	(17,340)	(17,340)	
	(818)	(515)	(303)	(6,166)	(6,166)	
<u>Safeguarding</u>						
Employment costs	(2,094)	(2,095)	1	(25,141)	(25,141)	
Other	(646)	(249)	(397)	(3,000)	(3,000)	
	(2,740)	(2,344)	(396)	(28,141)	(28,141)	
<u>HR</u>						
Income	1,802	952	850	11,422	11,422	
Employment costs	(1,736)	(1,737)	1	(20,844)	(20,844)	
Other	(25)	(166)	141	(2,000)	(2,000)	
	41	(951)	992	(11,422)	(11,422)	
<u>Retreats & events</u>						
Income	-	-	-	5,500	5,500	
Costs	-	(1,583)	1,583	(12,000)	(12,000)	
	-	(1,583)	1,583	(6,500)	(6,500)	
<u>Other costs</u>						
Admin & comms employment	(3,298)	(2,886)	(412)	(34,626)	(34,626)	
Other office costs	(4,896)	(3,894)	(1,002)	(16,000)	(16,000)	
Chair & volunteer expenses	(31)	(1,249)	1,218	(15,000)	(15,000)	
Synod & conference expenses	(12)	(500)	488	(2,500)	(2,500)	
Organisations supported	-	-	-	(9,000)	(1,000)	1
Learning & development	-	(834)	834	(10,000)	(10,000)	
Surplus/ (deficit) before transfers	19,625	16,445	3,180	(13,843)	(5,885)	
Transfer to Learning Network	-	-	-	(1,500)	(1,500)	
Transfer to other funds	-	-	-	-	-	
Surplus/ (deficit) on unrestricted funds after transfer	19,625	16,445	3,180	(15,343)	(7,385)	
Advance fund						
Income	-	-	-	244,587	150,000	
Transfer to other funds	-	-	-	(38,458)	(38,458)	
CYC & MPE employment costs	-	-	-	(59,001)	(78,150)	2
Other grants	-	-	-	(236,000)	(65,000)	1
Other costs	-	-	-	(6,000)	(1,000)	
Surplus/ (deficit) on advance fund	-	-	-	(94,872)	(32,608)	

- Contributions to pension reserve fund appeal of £8k from general fund, £18k from advance fund
- CYC full time, MPE at 21 hours/week

	Actual YTD	Budget YTD	Var	Forecast FY	Budget FY	Notes
RESTRICTED FUNDS						
MDSW						
Income	-	-	-	25,758	25,758	
Transfer from other funds	-	-	-	13,858	13,858	
Employment costs	(2,990)	(2,991)	1	(35,892)	(35,892)	
Other costs	(10)	(333)	323	(4,000)	(4,000)	
	(3,000)	(3,324)	324	(276)	(276)	
Youth (Hodkin Bequest)						
Income	-	-	-	-	-	
Costs	(2,421)	-	(2,421)	(1,064)	-	
	(2,421)	-	(2,421)	(1,064)	-	3
Peak rural enabler						
Income	13,770	26,600	(12,830)	39,580	40,580	
Transfer from other funds	-	-	-	12,600	12,600	
Employment costs	(3,121)	(2,927)	(194)	(35,121)	(35,121)	
Other costs	(1,367)	(1,514)	147	(18,478)	(18,177)	
	9,282	22,159	(12,877)	(1,419)	(118)	
Who is your neighbour?						
Grant income	-	-	-	80,000	-	
Employment costs	(2,633)	-	(2,633)	(50,000)	-	
Other costs	(888)	-	(888)	(30,000)	-	
Transfer from other funds	-	-	-	-	-	
	(3,521)	-	(3,521)	-	-	
Learning Network region						
Income	1,400	833	567	10,000	10,000	
Costs	(332)	(958)	626	(11,500)	(11,500)	
Transfer from other funds	-	-	-	1,500	1,500	
	1,068	(125)	1,193	-	-	
Persian ministry						
Income	-	15,333	(15,333)	32,800	45,000	
Transfer from other funds	-	-	-	12,000	12,000	
Employment costs	(3,687)	(2,927)	(760)	(35,717)	(35,121)	
Other costs	(877)	(2,689)	1,812	(10,263)	(24,000)	
	(4,564)	9,717	(14,281)	(1,180)	(2,121)	
NPNP Pilot						
Income	-	-	-	70,000	-	
Costs	-	-	-	(80,000)	-	
	-	-	-	(10,000)	-	4
Surplus/ (deficit) on restricted funds	(3,212)	28,427	(31,639)	(13,883)	(2,515)	
Total all funds	16,413	44,872	(28,459)	(124,098)	(42,508)	

3) Legacy now fully extinguished

4) Grants received for NPNP Pilot will be transferred to Derbyshire North East who will employ the pioneer

	31-Aug-21 Actual £	30-Sep-21 Actual £	YTD Movement £
Fixed assets	218,574	218,228	(346)
Debtors and prepayments	42,728	43,428	700
CAF	22,636	48,401	25,765
TMCP	270,046	260,046	(10,000)
Lloyds (WiYN)	60,199	57,059	(3,140)
MWiB	1,920	1,920	-
CFB	90,665	193,976	103,311
Total cash	445,466	561,402	115,936
Grants payable	(126,785)	(116,785)	10,000
Held for other organisations	(538)	(112,827)	(112,289)
Other	(15,057)	(12,748)	2,309
Total creditors	(142,380)	(242,360)	(99,980)
Net assets	564,388	580,698	16,310

FUNDS	31-Aug-21 Actual £	30-Sep-21 Actual £	31-Aug-22 Forecast £
Unrestricted funds	285,822	305,345	270,479
MDSW	17,032	14,032	16,756
Hodkin Bequest	1,064	(1,358)	-
Peak Rural Enabler	2,352	11,635	933
Venture FX	(36)	(36)	(36)
35 Chapel Walk	(56)	(112)	-
DLMN region	2,162	3,230	2,162
WiYN	55,010	51,488	55,010
MWiB	1,920	1,920	1,920
Persian ministry	27,950	23,387	26,770
NPNP Pilot	10,000	10,000	-
Restricted funds	117,398	114,186	103,515
Advance Fund	161,170	161,169	66,298
Total funds	564,390	580,700	440,292

Unrestricted liquid funds (months spend held)	6.9	6.6	4.2
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Debtors includes £36k Advance Fund property loan to Greenhill Methodist Church, repayable in instalments by July 2030.