

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:

- General fund and restricted funds performing in line with budget
- Advance fund expected be in surplus for this year, but this is still expected to unwind next year
- Annual report and accounts to 31 August 2022 have been independently examined and require approval

CURRENT YEAR DISTRICT FINANCES (Appendix 1)

General fund most costs and receipts continue to be consistent with budget. We are likely to end the year with a deficit of £3k (budgeted deficit £4k). Some savings may be possible if we continue not to incur any repair costs for the manse at 99 Grange Road leased out and Learning & Development and Ministerial Development Review grant applications continue to be low. We agreed that these grants will be discontinued from September.

Advance fund as previously noted has benefited from higher than budgeted receipts (£278k expected vs 160k budgeted). When discussing the 2023/24 budget at our last meeting I had anticipated a high level of applications to be received across this year and next year, potentially in the region of £330k. This includes applications for new Christian communities. I believe the overall pipeline to be broadly unchanged from this assessment, but with the timing likely to be weighted towards next year.

Warm Space grants are expected to total £20k.

Restricted funds continue to be performing in line with budget. The Peak Park Rural Development Enabler still needs to raise income to continue to 2026 as planned. Applications are being submitted and the multi-district management group are alert to this.

These forecasts do not include any allowance for cost of living payments to employed staff.

2021/22 ANNUAL REPORT AND ACCOUNTS

The accounts have been independently examined by Hawsons Chartered Accountants, who have performed this role for several years. Last year the general fund reported a small increase of £3k, the advance fund balance increased by £72k due to income being higher than anticipated. Restricted reserves reduced by £53k, which includes the You Is Your Neighbour project becoming an independent charity.

A copy of the annual report and accounts has been circulated with this report.

In approving the financial statements we need to confirm that we are content that the district is a "going concern", i.e. will continue to be able to operate for at least the next 12 months. A cash flow has been prepared as appendix 2 demonstrating that this will be possible, including in the unlikely scenario that circuits will not be able to meet their assessment payments.

DLT are asked to approve the annual report and accounts.

When the financial statements have been signed, I will complete our Charity Commission annual return. This will ask if we have reviewed our financial controls and procedures – a review in the usual format is included as appendix 3. There are no changes, other than simplification from WIYN having become an independent charity, and therefore no longer part of the district.

The district Methodist Women in Britain group maintain their own bank account and financial records. They struggle to keep on top of this, but this is not a significant concern as annual income and expenditure from their gatherings and fundraising tends to be less than £2k. Katrin and I have offered assistance.

Neil Harland

2 March 2023

APPENDIX 1 – JANUARY YTD FINANCES

	Actual YTD	Budget YTD	Var	Forecast FY	Budget FY	Notes
UNRESTRICTED FUNDS						
District assessment	69,433	69,907	(474)	139,814	139,814	
Other income	1,036	105	931	1,500	250	
	70,469	70,012	457	141,314	140,064	
<u>Manse & flat</u>						
Letting income	4,600	4,750	(150)	11,040	11,398	
Costs	(6,080)	(7,370)	1,290	(17,327)	(17,687)	
	(1,480)	(2,620)	1,140	(6,287)	(6,289)	
<u>Safeguarding</u>						
Employment costs	(10,952)	(11,015)	63	(26,435)	(26,435)	
Other	(273)	(1,245)	972	(3,000)	(3,000)	
	(11,225)	(12,260)	1,035	(29,435)	(29,435)	
<u>HR</u>						
Income	3,649	4,980	(1,331)	11,955	11,955	
Employment costs	(9,079)	(9,125)	46	(21,910)	(21,910)	
Other	(117)	(830)	713	(2,000)	(2,000)	
	(5,547)	(4,975)	(572)	(11,955)	(11,955)	
<u>Retreats & events</u>						
Income	3,713	500	3,213	4,000	4,000	
Costs	(12,037)	(11,710)	(327)	(19,000)	(19,000)	
	(8,324)	(11,210)	2,886	(15,000)	(15,000)	
<u>Other costs</u>						
Admin & comms employment	(17,273)	(17,215)	(58)	(41,312)	(41,312)	
Other office costs	(7,528)	(6,670)	(858)	(17,000)	(16,000)	
Chair & volunteer expenses	(4,942)	(5,830)	888	(13,000)	(14,000)	
Organisations supported	-	-	-	-	-	
Learning & development	(1,116)	(3,335)	2,219	(8,000)	(8,000)	
Surplus/ (deficit) before transfers	13,034	5,897	7,137	(675)	(1,928)	
Transfer to Learning Network	(2,702)	-	(2,702)	(2,000)	(2,000)	
Transfer to other funds	-	-	-	-	-	
Surplus/ (deficit) on unrestricted funds after transfer	10,332	5,897	4,435	(2,675)	(3,928)	
Advance fund						
Income	279,015	160,000	119,015	277,589	160,000	1
Transfer to other funds	-	-	-	(21,245)	(24,800)	
CYC & MPE employment costs	(23,689)	(23,825)	136	(57,182)	(57,182)	
CYC & MPE other costs	(602)	(2,505)	1,903	(6,000)	(6,000)	
Warm Space grants	(17,000)	-	(17,000)	(20,000)	-	
Energy survey grants	(508)	-	(508)	(37,500)	-	
Other grants	(54,823)	(37,500)	(17,323)	(119,000)	(90,000)	
Other costs	(1,198)	(415)	(783)	(1,000)	(1,000)	
Surplus/ (deficit) on advance fund	181,195	95,755	85,440	15,662	(18,982)	

1) CMTF levies £132k, £135k sale levies, £10k MAPJ distribution

	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	-	-	-	-	-	
Employment costs	(15,641)	(15,730)	89	(37,759)	(37,759)	
Other costs	(796)	(1,665)	869	(4,000)	(4,000)	
	9,321	8,363	958	(16,001)	(16,001)	
Peak rural enabler						
Income	26,480	38,660	(12,180)	41,220	41,000	
Transfer from other funds	-	-	-	9,245	12,800	2
Employment costs	(15,327)	(15,195)	(132)	(36,459)	(36,459)	
Other costs	(7,361)	(7,640)	279	(18,338)	(18,338)	
	3,792	15,825	(12,033)	(4,332)	(997)	
Learning Network region						
Income	5,360	4,165	1,195	10,000	10,000	
Costs	(7,005)	(4,995)	(2,010)	(12,000)	(12,000)	
Transfer from other funds	2,702	-		2,000	2,000	
	1,057	(830)	1,887	-	-	
Persian ministry						
Income	-	32,000	(32,000)	32,000	32,000	
Transfer from other funds	-	-	-	12,000	12,000	
Employment costs	(15,542)	(15,630)	88	(37,522)	(37,522)	
Other costs	(1,630)	(4,140)	2,510	(9,937)	(9,937)	
	(17,172)	12,230	(29,402)	(3,459)	(3,459)	
NPNP Pilot						
Income	-	-	-	20,000	30,000	
Costs	-	-	-	(30,000)	(30,000)	3
	-	-	-	(10,000)	-	
Surplus/ (deficit) on restricted funds	(3,002)	35,588	(38,590)	(33,792)	(20,457)	
Total all funds	188,525	137,240	51,285	(20,805)	(43,367)	

- 2) £3,555 of current year contribution made in 2021/22 to prevent closing deficit on fund
- 3) Delayed pass through to Derbyshire North East of some of prior year's Connexional grant due to delayed recruitment

	31-Aug-22 Actual £	31-Jan-23 Actual £	YTD Movement £
Fixed assets	215,093	213,643	(1,450)
Debtors and prepayments	47,864	34,522	(13,342)
Includes £16k to Greenhill Methodist Church, repayable in instalments by July 2030, £13k to Enable Housing repayable in instalments by 2029.			
CAF	12,400	17,752	5,352
TMCP	420,478	526,130	105,652
MWiB	2,575	2,575	-
CFB	22,403	134,303	111,900
Total cash	457,856	680,760	222,904
Grants payable	(120,819)	(142,930)	(22,111)
Held for other organisations	(538)	(538)	-
Other	(12,045)	(9,274)	2,771
Total creditors	(133,402)	(152,742)	(19,340)
Net assets	587,411	776,183	188,772

FUNDS	31-Aug-22 Actual £	31-Jan-23 Actual £	31-Aug-23 Forecast £
Unrestricted funds	289,903	300,332	287,228
MDSW	18,291	27,612	2,290
Peak Rural Enabler	-	3,791	(4,332)
DLMN region	1,960	3,018	1,960
MWiB	2,576	2,575	2,576
Persian ministry	31,565	14,392	28,106
NPNP Pilot	10,000	10,000	-
Restricted funds	64,392	61,388	30,600
Advance Fund	233,117	414,462	248,779
Total funds	587,412	776,182	566,607

Unrestricted liquid funds (months spend held)			
General fund	6.3	6.5	5.6
Advance fund	24.4	58.2	34.9

GRANTS PAYABLE						
Applicant	Grant Description	Total offered	Prior years payments	Paid this year	Lapsed	Remaining to pay
		£	£	£	£	£
GRANTS FROM PREVIOUS SCHEME						
Doncaster Circuit	town centre outreach worker	33,000	23,000			10,000
Edale MC	historic chapel renovation (up to 10% of project)	20,000	19,600			400
Doncaster Circuit	RE Team Co-ordinator (phase 2)	27,000	19,000	8,000		0
Trinity Circuit	Circuit Operations Manager	30,000	22,000			8,000
Emmanuel Waterthorpe LEP	youth & childrens outreach worker	6,000	4,000	2,000		0
Sprotbrough MC	families worker	12,000	5,000			7,000
Peak Circuit	Hub at Hope development worker	27,000	10,000	9,000		8,000
TRANSFORMING MISSION GRANTS						
Derbyshire North East	Left Behind Places	20,000	2,000			18,000
Manor Church & Community Project	community cohesion & outreach worker	23,023		5,008		18,015
Sheffield Circuit	mental health coordinator	20,000				20,000
PROPERTIES FIT FOR MISSION GRANTS						
The Grove	Growth of the Grove	20,000				20,000
The Foundry Sheffield	Main Hall chairs	6,900		6,900		0
Peak Circuit	Peak Wesley Way	14,000				14,000
Stocksbridge Christian Centre	community hub & food matters	20,000				20,000
		0				0
Total main grants		278,923	104,600	30,908	0	143,415

31-Jan-23

£

£

Uncommitted funds 31 August 2022 233,117

2022/23 income forecast 277,589

2022/23 commitments

CYC & MPE (63,182)

PPRDE match funding (12,800)

Persian ministry match funding (12,000)

Admin & other (1,000)

Allocated specific grants 2022/23

Carbon reduction feasibility reviews (37,500)

Warm Spaces grants (20,000)

Other grants awarded (54,000)

Reserves policy (3 months spend excluding grants) (22,245)

Available for grants 2022/23 287,979

Other allocations

Youth internships - 2023/24 onwards (20,000)

NPNP funding - phase 1 (up to £20k (140,000)

for each of 7 projects, matching E&G

funding)

NPNP funding - phase 2 (up to £20k (140,000)

further from year 3 onwards for 7

projects)

APPENDIX 2 – CASH FLOW FORECAST

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
GENERAL FUND																
Assessments received	144			144			148			148			148			148
Remitted to Connexion	(109)			(109)			(119)			(119)			(119)			(119)
Other net spend	(16)	(16)	(16)	(16)	(16)	(16)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)	(13)
ADVANCE FUND																
CMTF transfers & CFP levy							180									
Existing grant commitments			(65)				(50)									
New grant commitments										(100)			(100)			
Missional staff	(5)	(5)	(5)	(5)	(5)	(5)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)	(9)
Internship programme							(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Match funding restricted grant income	(4)	(4)	(4)	(4)	(4)	(4)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Net cash flows	10	(25)	(90)	10	(25)	(25)	134	(25)	(25)	(96)	(25)	(25)	(96)	(25)	(25)	4
Total unrestricted cash	604	579	488	498	473	448	581	556	530	434	409	383	287	261	236	239
RISK ADJUSTED CASH																
District element of assessment not received				(35)			(29)			(29)			(29)			(29)
no money in CMTFs, no CPF levy							(180)									
Cost savings																
No new grants approved										100			100			
End missional staff roles				5	5	5	9	9	9	9	9	9	9	9	9	9
Cancel internship programme				2	2	2	2	2	2	2	2	2	2	2	2	2
Adjusted unrestricted cas	604	579	488	470	452	434	369	355	340	325	310	296	281	266	252	237
Notes																
Spend from Feb to Aug 2023 is from current year latest forecasts																
Spend from Sept 2023 is from budget approved in January																
In practice the risk of circuits being able to sustain no assessments and having no CMTF funds is highly unlikely, and would question the need for existence of the district																
Legally the District is a collection agent for the Connexional portion of assessments on circuits, so could never be in a position where more was due to be paid over to Connexion than received from circuits																

APPENDIX 3 – FINANCIAL CONTROLS REVIEW

Changes since last year in bold red

RISK	CONTROL	FURTHER ACTION PROPOSED
Inappropriate payments – CAF	Dual signatories required on cheques & electronic payments Cheque book kept in District office and electronic payments initiated by Katrin who is not a signatory	
Inappropriate payments – TMCP	Dual signatories required on payment requests Payments can only be made to organisations, not individuals Payment request forms are prepared and submitted by Katrin, who is never one of the two signatories Electronic signatures are used, but are confirmed by email with the signatories.	
Inappropriate payments – CFB	Payments can only be made to other CFB or pre-registered accounts. Katrin and Neil both have access to online CFB banking system	
Inappropriate payments – debit cards	Debit card (held by Katrin Hackett) linked to a separate account with a float of £1,000 to keep separate from main account. Limits placed on daily spend. Full receipts provided for all spend	
Conflict of interests/ prioritisation of spend	Grant application review by DLT Approval of budget by DLT and summary circulated to circuit treasurers	
Unauthorised salary payments	New roles and changes to roles approved by DLT Payroll paid by central payroll bureau, who take instructions only from Neil, Gill or Katrin. Review of monthly payroll summaries from payroll bureau. Payroll now information now usually sent via secure email system. Instructions standardly sent by Katrin.	
Payroll compliance	Payroll paid by central payroll bureau Employment documentation approved by HR Officer	
Reimbursement of out of pocket expenses	Standardised claim form and supporting receipts provided to Katrin	
Lease commitments	All property leases approved by TMCP and DLT	
Cash handling	Minimal cash received	
Bad debts	Most income is from Methodist or other charities	
Misreporting of financial performance	Financial report to each DLT, PPRDE, Learning Network management committee meeting. Independent examination of accounts All bookkeeping undertaken by Katrin, with financial reports and comparisons to budget performed by Neil	
Overspend	As for misreporting	
Cash flow shortages	Multiyear budgeting, reserves policy	
Loss of/ damage to financial records	Financial records maintained on Paxton accounts software accessible online through secure web portal so not at risk in event of district server failure	
MWiB finances	Separate bank account managed by MWiB committee, who provide an annual summary of income and expenditure, less than £2k pa	