

Methodist Church

Isle of Man District

District 15

Financial Statements

For the year ended 31 August 2018

DRAFT

**Methodist Church
Isle of Man District
Year ended 31 August 2018**

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**Methodist Church
Isle of Man District
Year ended 31 August 2018**

Trustees' Report

Background

The Isle of Man District of the Methodist Church in Great Britain (District 15) came into existence upon the merger of the Wesleyan Methodists and the Primitive Methodists in September 1932.

The District is classified as being a separate charity in its own right under the Charities Registration Act 1989 in the Isle of Man and is exempt for registration under regulation 2(3) of the Religious Charities Regulations, 1999 in the Isle of Man. The effect of this exemption is that no information needs to be submitted to the General Registry in the Isle of Man.

The Methodist Church is governed by its Constitution, Practice and Discipline (CPD), and is organised in four tiers; individual Churches whose governance is exercised by Church Councils, Circuits (geographical groups of Churches) whose governance is exercised by Circuit meetings, Districts (geographical groups of Circuits) whose governance is exercised by Synods (with Policy Committees exercising interim delegated authority), and a Connexion, directed by the Conference.

The Composition of the Isle of Man Synod is the same as that of the Isle of Man Circuit Meeting, while the composition of the District Policy Committee is the same as that of the Circuit Leadership Team. The composition of the Isle of Man Synod is published each year, and is supplied to the Secretary of the Methodist Conference.

Office Holders

The following held office during and following the financial year:

Chair of District	Revd Richard Hall
Synod Secretary	John Binns
Treasurer	Colin D. Clark (retired 8 September 2018) Eddie Teare (appointed 8 September 2018)

Results

The results for the year ended 31 August 2018 show a deficit of £14,547 (2017; surplus of £13,836) which has been deducted from respective funds of the District.

Independent Examiner

Howard Pilley.

Treasurer
Eddie Teare
Dated

Chair of District
Revd Richard Hall
Dated:

**Methodist Church
Isle of Man District
Year ended 31 August 2018**

Trustees' Responsibility Statement

The Trustees are responsible for preparing the trustees' report and the financial statements, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Law applicable to charities in the Isle of Man requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of the charity and of its incoming resources and application of resources for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping the proper accounting records which disclose at any time, with reasonable accuracy, the financial position of the charity and enable them to ensure that the accounts comply with the Isle of Man Charities Registration Act, 1989. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that they have complied with the above requirements.

Treasurer
Eddie Teare
Dated

Chair of District
Revd Richard Hall
Dated:

Independent Examiner's Report to the Trustees of the Methodist Church Isle of Man District

I report to the Trustees on the accounts of the Isle of Man District Methodist Church for the year ended 31 August 2018, which are set out on pages 4 to 7.

Respective Responsibilities of Trustees and Examiner

The Trustees are responsible for the preparation of the accounts for the Charity. The Trustees consider that an audit is not required for this year under section 5 of the Charities Registration Act 1989 ("The Act") and that an independent examination is appropriate.

It is my responsibility to:

- Examine the accounts; and
- State whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out taking into consideration general guidance given by the General Registry. 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 or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the view given by the accounts.

Independent Examiner's Statement

In connection with my examination, I have reasonable cause to believe that:

(1) in all material respects the requirements:

- to keep accounting records in accordance with regulations made under section 11(1)(a) of the Act;
- to prepare accounts in accordance with regulations made under section 11(1)(b) of the Act;

have been met; and

(2) there are no material matters to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Howard Pilley

Dated:

**Methodist Church
Isle of Man District
Year ended 31 August 2018**

Statement of Financial Activities

	Notes	District Expense Fund £	Chair's Discretionary Fund £	District Advance Fund £	Total 2018 £	Total 2017 £
Incoming Resources	1					
Assessments from Circuit		4,000	1,100	-	5,100	1,100
Contribution from Circuit Advance Fund		-	-	14,831	14,831	23,872
Total Incoming Resources		4,000	1,100	14,831	19,931	24,972
Resources Expended	1 & 2					
Telephone and travel		4,202	-	-	4,202	1,846
General administration costs		2,072	1,475	-	3,547	2,925
Rental and office expenses		592	-	-	592	70
Grants and donations		-	-	26,137	26,137	6,295
Total Resources Expended		6,866	1,475	26,137	34,478	11,136
Net surplus/(deficit) for the year		(2,866)	(375)	(11,306)	(14,547)	13,836
Surplus brought forward		2,973	1,508	33,255	37,736	23,900
Total surplus/(deficit) Carried Forward		107	1,133	21,949	23,189	37,736

The notes on pages 6 to 7 form part of these financial statements.

**Methodist Church
Isle of Man District
Year ended 31 August 2018**

Balance Sheet

	Notes	District Expense Fund £	Chair's Discretionary Fund £	District Advance Fund £	Total 2018 £	Total 2017 £
Current Assets						
Debtors and prepayments	3	842	-	1,000	1,842	629
Cash at bank and in hand	4	60	1,133	27,755	28,948	62,719
Total current assets		902	1,133	28,755	30,790	63,348
Creditors and Accruals due in under one year						
External		-	-	-	-	2,300
Owed between district and circuit		795	-	6,806	7,601	23,312
Total creditors and accruals	5	795	-	6,806	7,601	25,612
Net assets/(liabilities)		107	1,133	21,949	23,189	37,736
Represented by Funds of the District						
General Fund (unrestricted)		107			107	2,973
Chair's discretionary fund (unrestricted)			1,133		1,133	1,508
District Advance Fund (restricted)				21,949	21,949	33,255
Total district funds		107	1,133	21,949	23,189	37,736

The notes on pages 6 to 7 form part of these financial statements.

The financial statements were approved by the Trustees and authorised for issue and signed on their behalf

Treasurer

Chair of District
Revd Richard Hall

Dated

Dated:

**Methodist Church
Isle of Man District
Year ended 31 August 2018
Notes to the Financial Statements**

1 Accounting Policies

Basis of accounting

These financial statements have been prepared under the historical cost convention, in accordance with the General Principles of the Statement of Recommended Practice "Accounting for Charities" (except where noted) and include Methodist Church Accounting Guidance and the regulations framed under the Isle of Man Charities Act 1989. The principal accounting policies adopted in the preparation of these financial statements are set out below:

Incoming Resources

These are included in the Statement of Financial Activities (SOFA) when the District becomes entitled to the resources, the trustees are virtually certain they will receive the resources; and the monetary value can be measured with sufficient reliability.

Resources Expended

Expenditure is recognised when a liability is incurred, or a constructive obligation arises, that results in the payment being unavoidable.

Income recognition

In instances where the District acts as agent, such as the payment of expenses of delegates from the District to the Methodist Conference, and the payment of ministers' business or personal travel to the Mainland UK, these transactions are not reflected in the SOFA.

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the District to pay out resources.

Debtors and Prepayments

Debtors and prepayments are the amounts owing to the District as at year end.

Creditors

Creditors are in respect of amounts owed by the District at year end.

Accounting for separate funds

The funds held in the District Expense Fund are to cover the expenses of the Isle of Man District and there are no restrictions imposed on the use of this fund. The Chair's Discretionary fund are amounts available to the Chair for expenditure at his discretion and to decide upon worthy recipients of the funds.

The funds included within the District Advance Fund are restricted. The income derives from amounts received from all circuits in a given District and contributions from the Connexional Priority Fund. The decisions on those levies are imposed on each Circuit by being confirmed by the Conference annually. The Districts are guided by Conference as to what those funds can be used for and hence are therefore regarded as restricted.

**Methodist Church
Isle of Man District
Year ended 31 August 2018**

Notes to Financial Statements Continued...

2 RESOURCES EXPENDED

Resources expended include payments to trustees on account of travel and other incidental costs in carrying out their responsibilities for the district according to the Constitutional Practice and Discipline of the Methodist Church.

3 DEBTORS AND PREPAYMENTS

	2018	2017
	£	£
Amounts owed from Connexion	842	629
Prepaid expenses	<u>1,000</u>	<u>-</u>
	<u>1,842</u>	<u>629</u>

The District believes that a further sum is due from Connexion in relation to their share of Connexional Property Fund Distribution. However, since this matter has not yet been resolved, the income and resultant debtor have not yet been brought to account.

4 CASH AND BANK BALANCES

	2018	2017
	£	£
Bank balances at year end	<u>28,948</u>	<u>62,719</u>

The bank balance in district advance fund amounting to £27755 (2016: £19,178) is held in a bank account in the name of The Trustees for Manx Methodist Church Purposes.

5 CREDITORS AND ACCRUALS

	2018	2017
	£	£
Creditors - Isle of Man Circuit	7,601	23,312
Creditors - third parties	<u>-</u>	<u>2,300</u>
	<u>7,601</u>	<u>25,612</u>