

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 1067653

Details

Other names MONMOUTH DBF

Status Registered

Legal form Charitable company

Company number [03489945](#)

Registered 1998-01-23

Register [View on the Charity Commission register](#)

Contact

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Diocesan Board of Finance
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Activities

Objects: TO PROMOTE AND ASSIST THE PURPOSES OF THE CHURCH IN WALES AND IN THE PROVINCE OF WALES GENERALLY AND IN THE DIOCESE OF MONMOUTH FOR THE TIME BEING IN PARTICULAR AND TO COMPLY WITH THE CONSTITUTION OF THE CHURCH IN WALES AND THE DIOCESAN CONFERENCE IN SO FAR AS IS CONSISTENT WITH ITS REGISTRATION AS AN AUTONOMOUS INSTITUTION UNDER THE CHARITIES ACT 1993.

Activities: To ensure that there is sufficient revenue to maintain the level of stipendiary ministry for the diocese and to enable the administrative functions of the diocese to be properly exercised.

Classification

- **How:** Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** WALES AND DICESE OF MONMOUTH
- Blaenau Gwent
- Caerphilly
- Cardiff
- Monmouthshire
- Newport City
- Torfaen

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£3,774,334	£3,732,962	£6,713,879	14
2023-12-31	£4,163,580	£3,130,151	£6,457,491	10
2022-12-31	£3,350,539	£2,868,391	£5,368,492	9
2021-12-31	£3,930,405	£3,815,340	£5,256,772	9
2020-12-31	£4,052,623	£3,901,931	£4,873,657	12

Trustees

Name	Role	Appointed
Alan David Jones		2021-09-23
Andrea Thomas		2023-12-08
Ann Louise Minford		2023-05-11
Dr Paul Glover		2023-05-11
Ian Stuart Loynd		2023-09-14
MR C WRAY		
Nicola Gibbons		2023-12-08
Rev James Andrew Henley		2023-09-14
Rev Ross James Maidment		2023-09-14
The Right Reverend Cherry Elizabeth Vann		2020-02-01
The Venerable Ian Kendall Rees		2021-09-23
The Venerable Stella Bailey		2022-06-27
Timothy Russen		2013-10-07
Very Reverend Ian Christopher Black		2021-06-11

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 1067653

Accounts

COMPANY REGISTRATION NUMBER: 03489945
CHARITY REGISTRATION NUMBER: 1067653

The Monmouth Diocesan Board of Finance
Company Limited by Guarantee
Financial Statements
31 December 2024

WALTER HUNTER & CO LIMITED
Chartered accountants & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Financial Statements

Year ended 31 December 2024

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The Monmouth Diocesan Board of Finance
Company Limited by Guarantee
Trustees' Annual Report (Incorporating the Director's Report)
Year ended 31 December 2024

The trustees, who are also directors for the purposes of company law, presents their report and the financial statements of the charity for the year ended 31 December 2024.

Reference and administrative details

Registered charity name	The Monmouth Diocesan Board of Finance
Charity registration number	1067653
Company registration number	03489945
Principal office and registered office	Diocesan Office 64 Caerau Road Newport NP20 4HJ

The trustees

Ex-officio

Peter E Lea (Chair)	(until September 2024)
Ian Loynd (Chair)	(Chair from September 2024)
Louise Minford (Vice Chair)	
The Bishop of Monmouth - The Right Reverend C E Vann	
The Dean of Newport - The Very Reverend I C Black	
The Archdeacon of Newport - The Venerable J S Williams	
The Archdeacon of Monmouth - The Venerable I K Rees	
The Archdeacon of the Gwent Valleys - The Venerable S Bailey	
The Diocesan Registrar of Monmouth – Timothy Russen	
Alan David Jones	

Elected

Paulette Brown	(until September 2024)
Nicola Gibbons	
Paul Glover	
Reverend James Henley	
Reverend Ross Maidment	
Christopher Wray	
Andrea Thomas	

The Monmouth Diocesan Parsonage Board

Alan David Jones
The Bishop of Monmouth - The Right Reverend C E Vann
The Archdeacon of Newport - The Venerable J S Williams
The Archdeacon of Monmouth - The Venerable I K Rees
The Archdeacon of the Gwent Valleys - The Venerable S Bailey
Peter E Lea
Ian Loynd
Rod Davies
Sam Helkvist
Wency Matthews
Ashley Rogers

The Monmouth Diocesan Board of Finance
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Executive Officer	Isabel Thompson
Company Secretary	Bethan Davies
Auditor	Walter Hunter & Co Limited Chartered accountants & statutory auditor 24 Bridge Street Newport South Wales NP20 4SF
Bankers	NatWest Bank plc High Street Newport NP19 1GG
Solicitors	Jacklyn Dawson Solicitors Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	RBC Brewin Dolphin 3rd Floor 2 Central Square Cardiff CF10 1FS

Strategic report

The following sections for achievements and performance and financial review form the strategic report of the charity.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised. This helps to enable a sustainable and transforming Christian ministry across the diocese.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth (pastoral, evangelistic and social). By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs. In supporting this work, it provides a benefit to the public by:

- Promoting Christian values, and service by members of the church in and to their communities, for the benefit of individuals and society as a whole
- Providing facilities for public worship, pastoral care and spiritual development, both for its members and for anyone who wishes to benefit from what the church offers.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance

Ministry

Ministry remains the largest expenditure of the DBF and a key resource for the mission work of the church. Ministry is delivered in many different ways by a significant number of people, many of whom generously give their time freely for roles within churches and ministry areas. Formal ministry in the traditional sense is delivered by a combination of ordained, lay licensed and commissioned ministers.

Supporting those involved in ministry to ensure that their work remains fulfilling and positive remains a priority for the Bishop, Archdeacons and the DBF. This recognises that whilst the needs of ministry may change, the call to serve and to proclaim the gospel through words and actions remains constant. As far as possible, the DBF is seeking to lessen the administrative burden from clergy and lay people so that they can focus on the requirements of their ministry and the needs of their community. During 2024 new resources to support admin, governance, finance and property within the ministry area were available and these are described later in this report.

The continued development of all forms of ministry is essential, and working alongside those who are considering their vocation is an important part of the ministry development work. To support this, the diocese has a team of vocations advisors who work with the Diocesan Director of Vocations. Revd Rebecca Stevens left this role at the beginning of December and was replaced by Revd William Ingle-Gillis, with Wendy Matthews as Assistant Diocesan Director of Vocations.

In the diocese we are fortunate to have so many committed lay and ordained people who are working hard to share the message of the gospel through their words and actions. We hope that their passion and enthusiasm can be maintained and enhanced, and we recognise the need to care for all involved in ministry.

Licensed Ministry figures

Type of ministry	Number
Stipendiary Clergy at the end of 2024	47.5
Stipendiary Clergy (budgeted figure)	50.5
Non-stipendiary Clergy at the end of 2024	14
Residential Non-stipendiary Clergy at the end of 2024	8
Lay licensed Ministers at the end of 2024	32

Ministry Areas contribute to the cost of ministry through their ministry share payments, and this money is raised locally through regular giving, donations and fundraising. The DBF is grateful for all the generosity and faithful stewardship within our church and local communities throughout the diocese in raising the funds needed to support the costs of ministry.

In 2024 the Diocese of Monmouth received £398,824 from the Church Growth Fund to support the cost of stipendiary, residential non-stipendiary clergy and salaried lay ministry. This is part of the longer-term support for ministry in the diocese and has enabled us to commit to retaining current clergy numbers while we work to embed our diocesan vision and support our ministry areas to develop and enhance an outward-looking culture that is focused on growth and evangelism.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

Ordinations

In June 2024 at Newport Cathedral, Bishop Cherry ordained 3 Priests and 3 Deacons.

The Revd Julia Durham, The Revd Dawn Lindsay and The Revd William Savage were ordained as priests, and Ashley Davies, Marlwyn Nixon and Liane Miriam Chalmers were ordained as Deacons.

Vision - Faith in our Future

During 2024 we continued to build on the diocesan vision which was launched in October 2022. A priority for the DBF has been to help and support MAs in living out the vision in their particular context. Our diocesan vision helps us to focus on mission and growth; making the most of the opportunities God gives us to work with him in strengthening the church and building the kingdom. At the heart of our diocesan vision is the desire for God's church to grow, and the belief that it can grow.

The five branches of our vision help us to focus our faith, life and works:

Discipleship, Growing more like Jesus

Stewardship – Living as thankful and generous people

Social Justice – Serving together to strengthen our communities

Equality and Diversity – Welcoming all

Environment – Caring for God's creation

The branches challenge us to confidently look outside of our churches and engage more deeply with our communities. The vision calls us to grow closer in our relationship with God through inspiring worship and meaningful prayer. It is a vision to inspire growth in us and in our churches.

Vision highlights

More ministry areas joined in with our **Faith in our Future planning** sessions during 2024 to help them to think about the five branches of the vision and what more they can do in their communities. Ministry areas have been forming goals which aim to grow the church both spiritually and numerically.

Throughout the diocese we have encouraged congregations to reflect on their **discipleship** and to think about their gifts. A number have used their gifts to train for different ministries. We have some in training for ordained and licenced training and a good number have trained for the new commissioned lay ministry roles.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

Lay Ministry was celebrated in a special service in St Marks, Goldtops, Newport on the 19th June 2024. This annual event gives us an opportunity to say 'thank you' for all the lay ministry in the diocese.

Many of our churches and ministry areas were supported in their care for God's creation as we put into action the **Environment** branch of our diocesan vision, achieving a number of eco-awards during 2024.

This award recognises the work that the whole diocese is undertaking as we journey towards NetZero. As well as many local churches receiving awards, the diocese received an Arocha Eco Diocese bronze award, and the diocesan office received its silver award!

During 2024, churches were supported to fill in the Energy Footprint Tool which calculates the carbon emissions of our church buildings.

During 2024, DBF grants have been provided for **social action projects** throughout the diocese to help churches make a difference within their local communities. These included funding for a community choir, food bank/food pantry projects, as well as work with young families.

In October 2024 the diocese put on sessions of **suicide awareness training** to teach the theory and practice of suicide intervention skills that can be applied in any professional or personal setting. The programme was delivered by the National Centre for Suicide Prevention.

A new 3-part **stewardship workshop** was launched and delivered in 2024. The workshop gives ministry areas the opportunity to reflect into their current stewardship practices, to increase giving and to develop and embed new ideas.

The Diocese of Monmouth, working with the Diocese of Llandaff and The South-East Wales Deaf Church Association, has been supporting **outreach into the deaf community** through work with deaf clubs, schools' work, guidance for churches, specialist retreats and BSL social media reflections.

The 2024 the Bishop's Lent Appeal raised £15,446 for the **Highveld Board of Social Responsibility** in our link diocese in South Africa. The money given will be used for projects to support the churches' work in schools and nurseries, in alleviating poverty, and in developing work to combat violence and abuse, particularly against women and children.

Culture

The Diocesan Culture Guide was launched in March 2024 to build on the diocesan vision. The vision encourages us all to reach out into our communities through the five branches. The culture guide challenges us to consider how we do that, and how we are perceived by those within our communities.

Put simply, the vision is about doing, and the culture guide is about being.

Our culture encourages us to live out our faith in a way that demonstrates our values of

- Love
 - Generosity
-

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

- Joy
- Humility
- Courage
- Integrity

These core diocesan values were agreed upon through many discussion and consultation sessions with people from all over the diocese as being the ones that were most important to us when taking forward our diocesan vision.

The Culture Guide also articulates that as people encounter us and our churches; we hope that they experience

- worship that is joyful, generous and loving;
- prayer and fellowship that support and encourage everyone to move forward in their journey of faith;
- joyful celebrations of life events and festival services;
- social action and loving service;
- care for the environment;
- a loving welcome and generous hospitality;
- a celebration of differences that addresses barriers to belonging, and
- a recognition and encouragement of everyone's gifts and talents.

Key events that promoted our culture included -

March - Culture Day

For the first time, in March 2024, clergy and key lay people from all 16 ministry areas and the cathedral gathered together for a special networking day to help shape the culture and ethos of our churches.

The group included clergy, lay co-chairs, ministry area wardens, treasurers, property leads, lay licensed ministers and ministry area safeguarding officers. They were inspired by Mandy Bayton, Director for Evangelism for the Church in Wales, who gave two thought-provoking addresses, before the group was divided into smaller working groups to explore the Culture Guide more closely.

The day closed with uplifting worship – including a sermon from Mandy Bayton.

May - Diocesan Celebration Service

More than 200 people filled St Mary's Church, Abergavenny for our first Diocesan Celebration Service.

Nearly every ministry area was represented as families came together on a sunny Saturday morning for worship and fellowship to celebrate the life of the diocese.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

Bishop Cherry's sermon celebrated Pentecost, saying: "We remember the day when the disciples of Jesus were transformed by the Holy Spirit, motivating and inspiring them to share the extraordinary news of God's love for each and every person."

There was music from a Church in Wales school choir, a ministry area worship band as well as traditional organ music.

November – Diocesan Conference

Our diocesan conference was attended by 150 people who came together with warmth and positivity at St Teilo's High School. The event was split into two sessions – conference business, followed by a deeper exploration of our culture and values as an organisation.

The highlights of our business was an agreement that we should merge our key committees and bring together the finance and the strategy decision-makers in the diocese with the creation of a new Diocesan Council that will be begin in 2026 following elections in 2025.

Bishop Cherry's presidential address which shaped proceedings for the day explained that as a diocese "we've managed, together, to shift the culture of the diocese to one that is, I believe, more wholesome, more Christ-like. A culture that reflects increasingly the nature of God as we see it in Jesus Christ."

'Culture' was the key word for the day and Bishop Cherry spoke of it as "DNA; the threads of the character that run through it all." Drawing from our Culture Guide, Bishop Cherry spoke of the values which were identified following lengthy consultation. Love, generosity, joy, humility, courage and integrity are qualities we should demonstrate at every level of our life together."

She spoke of developing a culture across this diocese that "reflects the nature of God as we see it in Jesus Christ" which she considers paramount. She concluded that this needed to be "Intentional" and that it would be the focus of her ministry and prayer over the next four years.

Following her presidential address, six representatives from across the diocese took to the stage to describe what each value means to them. Each of the contributors spoke passionately and engagingly about their individual value and gave the rest of the delegates plenty to discuss in their follow-up discussion sessions.

Wellbeing

Wellbeing in all parts of the organisation is important to live out our culture and to take forward our vision. Although we all have different work patterns, and there is no prescribed way that suits everyone. Self-care, however, should be a consideration for all and we need to look after ourselves spiritually and mentally. If we are engaged in any form of ministry in the church, lay or ordained, we will be caring for people, and we can't do that properly if we are not caring for ourselves.

Our Diocesan Wellbeing Guide was updated and relaunched for our November 2024 conference. It contains advice on how to look after lay people as well as our clergy.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

As part of our commitment to a healthy culture and wellbeing we have well established Ministry Area Networks to gather together our key roles within each ministry area. These networks are for MA Wardens, Lay Co-Chairs, MA Treasurers, MA Safeguarding Officers, MA Property Leads, Vicars and Curates, and MA Leaders. These roles meet three times a year, including at the Culture Day in March. These networks aim to ensure that we have effective two-way dialogue so that concerns, issues and good news stories from our churches and Ministry Areas can be heard in a supportive environment that allows us to discuss them together and co-create solutions.

Continued Ministerial Development (CMD)

All Clergy have annual CMD. The 2024 sessions were:

February – Ven Miranda Threlfall Homes:

Theme : How to eat bread – Consuming the richness of the Bible

June – Revd Simon Cuff

Theme : Christ's Priesthood and ours

November – A day on poetry led by Bishop Cherry (this replaced a planned day which would have been led by Very Revd Mark Oakley who was unwell)

Ministerial Development Reviews (MDRs)

There is an ongoing programme of MDRs with clergy meeting either Bishop Cherry or an Archdeacon every 18 months. In these there is a chance to reflect on ministry and think about their wellbeing.

Newly Licensed Ministers (NLMs)

Clergy and licensed lay ministers have additional training to support their ministry. Training is organised on a Provincial basis and a Diocesan basis. Within the diocese sessions in 2024 included:

Wellbeing in ministry, A thin space (healing & wholeness ministry), a preaching festival (where each of the NLM's were invited to preach), What Chaplains do, Meet the diocesan office team and a quiet day (listening to God's call)

New Evangelism and Church Growth Projects

During 2024 the DBF received funding from the Representative Body to build new worshipping communities in locations throughout the diocese. New hub churches in Tredegar and Chepstow were launched in September with a Hub Church Leader, a Children's and Families' Pioneer and an administrator. Through social action and community engagement, these new worshipping communities will seek to bring the transforming love of Christ to their communities, aiming to bring the under 40s into a vibrant faith life.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

In September 2024, the DBF received additional funding for four Schools Engagement Pioneers who will build links with church and community schools in the area, inviting school children and their families into four new worshipping community in locations across the diocese.

Diocesan Support Services

During 2024 the DBF significantly expanded its diocesan support services with a new ministry area support team and a new property team. Both these teams have increased the direct practical support that is provided by the diocesan office team to the ministry areas.

The development of this team is part of an intentional shift by the DBF towards providing hands-on practical support.

New Ministry Area Support Team

The ministry area support team is based in the diocesan office and provides practical help with all aspects of ministry area finance, admin and governance tasks. This includes a full book-keeping service, collating and designing newsletters, help with writing governance policies and charity trustee body standing orders.

New Property Team

The new property team is jointly employed by Llandaff and Monmouth DBFs, to provide internal expert help with church buildings. Recruited during 2024, the team was complete by the end of the year and includes two surveyors, one senior who leads the team, a grants and funding officer to help with raising the funds for repair and development work, as well as a DAC Secretary to support churches to plan their scheme of work and to get the right permissions.

Diocesan Education and Church Schools

The team continues to provide advice with regards to statutory responsibilities around areas such as - admissions, appeals and CRAMP, governing body policies and procedures including appointment of Foundation Governors, professional development and curriculum updates. headteacher meetings take place termly either face to face or online. Visits to schools are on request with the aim of visiting each school at least once a year.

The Education Team held its first conference attended by over 50 headteachers and senior leaders in 2024 with a focus on compassion and Christian values. Engagement with the Schools of Sanctuary continued to grow in 2024 with "train the trainer" training taking place in January. St Davids', St Mellons, Bishop Childs and Usk are currently part of our Schools of Sanctuary network.

In July more than 500 primary school pupils from across the diocese filled Newport Cathedral with singing, readings and prayer during the special Year 6 Leavers service.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Parsonage Board.

In 2024 there were 67 parsonages in the scheme and the DBF contributed £435,713 for maintenance work. 11 parsonages were rented to generate additional income.

The Parsonage Board, in addition to ensuring that housing is suitable for clergy, have also been looking at issues of energy performance and efficiency in order to help support the Church in Wales' commitment to achieving net zero carbon by 2030.

Diocesan Grants

Church and Churchyard Repair Fund

Each year the Diocese of Monmouth offers grants to churches through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs, maintenance and improvements to churches, church halls and churchyards.

This grant fund is available to all churches in the diocese and the applications are reviewed quarterly by a grants committee and reported to the Diocesan Standing Committee at each of the meetings.

Feedback for churches and ministry areas throughout the diocese demonstrates the value of this repair, maintenance and improvements fund, especially at a time when churches are finding it increasingly more difficult to apply for external funding for essential works to their buildings.

Ministry Area Development and MA Administrators Grant

The Ministry Area Development grant is a DBF fund with the primary purpose of providing financial support to ministry areas to help with the transition from 121 smaller parishes to 16 larger ministry area.

Applications to the fund will be different depending on the needs of each area but have included financial support to set up ministry area offices with furniture and Wi-Fi, Church Suite membership (CRM) software, PA systems and branding.

In addition, from 2021 onwards the DBF has been providing grant to cover approximately 7 hours of administrative support a week per MA. It will be made available to MAs in full for the first year but, each subsequent year, the level of funding will be reduced as the MA develops. The funding is intended to enable an additional professional resource to tie together work that is already being done by volunteers and clergy to ensure the MA is compliant and up-to-date with insurance, HMRC, Charity Commission, bank records, safeguarding training and DBS checks. When available, administrators will also manage a database of regular givers and assist members of the MAC with the administrative elements of a stewardship campaign.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Achievements and performance *(continued)*

Contactless Giving

Since it was launched in 2020 many more church and ministry areas have taken up the DBF financial support allow them to have contactless giving devices. The total amount of grants given in 2024 was £4,859 across 11 ministry areas.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Financial Review

The Diocesan Board of Finance made an unrestricted surplus for the year of £407,207 and a restricted deficit of £150,819. £131,301 of the unrestricted surplus is due to investment gains and £80,000 due to the revaluation of the diocesan office.

Unrestricted reserves at 2024 amounted to £6,067,327 of which £484,650 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £1,201,235 has been designated for specific projects (see note 25).

Reserves are tied up in investment assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £646,522 (see note 25).

Income

Donations and legacies

During 2024 the DBF received £3,450,587 in donations. Of this, £2,064,178 came from Ministry Share. The Representative Body provided £215,000 in Partnership Funding, £484,336 of Structural Resilience funding, £100,132 Safety Net funding and £398,824 from the Growth Fund.

Other trading activities

The Parsonage Board raised £118,072 from the rental of parsonages in 2024. These funds are restricted and are used to support the repair and maintenance of all parsonages.

Investments

The investment managers achieved their income target. The DBF received £198,584 in investment income in 2024.

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, council tax and maintenance of the parsonages. In 2024, the cost of this was £2,514,571.

Support for Ministry Areas

In 2024 support for ministry areas totalled £419,210.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Financial Review *(continued)*

Grants and other financial support

The DBF made payment of £159,109 in grants in 2024. This included the annual grants paid to the Cathedral, Bishop's Funds, the DBF contribution to the Churches and Pastoral Committee.

Ministry Area Administrator and Ministry Area Development Grants are still being awarded from their respective funds.

Support Costs

Support costs relate to Diocesan Office and DBF staff costs.

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Representation from members of the DBF and the Trust sit on the Investment Advisory Group.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

The investment managers are required to ensure that the ethical investment policy, as agreed by trustees, is followed at all times. The trustees subscribe to the same ethical investment policy as that adopted by the Representative Body of the Church in Wales. The Policy prohibits investment in companies involved in armaments, predatory lending activities and pornography, restricts investment in companies involved in gambling, alcohol, tobacco, the production or the extraction of fossil fuels and seeks to promote good levels of environmental, social and governance responsibility.

RBC Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds, Revaluation Reserve and Designated Funds equated to £4,158,250 (2023: 3,883,989).

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend, Ministry Share payments received on a quarterly basis from the ministry areas and funding for the Evangelism project.

The Monmouth Diocesan Board of Finance

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Financial Review *(continued)*

Risk Management

The major risks on the risk register are reviewed at each quarterly trustee meeting, and the whole register is reviewed annually.

The highest risks have remained consistent and are -

- Decline in income through reduced Ministry Share as a result of declining average Sunday attendance numbers.
- Ministry Areas being unable to cover share because of reduced income.

Plans for the Future

Forward strategy

In 2025 the DBF will build upon the work achieved to take forward the vision, culture, wellbeing and support services during 2024. Successful events such as the March culture day, the diocesan celebration service, the celebration of lay ministry and the diocesan conference will continue in 2025 together with the ministry area networking meetings to ensure that there is effective ongoing two-way dialogue.

Ministry areas will be supported to think about growth and outreach through the Faith in our Future planning workshops and the stewardship workshops. Ministry area teams will also be helped to work better together with new team building workshops launched in January 2025.

More support will be offered with the training for commissioned lay ministry with diocesan courses run in conjunction with ministry areas.

Funding new worshipping communities that are contextually relevant for our ministry areas is an important priority for 2025, and we will be working with ministry areas to submit funding applications to the Church Growth Fund so that every ministry area can benefit from a new exciting project.

The MA support team aim to increase the support available to ministry areas will the addition of hands-on communication support which will include building new ministry area websites and supporting their social media content. This will be done in conjunction to an increased diocesan social media presence to better share the good news stories and the energy and passion with the churches of our diocese.

Elections will be held in 2025 for the new Diocesan Council that will bring together decision-makers in finance and strategy. The new elected Council will become charity trustees in January 2026 and will also be member of Diocesan Standing Committee and the Diocesan Trust.

Following feedback from the networks, a ministry area trustee guide will be launched in 2025 that will provide advice on charity commission best practice for trustees in a way that is relevant for the Church and the Constitution of the Church in Wales. This will include practical trustee body policies and other useful documents so that all our ministry areas can have good governance to support their mission and ministry. Support will also be provided to ministry areas to enable them to change their charitable status and become CIOs to better protect individual trustees.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13th October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be coopted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three-year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2nd January 1998, and registered as a charity with the Charity Commission for England & Wales.

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, "that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith". The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
 - administering the assets and financial management of the charity
-

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Structure, governance and management *(continued)*

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2024, in addition to the AGM on the 17th September 2024, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Parsonage Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Parsonage Board, and both bodies are administered from the Diocesan Office.

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of grant funding to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry Share collected from the Ministry Areas.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 December 2024

Trustees' responsibilities statement

The trustee, who is also a director for the purposes of company law, is responsible for preparing the trustee's report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustee to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustee is required to:

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

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustee's annual report and the strategic report were approved on 01 September 2025 and signed on behalf of the board of trustees by:



Ian Loynd
Trustee

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Monmouth Diocesan Board of Finance

Year ended 31 December 2024

Opinion

We have audited the financial statements of The Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Monmouth Diocesan Board of Finance *(continued)*

Year ended 31 December 2024

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustee's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustee's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Monmouth Diocesan Board of Finance *(continued)*

Year ended 31 December 2024

Responsibilities of the trustee

As explained more fully in the trustee's responsibilities statement, the trustee (who is also the director for the purposes of company law) is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- By enquiring with senior management and those charged with governance all area of risk identified were considered and any potential litigation or claim, if any, were noted
- Ensuring by enquiry that there were no issues of non-compliance with laws and regulations relating to tax and compliance
- By obtaining an understanding of the charity's policies and procedures on compliance with laws and regulations, and with best accounting practice
- Noting issues discussed with Trustees and the Senior Management Team as this relates to risks faced by the company
- Reviewing information received from the charity's solicitors, if any and discussing their contents with the Trustees
- Reviewing disclosures in the financial statements and testing to supporting documentation to assess compliance with applicable laws and regulations
- Auditing the risk of management overrides of controls including testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business

Through these procedures, we did not become aware of actual or suspected non-compliance.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Monmouth Diocesan Board of Finance *(continued)*

Year ended 31 December 2024

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Conclude on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Monmouth Diocesan Board of Finance *(continued)*

Year ended 31 December 2024

Use of our report

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Rhodes BSc BFP FCA (Senior Statutory Auditor)

For and on behalf of
Walter Hunter & Co Limited
Chartered accountants & statutory auditor
24 Bridge Street
Newport
South Wales
NP20 4SF

01 September 2025

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

Year ended 31 December 2024

		2024		2023	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	5	2,840,432	610,155	3,450,587	3,840,507
Other trading activities	6	–	122,711	122,711	146,984
Investment income	7	165,936	32,648	198,584	169,177
Other income	8	2,452	–	2,452	6,912
Total income		<u>3,008,820</u>	<u>765,514</u>	<u>3,774,334</u>	<u>4,163,580</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	9	18,165	848	19,013	18,436
Expenditure on charitable activities	10,11	2,712,088	1,001,861	3,713,949	3,111,715
Total expenditure		<u>2,730,253</u>	<u>1,002,709</u>	<u>3,732,962</u>	<u>3,130,151</u>
Net gains on investments	14	131,301	3,715	135,016	55,570
Net income		<u>409,868</u>	<u>(233,480)</u>	<u>176,388</u>	<u>1,088,999</u>
Transfers between funds	25	(82,661)	82,661	–	–
Other recognised gains and losses					
Gains from revaluation of fixed assets	18	80,000	–	80,000	–
Net movement in funds		<u>407,207</u>	<u>(150,819)</u>	<u>256,388</u>	<u>1,088,999</u>
Reconciliation of funds					
Total funds brought forward		5,660,120	797,371	6,457,491	5,368,492
Total funds carried forward		<u>6,067,327</u>	<u>646,552</u>	<u>6,713,879</u>	<u>6,457,491</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 27 to 45 form part of these financial statements.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Statement of Financial Position

31 December 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible fixed assets	18	484,650	406,509
Investments	19	3,351,869	3,232,540
		<u>3,836,519</u>	<u>3,639,049</u>
Current assets			
Debtors	20	893,322	664,455
Cash at bank and in hand		2,973,429	3,092,489
		<u>3,866,751</u>	<u>3,756,944</u>
Creditors: amounts falling due within one year	21	<u>792,091</u>	<u>721,202</u>
Net current assets		<u>3,074,660</u>	<u>3,035,742</u>
Total assets less current liabilities		6,911,179	6,674,791
Creditors: amounts falling due after more than one year	22	197,300	217,300
Net assets		<u>6,713,879</u>	<u>6,457,491</u>
Funds of the charity			
Restricted funds		646,552	797,371
Unrestricted funds:			
Revaluation reserve		203,104	123,104
Other unrestricted income funds		5,864,223	5,537,016
Total unrestricted funds		<u>6,067,327</u>	<u>5,660,120</u>
Total charity funds	25	<u>6,713,879</u>	<u>6,457,491</u>

These financial statements were approved by the board of trustees and authorised for issue on 01 September 2025, and are signed on behalf of the board by:



Ian Loynd
Trustee

The notes on pages 27 to 45 form part of these financial statements.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 December 2024

	Note	2024	2023
		£	£
Cash generated from operations	27	(331,628)	794,543
Net cash (used in)/from operating activities		<u>(331,628)</u>	<u>794,543</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		198,584	169,177
Purchase of tangible assets		(1,703)	(5,497)
Purchases of other investments		(721,625)	(889,947)
Proceeds from sale of other investments		1,244,561	902,024
Net cash from investing activities		<u>719,817</u>	<u>175,757</u>
Net (decrease)/increase in cash and cash equivalents		388,189	970,300
Cash and cash equivalents at beginning of year		3,115,015	2,144,715
Cash and cash equivalents at end of year		<u>3,503,204</u>	<u>3,115,015</u>
Relating to:			
Cash at bank and in hand		2,973,429	3,092,489
Short term deposits included in fixed asset investments	19	529,775	22,526
		<u>3,503,204</u>	<u>3,115,015</u>

The notes on pages 27 to 45 form part of these financial statements.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 December 2024

1. General information

The charity is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Diocesan Office, 64 Caerau Road, Newport, NP20 4HJ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustee for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other recognised gains and losses, unless it reverses a charge for impairment that has previously been recognised as expenditure within the statement of financial activities. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other recognised gains and losses, except to which it offsets any previous revaluation gain, in which case the loss is shown within other recognised gains and losses on the statement of financial activities.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings - 33% p.a. straight line

Investments

Listed investments are measured at fair value with changes in fair value being recognised on the Statement of Financial Activities.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

4. Limited by guarantee

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

There are 16 members of the charity (2023: 21).

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Donations			
Ministry Share	2,064,178	–	2,064,178
RB Block Grant/Partnership Funding	191,786	–	191,786
RB Structural Resilience Funding	484,336	–	484,336
RB Growth Funding	–	398,824	398,824
Other Grants	100,132	209,426	309,558
Highveld donations	–	1,905	1,905
	<u>2,840,432</u>	<u>610,155</u>	<u>3,450,587</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Donations			
Ministry Share	2,057,796	–	2,057,796
RB Block Grant/Partnership Funding	556,257	–	556,257
RB Structural Resilience Funding	598,926	–	598,926
RB Growth Funding	–	505,000	505,000
Other Grants	1,000	121,528	122,528
Highveld donations	–	–	–
	<u>3,213,979</u>	<u>626,528</u>	<u>3,840,507</u>

6. Other trading activities

	Restricted Funds £	Total Funds 2024 £	Restricted Funds £	Total Funds 2023 £
Room Letting & Misc Income	4,639	4,639	2,886	2,886
Rental of Parsonages	118,072	118,072	144,098	144,098
	<u>122,711</u>	<u>122,711</u>	<u>146,984</u>	<u>146,984</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

7. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Income from listed investments	107,518	13,565	121,083
Interest receivable	58,418	19,083	77,501
	<u>165,936</u>	<u>32,648</u>	<u>198,584</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Income from listed investments	93,598	23,374	116,972
Interest receivable	52,205	—	52,205
	<u>145,803</u>	<u>23,374</u>	<u>169,177</u>

8. Other income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Other income	<u>2,452</u>	<u>—</u>	<u>2,452</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Other income	<u>533</u>	<u>6,379</u>	<u>6,912</u>

9. Costs of raising donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Investment management	<u>18,165</u>	<u>848</u>	<u>19,013</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Investment management	<u>17,604</u>	<u>832</u>	<u>18,436</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

10. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Support for ministry	1,828,239	686,332	2,514,571
Support for ministry areas	419,209	86,495	505,704
Support for other church property	21,906	9,375	31,281
Grants and other financial support	159,109	127,596	286,705
Communications and publications	34,406	–	34,406
Support costs	249,219	92,063	341,282
	<u>2,712,088</u>	<u>1,001,861</u>	<u>3,713,949</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Support for ministry	1,755,739	453,552	2,209,291
Support for ministry areas	294,959	–	294,959
Support for other church property	(44,064)	78,321	34,257
Grants and other financial support	188,022	–	188,022
Communications and publications	33,073	–	33,073
Support costs	284,248	67,865	352,113
	<u>2,511,977</u>	<u>599,738</u>	<u>3,111,715</u>

11. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Grant funding of activities £	Support costs £	Total funds 2024 £	Total fund 2023 £
Support for ministry	2,514,571	–	254,450	2,769,021	2,491,187
Support for ministry areas	505,704	–	51,172	556,876	332,594
Support for other church property	31,281	–	3,166	34,447	38,628
Grants and other financial support	40,863	245,842	29,012	315,717	212,013
Communications and publications	34,406	–	3,482	37,888	37,293
	<u>3,126,825</u>	<u>245,842</u>	<u>341,282</u>	<u>3,713,949</u>	<u>3,111,715</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 December 2024

12. Analysis of support costs

	Support for ministry £	Support for ministry areas £	Support for other church property £	Grants and other financial support £	Communica tions and publications £	Total 2024 £	Total 2023 £
Staff costs	173,603	34,913	2,159	19,794	2,376	232,845	226,678
Office costs	39,328	7,909	491	4,485	538	52,751	42,758
Governance: Auditors Renumeration	6,388	1,285	79	728	87	8,567	14,400
Professional Fees	2,699	543	34	308	37	3,621	4,325
Diocesan Insurance	5,344	1,075	66	609	73	7,167	6,785
Diocesan Conference Expenses	2,172	437	27	248	30	2,914	4,603
Governing Body Expenses	2,415	486	30	275	33	3,239	23,828
Diocesan Registrar	22,500	4,525	280	2,565	308	30,178	28,736
	<u>254,449</u>	<u>51,173</u>	<u>3,166</u>	<u>29,012</u>	<u>3,482</u>	<u>341,282</u>	<u>352,113</u>

Support costs are allocated to the function of the charity to which they relate based on the percentage of the overall cost of that function. The trustees are to review the apportionment for 2025 onwards.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

13. Analysis of grants

	2024	2023
	£	£
Grants to institutions		
Newport Cathedral Grant	58,477	55,692
Ministry Area Administrator Grants	100,132	–
Insurance Excess Grant	500	–
DBF Church Repair Grants	38,600	10,080
RB of CinW Church Repair Grants	40,668	18,994
DBF Churchyard Grants	7,465	9,412
Energy Grant	–	45,674
RB Emergency Repair Grant	–	8,333
	<u>245,842</u>	<u>148,185</u>
Total grants	<u>245,842</u>	<u>148,185</u>

14. Net gains on investments

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Gains/(losses) on listed investments	<u>131,301</u>	<u>3,715</u>	<u>135,016</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Gains/(losses) on listed investments	<u>55,236</u>	<u>334</u>	<u>55,570</u>

15. Net income

Net income is stated after charging/(crediting):

	2024	2023
	£	£
Depreciation of tangible fixed assets	3,562	2,897
Operating lease rentals	5,445	3,936
Fees payable for the audit of the financial statements	<u>8,568</u>	<u>14,400</u>

16. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2024	2023
	£	£
Wages and salaries	371,803	275,148
Social security costs	32,885	23,968
Employer contributions to pension plans	42,108	32,061
Diocesan Registrar	<u>27,794</u>	<u>26,470</u>
	<u>474,590</u>	<u>357,647</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

16. Staff costs *(continued)*

The average head count of employees during the year was 14 (2023: 10). The average number of full-time equivalent employees during the year is analysed as follows:

	2024	2023
	No.	No.
Number of staff	12	10

The number of employees whose remuneration for the year fell within the following bands, were:

	2024	2023
	No.	No.
£60,000 to £69,999	1	1

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £136,024 (2023:£129,428).

17. Trustee remuneration and expenses

No remuneration or other benefits from employment with the charity or a related entity were received by the trustees.

18. Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Total £
Cost			
At 1 January 2024	400,000	11,570	411,570
Additions	–	1,703	1,703
Disposals	–	(836)	(836)
Revaluations	80,000	–	80,000
At 31 December 2024	<u>480,000</u>	<u>12,437</u>	<u>492,437</u>
Depreciation			
At 1 January 2024	–	5,061	5,061
Charge for the year	–	3,562	3,562
Disposals	–	(836)	(836)
At 31 December 2024	<u>–</u>	<u>7,787</u>	<u>7,787</u>
Carrying amount			
At 31 December 2024	<u>480,000</u>	<u>4,650</u>	<u>484,650</u>
At 31 December 2023	<u>400,000</u>	<u>6,509</u>	<u>406,509</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

18. Tangible fixed assets *(continued)*

Land and buildings with a carrying amount of £400,000 were revalued at 01 August 2024 by Graham & Co, who are independent valuers not connected to the charity, on the basis of market value. The valuation conforms to international valuation standard and was based on recent market transactions on arm's length terms for similar properties. The valuation does not separately value the land from the buildings.

At 31 December 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2023: £276,896).

The revaluation surplus of £203,104 is recognised on the Statement of Financial Position within Unrestricted Funds.

19. Investments

	Cash or cash equivalents £	Listed investments £	Total £
Cost or valuation			
At 1 January 2024	22,526	3,210,014	3,232,540
Additions	(721,625)	721,625	–
Disposals	1,244,112	(1,158,150)	85,962
Fair value movements	–	48,605	48,605
Other movements	(15,238)	–	(15,238)
At 31 December 2024	<u>529,775</u>	<u>2,822,094</u>	<u>3,351,869</u>
Carrying amount			
At 31 December 2024	<u>529,775</u>	<u>2,822,094</u>	<u>3,351,869</u>
At 31 December 2023	<u>22,526</u>	<u>3,210,014</u>	<u>3,232,540</u>

All investments shown above are held at valuation.

Financial assets held at fair value

The investment portfolio is managed by Brewin Dolphin and is valued at closing market value on 31 December 2024.

20. Debtors

	2024 £	2023 £
Trade debtors	320,607	334,463
Prepayments and accrued income	252,962	–
Other debtors	319,753	329,992
	<u>893,322</u>	<u>664,455</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

20. Debtors *(continued)*

The debtors above include the following amounts falling due after more than one year:

	2024	2023
	£	£
Due from retired clergy re Provincial Housing Loans	<u>197,300</u>	<u>217,300</u>

Loans from The Representative Body of the Church In Wales

The loans to the retired clergy, and if deceased their spouses, are received from the Representative Body of the Church In Wales and capital repayments are made to the Representative Body of the Church In Wales when they are received from the retired clergy, or their spouses. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to retired clergy or their spouses.

Security is held over the properties.

Loans are repaid to the Diocese when the related property has been sold.

21. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	56,048	25,645
Accruals and deferred income	691,869	664,174
Other creditors	<u>44,174</u>	<u>31,383</u>
	<u>792,091</u>	<u>721,202</u>

22. Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Due to Representative Body re Provincial Housing Loans	<u>197,300</u>	<u>217,300</u>

Loans from The Representative Body of the Church In Wales

See note 20 above.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

23. Deferred income

	2024	2023
	£	£
At 1 January 2024	166,084	–
Amount released to income	(166,084)	–
Amount deferred in year	121,084	166,084
At 31 December 2024	<u>121,084</u>	<u>166,084</u>

24. Pensions and other post retirement benefits

Defined contribution plans

The amount recognised in income or expenditure as an expense in relation to defined contribution plans was £42,108 (2023: £32,061).

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

25. Analysis of charitable funds

Unrestricted funds

	At 1 Jan 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 202 4 £
General funds	4,290,497	3,008,820	(2,684,969)	(102,749)	131,301	4,642,900
Revaluation reserve	123,104	–	–	–	80,000	203,104
Leadership Training	15,500	–	–	–	–	15,500
Children, Youth and Family Ministry Projects	28,000	–	–	5,000	–	33,000
Pioneer Ministry and Mission Project	16,500	–	–	–	–	16,500
100th Anniversary planning reserve	5,000	–	–	(5,000)	–	–
Contribution to MA Finance Resource	5,000	–	–	–	–	5,000
Church Army - Designated Fund	–	–	–	–	–	–
Evangelism Bid	573,267	–	(405)	15,964	–	588,826
Cost of Living Support to Ministry Areas	4,326	–	–	–	–	4,326
Ministry Area Admin & Support	598,926	–	(44,879)	4,124	–	558,171
	<u>5,660,120</u>	<u>3,008,820</u>	<u>(2,730,253)</u>	<u>(82,661)</u>	<u>211,301</u>	<u>6,067,327</u>

	At 1 Jan 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 202 3 £
General funds	3,962,372	3,360,315	(2,442,585)	(644,840)	55,236	4,290,498
Revaluation reserve	123,104	–	–	–	–	123,104
Leadership Training	15,500	–	–	–	–	15,500
Children, Youth and Family Ministry Projects	28,000	–	–	–	–	28,000
Pioneer Ministry and Mission Project	16,500	–	–	–	–	16,500

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

100th Anniversary planning reserve	5,000	–	–	–	–	5,000
Contribution to MA Finance Resource	5,000	–	–	–	–	5,000
Church Army - Designated Fund	204,744	–	(17,535)	(187,209)	–	–
Evangelism Bid	400,000	–	(17,959)	191,225	–	573,266
Cost of Living Support to Ministry Areas	50,000	–	(51,502)	5,828	–	4,326
Ministry Area Admin & Support	–	–	–	598,926	–	598,926
	<u>4,810,220</u>	<u>3,360,315</u>	<u>(2,529,581)</u>	<u>(36,070)</u>	<u>55,236</u>	<u>5,660,120</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

Transfers between funds relate to the internal transfers of funds between DBF general funds and restricted funds. In 2024 these were the DBF contribution to the Parsonage Board, the DBF Grants to the Churches and Pastoral Committee and Bishop's discretionary funds, the DBF contribution to support costs and the restricted growth funding from the RB to the DBF.

Restricted funds

	At 1 Jan 2024 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2024 £
Parsonage Board Fund	304,536	165,070	(743,879)	504,069	–	229,796
Churches and Pastoral Committee Funds	245,388	63,849	(96,358)	18,777	3,715	235,371
Council for Social Responsibility	139,067	125	(6,402)	588	–	133,378
Needlework Guild	4,624	–	–	–	–	4,624
Highveld Donations	15	1,905	(1,822)	167	–	265
Llanfair Kilgeddin	478	24	–	–	–	502
Parish Units	31	3,074	(3,417)	314	–	2
Ministry Clergy School	2,529	3,000	–	–	–	5,529
Bishop's M&G	24,821	1,259	(13,043)	7,199	–	20,236
Bishop's Hardship Fund	18,143	530	(3,355)	6,308	–	21,626

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

25. Analysis of charitable funds *(continued)*

Church Army	4,975	–	–	–	–	4,975
Lent Appeal	400	15,000	(16,958)	1,558	–	–
Kilgwrrwg - Holy Cross	–	–	–	–	–	–
Priest to the Deaf Community	–	10,810	(11,904)	1,094	–	–
Growth Funding - Representative Body	52,364	398,824	–	(451,188)	–	–
Church Inspectors Grant	–	9,375	(10,324)	949	–	–
Evangelism Project	–	92,669	(94,124)	(7,277)	–	(8,732)
Growth Fund Schools Project	–	–	(1,123)	103	–	(1,020)
	<u>797,371</u>	<u>765,514</u>	<u>(1,002,709)</u>	<u>82,661</u>	<u>3,715</u>	<u>646,552</u>

	At 1 Jan 2023 £	Income £	Expenditure £	Transfers £	Gains and losses £	At 31 Dec 2023 £
Parsonage Board Fund	116,950	182,445	(455,092)	460,233	–	304,536
Churches and Pastoral Committee Funds	310,906	65,598	(44,229)	12,911	334	345,520
Council for Social Responsibility	39,135	125	(367)	42	–	38,935
Needlework Guild	4,624	–	–	–	–	4,624
Highveld Donations	620	6,375	(11,946)	4,966	–	15
Llanfair Kilgeddin	457	21	–	–	–	478
Parish Units	43	2,695	(3,053)	346	–	31
Ministry Clergy School	24,000	9,885	(35,357)	4,001	–	2,529
Bishop's M&G	35,751	5,166	(18,584)	2,488	–	24,821
Bishop's Hardship Fund	21,145	–	(3,385)	383	–	18,143

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

25. Analysis of charitable funds *(continued)*

Church Army	3,750	1,225	–	–	–	4,975
Lent Appeal	–	400	–	–	–	400
Kilgwrrwg - Holy Cross	346	6,379	(7,583)	858	–	–
Priest to the Deaf Community	545	17,951	(20,974)	2,478	–	–
Growth Funding - Representative Body	–	505,000	–	(452,636)	–	52,364
Church Inspectors Grant	–	–	–	–	–	–
Evangelism Project	–	–	–	–	–	–
Growth Fund	–	–	–	–	–	–
Schools Project	–	–	–	–	–	–
	<u>558,272</u>	<u>803,265</u>	<u>(600,570)</u>	<u>36,070</u>	<u>334</u>	<u>797,371</u>

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Funds is restricted for the maintenance of parsonages.

The Church and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

Council for Social responsibility funds represent residual funds from the former Diocesan Council for Social responsibility Committee account now closed.

Bishop's M&G Fund represents the Bishop of Monmouth's discretionary funds.

Bishop's Hardship Fund represents the Bishop of Monmouth's discretionary funds.

Diocesan Mission funds relate to individual donations to support Mission projects in the Diocese.

Church Army funds relate to individual donations to support the Church Army project.

Lent Appeal funds relate to individual and Ministry Area donations to the annual appeal.

Growth Fund is restricted to support the cost of the stipendiary, house for duty and salaried lay ministry.

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the donors wishes.

Transfers between funds relate to the internal transfers of funds between DBF general funds and restricted funds. In 2024 these were the DBF contribution to the Parsonage Board, the DBF Grants to the Churches and Pastoral Committee and Bishop's discretionary funds, the DBF contribution to support costs and the restricted growth funding from the RB to the DBF.

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

26. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Tangible fixed assets	484,650	–	484,650
Investments	3,203,516	148,353	3,351,869
Current assets	2,576,461	498,199	3,074,660
Creditors greater than 1 year	(197,300)	–	(197,300)
Net assets	<u>6,067,327</u>	<u>646,552</u>	<u>6,713,879</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Tangible fixed assets	406,509	–	406,509
Investments	3,087,113	145,427	3,232,540
Current assets	2,383,798	651,944	3,035,742
Creditors greater than 1 year	(217,300)	–	(217,300)
Net assets	<u>5,660,120</u>	<u>797,371</u>	<u>6,457,491</u>

27. Cash generated from operations

	2024 £	2023 £
Net income	176,388	1,088,999
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	3,562	2,897
Net gains on investments	(135,016)	(55,570)
Dividends, interest and rents from investments	(198,584)	(169,177)
Accrued income	(180,267)	(167,121)
<i>Changes in:</i>		
Trade and other debtors	24,095	(53,753)
Trade and other creditors	(21,806)	148,268
	<u>(331,628)</u>	<u>794,543</u>

28. Analysis of changes in net debt

	At 1 Jan 2024 £	Cash flows £	At 31 Dec 2024 £
Cash at bank and in hand	<u>3,092,489</u>	<u>(119,060)</u>	<u>2,973,429</u>

The Monmouth Diocesan Board of Finance

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 December 2024

29. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Not later than 1 year	5,352	4,605
Later than 1 year and not later than 5 years	8,328	14,012
Later than 5 years	—	21
	<u>13,680</u>	<u>18,638</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 1067653

Accounts

Charity registration number 1067653

Company registration number 03489945 (England and Wales)

**MONMOUTH DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

MONMOUTH DIOCESAN BOARD OF FINANCE

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MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised. This helps to enable a sustainable and transforming Christian ministry across the diocese.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth (pastoral, evangelistic and social). By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs. In supporting this work it provides a benefit to the public by :

- Promoting Christian values, and service by members of the church in and to their communities, for the benefit of individuals and society as a whole
- Providing facilities for public worship, pastoral care and spiritual development, both for its members and for anyone who wishes to benefit from what the church offers.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Ministry remains the largest expenditure of the DBF and a key resource for the mission work of the church. Ministry is delivered in many different ways by a significant number of people, many of whom generously give their time freely for roles within churches and ministry areas. Formal ministry in the traditional sense is delivered by a combination of ordained, lay licensed and commissioned ministers.

Supporting those involved in ministry to ensure that their work remains fulfilling and positive remains a priority for the Bishop, Archdeacons and the DBF. This recognises that whilst the needs of ministry may change, the call to serve and to proclaim the gospel through words and actions remains constant. As far as possible, the DBF is seeking to lessen the administrative burden from clergy and lay people so that they can focus on the requirements of their ministry and the needs of their community. During 2023 new resources to support admin in MAs were discussed and agreed upon, ready for implementation in 2024.

The continued development of all forms of ministry is essential, and working alongside those who are considering their vocation is an important part of the ministry development work. To support this, the diocese has a team of vocations advisors who work with the Diocesan Director of Vocations, Rebecca Stevens.

In the diocese we are fortunate to have so many committed lay and ordained people who are working hard to share the message of the gospel through their words and actions. We hope that their passion and enthusiasm can be maintained, and we recognise the need to care for all involved in ministry. During the year a Wellbeing Guide was produced which offers some practical ideas about caring for lay and ordained people in ministry. A number of sessions have been dedicated to this subject in 2023 including at the clergy residential conference and in continuing ministerial development (CMD) days.

Licensed Ministry figures

Type of ministry	Number
Stipendiary Clergy at the end of 2023	46.5
Stipendiary Clergy (budgeted figure)	50.5
Non-stipendiary Clergy (not house for duty) at the end of 2023	13
Non-stipendiary Clergy (house for duty) at the end of 2023	7
Lay licensed Ministers at the end of 2023	34

In 2023 the Diocese of Monmouth received £505,000 from the Church Growth Fund to support the cost of stipendiary, house for duty and salaried lay ministry. This is part of a 10-year grant to support ministry in the diocese and has enabled us to commit to retaining current clergy numbers while we work to embed our diocesan vision and support our ministry areas to develop and enhance an outward-looking culture that is focused on growth and evangelism.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Ordinations

The ordination service took place in June 2023 in Newport Cathedral which was packed for this wonderful occasion. The Revd Canon Dr Mark Clavier, who had led the pre-ordination retreat, spoke about the joy and privilege of ministry. Bishop Cherry ordained 7 Priests and 3 Deacons.

ORDAINED PRIEST:

Ruth Rowan to continue to serve in the Islwyn Ministry Area (Stipendiary)

Tina Parry to continue to serve in the East Cardiff Ministry Area (Stipendiary)

Sarah Rosser to continue to serve in the Heart of Monmouthshire Ministry Area (Stipendiary)

Rachel Nelmes to continue to serve in the Mynydd Bedwellte Ministry Area (NSM)

Daniel Damon to continue to serve in the Monmouth Marches Ministry Area (NSM)

Glen Wilkins to continue to serve in the Beechwood Ministry Area (NSM)

Janet Pain to continue to serve in the Monmouth Marches Ministry Area (NSM)

ORDAINED DEACON:

The Revd Julia Durham to serve in the Tredegar Park Ministry Area

The Revd Dawn Lindsay to serve in the Newport North West Ministry Area

The Revd William Savage to serve in the Heart of Monmouthshire Ministry Area (NSM)

Commissioned Lay Ministry

Commissioned lay ministry remains an integral part of our ministry as a church in a variety of ways and this is something that we are keen to continue to develop. In 2023 a new package of resources was released for the training of lay worship leaders and lay pastoral assistants.

The resources were launched at an evening celebrating lay ministry which was held at St Mark's Church, Gold Tops, Newport. Around 100 people attended a really positive evening with talks from Bishop Cherry and Zoe Ward, the Church Resource Officer. The Church Resource Officer is a new role which started in 2023 and includes the promotion, and organisation of training, for those considering commissioned ministry. A good number of ministry areas have engaged very positively with the new materials and with the continued exploration and development of commissioned lay ministry. In many places commissioned lay ministers are already contributing a really vibrant and enthusiastic ministry, and we hope this will continue to grow across the diocese.

Lay ministry is not a back stop to cover for a lack of ordained ministers, but an opportunity for lay people to use their gifts in leading worship and pastoral care. By engaging with people and communities in a way that can be fresh and energising.

Clergy Conference

From 2nd- 5th October 2023 there was a clergy residential conference held at Yarnfield Park in Staffordshire. Although clergy residential conferences have traditionally been held every 3 years or so, the diocese has not held one since 2017. The theme of this conference was 'Rejoicing in Hope'.

There was an opening address from Bishop Cherry and the keynote speakers were Revd Canon Dr Trystan Owain Hughes, the Provincial Director of Ministry Development for the Church in Wales, and Revd Liz Carnelley from the Church Urban Fund (who also led a workshop). There were also workshops led by Zoe Ward (Unexpected stewardship), Revd Gillian Straine (Human flourishing through vocation) and Revd Canon Dr Manon James (Humour and ministry).

Worship was organised by Revd Ruth Rowan and Revd Lisa Taylor and was mostly led by those serving their curacies in the diocese. There was a good opportunity for clergy to get to know one other better with social activities such as a quiz and karaoke! To conclude the conference there was a Eucharist led by Bishop Cherry.

Feedback from the conference was extremely positive for the content and the opportunities for fellowship.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

CMD

In 2023, as already detailed, there was a clergy residential conference, however ongoing training for clergy and licensed lay ministers remained important. The CMD days this year were:

February 2023 – Canon Andrew Lightbown and Ven Ian Rees : Christian imagination – thinking about how we use imagination to engage more closely with the bible

June 2023 – Family links (Peter Leonard and Rowen Smith): Understanding emotional health

December 2023 – The Revd Canon Dr Jordan Hillebert: A theology of prayer and a prayerful ministry

Newly Licensed ministers

In addition to the Provincial training organised by St Padarn's, the diocese also has an internal programme for those in their first 3 years of ordained or licensed ministry. This is to help further resource and equip those who are new to this ministry.

For 13 years the group has been organised by Revd Jeremy Harris who has worked tremendously hard and offered a varied programme even through the challenges of the pandemic. In July 2023, he stepped back from this role which has now been taken on by Revd Sally Ingle-Gillis. A new programme has been began in the summer of 2023 and includes:

- Newly licensed ministers meeting the diocesan office staff to discuss their roles and things the office can offer as support.
- A quiet day
- Wellbeing in ministry
- A thin place (thinking about Healing and Wholeness ministry and the work of the Diocesan Deliverance team)
- A Preaching Festival

Ministry Areas

All of the 16 ministry areas in the diocese were commissioned by January 2023, thanks to the hard work of clergy and some really dedicated and committed lay people. This has represented a major organisational change aimed at bringing churches closer together to improve the opportunities for mission throughout the diocese. Ministry Areas allow groups of churches to build on a greater variety, and a larger number, of gifts and skills than was previously possible. It is recognised that the changes have not always been easy, and the Diocesan Board of Finance have spent considerable time considering how ministry areas can best be supported to ensure that their primary focus can be on mission. Some of the results of those discussions have resulted in the following:

Networks

A key aspect of support established in 2023, has been the setting up of the network meetings for key roles in the ministry areas. These roles include the Ministry Area Wardens, Lay Co-Chairs, Ministry Area Treasurers, Ministry Area Safeguarding Officers, and MA Property Leads. These meetings have been well-attended and proved helpful as those in similar roles have been able to share good practice and to learn from each other's experiences. They have also enabled open dialogue to discuss the issues that might be arising and to identify where more support is needed. This has really helped to improve channels of communication between the diocese and the ministry areas. These networks will continue to play an important part in the life of the diocese in future years.

Faith in our Future Planning

The diocesan vision was launched in October 2022 and ministry areas have engaged positively with the work on the five branches of the vision: discipleship, stewardship, social justice, equality and diversity and the environment. As part of the support for this work, 'Faith in our Future' planning sessions have been held in ministry areas to develop bespoke goals which help each ministry area to take the vision forward in their own context. These goals aim to grow the church both spiritually and numerically.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Additional staff

The Diocesan Board of Finance are committed to prioritising roles in the diocesan office that support ministry areas. Throughout 2023, roles in the office have been looked at and, in some cases adjusted, to ensure good support can be given.

In response to requests for support from ministry areas, the Church Resource Officer was a new role for 2023 to provide training for commissioned lay ministry and to promote and encourage good stewardship. This work as developed throughout 2023 with the launch of a new stewardship workshop at the October Diocesan Conference.

The Diocese of Monmouth has also joined together with the Diocese of Llandaff and The South East Wales Deaf Church Association to recruit a Deaf Community Mission Outreach Worker. Nicola Roylance is building on the work begun by Mary Moore in building new links with members of the deaf community, particularly reaching out to engage more closely with those not involved with deaf clubs, whilst maintaining and developing the links already made with those clubs.

Spring and Diocesan Conferences

In the **Spring conference** we welcomed Bishop John Lomas (Swansea & Brecon) who spoke inspiringly about the need for confidence in mission and the importance of focusing on our priorities as the church. He also spoke about his experience of Ministry Area teams (good and bad) and how teams can function well and positively with a mission focus.

With the theme 'Moving at the Speed of God', Bishop John talked about times where he was out of step during his military days, to a time when he very much felt *"the internal rhythm that God sets within us"*. As well as inspiration, his talk reminded us of the power of being in the right place, at the right time. He gave those present a powerful encouragement and challenge by saying -

"How many articles have you seen in the newspapers, Church Times, or whatever else, that say by the year 2033 there will be nobody left in the Church of Wales, or the Church of England, because that is the point in decline where we hit the bottom line and that it's all over?"

"It's not true, it never has been true and it never will be true, and all we have to do, I believe, as a church, is to move into that place where God acts and to hit that mark at the right time, in the right frame of mind, with the equipment to carry out the job that He has told us to do. In the right frame of mind that we can love each other as we love ourselves and we can be a team that works together."

More than 150 people attended our **October diocesan conference** and the energy and engagement during the morning was amazing! This year's theme was about 'welcome/croeso' and how it is a key aspect of our diocesan vision and essential for growth. Two new diocesan courses were launched. 'Extending our welcome' is a very practical course, and 'Croeso' is a discipleship course exploring how we, in welcoming others, respond to the welcome we are offered by God.

Wellbeing guide – 'Caring for those who are caring'

The Wellbeing guide was issued after extensive consultation with clergy and members of the network groups. This offers guidance in caring for lay people and clergy and emphasises the importance of recognising that without caring well for ourselves and those around us, we will be far less able to care for others.

Evangelism Fund Project

During 2023 the diocese submitted its application to Evangelism Fund Committee for £3m of additional funding to establish four new worshipping communities throughout the diocese. This funding, which was confirmed in December 2023, will provide a team of staff for five years in each location who will be embedded within the ministry areas.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The first two locations have been identified as Tredegar and Chepstow and recruitment for the team commenced in 2024. Funding is available for an additional two locations, and ministry areas will be asked to bid for these once the first two teams are in place.

Churches Unlocked

In June 2023, 10 churches from the diocese took part in the Churches Unlocked festival. Working in partnership with the Diocese of Llandaff, the week was organised to encourage churches to open, for events and to encourage people to come in, look around, and perhaps take time for prayer and reflection.

The work of local volunteers was rewarded with good attendance and excellent feedback. It is hoped that the lessons for this festival can encourage more churches to be open more frequently. By doing so, more people can experience these important buildings and we have the opportunity to tell the gospel story through our buildings, our displays and, of course, our welcome.

Eco-Church

The environment is one of the five branches of our diocesan vision and, during 2023, work was ongoing to engage with both the Church in Wales Net Zero targets and the A Rocha Eco-Church Awards. The diocesan commitment to safeguarding the integrity of creation was confirmed in the October Diocesan Conference with a successful motion to approve a Diocesan Environmental Policy. This policy sets out a long-term plan to make positive environmental changes in every aspect of our diocesan life.

During 2023, local churches and ministry areas continued to engage with Eco-Church, gaining their bronze and silver awards.

Finance and Administration

Diocesan Office Team

The diocesan office team are responsible for the administration, financial management and governance for the Diocesan Board of Finance, as well as providing support to ministry areas.

The priority for 2023 has been to develop closer relationships with ministry areas through new initiatives such the network meetings as the Board recognise that we are all part of one team who are committed to the growth of the church. The increased provision for support is an ongoing process involving continued dialogue but we are confident that, with the increased levels of trust and co-operation, this will continue to progress positively.

Diocesan Education and Church Schools.

The Education teams comprises of Beccie Morteo, Head of Education and Deborah Griffiths, School Support Officer who work across both Llandaff and Monmouth Diocese

The team continues to provide advice with regards to statutory responsibilities around areas such as - admissions, appeals and CRAMP, governing body policies and procedures including appointment of Foundation Governors, professional development and curriculum updates. Headteacher meetings take place termly either face to face or online. Visits to schools are on request with the aim of visiting each school at least once a year.

An Education Committee has now been established to monitor and develop the work of the education team across. This is chaired by Directors of Mission from each diocese and consists of Headteachers, clergy and lay representatives.

We continue to work closely with schools of sanctuary and saw another school in Monmouth diocese recognised this year. We have supported schools to engage with the Archbishop Young Leaders project and worked alongside colleagues at Christian Aid to develop the Global Neighbours Cymru project. These three projects will be the main focus of the Church in Wales education team over the next few years. Alongside colleagues we have developed a curriculum guidance section on the Church in Wales website for all schools to access in order to ensure they meet requirements.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

We have supported clergy and foundation governors through training sessions on the curriculum, prayer spaces and a taster session of Godly play. Following this session a Godly play three-day training event took place in St Padarn's. One of our schools was part of this and will now support other schools who are interested in Godly play approaches.

Two Monmouth schools have worked with us on a national Religion, Values and Ethics research network, the results of which will be published on the Church in Wales website.

We have secured additional Welsh Government funding for a number of buildings projects including an urgent roof replacement and repairs to windows. This is alongside the CRAMP grant which has been distributed to schools.

We accessed additional funding to run a play on the life story of Bishop William Morgan in Newport Cathedral. The event was open to all Monmouth schools and included a travel grant. A welcome Eucharist for Headteachers and two leavers service were also held in the Cathedral. As part of the leavers service, we provided all schools with a three-month trial subscription to Hymnpact, a music resource developed by the Royal College of Church Music.

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Parsonage Board.

In 2023 there were 68 parsonages in the scheme and the DBF contributed £408,735 for maintenance work. 13 parsonages were rented to generate additional income.

The Parsonage Board, in addition to ensuring that housing is suitable for clergy, have also been looking at issues of energy performance and efficiency in order to help support the Church in Wales' commitment to achieving net zero carbon by 2030.

Diocesan Grants

Church and Churchyard Repair Fund

Each year the Diocese of Monmouth offers grants to churches through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs, maintenance and improvements to churches, church halls and churchyards.

This Churches and Pastoral grant fund is available to all churches in the diocese and the applications are reviewed quarterly by a grants committee and reported to the Diocesan Standing Committee at each of the meetings.

Feedback for churches and ministry areas throughout the diocese demonstrates the value of this repair, maintenance and improvements fund, especially at a time when churches are finding it increasingly more difficult to apply for external funding for essential works to their buildings.

Ministry Area Development Grant

The Ministry Area Development grant is a DBF fund with the primary purpose of providing financial support to ministry areas to help with the transition from 121 smaller parishes to 16 larger ministry area.

Applications to the fund will be different depending on the needs of each area but have included financial support to set up ministry area offices with furniture and Wi-Fi, Church Suite membership (CRM) software, PA systems and branding.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

MA Administrators Grant

In 2021 the DBF set up a separate fund specifically allocated to support ministry areas with their administrative functions. This grant fund, which totals £172,000, equates to £10,750 per MA over four years. Funding has been calculated on the basis of approximately 7 hours of administrative support a week per MA. It will be made available to MAs in full for the first year but, each subsequent year, the level of funding will be reduced as the MA develops. The funding is intended to enable an additional professional resource to tie together work that is already being done by volunteers and clergy to ensure the MA is compliant and up-to-date with insurance, HMRC, Charity Commission, bank records, safeguarding training and DBS checks. When available, administrators will also manage a database of regular givers and assist members of the MAC with the administrative elements of a stewardship campaign.

As all ministry areas were commissioned by January 2023 more of these grants have been taken up in 2023 and are continuing into 2024.

Contactless Giving

Since it was launched in 2020 many more church and ministry areas have taken up the DBF financial support allow them to have contactless giving devices. The total amount of grants given in 2023 was £3,133 across 5 ministry areas.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

Financial Review

The Diocesan Board of Finance made an unrestricted surplus for the year of £849,900 and a restricted surplus of £239,099. £598,926 of the unrestricted surplus has been designated by the Board to fund the central ministry area admin and finance support posts. The majority of the restricted funds surplus arises from a large proportion of the parsonage expenditure being capital repairs funded by the improvement fund and not the diocesan repairs fund.

Unrestricted reserves at 2023 amounted to £5,660,120 of which £406,509 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £1,246,518 has been designated for specific projects (see note 21).

Reserves are tied up in investment assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £797,371 (see note 20).

Donations and legacies

During 2023 the DBF received £3,840,507 in donations. Of this, £2,057,795 came from Ministry Share. The Representative Body provided £556,257 in Partnership Funding, £598,926 of Structural Resilience funding and £505,000 from the Growth Fund.

Other trading activities

The Parsonage Board raised £144,098 from the rental of parsonages in 2023. These funds are restricted and are used to support the repair and maintenance of all parsonages.

Investments

The investment managers achieved their income target. The DBF received £169,177 in investment income in 2023.

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, council tax and maintenance of the parsonages. In 2023, the cost of this was £2,139,073.

Support for Parishes

In 2023 support for ministry areas totalled £332,596. A significant amount of the unrestricted surplus has been designated specifically for additional investment to support ministry areas, with staff recruited in 2024.

Grants and other financial support

The DBF made payment of £109,699 in grants in 2023. This included the annual grants paid to the Cathedral, Bishop's Funds, the RB Church Building Emergency Fund, the DBF contribution to the Churches and Pastoral Committee.

Ministry Area Administrator and Ministry Area Development Grants are still being awarded from their respective funds.

Support Costs

Support costs relate to Diocesan Office and DBF staff costs.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Representation from members of the DBF and the Trust sit on the Investment Advisory Group.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

The investment managers are required to ensure that the ethical investment policy, as agreed by trustees, is followed at all times. The trustees subscribe to the same ethical policy as that adopted by the Representative Body of the Church in Wales.

RBC Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds, Revaluation Reserve and Designated Funds equated to £3,883,989 (2022: £3,558,460).

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend, and Ministry Share payments received on a quarterly basis from the ministry areas.

Risk Management

The major risks on the risk register are reviewed at each quarterly trustee meeting, and the whole register is reviewed annually.

The highest risks have remained consistent and are -

- Decline in income through reduced Ministry Share as a result of declining aSa numbers.
- Ministry Areas being unable to cover share because of reduced income.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Plans for the Future

Forward strategy

Following confirmation from the Representative Body of the additional funding for the Diocese of Monmouth from the Growth Fund, during 2023, the DBF has been able to make move forward with its strategic plans to further support mission and ministry in all our ministry areas. During 2023, discussion and dialogue were ongoing to determine where additional investment would have the greatest benefits. As a result of these discussions, additional resources to directly support admin and finance functions in our ministry areas will commence in 2024. This demonstrates a long-term commitment by the DBF which will grow and develop in future years.

A priority for 2023 was to ensure that all ministry areas were looking at how the five branches of the diocesan vision could be lived out in their churches and communities. Much of this has happened in workshop sessions within the ministry area which will continue to be supported into 2024 and beyond. In addition, Discipleship courses will continue to be promoted together with associated training for small group leaders. The new three-session Stewardship workshop was launched in October 2023 and will start to be delivered in 2024, and following considerable preparation work for positive Environmental change in 2023, it is hoped that the diocese will receive the Bronze A Rocha award in 2024.

The DBF is looking forward towards the opportunities of securing additional funding to plant new congregations throughout the diocese. The first of these will be from the CinW Evangelism Fund with £3m of grant funding secured in December 2023. These positions will be funded for 5 years and represent an exciting and innovative investment into the diocese. Following discussions with ministry areas, further applications will be submitted for new resources that will focus on growth and evangelism.

Looking into 2024 and beyond, the plans currently underway to support the full range of ministry are anticipated to enrich and broaden our current model of ministry. The promotion and training of commissioned lay ministry has already begun and is being celebrated each year in a special event. There is ongoing work with those exploring vocations to commissioned, licensed or ordained ministry and this remains a key priority for the future. Further to this, from 2024 onwards, ministry areas will be asked to consider how their ministry teams can best be developed to ensure that there is a valued ministry of lay and ordained people, who are making a really positive difference in our communities, and contributing to the growth of our churches.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13th October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be coopted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three-year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2nd January 1998, and registered as a charity with the Charity Commission for England & Wales.

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, *“that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith”*. The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
- administering the assets and financial management of the charity

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2023, in addition to the AGM on the 14th September 2023, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2023*

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Parsonage Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Parsonage Board, and both bodies are administered from the Diocesan Office.

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of grant funding to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry Share collected from the Ministry Areas.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1067653
Company number	003489945
Registered Office	Diocesan Office 64 Caerau Road Newport NP20 4HJ
Statutory Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff CF23 8AB
Bankers	NatWest Bank High Street Newport NP20 1GG
Solicitors	Jacklyn Dawson Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	RBC Brewin Dolphin Third Floor Two Central Square Cardiff CF10 1FS

DIRECTORS AND TRUSTEES

The directors of the company (the charity) are also its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees during 2023 were as follows:

Ex-officio

Peter E Lea (Chairman)
Paulette Brown (Vice Chairman)
The Bishop of Monmouth (ex officio)
The Dean of Newport (ex officio)
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio)
The Archdeacon of the Gwent Valleys (ex officio)
Alan David Jones (Chairman of the Parsonage Board)

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Elected

The Revd Jeremy D Harris
Christopher Wray
Sarah Mulcahy (until 14 September 2023)
The Revd Kevin John Hasler (until 14 September 2023)
The Revd Mark Owen (until 14 September 2023)
Paul Glover (from 11 May 2023)
Louise Minford (from 11 May 2023)
Ian Loynd – (from 14 September 2023)
Reverend James Henley (from 14 September 2023)
Reverend Ross Maidment (from 14 September 2023)
Nicola Gibbons (from 08 December 2023)
Andrea Thomas (from 08 December 2023)

Co-opted

R D (Sandy) Blair C.B.E (until 14 September 2023)

The Monmouth Diocesan Parsonage Board

Alan David Jones (Chairman of the Parsonage Board)
The Bishop of Monmouth (ex officio)
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio)
The Archdeacon of the Gwent Valleys (ex officio)
Peter E Lea (Chairman of the Diocesan Board of Finance - ex officio)
Rod Davies
Ashley Rogers
Sam Helkvist

Executive Officer

Isabel Thompson

Company Secretary

Bethan Davies

Funds held as custodian trustee

Custodian responsibilities

Trustees act as custodian trustees for certain parish assets (both land and investments) held on behalf of those parishes. Where funds are held or managed for parishes, these are either held in a separate dedicated bank account or can be easily separately identified in the books of the DBF.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



.....
Peter Lea

Trustee

Dated: 21-5-2024

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of Monmouth Diocesan Board of Finance for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

12 August 2024

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**Chartered Accountants
Statutory Auditor**

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>							
Donations and legacies	3	3,213,979	626,528	3,840,507	2,997,456	114,744	3,112,200
Other trading activities	4	-	146,984	146,984	-	105,832	105,832
Investments	5	145,803	23,374	169,177	113,069	17,954	131,023
Other income	6	533	6,379	6,912	683	801	1,484
Total income		3,360,315	803,265	4,163,580	3,111,208	239,331	3,350,539
<u>Expenditure on:</u>							
Raising funds	7	17,604	832	18,436	18,067	860	18,927
Charitable activities	8	2,511,977	599,738	3,111,715	2,157,392	692,072	2,849,464
Total expenditure		2,529,581	600,570	3,130,151	2,175,459	692,932	2,868,391
Net gains/(losses) on investments	11	55,236	334	55,570	(355,843)	(14,585)	(370,428)
Net incoming resources before transfers		885,970	203,029	1,088,999	579,906	(468,186)	111,720
Gross transfers between funds		(36,070)	36,070	-	(465,260)	465,260	-
Net movement in funds		849,900	239,099	1,088,999	114,646	(2,926)	111,720
Fund balances at 1 January 2023		4,810,220	558,272	5,368,492	4,695,574	561,198	5,256,772
Fund balances at 31 December 2023		5,660,120	797,371	6,457,491	4,810,220	558,272	5,368,492

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	15		406,509		403,909
Investments	16		3,232,540		3,195,076
			<u>3,639,049</u>		<u>3,598,985</u>
Current assets					
Debtors falling due after one year	17	217,300		217,300	
Debtors falling due within one year	17	447,155		393,402	
Cash at bank and in hand		3,092,489		2,116,160	
		<u>3,756,944</u>		<u>2,726,862</u>	
Creditors: amounts falling due within one year	18	(721,202)		(740,055)	
Net current assets			<u>3,035,742</u>		<u>1,986,807</u>
Total assets less current liabilities			<u>6,674,791</u>		<u>5,585,792</u>
Creditors: amounts falling due after more than one year	19		(217,300)		(217,300)
Net assets			<u><u>6,457,491</u></u>		<u><u>5,368,492</u></u>
Income funds					
Restricted funds	21		797,371		558,272
<u>Unrestricted funds</u>					
Designated funds	22	1,246,518		724,744	
General unrestricted funds		4,290,498		3,962,372	
Revaluation reserve		123,104		123,104	
		<u>5,660,120</u>		<u>4,810,220</u>	
			<u><u>6,457,491</u></u>		<u><u>5,368,492</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 21-5-2024


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P Lea
Trustee

Company registration number 03489945

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	27		794,543		229,629
Investing activities					
Purchase of tangible fixed assets		(5,497)		(2,411)	
Purchase of investments		(889,947)		(632,216)	
Proceeds from disposal of investments		902,024		562,362	
Investment income received		169,177		131,023	
Net cash generated from investing activities					
			175,757		58,758
Financing activities					
Repayment of borrowings		-		(42,950)	
Net cash used in financing activities					
			-		(42,950)
Net increase in cash and cash equivalents					
			970,300		245,437
Cash and cash equivalents at beginning of year					
			2,144,715		1,899,278
Cash and cash equivalents at end of year					
			3,115,015		2,144,715
Relating to:					
Cash at bank and in hand			3,092,489		2,116,160
Short term deposits included in current asset investments			22,526		28,555

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

Monmouth Diocesan Board of Finance is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 64 Caerau Road, Newport NP20 4HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Rental Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Administration and management costs are allocated to the function of the charity to which they relate. The method of allocation has been on a percentage basis of the overall cost of that particular function.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation, where considered appropriate and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Measured at fair value
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.13 Taxation

As a registered charity Monmouth Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies	Unrestricted funds		Restricted funds		Total	
	2023	2023	2023	2023	2022	2022
	£	£	£	£	£	£
Donations and gifts	3,213,979	626,528	3,840,507	2,997,456	114,744	3,112,200
Donations and gifts						
Ministry Share	2,057,796	-	2,057,796	2,166,212	-	2,166,212
RB Block Grant/Partnership Funding	556,257	-	556,257	558,811	-	558,811
RB Structural Resilience Funding	598,926	-	598,926	264,000	-	264,000
RB Contribution to Diocesan Advisory Committee	-	-	-	8,333	-	8,333
RB Growth Funding	-	505,000	505,000	-	-	-
Other Grants	1,000	121,528	122,528	-	114,744	114,744
Parochial Contribution	-	-	-	100	-	100
	3,213,979	626,528	3,840,507	2,997,456	114,744	3,112,200

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Other trading activities

	Restricted funds	Restricted funds
	2023	2022
	£	£
Room Letting and Miscellaneous Income	2,886	3,853
Rental of Parsonages	144,098	101,979
	<hr/>	<hr/>
Other trading activities	146,984	105,832
	<hr/> <hr/>	<hr/> <hr/>

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

5	Investments	Unrestricted funds		Restricted funds		Total	
		2023	2023	2023	2023	2022	2022
		£	£	£	£	£	£
	Income from listed investments	93,598	23,374	116,972	17,954	115,335	
	Interest receivable	52,205	-	52,205	-	15,688	
		<u>145,803</u>	<u>23,374</u>	<u>169,177</u>	<u>17,954</u>	<u>131,023</u>	
6	Other income	Unrestricted funds		Restricted funds		Total	
		2023	2023	2023	2023	2022	2022
		£	£	£	£	£	£
	Other income	533	6,379	6,912	801	1,484	
		<u>533</u>	<u>6,379</u>	<u>6,912</u>	<u>801</u>	<u>1,484</u>	
7	Raising funds	Unrestricted funds		Restricted funds		Total	
		2023	2023	2023	2023	2022	2022
		£	£	£	£	£	£

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

7	Raising funds		(Continued)
	Investment management	17,604	18,927
		<u>17,604</u>	<u>18,927</u>
		832	860
		<u>832</u>	<u>860</u>
		18,436	18,067
		<u>18,436</u>	<u>18,067</u>
		<u>17,604</u>	<u>18,927</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Charitable activities

	2023	2022
	£	£
Support for ministry	2,209,291	2,154,592
Support for ministry areas	294,959	116,731
Support for other church property	34,257	58,781
Grants and other financial support	188,022	173,495
Communications and publications	33,073	33,379
	<u>2,759,602</u>	<u>2,536,978</u>
Share of support costs (see note 9)	269,436	240,973
Share of governance costs (see note 9)	82,677	71,513
	<u>3,111,715</u>	<u>2,849,464</u>
Analysis by fund		
Unrestricted funds	2,511,977	2,157,392
Restricted funds	599,738	692,072
	<u>3,111,715</u>	<u>2,849,464</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	226,678	-	226,678	211,146	-	211,146
Depreciation	2,897	-	2,897	1,464	-	1,464
Heat, Light and Water	9,027	-	9,027	6,002	-	6,002
Telephone, fax and internet	3,131	-	3,131	2,984	-	2,984
Printing, Postage and Stationery	2,478	-	2,478	2,908	-	2,908
Furniture and computer expenses	7,608	-	7,608	6,484	-	6,484
Equipment leasing charges	3,936	-	3,936	4,423	-	4,423
Repairs and Renewals	7,410	-	7,410	1,982	-	1,982
Caretaker/Cleaning	3,512	-	3,512	1,706	-	1,706
Miscellaneous	2,759	-	2,759	1,874	-	1,874
Audit fees	-	14,400	14,400	-	9,174	9,174
Legal and professional	-	4,325	4,325	-	1,991	1,991
Diocesan Insurance	-	6,785	6,785	-	6,074	6,074
Diocesan Conference Costs	-	4,603	4,603	-	883	883
Governing Body Expenses	-	23,828	23,828	-	25,931	25,931
Diocesan Registrar	-	28,736	28,736	-	27,460	27,460
	<u>269,436</u>	<u>82,677</u>	<u>352,113</u>	<u>240,973</u>	<u>71,513</u>	<u>312,486</u>
Analysed between Charitable activities	<u>269,436</u>	<u>82,677</u>	<u>352,113</u>	<u>240,973</u>	<u>71,513</u>	<u>312,486</u>

Governance costs includes payments to the auditors of £14,400 (2022: £9,174) for audit fees.

10 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	14,400	9,174
Depreciation of owned tangible fixed assets	2,897	1,464
	<u>17,297</u>	<u>10,638</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total	
	2023	2023	2023	2022	2022	
	£	£	£	£	£	
Revaluation of investments	69,967	1,808	71,775	(355,843)	(14,585)	(370,428)
Gain/(loss) on sale of investments	(14,731)	(1,474)	(16,205)	-	-	-
	<u>55,236</u>	<u>334</u>	<u>55,570</u>	<u>(355,843)</u>	<u>(14,585)</u>	<u>(370,428)</u>

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Employees

Number of employees

The average monthly number of employees during the year was:

2023	2022
Number	Number
10	9

Employment costs

	2023	2022
	£	£
Wages and salaries	275,157	227,572
Social security costs	23,968	20,241
Other pension costs	32,061	26,900
Salary of Diocesan Registrar	26,470	25,210
Total Costs	357,656	299,923

Staff costs include £nil of redundancy payments (2022: £nil). There were no amounts outstanding in the current or prior year.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £129,428 (2022: £124,317).

The number of employees whose annual remuneration was £60,000 or more were:

	2023	2022
	Number	Number
£60,001 to £70,000	1	-

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

15 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2023	400,000	6,073	406,073
Additions	-	5,497	5,497
At 31 December 2023	400,000	11,570	411,570
Depreciation and impairment			
At 1 January 2023	-	2,164	2,164
Depreciation charged in the year	-	2,897	2,897
At 31 December 2023	-	5,061	5,061
Carrying amount			
At 31 December 2023	400,000	6,509	406,509
At 31 December 2022	400,000	3,909	403,909

Land and buildings with a carrying amount of £310,000 were revalued at 31 July 2019 by Graham & Co, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The valuation does not separately value the land from the buildings.

At 31 December 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2022: £276,896).

The revaluation surplus of £123,104 is recognised on the Balance Sheet within Income Funds.

16 Fixed asset investments

	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2023	3,166,522	28,554	3,195,076
Additions	889,947	(891,615)	(1,668)
Valuation changes	71,775	-	71,775
Movement	-	(16,439)	(16,439)
Disposals	(918,230)	902,026	(16,204)
At 31 December 2023	3,210,014	22,526	3,232,540
Carrying amount			
At 31 December 2023	3,210,014	22,526	3,232,540
At 31 December 2022	3,166,522	28,554	3,195,076

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

16 Fixed asset investments (Continued)

17 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	334,463	361,347
Other debtors	112,692	32,055
	<u>447,155</u>	<u>393,402</u>
	2023	2022
	£	£
Amounts falling due after more than one year:		
Due from Parishes re Provincial Housing Loans	217,300	217,300
	<u>217,300</u>	<u>217,300</u>
Total debtors	<u>664,455</u>	<u>610,702</u>

Loans from The Representative Body Of The Church In Wales

The loans to the retired clergy, and if deceased their spouses, are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the retired clergy, or their spouses. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to retired clergy or their spouses, shown above.

Security is held over the properties.

18 Creditors: amounts falling due within one year	2023	2022
Notes	£	£
Deferred income	166,084	-
Trade creditors	25,645	10,892
Other creditors	31,383	63,952
Accruals and deferred income	498,090	665,211
	<u>721,202</u>	<u>740,055</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

19 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Representative body loans	217,300	217,300

Loans from The Representative Body Of The Church In Wales

The loans to the retired clergy, and if deceased their spouses, are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the retired clergy, or their spouses. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to retired clergy or their spouses, shown above.

Security is held over the properties.

Loans are repaid to the Diocese when the related property has been sold.

20 Deferred income

	2023 £	2022 £
Other deferred income	166,084	-

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	166,084	-
Movements in the year:		
Deferred income at 1 January 2023	-	-
Resources deferred in the year	166,084	-
Deferred income at 31 December 2023	166,084	-

Deferred income represents amounts received in advance from the Representative Body in respect of Structural Resilience Funding and Partnership Funding.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2022		Movement in funds			Balance at 1 January 2023			Movement in funds			Balance at 31 December 2023	
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£
Parsonage Board Fund	113,178	133,841	133,841	(575,551)	445,482	-	116,950	182,445	(455,092)	460,233	-	-	304,536
Churches and Pastoral Committee Funds	333,757	66,034	66,034	(88,962)	14,662	(14,585)	310,906	65,598	(44,229)	12,911	334	334	345,520
Council for Social Responsibility	28,268	11,872	11,872	(1,129)	124	-	39,135	125	(367)	42	-	-	38,935
Needlework Guild	4,624	-	-	-	-	-	4,624	-	-	-	-	-	4,624
Highveld Donations	292	328	328	-	-	-	620	6,375	(11,946)	4,966	-	-	15
Llanfair Kilgeddin Parish Units	438	19	19	-	-	-	457	21	-	-	-	-	478
Ministry Clergy School	42	2,440	2,440	(2,739)	300	-	43	2,695	(3,053)	346	-	-	31
Bishop's M&G	21,000	3,000	3,000	-	-	-	24,000	9,885	(35,357)	4,001	-	-	2,529
Bishop's Hardship Fund	35,978	2,071	2,071	(3,704)	1,406	-	35,751	5,166	(18,584)	2,488	-	-	24,821
Church Army	21,796	-	-	(1,854)	1,203	-	21,145	-	(3,385)	383	-	-	18,143
Lent Appeal	1,825	1,925	1,925	-	-	-	3,750	1,225	-	-	-	-	4,975
Kilgwrwg - Holy Cross	-	-	-	-	-	-	-	400	-	-	-	-	400
Priest to the Deaf Community	-	801	801	(511)	56	-	346	6,379	(7,583)	858	-	-	-
Growth Funding - Representative Body	-	17,000	17,000	(18,482)	2,027	-	545	17,951	(20,974)	2,478	-	-	-
	-	-	-	-	-	-	-	505,000	-	(452,636)	-	-	52,364

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

21 Restricted funds	(Continued)										
	561,198	239,331	(692,932)	465,260	(14,585)	558,272	803,265	(600,570)	36,070	334	797,371

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Fund is restricted for the maintenance of parsonages.

The Churches and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

Council for Social responsibility funds represent residual funds from the former Diocesan Council for Social Responsibility Committee account now closed.

Bishop's M&G Fund represents the Bishop of Monmouth's discretionary funds.

Bishop's Hardship Fund represents the Bishop of Monmouth's discretionary funds.

Diocesan Mission funds relate to individual donations to support Mission projects in the Diocese.

Church Army funds related to individual donations to support the Church Army project.

Lent Appeal and Kilgwrwg Holy Cross Appeal funds relate to individual and parish condations to the annual appeal.

Growth fund is restricted to support the cost of stipendiary, house for duty and salaried lay ministry.

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the Donor's wishes.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022	Resources expended	Transfers	Balance at 1 January 2023	Resources expended	Transfers	Balance at 31 December 2023
	£	£	£	£	£	£	£
Leadership Training	15,500	-	-	15,500	-	-	15,500
Children, Youth and Family Ministry Projects	28,000	-	-	28,000	-	-	28,000
Pioneer Ministry and Mission Project	16,500	-	-	16,500	-	-	16,500
100th Anniversary planning reserve	5,000	-	-	5,000	-	-	5,000
Contribution to MA Finance Resource	5,000	-	-	5,000	-	-	5,000
Church Army - Designated Fund	235,027	(34,013)	3,730	204,744	(17,535)	(187,209)	-
Evangelism Bid	-	-	400,000	400,000	(17,959)	191,225	573,266
Cost of Living Support to Ministry Areas	-	-	50,000	50,000	(51,502)	5,828	4,326
Ministry Area Admin & Support	-	-	-	-	-	598,926	598,926
	<u>305,027</u>	<u>(34,013)</u>	<u>453,730</u>	<u>724,744</u>	<u>(86,996)</u>	<u>608,770</u>	<u>1,246,518</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

23 Analysis of net assets between funds	Unrestricted Funds		Designated funds		Restricted Funds		Total Unrestricted Funds		Designated funds		Restricted Funds		Total	
	2023	£	2023	£	2023	£	2023	£	2023	£	2022	£	2022	£
Fund balances at 31 December 2023 are represented by:														
Tangible assets	406,509		-		-		406,509		-		-		403,909	
Investments	3,087,113		-		145,427		3,232,540		3,049,365		145,711		3,195,076	
Current assets/(liabilities)	1,137,280		1,246,518		651,944		3,035,742		849,502		412,561		1,986,807	
Long term liabilities	(217,300)		-		-		(217,300)		(217,300)		-		(217,300)	
	4,413,602		1,246,518		797,371		6,457,491		4,085,476		724,744		5,368,492	

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	4,605	3,602
Between two and five years	14,012	5,772
In over five years	21	-
	<u>18,638</u>	<u>9,374</u>

25 Related party transactions

There were no related party transactions during the current or previous year.

26 Share capital

As the company is limited by guarantee, there is no share capital. The liability of each member in the event of winding up is limited to £1.

27 Cash generated from operations

	2023	2022
	£	£
Surplus for the year	1,088,999	111,720
Adjustments for:		
Investment income recognised in statement of financial activities	(169,177)	(131,023)
Loss on disposal of investments	16,205	-
Gains and losses on investments	(71,775)	370,428
Depreciation and impairment of tangible fixed assets	2,897	1,464
Movements in working capital:		
(Increase)/decrease in debtors	(53,753)	143,071
(Decrease) in creditors	(184,937)	(266,031)
Increase in deferred income	166,084	-
Cash generated from operations	<u><u>794,543</u></u>	<u><u>229,629</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Analysis of changes in net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	2,116,160	976,329	3,092,489
Loans falling due after more than one year	(217,300)	-	(217,300)
	<u>1,898,860</u>	<u>976,329</u>	<u>2,875,189</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 1067653

Accounts

Charity registration number 1067653

Company registration number 03489945 (England and Wales)

**MONMOUTH DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

MONMOUTH DIOCESAN BOARD OF FINANCE

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MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth. By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

Achievements and performance

Ministry

Stipendiary Clergy

46 stipendiary clerics were budgeted in 2022 with vacancies filled throughout the year, 48 stipendiary clergy were in post by the year end.

Non-Stipendiary Clergy

In addition to stipendiary clergy, the diocese is also blessed with 15 Non-Stipendiary Ministers (NSMs). NSMs do not receive a stipend, although some live in parsonages on a House for Duty (HfD) basis.

Ordinations

A joyous service was held at Newport Cathedral on Saturday, 25 June 2022 to ordain our new deacons and priests. Friends and family filled the cathedral to support and celebrate with those who have been called into ministry in the Diocese of Monmouth.

ORDAINED DEACON:

Ruth Rowan to serve in in the Islwyn Ministry Area (Stipendiary)

Tina Parry to serve in the East Cardiff Ministry Area (Stipendiary)

Sarah Rosser to serve in the Heart of Monmouthshire Ministry Area (Stipendiary)

Rachel Nelmes to serve in the Mynydd Bedwellte Ministry Area (NSM)

Daniel Damon to serve in the Monmouth Ministry Area (NSM)

Glen Wilkins to serve in the Beechwood Ministry Area (NSM)

Janet Pain to serve in the Monmouth Ministry Area (NSM)

ORDAINED PRIEST:

The Revd Mandy East to continue to serve in the Netherwent Ministry Area (NSM)

The Revd Andrew Nelmes to continue to serve in the Islwyn Ministry Area (NSM)

The Revd Karin Pardoe to continue to serve in the Cwmbran Ministry Area (NSM)

Lay Ministry

Lay ministry remains an integral part of our ministry as a church in a variety of ways and this is something that we are keen to continue to develop.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Licensed lay ministers have continued to be invited to most of the CMD days in the diocese and a social event was held at Bishopstow for all licensed lay ministers in July 2022. A number of our licensed lay ministers also attended the Provincial LLM weekend in Wrexham in September 2022.

As part of the continued commitment to lay ministry, new training courses have been developed for lay worship leaders and lay pastoral visitors, which will be launched through 2023 following several pilot courses.

We remain hugely grateful to those people who have committed so much time and effort to lay ministry in the diocese and look forward to working with people to ensure that future ministry is of high quality, well-resourced and vibrant.

CMD

We have continued to operate a successful CMD programme for clergy and licenced lay ministers. During 2022 we had sessions on clergy wellbeing and support run by the clergy support trust, David Heywood on collaborative ministry and Jane Williams on the Gospel of Matthew.

Ministry Areas

Since 2020, the Diocese has been undertaking a major organisational change with the amalgamation of 121 parishes into 16 larger ministry areas.

All ministry areas were officially commissioned by end of January 2023, and this transition represented a significant amount of work for clergy and lay in all ministry areas throughout 2021 and 2022. This change will enable groups of churches to work better together, to share resources and volunteers.

Supporting the transition to ministry areas was a major focus for the work of the DBF staff team and grants were put in place to support this change.

Diocesan Conference

The Diocesan Conference in October 2022 was the first in person conference since the Covid pandemic. It was an impactful and uplifting event which launched the Diocesan Vision – Faith in our Future.

The vision is based on the five branches of discipleship, stewardship, environment, equality and diversity, and social justice. The vision encourages us to look at how we engage with our communities to carry out God's mission. It also invites us to look at our own relations with God and how we grow as disciples.

It was a real pleasure to welcome back all our stall holders who demonstrated the rich variety of diocesan life and provided an additional focus between speakers.

Finance and Administration

Diocesan Office Team

The diocesan office team are responsible for the administration, financial management and governance for the DBF, as well as providing support to ministry areas. At the beginning of 2022, there were 7 members of staff which, in addition to the Diocesan Secretary and Diocesan Accountant, included a Church and Property Officer, Children Youth and Family Advisor, Communications Officer and an Events and Training Co-ordinator.

During 2022 the Diocesan Office team welcomed a new post, a Priest with the Deaf Community, who undertook a research project working over the Dioceses of Monmouth and Llandaff and funded by the South East Wales Deaf Association.

The team's primary additional focus during 2022 was to support the transition to ministry areas. A new role of Church Resource Officer was advertised in 2022 to increase this support provision and to develop resources for stewardship and lay ministry. This post was filled in January 2023.

Diocesan Education and Church Schools.

The Education teams comprises of Beccie Morteo, Head of Education and Deborah Griffiths, School Support Officer who work across both Llandaff and Monmouth Diocese.

The team continues to provide advice with regards to statutory responsibilities around areas such as; admissions and CRAMP, support and advice to Governing bodies and Foundation Governors, training opportunities and curriculum developments updates.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

We have supported schools with projects including Taith Adfent, Iaith a Gweddi and Ffrindiau'r Byd. We have our first church school recognised as a school of sanctuary with three other schools working towards recognition.

We ran a series of training events for teachers, governors and clergy on the changes to the Religion, Values and Ethics Curriculum in Wales and offer ongoing curriculum support to all schools. We ran additional training on admissions and appeals and attended governors meeting as and when required.

A Church in Wales education day was held in St Mary's Priory, Abergavenny which brought together RVE leaders and teachers from across Wales. There was a focus on new curriculum approaches with Dai Woolridge, a spoken word artist and Phil Lord, a collective worship specialist, contributing. We held a leadership day for Headteachers and aspiring heads.

A pause for prayer document was developed and adapted as a resource for children. This was distributed at conference.

A welcome Eucharist for Headteachers and two leavers service were held in Newport Cathedral.

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Parsonage Board.

In 2022 there were 68 parsonages in the scheme and the DBF contributed £382,364 for maintenance work. In addition, 13 parsonages were rented to generate additional income. For 2023, 62 parsonages were budgeted to be in the scheme, with a DBF contribution of £371,132.

Diocesan Grants

Church and Churchyard Repair Fund

Each year the Diocese of Monmouth offers grants to churches through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs, maintenance and improvements to churches, church halls and churchyards.

This Churches and Pastoral grant fund is available to all churches in the diocese and the applications are reviewed quarterly by a grants committee and reported to the Diocesan Standing Committee at each of the meetings.

Feedback for churches and ministry areas throughout the diocese demonstrates the value of this repair, maintenance and improvements fund, especially at a time when churches are finding it increasingly more difficult to apply for external funding for essential works to their buildings.

Ministry Area Development Grant

The Ministry Area Development grant is a DBF fund with the primary purpose of providing financial support to ministry areas to help with the transition from 121 smaller parishes to 16 larger ministry area.

Applications to the fund will be different depending on the needs of each area but have included financial support to set up ministry area offices with furniture and Wi-Fi, Church Suite membership (CRM) software, PA systems and branding.

MA Administrators Grant

In 2021 the DBF set up a separate fund specifically allocated to support ministry areas with their administrative functions. This grant fund, which totals £172,000, equates to £10,750 per MA over four years. Funding has been calculated on the basis of approximately 7 hours of administrative support a week per MA. It will be made available to MAs in full for the first year but, each subsequent year, the level of funding will be reduced as the MA develops.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The funding is intended to enable an additional professional resource to tie together work that is already being done by volunteers and clergy to ensure the MA is compliant and up-to-date with insurance, HMRC, Charity Commission, bank records, safeguarding training and DBS checks. When available, administrators will also manage a database of regular givers and assist members of the MAC with the administrative elements of a stewardship campaign.

As ministry areas have been commissioned through 2022 these grants have been awarded with more ready to take up this grant in 2023 and 2024.

Contactless Giving and Gift Direct

The DBF launched a contactless trial to financially support parishes to use contactless giving devices in 2020 and this trial continued during 2021 and 2022.

Since the pandemic, the use of cash has reduced considerably and the DBF are aware that many parts of society are moving cashless. In order for churches to sustain and increase their giving, there is a need for churches to follow this trend and to invest in contactless devices. The DBF agreed to fund the initial cost of the device and the first-year subscription fees and, in return, the churches who volunteered to be part of the trial committed to quarterly reporting to assess the ease of the device and its impact on giving.

Five ministry areas were part of the trial by the end of 2022.

This trend towards online and contactless giving is likely to continue after the pandemic and it is essential for churches and ministry areas to keep pace with societal change.

Financial review

The Diocesan Board of Finance made an unrestricted surplus for the year of £114,646 and a restricted deficit of £2,926. The majority of the surplus derives from the additional structural resilience funding from the Representative Body that is required to put against our £3m Evangelism Bid. This Evangelism Bid will fund the development of five new worshipping communities within our ministry areas.

Unrestricted reserves at 2022 amounted to £4,810,220 of which £403,909 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £724,744 has been designated for specific projects (see note 20).

Reserves are tied up in investment assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £558,272 (see note 19).

Income

Donations and legacies

During 2022 the DBF received £3,112,200 in donations. Of this, £2,166,212 came from Ministry Share and £578,252 came from the Representative Body's block grant. In 2022, the diocese also received an additional £264,000 in structural resilience funding from the Representative Body.

Other trading activities

The Parsonage Board raised £101,979 from the rental of parsonages in 2022. These funds are restricted and are used to support the repair and maintenance of all parsonages.

Investments

The investment managers performed against their income target. The DBF received £109,094 in dividend income across all funds.

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, council tax and maintenance of the parsonages. In 2022, the cost of this was £2,154,592.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Support for Parishes

In 2022 Support for ministry areas totalled £116,731. This was a significant decrease in comparison 2021, because the expectational, additional support that was provided to all ministry area in 2020 and 2021 because of the Covid pandemic.

Grants and other financial support

The DBF made payment of over £170,000 in grants payments in 2022. This included the annual grants paid to the Cathedral, Bishop's Funds, the RB Church Building Emergency Fund and the DBF contribution to the Churches and Pastoral Committee. In 2021 the DBF launched the ministry area Administrator Grant, to assist ministry areas with their new administration requirements. The DBF also invested in the Ministry Area Development Grant to support the transition from the old parish structures and the Board financially supported ministry areas with the costs of a new financial software package by funding the first year and provided local training.

Support Cost

Support Costs relate to Diocesan Office and DBF staff costs.

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Representation from members of the DBF and the Trust sit on the Investment Advisory Group.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

The investment managers are required to ensure that the ethical investment policy, as agreed by Trustees, is followed at all times. The Trustees subscribe to the same ethical policy as that adopted by the Representative Body of the Church in Wales.

Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds, Revaluation Reserve and Designated Funds equated to £3,558,463 (2021: £3,864,482).

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend, and Ministry Share payments received on a quarterly basis from the ministry areas.

Risk Management

A major review of the Risk Register was undertaken in 2019 and the Risk Register and related policies have been rewritten. The major risks are reviewed at each quarterly Trustee meeting and the whole register is reviewed annually.

The highest risks have remained consistent and are:

- Decline in income through reduced Ministry Share as a result of declining aSa numbers.
- Failure to maximize alternative streams of funding including grants and legacies.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Plans for the Future

Forward strategy

During 2022 the DBF strived to operate on a sustainable budget and financial forecasts have been prepared for the next 10-year period. These forecasts are based on a year-on-year increase to Ministry Share, so that income can keep pace with the rising costs of ministry.

The diocese has held many clergy vacancies in recent years and a significant number of these posts were advertised and filled in 2022. During 2023, nearly all budgeted clergy posts will be filled, and this trend is set to continue into 2024.

The transition to ministry areas was completed by the end of January 2023 and this was the result of a significant amount of hard work from clergy and lay people. Working within a structure of 16 ministry areas has increased the opportunities for dialogue and networking. Networking events are planned for 2023 and 2024 to facilitate a culture of openness, transparency, and support. It is hoped that these networks will work with DBF staff and key diocesan committees to co-create new strategies for growth and sustainability.

The exciting new post of Church Resource Officer was advertised in 2022 with the start date in January 2023. This role will increase the support provided to ministry areas and will particularly focus on increasing stewardship and lay ministry training.

The Diocesan Conference in October 2022 launched the new diocesan vision with its five branches. Workshop sessions were planned for 2023 to support ministry areas to engage with the vision, to be more outward focused and to be intentional with plans for growth and sustainability.

Plans for the diocesan evangelism bid began in 2022, with the anticipation of submitting formal applications to Evangelism Fund Committee in 2023. The Diocese of Monmouth proposal seeks £3m of funding to plant five new worshipping communities embedded within our ministry areas throughout the diocese.

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13th October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be coopted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three-year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2nd January 1998, and registered as a charity with the Charity Commission for England & Wales.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, *"that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith"*. The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
- administering the assets and financial management of the charity

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2022, in addition to the AGM on the 16th September 2022, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Property Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Property Board, and both bodies are administered from the Diocesan Office.

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of an annual grant to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry Share collected from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1067653
Company number	003489945
Registered Office	Diocesan Office 64 Caerau Road Newport NP20 4HJ
Statutory Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff CF23 8AB
Bankers	NatWest Bank High Street Newport NP20 1GG
Solicitors	Jacklyn Dawson Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	RBC Brewin Dolphin Third Floor Two Central Square Cardiff CF10 1FS

DIRECTORS AND TRUSTEES

The directors of the company (the charity) are also its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees during 2022 were as follows:

Ex-officio

Peter E Lea (Chairman)
Paulette Brown (Vice Chairman)
The Bishop of Monmouth (ex officio)
The Dean of Newport (ex officio)
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio)
The Archdeacon of the Gwent Valleys (ex officio) - Vacant until June 2022 - appointed 20 June 2022
The Diocesan Registrar of Monmouth
Alan David Jones (Chairman of the Property Board) - appointed 4 February 2022
The Very Revd Ian Black

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Elected

The Revd Jeremy D Harris
Christopher Wray
Sarah Mulcahy
The Revd Kevin John Hasler
The Revd Mark Owen
Philip Masters – Retired 4 February 2022
George Hughes - Retired 16 September 2022

Co-opted

R D (Sandy) Blair C.B.E - September 2021

The Monmouth Diocesan Parsonage Board

Alan David Jones (Chairman of the Property Board)
The Bishop of Monmouth (ex officio)
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio)
The Archdeacon of the Gwent Valleys (ex officio) - Vacant until June 2022
Peter E Lea (Chairman of the Diocesan Board of Finance - ex officio)
The Revd Anne Gölledge - retired February 2022
The Revd Chris Walters
Rod Davies
Ashley Rogers
Justin Telang
Sam Helkvist - joined Dec 2022

Executive Officer

Isabel Thompson

Company Secretary

Bethan Davies

Funds held as custodian trustee

Custodian responsibilities

Trustees act as custodian trustees for certain parish assets (both land and investments) held on behalf of those parishes. Where funds are held or managed for parishes, these are either held in a separate dedicated bank account or can be easily separately identified in the books of the DBF.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.


.....
Peter Lea

Trustee

Dated: 14 September 2023

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Monmouth Diocesan Board of Finance for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 that are reasonable and prudent;
- state whether applicable UK 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

26-9-2023

**Chartered Accountants
Statutory Auditor**

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	2,997,456	114,744	3,112,200	3,501,716	171,786	3,673,502
Other trading activities	4	-	105,832	105,832	-	153,251	153,251
Investments	5	113,069	17,954	131,023	92,573	11,073	103,646
Other income	6	683	801	1,484	6	-	6
Total income		3,111,208	239,331	3,350,539	3,594,295	336,110	3,930,405
<u>Expenditure on:</u>							
Raising funds	7	18,067	860	18,927	17,575	903	18,478
Charitable activities	8	2,157,392	692,072	2,849,464	3,022,927	773,935	3,796,862
Total expenditure		2,175,459	692,932	2,868,391	3,040,502	774,838	3,815,340
Net gains/(losses) on investments	12	(355,843)	(14,585)	(370,428)	255,614	12,436	268,050
Net incoming/(outgoing) resources before transfers		579,906	(468,186)	111,720	809,407	(426,292)	383,115
Gross transfers between funds		(465,260)	465,260	-	(456,974)	456,974	-
Net movement in funds		114,646	(2,926)	111,720	352,433	30,682	383,115
Fund balances at 1 January 2022		4,695,574	561,198	5,256,772	4,343,141	530,516	4,873,657
Fund balances at 31 December 2022		4,810,220	558,272	5,368,492	4,695,574	561,198	5,256,772

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	14		403,909		402,961
Investments	15		3,195,076		3,579,400
			<u>3,598,985</u>		<u>3,982,361</u>
Current assets					
Debtors falling due after one year	16	217,300		260,250	
Debtors falling due within one year	16	393,402		493,523	
Cash at bank and in hand		2,116,160		1,786,974	
		<u>2,726,862</u>		<u>2,540,747</u>	
Creditors: amounts falling due within one year	17	(740,055)		(1,006,086)	
Net current assets			<u>1,986,807</u>		<u>1,534,661</u>
Total assets less current liabilities			<u>5,585,792</u>		<u>5,517,022</u>
Creditors: amounts falling due after more than one year	18		(217,300)		(260,250)
Net assets			<u><u>5,368,492</u></u>		<u><u>5,256,772</u></u>
Income funds					
Restricted funds	19		558,272		561,198
<u>Unrestricted funds</u>					
Designated funds	20	724,744		305,027	
General unrestricted funds		3,962,372		4,267,443	
Revaluation reserve		123,104		123,104	
			<u>4,810,220</u>		<u>4,695,574</u>
			<u><u>5,368,492</u></u>		<u><u>5,256,772</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

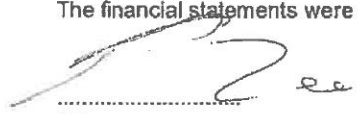
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 14 September 2023



P Lea
Trustee

Company registration number 03489945

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	25		186,679		412,292
Investing activities					
Purchase of tangible fixed assets		(2,411)		(2,825)	
Purchase of investments		(632,216)		(828,211)	
Proceeds from disposal of investments		646,111		316,921	
Investment income received		131,023		103,646	
Net cash generated from/(used in) investing activities			142,507		(410,469)
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			329,186		1,823
Cash and cash equivalents at beginning of year			1,786,974		1,785,151
Cash and cash equivalents at end of year			2,116,160		1,786,974

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Monmouth Diocesan Board of Finance is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 64 Caerau Road, Newport NP20 4HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Prior period error

The following prior period adjustments have been made:

DR Fixed Assets Investments £112,303
CR Debtors £112,303

The adjustments have not impacted the results for the prior year or the overall reserves balance at the year end. The adjustment relates to reclassification between asset categories on the balance sheet.

1.3 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Rental Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

1.6 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Administration and management costs are allocated to the function of the charity to which they relate. The method of allocation has been on a percentage basis of the overall cost of that particular function.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation, where considered appropriate and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Measured at fair value
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

Freehold land and buildings are initially measured at cost and subsequently measured at cost or valuation, net of any impairment losses.

Trustees consider that the property should not be depreciated as it is maintained in a suitable state of repair, is revalued with sufficient regularity and is reviewed annually for impairment.

The freehold land and buildings are revalued every 5 years.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Taxation

As a registered charity Monmouth Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

3 Donations and legacies	Unrestricted funds		Restricted funds		Total	
	2022	2022	2022	2022	2021	2021
	£	£	£	£	£	£
Donations and gifts	2,997,456	114,744	3,112,200	171,786	3,501,716	3,673,502
Donations and gifts						
Parish Share	2,166,212	-	2,166,212	-	2,198,754	2,198,754
RB Block Grant	558,811	-	558,811	-	748,165	748,165
Other Grants	264,000	114,744	378,744	171,786	546,414	718,200
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	-	8,333	8,333
Parochial Contribution	100	-	100	-	50	50
	2,997,456	114,744	3,112,200	171,786	3,501,716	3,673,502

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Other trading activities

	Restricted funds	Restricted funds
	2022 £	2021 £
Room Letting and Miscellaneous Income	3,853	611
Rental of Parsonages	101,979	152,640
	<hr/>	<hr/>
Other trading activities	105,832	153,251
	<hr/>	<hr/>

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments	Unrestricted funds		Restricted funds		Total	
	2022	2022	2022	2022	2021	2021
	£	£	£	£	£	£
Income from listed investments	97,381	17,954	115,335	92,413	5,634	98,047
Interest receivable	15,688	-	15,688	160	5,439	5,599
	<u>113,069</u>	<u>17,954</u>	<u>131,023</u>	<u>92,573</u>	<u>11,073</u>	<u>103,646</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Other income

	Unrestricted funds	Restricted funds	Total Unrestricted funds	
	2022	2022	2022	2021
	£	£	£	£
Other Income	683	801	1,484	6
	<u>683</u>	<u>801</u>	<u>1,484</u>	<u>6</u>

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Raising funds	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Investment management	18,067	860	18,927	17,575	903	18,478
	<u>18,067</u>	<u>860</u>	<u>18,927</u>	<u>17,575</u>	<u>903</u>	<u>18,478</u>
	<u><u>18,067</u></u>	<u><u>860</u></u>	<u><u>18,927</u></u>	<u><u>17,575</u></u>	<u><u>903</u></u>	<u><u>18,478</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	2022	2021
	£	£
Support for ministry	2,154,592	2,238,272
Support for parishes	116,731	779,124
Support for other church property	58,781	30,537
Grants and other financial support	173,495	420,547
Communications and publications	33,379	31,244
	<u>2,536,978</u>	<u>3,499,724</u>
Share of support costs (see note 9)	240,973	249,999
Share of governance costs (see note 9)	71,513	47,139
	<u>2,849,464</u>	<u>3,796,862</u>
Analysis by fund		
Unrestricted funds	2,157,392	3,022,927
Restricted funds	692,072	773,935
	<u>2,849,464</u>	<u>3,796,862</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	211,146	-	211,146	207,619	-	207,619
Depreciation	1,464	-	1,464	1,429	-	1,429
Heat, Light and Water	6,002	-	6,002	2,219	-	2,219
Telephone, fax and internet	2,984	-	2,984	4,515	-	4,515
Printing, Postage and Stationery	2,908	-	2,908	3,144	-	3,144
Furniture and computer expenses	6,484	-	6,484	8,949	-	8,949
Equipment leasing charges	4,423	-	4,423	5,354	-	5,354
Repairs and Renewals	1,982	-	1,982	11,261	-	11,261
Caretaker/Cleaning	1,706	-	1,706	4,441	-	4,441
Miscellaneous	1,874	-	1,874	1,068	-	1,068
Audit fees	-	9,174	9,174	-	6,540	6,540
Legal and professional	-	1,991	1,991	-	2,137	2,137
Diocesan Insurance	-	6,074	6,074	-	5,526	5,526
Diocesan Conference Costs	-	883	883	-	373	373
Governing Body Expenses	-	25,931	25,931	-	5,946	5,946
Diocesan Registrar	-	27,460	27,460	-	26,617	26,617
	<u>240,973</u>	<u>71,513</u>	<u>312,486</u>	<u>249,999</u>	<u>47,139</u>	<u>297,138</u>
Analysed between Charitable activities	<u>240,973</u>	<u>71,513</u>	<u>312,486</u>	<u>249,999</u>	<u>47,139</u>	<u>297,138</u>

Governance costs includes payments to the auditors of £9,174 (2021: £6,540) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	9	9
	<u>9</u>	<u>9</u>
Employment costs	2022	2021
	£	£
Wages and salaries	227,572	204,168
Social security costs	20,241	17,366
Other pension costs	26,900	24,763
Salary of Diocesan Registrar	25,210	24,716
	<u>299,923</u>	<u>271,013</u>
Total Costs	299,923	271,013

Staff costs include £nil of redundancy payments (2021: £nil). There were no amounts outstanding in the current or prior year.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £124,317 (2021: £120,751).

No employees received remuneration over £60,000 in the current or previous year.

12 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total Unrestricted funds	Restricted funds	Total
	2022	2022	2022	2021	2021
	£	£	£	£	£
Revaluation of investments	(355,843)	(14,585)	(370,428)	255,614	268,050
	<u>(355,843)</u>	<u>(14,585)</u>	<u>(370,428)</u>	<u>255,614</u>	<u>268,050</u>

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2022	400,000	10,113	410,113
Additions	-	2,411	2,411
Disposals	-	(6,451)	(6,451)
At 31 December 2022	400,000	6,073	406,073
Depreciation and impairment			
At 1 January 2022	-	7,151	7,151
Depreciation charged in the year	-	1,464	1,464
Eliminated in respect of disposals	-	(6,451)	(6,451)
At 31 December 2022	-	2,164	2,164
Carrying amount			
At 31 December 2022	400,000	3,909	403,909
At 31 December 2021	400,000	2,961	402,961

Land and buildings with a carrying amount of £310,000 were revalued at 31 July 2019 by Graham & Co, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The valuation does not separately value the land from the buildings.

At 31 December 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2021 - £276,896).

The revaluation surplus of £123,104 is recognised on the Balance Sheet within Income Funds.

15 Fixed asset investments

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments	(Continued)		
	Listed investments £	Cash in portfolio	Total £
Cost or valuation			
At 1 January 2022	3,467,097	112,303	3,579,400
Additions	632,216	(632,216)	-
Valuation changes	(370,429)	-	(370,429)
Movement	-	(13,895)	(13,895)
Disposals	(562,362)	562,362	-
At 31 December 2022	<u>3,166,522</u>	<u>28,554</u>	<u>3,195,076</u>
Carrying amount			
At 31 December 2022	<u>3,166,522</u>	<u>28,554</u>	<u>3,195,076</u>
At 31 December 2021	<u>3,467,097</u>	<u>112,303</u>	<u>3,579,400</u>

The historical cost of the investments at 31 December 2022 is £3,035,383 (2021: £2,982,402). Investments relate to listed investments.

The Monmouth Diocesan Board of Finance has approved the management of the investment portfolio on a discretionary management basis. All investments and associated gains and losses are included on a fair value basis.

16 Debtors	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	361,347	373,490
Other debtors	32,055	120,033
	<u>393,402</u>	<u>493,523</u>
Amounts falling due after more than one year:		
Due from Parishes re Provincial Housing Loans	<u>217,300</u>	<u>260,250</u>
Total debtors	<u>610,702</u>	<u>753,773</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors

(Continued)

Loans from The Representative Body Of The Church In Wales

The loans to the retired clergy, and if deceased their spouses, are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the retired clergy, or their spouses. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to retired clergy or their spouses, shown above.

Security is held over the properties.

17 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	10,892	(44)
Other creditors	63,952	93,250
Accruals and deferred income	665,211	912,880
	<u>740,055</u>	<u>1,006,086</u>

18 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Representative body loans	<u>217,300</u>	<u>260,250</u>

Loans from The Representative Body Of The Church In Wales

The loans to the retired clergy, and if deceased their spouses, are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the retired clergy, or their spouses. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to retired clergy or their spouses, shown above.

Security is held over the properties.

Loans are repaid to the Diocese when the related property has been sold.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2021		Movement in funds			Movement in funds			Balance at 31 December 2022			
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2022
Parsonage Board Fund	169,319	175,096	175,096	(671,216)	439,979	-	113,178	133,841	(575,551)	445,482	-	116,950
Churches and Pastoral Committee Funds	248,535	123,682	123,682	(61,549)	10,653	12,436	333,757	66,034	(88,962)	14,662	(14,585)	310,906
Council for Social Responsibility	28,268	-	-	-	-	-	28,268	11,872	(1,129)	124	-	39,135
Needlework Guild	4,624	-	-	-	-	-	4,624	-	-	-	-	4,624
Highveld Donations	-	1,171	1,171	(954)	75	-	292	328	-	-	-	620
Llanfair Kilgeddin Parish Units	421	17	17	-	-	-	438	19	-	-	-	457
Ministry Clergy School	66	2,179	2,179	(2,390)	187	-	42	2,440	(2,739)	300	-	43
Bishop's M&G	18,000	3,000	3,000	-	-	-	21,000	3,000	-	-	-	24,000
Bishop's Hardship Fund	39,636	3,172	3,172	(8,495)	1,665	-	35,978	2,071	(3,704)	1,406	-	35,751
Church Army	21,647	-	-	(2,062)	2,211	-	21,796	-	(1,854)	1,203	-	21,145
Lent Appeal	-	1,825	1,825	-	-	-	1,825	1,925	-	-	-	3,750
Kilgwrwg - Holy Cross	-	25,968	25,968	(28,172)	2,204	-	-	-	-	-	-	-
Priest to the Deaf Community	-	-	-	-	-	-	-	801	(511)	56	-	346
	-	-	-	-	-	-	-	17,000	(18,482)	2,027	-	545
	530,516	336,110	336,110	(774,838)	456,974	12,436	561,198	239,331	(692,932)	465,260	(14,585)	558,272

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

19 Restricted funds

(Continued)

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Fund is restricted for the maintenance of parsonages.

The Churches and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

The following transfers were made from Unrestricted Funds to Restricted Funds:-

DBF Contribution to Parsonage Board	£382,364
DBF Contribution to Support Costs	£75,896
Total Contribution	£458,260

Church Army funds related to individual donations to support the Church Army project.

Lent Appeal and Kilgerrwg Holy Cross Appeal funds relate to individual and parish condations to the annual appeal.

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the Donor's wishes.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Resources expended	Transfers 1 January 2022	Balance at 1 January 2022	Resources expended	Transfers	Balance at 31 December 2022
	£	£	£	£	£	£	£
Leadership Training	15,500	-	-	15,500	-	-	15,500
Children, Youth and Family Ministry Projects	28,000	-	-	28,000	-	-	28,000
Pioneer Ministry and Mission Project	16,500	-	-	16,500	-	-	16,500
100th Anniversary planning reserve	5,000	-	-	5,000	-	-	5,000
Contribution to MA Finance Resource	5,000	-	-	5,000	-	-	5,000
Church Army - Designated Fund	250,000	(16,251)	1,278	235,027	(34,013)	3,730	204,744
Evangelism Bid	-	-	-	-	-	400,000	400,000
Cost of Living Support to Ministry Areas	-	-	-	-	-	50,000	50,000
	<u>320,000</u>	<u>(16,251)</u>	<u>1,278</u>	<u>305,027</u>	<u>(34,013)</u>	<u>453,730</u>	<u>724,744</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

21 Analysis of net assets between funds	Unrestricted Funds		Designated funds		Restricted Funds		Total Unrestricted Funds		Designated funds		Restricted Funds		Total	
	2022	£	2022	£	2022	£	2022	£	2021	£	2021	£	2021	£
Fund balances at 31 December 2022 are represented by:														
Tangible assets	403,909		-		-		403,909	402,961	-		-		402,961	
Investments	3,049,365		-		145,711		3,195,076	3,417,778	-		161,622		3,579,400	
Current assets/(liabilities)	849,502		724,744		412,561		1,986,807	830,058	305,027		399,576		1,534,661	
Long term liabilities	(217,300)		-		-		(217,300)	(260,250)	-		-		(260,250)	
	4,085,476		724,744		558,272		5,368,492	4,390,547	305,027		561,198		5,256,772	

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	3,602	2,946
Between two and five years	5,772	7,620
	<u>9,374</u>	<u>10,566</u>

23 Related party transactions

There were no related party transactions during the current or previous year.

24 Share capital

As the company is limited by guarantee, there is no share capital. The liability of each member in the event of winding up is limited to £1.

25 Cash generated from operations

	2022 £	2021 £
Surplus for the year	111,720	383,117
Adjustments for:		
Investment income recognised in statement of financial activities	(131,023)	(103,646)
Fair value gains and losses on investments	370,428	(268,050)
Depreciation and impairment of tangible fixed assets	1,464	1,429
Movements in working capital:		
Decrease in debtors	143,071	309,969
(Decrease)/increase in creditors	(308,981)	89,473
Cash generated from operations	<u>186,679</u>	<u>412,292</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 Analysis of changes in net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	1,786,974	329,186	2,116,160
Loans falling due after more than one year	(260,250)	42,950	(217,300)
	<u>1,526,724</u>	<u>372,136</u>	<u>1,898,860</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 1067653

Accounts

Charity Registration No. 1067653

Company Registration No. 03489945 (England and Wales)

**MONMOUTH DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

MONMOUTH DIOCESAN BOARD OF FINANCE

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MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth. By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs.

The Covid-19 pandemic has made 2020 and 2021 unprecedented years and the challenges have been considerable. Churches were closed for several months of 2021 and even once they were allowed to reopen, restrictions, guidelines, and fears about contracting the virus dominated the year. However, the need for mission and ministry in our communities did not diminish. In all our parishes and Ministry Areas, clergy and lay alike responded to the needs and challenges to serve congregations and communities and to develop new forms of worship. The DBF is proud to be part of the Monmouth diocesan family during these difficult years.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

Achievements and performance

Ministry

Stipendiary Clergy

45 stipendiary clerics were budgeted in 2021 but there were several vacancies throughout the year. This diocese was very fortunate to welcome the following clergy to stipendiary ministry roles in the diocese during that year:

- a new Dean of Newport Cathedral, the Very Rev'd Ian Black;
- a new Archdeacon of Monmouth, the Ven Ian Rees;
- a Ministry Area Leader in Mid-Torfaen the Rev'd Kate O'Sullivan; and
- a Vicar in Islwyn Ministry Area, the Rev'd Nick Gill.

In 2021, we paid tribute to Archdeacon Sue Pinnington MBE, who died peacefully at her home on 24 July. Sue became Archdeacon of the Gwent Valleys in 2018, but despite her relatively short time with the diocese, she made a huge impact. She was a pillar of our church family and community and had a real passion for mission. Her endless energy and enthusiasm will be sorely missed.

Non-Stipendiary Clergy

In addition to stipendiary clergy, the diocese is also blessed with 17 Non-Stipendiary Ministers (NSMs). NSMs do not receive a stipend, although some live in parsonages on a House for Duty (HfD) basis.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Lay Ministry

We continue to value the work done by our Licensed Lay Ministers who contribute to the worship and teaching in many churches throughout the Diocese. After the Provincial Conference in September 2021, it was agreed that in addition to the invitation to attend relevant Ministerial Development events, there would be two events in the year arranged on a Diocesan level. The first of these took place in December where a good number of people attended a study day with The Revd Professor Jeremy Duff at St Mark's in Gold Tops, Newport.

At that event, a presentation was made to The Revd John and Jane Collier as John retired from stipendiary ministry. They have organised and co-ordinated lay ministry training for some years and Bishop Cherry expressed her thanks for all that they have given in that role

There were 38 licensed lay ministers and many more licensed Eucharistic ministers in 2021.

Ordinations

Following the disruption to the ordination service in 2020 it was with great joy that the ordination service could go ahead on Saturday, 26 June 2021 in Newport Cathedral with restrictions. In that service, the following were ordained as Deacon:

- Mandy East (NSM)
- Andrew Nelmes (NSM)
- Karin Pardoe (NSM)

The following were ordained as Priest:

- The Revd Kay Denly (NSM)
- The Revd Mary Moore (NSM)
- The Revd Liz Houghton (stipendiary)

Ministry Areas

During the Diocesan Conference in October 2020, Bishop Cherry announced that the diocese would be embarking on a significant programme of culture change. Already underway throughout many parts of the Church in Wales, Bishop Cherry announced that as a diocese we would be working towards merging our 121 small parishes to form 16 larger Ministry Areas. Each of these 16 Ministry Areas would be separate charities and the change would enable groups of churches to work collaboratively and collegially together with all that God has given them.

Throughout 2021, despite the pandemic, an extraordinary amount of work was undertaken throughout the diocese, led by members of the Ministry Area transition teams in each of the new Ministry Areas to make this change possible. The aim was for the parishes to be in a position to transfer their assets by the end of 2021 so that they could be formed with a new decree in January 2022.

The DBF is fully committed to this programme of culture change and is grateful to all the Ministry Area transition teams for their dedication and hard work.

Church Army Centre of Mission in the Gwent Valleys

2021 saw the launch of the Church Army Centre of Mission in the Gwent Valleys, which was delayed due to the pandemic. Hannah Seal was appointed as Lead Evangelist at a service held in Six Bells on 10 June 2021 after moving to Abertillery over Easter. Following Hannah's appointment, work begun on building relationships and forming connections within the community. Hannah also began to form a team appointing Jenny Falcon Otero as Pioneer Evangelist in November 2021.

The DBF are delighted to be able to support this innovative project in the diocese and are using part of a legacy left to the DBF in 2019 to fund this much needed investment in the Gwent Valleys.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Diocesan Conference

The Diocesan Conference in 2021 was Bishop Cherry's second since she was enthroned in 2020. The conference was held over two days with those participating present at St Teilo's CinW High School and members of conference engaging virtually. The conference was the first opportunity for members of the Diocesan Conference to discuss and debate the future vision of the Diocese of Monmouth with Bishop Cherry launching the five themes that will form the basis of this vision. These five themes are:

- Discipleship
- Stewardship
- Environment
- Equality and Diversity
- Social Justice

Finance and Administration

Diocesan Office Team

Following the 2020 review of the finance and administration in the Diocesan Office, staff were reduced by nearly half to seven employees by January 2021. These seven members of the Diocesan Office team worked over and above throughout 2021 to support the transition to Ministry Areas and to launch the five themes that will form the basis of the future vision of the diocese.

Diocesan Education and Church Schools.

During 2020 the DBF took over financial responsibility for the diocesan provision of education, covering costs that the Diocesan Trust were no longer able to cover. The DBF embarked on a new relationship with the Diocese of Llandaff whose education team extended their scope to include the diocesan statutory duties for church schools in Monmouth, as well as providing much needed educational resources during a very challenging year for our church schools.

The education team, comprising of Director of Education, Andrew Rickett (who retired at the end of December 2021), School Development Officer, Beccie Morteo and Education Support Officer, Deborah Griffiths have worked with the 15 primary schools across the diocese; which comprises approximately 4,000 children between the ages of 3 – 11. The team has supported schools with statutory compliance around areas such as governance, admissions and CRAMP. The team has also ensured that schools receive support with key areas of development such as Christian Ethos, Leadership and Curriculum. Education team members meet regularly with RE leaders and headteachers on an individual and group basis to support both development and wellbeing. Andrew Rickett has also provided additional personalised support for governors with regards to compliance and appointments.

Throughout 2021 and into 2022 we have continued to develop our offer of training and support. Schools have been provided with resources for Black History Month, Advent, Lent and Refugee Week.

We have cocreated, as part of a Church in Wales network, curriculum guidance for Religion, Values and Ethics with colleagues from across Wales. Sitting alongside this, we have provided training for all schools through both online presentations and in person training on request. All governors have also been offered online training. To continue the high quality of teaching and learning that has been promoted by the Understanding Christianity resource we have created an example curriculum map to help schools plan their RVE curriculums using this resource.

Statutory training for governors on their responsibilities around admissions and appeals has been offered to all schools as well as support to make the best use of the funding available to them for buildings and school development.

Looking forward into 2022 St David's Church in Wales Primary School will become the first Church in Wales school to be recognised as a School of Sanctuary as part of our networks.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

We will launch our first Church in Wales education day which will take place at St Mary's Priory, Abergavenny. The day will include presentations from specialist and advisory teachers from across Wales with the focus on RVE and curriculum development. We will work with several partners such as God's Acre, isingpop and Christian Aid who will be able to speak to teachers about the resources and support they could offer.

Positive feedback continues to be received from schools and local authority partners with regards to working across two dioceses

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Parsonage Board.

In 2021 there were 70 parsonages in the scheme and the DBF contributed £387k for maintenance work. In addition, 15 parsonages were rented to generate additional income. For 2022, 65 parsonages were budgeted to be in the scheme, with a DBF contribution of £365k.

Work to the parsonages suffered considerable disruption during 2020 due to the Covid restrictions and although repairs and maintenance continued, the programme of works was delayed. Consequently, the Parsonage Board generated a surplus in 2020. However, the scheduled work programme resumed as restrictions eased in 2021 and the delayed works were completed.

DBF response to Covid

The Covid pandemic has impacted the finances of all our parishes and Ministry Areas. This was due to a number of factors including a decline in giving on the plate during Sunday Services, loss of income from the rental of premises, such as church halls, and the loss of regular fundraising activities. While many parishes worked hard to encourage other forms of giving – such as by Standing Order or using the Church in Wales Gift Direct scheme, all suffered a decline in income. As a result, parishes and Ministry Areas were less able to cover the costs of their Ministry Share.

The need for central financial support for our parishes and Ministry Areas was identified early in the Spring of 2020 by all the Boards of Finance throughout the Church in Wales as well as the Representative Body of the Church in Wales. The Trustees of the RB committed to providing financial support to all dioceses, proportionate to the number of stipendiary clergy. In 2021, the RB continued their financial support to Dioceses providing an additional £565,089 to the Diocese of Monmouth. This support was conditional on principles laid down by the RB Trustees that included a commitment from DBF Trustees to ensure that levels of giving were maintained and to accelerate the pace of cultural change throughout the organisation.

Enhanced Rebate

The DBF offered all parishes and Ministry Areas a 40% rebate on their Ministry Share in quarter 2, quarter 3 and quarter 4 of 2020 and continuing into quarter 1 and quarter 2 of 2021. This equated to a whole year and a quarter when parishes and Ministry Area were only expected to pay 60% of their usual Ministry Share.

Following the relaxation of legal restrictions and the reduction in RB funding, the DBF agreed to gradually taper the financial support provided as a rebate in order to better target the support where it was most needed. The DBF reduced the rebate to 30% in quarter 3, 20% in quarter 4, and 10% in quarter 1 of 2022.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

In 2021 over £580,000 has been paid to parishes and Ministry Areas in enhanced rebate. Throughout the pandemic the total amount of financial support provided to parishes and Ministry Areas in the form of a Ministry Share rebate was over £1.1m.

This has been an unprecedented level of financial support from the DBF that has enabled our churches to survive the pandemic.

Diocesan Grants

Church and Churchyard Repair Fund

Each year the Diocese of Monmouth offers grants to churches through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs, maintenance and improvements to churches, church halls and churchyards.

The Churches and Pastoral grant fund is available to all churches in the diocese and the applications are reviewed quarterly by a grants committee and reported to the Church and Pastoral Committee at each of the meetings. Although applications to this fund declined during the first half of 2020 when undertaking repair and maintenance work to church buildings was extremely difficult, following the relaxation of the restrictions, applications soon caught up with normal levels. During 2021, £55,900 was granted to churches in the dioceses.

Feedback for churches and Ministry Areas throughout the diocese demonstrates the value of this repair, maintenance and improvements fund, especially at a time when churches are finding it increasingly more difficult to apply for external funding for essential works to their buildings.

Ministry Area Development Grant

The Ministry Area Development grant is a DBF fund with the primary purpose of providing financial support to Ministry Areas to help with the transition from 121 smaller parishes to 16 larger Ministry Area.

Applications to the fund will be different depending on the needs of each area but have included financial support to set up ministry area offices with furniture and Wi-Fi, ChurchSuite membership (CRM) software, PA systems and branding.

This programme of organisational change has been the focus of much of the work in the diocese during 2021. To support this, the fund the DBF has increased this fund by a further £48,000 in 2021, equating to £3,000 per Ministry Area.

MA Administrators Grant

In 2021 the DBF set up a separate fund specifically allocated to support Ministry Areas with their administrative functions. This grant fund, which totals £172,000, equates to £10,750 per MA over four years. Funding has been calculated on the basis of approximately 7 hours of administrative support a week per MA. It will be made available to MAs in full for the first year but, each subsequent year, the level of funding will be reduced as the MA develops. The funding is intended to enable an additional professional resource to tie together work that is already being done by volunteers and clergy to ensure the MA is compliant and up-to-date with insurance, HMRC, Charity Commission, bank records, safeguarding training and DBS checks. When available, administrators will also manage a database of regular givers and assist members of the MAC with the administrative elements of a stewardship campaign.

Covid reopening grant

In 2020 and 2021 the DBF also offered a Covid Re-opening Grant, to assist churches with the additional cost of opening their church buildings due to the Covid restrictions. This grant scheme was very well received and each church in the diocese was able to apply for up-to £100 towards the cost of buying equipment such as cleaning supplies, PPE and signage.

Contactless Giving and Gift Direct

The DBF launched a contactless trial to financially support parishes to use contactless giving devices in 2020 and this trial continued during 2021.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

During the pandemic, the use of cash reduced considerably and the DBF are aware that many parts of society are moving to cashless. In order for churches to sustain and increase their giving, there is a need for churches to follow this trend and to invest in contactless devices. The DBF agreed to fund the initial cost of the device and the first year subscription fees and, in return, the churches who volunteered to be part of the trial committed to quarterly reporting to assess the ease of the device and its impact on giving.

Although some churches in the diocese started the trial in 2020, many more applied for the grant in 2021. All reported that they were happy with their chosen device and it had a positive impact on their giving. One of the churches who adopted the contactless device early in the trial has also been conducting some informal training for other Ministry Areas to ensure that they make the best use of the resource.

The contactless giving trial was part of the wider work of the Church in Wales to expand and improve digital giving. As part of the Church in Wales' response to the Covid pandemic their Gift Direct scheme was developed further to offer more online tools to help parishes and Ministry Areas in managing their donations.

This trend towards online and contactless giving is likely to continue after the pandemic and it is essential for churches and Ministry Areas to keep pace with societal change.

Financial review

The Diocesan Board of Finance made an unrestricted surplus for the year of £352,433 and a restricted surplus of £30,682. The majority of the surplus derives from net gains on investments amounting to £268,050. The DBF are thankful for the surplus in 2021 due to the uncertain financial outlook from 2022 onwards. This surplus will underpin the DBF's commitment to retaining current clergy numbers and will lessen the impact of the fluctuating costs predicted in 2022 and 2023.

Unrestricted reserves at 2021 amounted to £4,695,5774 of which £402,961 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £305,027 has been designated for specific projects (see note 20).

Reserves are tied up in investment assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £561,201 (see note 19).

Income

Donations and legacies

During 2021 the DBF received £3,673,502 in donations. Of this, £2,198,754 came from Ministry Share and £748,165 came from the Representative Body's block grant. The reduction in block grant in comparison to 2020 is due to the RB paying the clergy pension directly from Q3 2021 onwards with the grant adjusted accordingly. In 2021, the diocese received an additional £565,089 in Covid support from the Representative Body.

Other trading activities

The Parsonage Board raised £152,640 from the rental of parsonages in 2021, an increase from 2020 due to the additional properties rented during the year. These funds are restricted and are used to support the repair and maintenance of all parsonages.

Investments

The investment managers reached their targets and the investments performed well, exceeding expectations. The DBF received £103,646 in income across all funds.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, pension, council tax and maintenance of the parsonages. In 2021, the cost of this was £2,238,272. The RB paid clergy pension contributions directly from Q3 2021 reducing the overall pension costs for the year, however expenditure increased on parsonage maintenance as work resumed at pace following delays during the pandemic.

Support for Parishes

The second largest expenditure item is Support for Parishes. In 2021 this totalled £779,125 which is a decrease in comparison to 2020. The decrease reflects the tapering of the Covid financial support in the form of a rebate. However, this remains well over twice the pre-Covid level, demonstrating the unprecedented scale of financial support passed on to parishes and Ministry Areas from the DBF over the last two years.

Grants and other financial support

Grants and other financial support increased significantly in 2021 as the DBF sought to focus support to Ministry Areas and parishes by helping them to survive and recover following the negative financial impact of the pandemic. In addition to the annual grants paid to the Cathedral, Bishop's Funds, the RB Church Building Emergency Fund and the DBF contribution to the Churches and Pastoral Committee, in 2021 the DBF launched the Ministry Area Administrator Grant, to assist Ministry Areas with their new administration requirements. The DBF also invested in the Ministry Area Development Grant to support the transition from the old parish structures and the Board financially supported Ministry Areas with the costs of a new financial software package by funding the first year and providing local training.

Support Cost

Support Costs, which primarily relate to Diocesan Office and DBF staff costs reduced in 2021.

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Four members of the DBF and one member of the Trust sit on the Investment Advisory Group.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

The investment managers are required to ensure that the ethical investment policy, as agreed by Trustees, is followed at all times. The Trustees subscribe to the same ethical policy as that adopted by the Representative Body of the Church in Wales.

Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's Reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds, Revaluation Reserve and Designated Funds equated to £3,864,482 (2020: £3,498,471).

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend and pension provision, and Ministry (Parish) Share payments received on a quarterly basis from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

A major review of the Risk Register was undertaken in 2019 and the Risk Register and related policies have been rewritten. The major risks are reviewed at each quarterly Trustee meeting and the whole register is reviewed annually.

Due to the changes in working practices during 2020 two new risks were identified in 2020 and continued to be monitored in 2021:

- Security and GDPR risks associated with homeworkers.
- Health and safety issues associated with staff temporarily becoming homeworkers without proper equipment.

As the pandemic continued in 2021, the majority of the underlying risks remained a concern and were closely monitored at the quarter meetings:

- Decline in income through reduced Ministry Share as a result of declining aSa numbers.
- Failure to maximize alternative streams of funding including grants and legacies.

Indeed, the risk of declining income has been exacerbated by the Covid pandemic and was mitigated, with help from the Representative Body, by the enhanced rebate offered to parishes and Ministry Area who continued to cover their ministry share.

Plans for the future

Forward strategy

During 2021, despite the challenges of Covid, the DBF strived to operate on a sustainable budget. The recommendations from the Diocesan Review were implemented in 2020 and the savings were realised in 2021, particularly those associated with the Diocesan Office staff costs. This enabled the DBF to protect clergy posts and to support the provision of ministry in our Ministry Areas. The DBF's commitment to retaining the current clergy number underpins its forward strategy and its future forecasting.

The diocese has held many clergy vacancies in recent years and, while some vacancies were filled in 2021, many more posts were advertised and filled in 2022. During 2023 it is anticipated that all budgeted clergy posts will be filled.

Considerable work was undertaken during 2021 to transition from 121 small parishes to 16 larger Ministry Areas. This work prepared the ground for the formal merger of parishes during 2022 and into 2023. By June 2022, half of the Ministry Areas have been formed with three dates set for the autumn and winter of 2022, and the others planned for January 2023 to coincide with the beginning of the next financial year. This work will enable groups of churches to work collaboratively and collegially together with all that God has given them. The DBF is grateful for the work of the Ministry Area transition teams who are working to enable churches to be served and led by a team of ordained and lay ministers who will complement one another and enable each other to flourish in their ministries. Ministry Areas will create different and diverse ways for people to discover faith in Christ and grow in their discipleship. Each of the licensings during 2022 and 2023 will be a real celebration of their work and of the future of our diocese.

The Diocesan Conference in October 2021 began a discussion and debate about the future vision of the Diocesan of Monmouth. Leading the vision, Bishop Cherry used the 2021 conference to launch the five themes that will form the basis of that vision. Those themes are:

- Discipleship
- Stewardship
- Environment
- Equality and Diversity
- Social Justice

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Work to hone the vision continued with a series of meetings and discussions with groups throughout the diocese in 2022. Those meetings and discussion were positive and energetic and the final, outward-looking vision document will be ready to formally launch at the 2022 Diocesan Conference.

The financial outlook for the diocese remains uncertain with a number of external factors impacting the forecasting. Congregation numbers have declined sharply during the Covid period, and it is not clear whether these will recover once all restrictions have eased. For the first three months of 2022, church attendance data appears to suggest that congregation numbers have declined by over 30%. This will impact on the levels of giving within local churches and could result in a decline in the DBF's future income.

This decline reinforces the importance of an outward looking vision which focuses on growth. To support this growth, discussions are planned between all dioceses in Wales and the Representative Body about releasing further funding to support dioceses to recover and thrive.

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13 October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be co-opted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three-year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2 January 1998, and registered as a charity with the Charity Commission for England & Wales.

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, "that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith". The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
- administering the assets and financial management of the charity

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2021, in addition to the AGM on 23 September 2021, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Property Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Property Board, and both bodies are administered from the Diocesan Office.

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of an annual grant to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry Share collected from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1067653
Company number	003489945
Registered Office	Diocesan Office 64 Caerau Road Newport NP20 4HJ
Statutory Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff CF23 8AB
Bankers	NatWest Bank High Street Newport NP20 1GG
Solicitors	Jacklyn Dawson Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	Brewin Dolphin 5 Callaghan Square Cardiff CF10 5BT

DIRECTORS AND TRUSTEES

The directors of the company (the charity) are also its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees during 2020 were as follows:

Ex-officio

Peter E Lea (Chairman)

Paulette Brown (Vice Chairman)

The Bishop of Monmouth (ex officio)

The Dean of Newport (ex officio) – Vacant until June 2021

The Archdeacon of Newport (ex officio)

The Archdeacon of Monmouth (ex officio) - Vacant until September 2021

The Archdeacon of the Gwent Valleys (ex officio) - The Ven Sue Pinnington deceased July 2021

R D (Sandy) Blair C.B.E. (Chairman of the Property Board) - retired June 2021

Alan David Jones (Chairman of the Property Board) - appointed September 2021

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Elected

The Revd Canon Jeremy D Harris
Philip Masters
Christopher Wray
George Hughes
Sarah Mulcahy
The Revd Kevin John Hasler
The Revd Mark Owen
Terence Cristofoli – retired September 2021

Co-opted

R D (Sandy) Blair C.B.E - September 2021

The Monmouth Diocesan Parsonage Board

R D (Sandy) Blair C.B.E. (Chairman) – retired June 2021
Alan David Jones (Chairman of the Property Board) - appointed September 2021
The Bishop of Monmouth (ex officio)
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio) - Vacant until September 2021
The Archdeacon of the Gwent Valleys (ex officio) - The Ven Sue Pinnington deceased July 2021
Peter E Lea (Chairman of the Diocesan Board of Finance - ex officio)
The Revd Canon Anne Golledge
The Revd Chris Walters
Rod Davies
Ashley Rogers
Justin Telang

Executive Officer

Isabel Thompson

Company Secretary

Bethan Davies

Funds held as custodian trustee

Custodian responsibilities

Trustees act as custodian trustees for certain parish assets (both land and investments) held on behalf of those parishes. Where funds are held or managed for parishes, these are either held in a dedicated bank account or can be easily identified in the books of the DBF.

Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Peter Lea

Trustee

Dated: 16-9-2022

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of Monmouth Diocesan Board of Finance for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

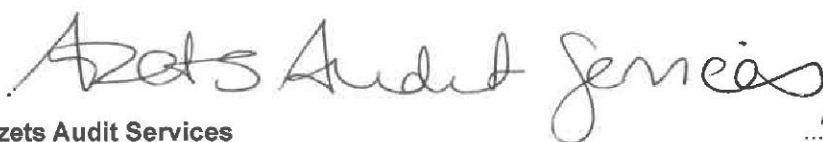
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

22-9-2022

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income and endowments from:							
Donations and legacies	3	3,501,716	171,786	3,673,502	3,752,392	77,371	3,829,763
Other trading activities	4	-	153,251	153,251	-	99,906	99,906
Investments	5	92,573	11,073	103,646	86,839	12,305	99,144
Other income	6	6	-	6	23,810	-	23,810
Total income		3,594,295	336,110	3,930,405	3,863,041	189,582	4,052,623
Expenditure on:							
Raising funds	7	17,575	903	18,478	15,056	855	15,911
Charitable activities	8	3,022,927	773,935	3,796,862	3,369,217	516,803	3,886,020
Total resources expended		3,040,502	774,838	3,815,340	3,384,273	517,658	3,901,931
Net gains/(losses) on investments	12	255,614	12,436	268,050	(26,634)	(5,895)	(32,529)
Net incoming/ (outgoing) resources before transfers		809,407	(426,292)	383,115	452,134	(333,971)	118,163
Gross transfers between funds		(456,974)	456,974	-	(461,416)	461,416	-
Net movement in funds		352,433	30,682	383,115	(9,282)	127,445	118,163
Fund balances at 1 January 2021		4,343,141	530,516	4,873,657	4,352,423	403,071	4,755,494
Fund balances at 31 December 2021		4,695,574	561,198	5,256,772	4,343,141	530,516	4,873,657

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	13		402,961		401,566
Investments	14		3,467,097		2,753,843
			<u>3,870,058</u>		<u>3,155,409</u>
Current assets					
Debtors	16	866,076		1,109,960	
Cash at bank and in hand		1,786,974		1,785,151	
		<u>2,653,050</u>		<u>2,895,111</u>	
Creditors: amounts falling due within one year	17	(1,006,086)		(857,609)	
Net current assets			<u>1,646,964</u>		<u>2,037,502</u>
Total assets less current liabilities			<u>5,517,022</u>		<u>5,192,911</u>
Creditors: amounts falling due after more than one year	18		(260,250)		(319,254)
Net assets			<u><u>5,256,772</u></u>		<u><u>4,873,657</u></u>
Income funds					
Restricted funds	19		561,198		530,516
<u>Unrestricted funds</u>					
Designated funds	20	305,027		320,000	
General unrestricted funds		4,267,443		3,900,037	
Revaluation reserve		123,104		123,104	
		<u>4,695,574</u>		<u>4,343,141</u>	
			<u><u>5,256,772</u></u>		<u><u>4,873,657</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 16-9-2022



.....
P Lea
Trustee

Company Registration No. 03489945

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	25		405,211		734,886
Investing activities					
Purchase of tangible fixed assets		(2,825)		(704)	
Purchase of investments		(828,211)		(862,768)	
Proceeds on disposal of investments		383,006		900,762	
Investment income received		103,646		99,144	
Net cash (used in)/generated from investing activities			(344,384)		136,434
Financing activities					
Repayment of bank loans		(59,004)		-	
Net cash used in financing activities			(59,004)		-
Net increase in cash and cash equivalents			1,823		871,320
Cash and cash equivalents at beginning of year			1,785,151		913,831
Cash and cash equivalents at end of year			<u>1,786,974</u>		<u>1,785,151</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Charity information

Monmouth Diocesan Board of Finance is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 64 Caerau Road, Newport NP20 4HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Administration and management costs are allocated to the function of the charity to which they relate. The method of allocation has been on a percentage basis of the overall cost of that particular function.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Measured at fair value
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Taxation

As a registered charity Monmouth Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Donations and gifts	3,501,716	171,786	3,673,502	3,752,392	77,371	3,829,763
Donations and gifts						
Parish Share	2,198,754	-	2,198,754	2,203,766	-	2,203,766
RB Block Grant	748,165	-	748,165	911,343	-	911,343
Other Grants	546,414	171,786	718,200	628,770	77,371	706,141
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	8,333	-	8,333
Parochial Contribution	50	-	50	180	-	180
	3,501,716	171,786	3,673,502	3,752,392	77,371	3,829,763

4 Other trading activities

	Restricted funds	Restricted funds
	2021	2020
	£	£
Room letting and miscellaneous income	611	881
Rental of Parsonages	152,640	99,025
Other trading activities	153,251	99,906

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Income from listed investments	92,413	5,634	98,047	85,483	6,039	91,522
Interest receivable	160	5,439	5,599	1,356	6,266	7,622
	92,573	11,073	103,646	86,839	12,305	99,144

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Other income

	Unrestricted funds	Unrestricted funds
	2021 £	2020 £
Other income	6	23,810

7 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
<u>Investment management</u>	17,575	903	18,478	15,056	855	15,911
	<u>17,575</u>	<u>903</u>	<u>18,478</u>	<u>15,056</u>	<u>855</u>	<u>15,911</u>

8 Charitable activities

	2021 £	2020 £
Support for ministry	2,238,272	2,212,652
Support for parishes	779,124	1,091,720
Support for other church property	30,537	42,967
Grants and other financial support	420,547	161,652
Communications and publications	31,244	32,575
	<u>3,499,724</u>	<u>3,541,566</u>
Share of support costs (see note 9)	249,999	289,549
Share of governance costs (see note 9)	47,139	54,905
	<u>3,796,862</u>	<u>3,886,020</u>
Analysis by fund		
Unrestricted funds	3,022,927	3,369,217
Restricted funds	773,935	516,803
	<u>3,796,862</u>	<u>3,886,020</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	207,619	-	207,619	259,024	-	259,024
Depreciation	1,429	-	1,429	3,085	-	3,085
Heat, Light and Water	2,219	-	2,219	2,729	-	2,729
Telephone, fax and internet	4,515	-	4,515	3,537	-	3,537
Printing, Postage and Stationery	3,144	-	3,144	2,719	-	2,719
Furniture and computer expenses	8,949	-	8,949	5,550	-	5,550
Equipment leasing charges	5,354	-	5,354	6,498	-	6,498
Repairs and Renewals	11,261	-	11,261	572	-	572
Caretaker/Cleaning	4,441	-	4,441	4,629	-	4,629
Miscellaneous	1,068	-	1,068	1,206	-	1,206
Audit fees	-	6,540	6,540	-	6,720	6,720
Legal and professional	-	2,137	2,137	-	40,574	40,574
Diocesan Insurance	-	5,526	5,526	-	6,039	6,039
Diocesan Conference Costs	-	373	373	-	548	548
Governing Body Expenses	-	5,946	5,946	-	1,024	1,024
Diocesan Registrar	-	26,617	26,617	-	-	-
	<u>249,999</u>	<u>47,139</u>	<u>297,138</u>	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>
Analysed between Charitable activities	<u>249,999</u>	<u>47,139</u>	<u>297,138</u>	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>

Governance costs includes payments to the auditors of £6,540 (2020: £6,720) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
	9	12
	<u>9</u>	<u>12</u>

Employment costs

	2021 £	2020 £
Wages and salaries	204,168	267,691
Social security costs	17,366	22,341
Other pension costs	24,763	25,006
Salary of Diocesan Registrar	24,716	24,309
Total Costs	271,013	339,347

Staff costs include £nil of redundancy payments (2020: £15,439). There were no amounts outstanding in the current or prior year.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £120,751 (2020: £180,744). In 2020 the Director of Education costs were borne by the charity. In 2021 the post was replaced by a joint arrangement with Llandaff.

No employees received remuneration over £60,000 in the current or previous year.

12 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
Revaluation of investments	255,614	12,436	268,050	(26,634)	(5,895)	(32,529)
	<u>255,614</u>	<u>12,436</u>	<u>268,050</u>	<u>(26,634)</u>	<u>(5,895)</u>	<u>(32,529)</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2021	400,000	11,170	411,170
Additions	-	2,825	2,825
Disposals	-	(3,882)	(3,882)
At 31 December 2021	400,000	10,113	410,113
Depreciation and impairment			
At 1 January 2021	-	9,604	9,604
Depreciation charged in the year	-	1,430	1,430
Eliminated in respect of disposals	-	(3,882)	(3,882)
At 31 December 2021	-	7,152	7,152
Carrying amount			
At 31 December 2021	400,000	2,961	402,961
At 31 December 2020	400,000	1,566	401,566

Land and buildings with a carrying amount of £310,000 were revalued at 31 July 2019 by Graham & Co, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2020 - £276,896).

14 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2021	2,753,843
Additions	828,211
Valuation changes	268,712
Movement	(663)
Disposals	(383,006)
At 31 December 2021	3,467,097
Carrying amount	
At 31 December 2021	3,467,097
At 31 December 2020	2,753,843

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

14 Fixed asset investments

(Continued)

The historical cost of the investments at 31 December 2021 is £2,982,402 (2020: £2,517,058). Investments relate to listed investments.

The Monmouth Diocesan Board of Finance has approved the management of the investment portfolio on a discretionary management basis. All investments and associated gains and losses are included on a fair value basis.

15 Financial instruments	2021	2020
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	3,467,097	2,753,843
	<u> </u>	<u> </u>
16 Debtors	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	373,490	498,267
Other debtors	232,336	292,439
	<u> </u>	<u> </u>
	605,826	790,706
	<u> </u>	<u> </u>
	2021	2020
	£	£
Amounts falling due after more than one year:		
Due from Parishes re Provincial Housing Loans	260,250	260,250
Due from Parishes re Curates Housing Loans	-	59,004
	<u> </u>	<u> </u>
	260,250	319,254
	<u> </u>	<u> </u>
Total debtors	866,076	1,109,960
	<u> </u>	<u> </u>
17 Creditors: amounts falling due within one year	2021	2020
	£	£
Accruals and deferred income	1,006,086	857,609
	<u> </u>	<u> </u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

18 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Representative body loans	260,250	319,254
	<u>260,250</u>	<u>319,254</u>

Loans are repaid to the Diocese when the related property has been sold.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2020		Movement in funds			Movement in funds			Balance at 31 December 2021			
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2021	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2021
Parsonsage Board Fund	52,811	118,601	118,601	(439,658)	437,565	-	169,319	175,096	(671,216)	439,979	-	113,178
Churches and Pastoral Committee Funds	250,325	51,079	51,079	(56,956)	9,982	(5,895)	248,535	123,682	(61,549)	10,653	12,436	333,757
Council for Social Responsibility	28,268	-	-	-	-	-	28,268	-	-	-	-	28,268
Needlework Guild	4,624	-	-	-	-	-	4,624	-	-	-	-	4,624
Highveld Donations	-	865	865	(949)	84	-	-	1,171	(954)	75	-	292
Llanfair Kilgeddin Parish Units	398	23	23	-	-	-	421	17	-	-	-	438
Ministry Clergy School	66	2,934	2,934	(3,220)	286	-	66	2,179	(2,390)	187	-	42
Bishop's M&G	13,500	4,500	4,500	-	-	-	18,000	3,000	-	-	-	21,000
Bishop's Hardship Fund	34,172	11,580	11,580	(13,297)	7,181	-	39,636	3,172	(8,495)	1,665	-	35,978
Church Army	18,907	-	-	(3,578)	6,318	-	21,647	-	(2,062)	2,211	-	21,796
Lent Appeal	-	-	-	-	-	-	-	1,825	-	-	-	1,825
	-	-	-	-	-	-	-	25,968	(28,172)	2,204	-	-
	403,071	189,582	189,582	(517,658)	461,416	(5,895)	530,516	336,110	(774,838)	456,974	12,436	561,198

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

19 Restricted funds **(Continued)**

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Fund is restricted for the maintenance of parsonages.

The Churches and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

The following transfers were made from Unrestricted Funds to Restricted Funds:-

DBF Contribution to Parsonage Board	£387,450
DBF Contribution to Support Costs	£52,529
Total Contribution	£439,979

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the Donor's wishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Transfers	Balance at 1 January 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£
Leadership Training	15,500	-	15,500	-	-	15,500
Children, Youth and Family Ministry Projects	28,000	-	28,000	-	-	28,000
Pioneer Ministry and Mission Project	16,500	-	16,500	-	-	16,500
100th Anniversary planning reserve	5,000	-	5,000	-	-	5,000
Contribution to MA Finance Resource	5,000	-	5,000	-	-	5,000
Evangelism Fund	120,000	130,000	250,000	(16,251)	1,278	235,027
	<u>190,000</u>	<u>130,000</u>	<u>320,000</u>	<u>(16,251)</u>	<u>1,278</u>	<u>305,027</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

21 Analysis of net assets between funds

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Unrestricted Funds 2021 £	Restricted Funds 2020 £	Total 2020 £
Fund balances at 31 December 2021 are represented by:					
Tangible assets	402,961	-	402,961	401,566	401,566
Investments	3,305,475	161,622	3,467,097	2,604,323	2,753,843
Current assets/ (liabilities)	1,247,388	399,576	1,646,964	1,656,506	2,037,502
Long term liabilities	(260,250)	-	(260,250)	(319,254)	(319,254)
	<u>4,695,574</u>	<u>561,198</u>	<u>5,256,772</u>	<u>4,343,141</u>	<u>4,873,657</u>

22 Operating lease commitments

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

22 Operating lease commitments

(Continued)

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	2,946	911
Between two and five years	7,620	914
	<u>10,566</u>	<u>1,825</u>

23 Related party transactions

The charity had a longstanding and ongoing administrative relationship with the Monmouth Diocesan Trust. This function was charged out to the Trust annually and amounted to £nil (2020: £nil).

24 Share capital

As the company is limited by guarantee, there is no share capital. The liability of each member in the event of winding up is limited to £1.

25 Cash generated from operations

	2021 £	2020 £
Surplus for the year	383,117	118,163
Adjustments for:		
Investment income recognised in statement of financial activities	(103,646)	(99,144)
Fair value gains and losses on investments	(268,050)	32,529
Depreciation and impairment of tangible fixed assets	1,429	3,085
Movements in working capital:		
Decrease in debtors	243,884	267,613
Increase in creditors	148,477	412,640
Cash generated from operations	<u>405,211</u>	<u>734,886</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

26 Analysis of changes in net funds

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	1,785,151	1,823	1,786,974
Loans falling due after more than one year	(319,254)	59,004	(260,250)
	<u>1,465,897</u>	<u>60,827</u>	<u>1,526,724</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 1067653

Accounts

Charity Registration No. 1067653

Company Registration No. 03489945 (England and Wales)

**MONMOUTH DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

MONMOUTH DIOCESAN BOARD OF FINANCE

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MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth. By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs.

The Covid-19 pandemic has made 2020 an unprecedented year and the challenges have been considerable. Although churches were closed for large parts of the year, the need for mission and ministry in our communities did not diminish. In all our parishes and Ministry Areas, clergy and lay alike responded to the needs and challenges to serve congregations and communities and to develop new forms of worship. The DBF is proud to be part of the Monmouth diocesan family during this difficult year.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

Achievements and performance

Ministry

New Bishop of Monmouth

2020 began full of excitement with the enthronement of our new Bishop, The Right Reverend Cherry Vann to a large congregation in Newport Cathedral. This was a joyful occasion full of hope for the coming years ahead.

Clergy

48 stipendiary clerics were budgeted in 2020 but there were several vacancies throughout the year. Despite the Covid-19 restrictions and the difficulties that this caused in filling these vacancies, the diocese was very fortunate to welcome Revd Tim Dack, Revd Karen Dack and Revd Dan Frett to stipendiary ministry roles in the diocese during 2020.

In addition to stipendiary clergy, the diocese is also blessed with 48 Non-Stipendiary Ministers (NSMs). NSMs do not receive a stipend, although some live in parsonages on a House for Duty (HfD) basis.

Lay Ministry

There are 43 licensed lay ministers and many more licensed Eucharistic ministers. In October 2020 Paul Stafford was licensed as a lay minister in a service in Newport Cathedral.

Ordinations

2020 was a year of disrupted events for everyone – and this was no less true of ordinations. The annual ordination service in Newport Cathedral each summer is usually a lively occasion full of friends and family, however, during 2020 this was severely restricted. The Revd Liz Houghton was priested in June 2020.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In early October 2020, when restrictions allowed, another larger ordination service was held in Newport Cathedral where Kay Denly and Mary Moore were Deaconed. The Revd Lea Ryder, the Revd Lisa Taylor, the Revd Bronwen Summers, the Revd Matt Sellers, the Revd John Thorne and the Revd Heulwen Rees were all Priested.

Mission

Church Army Centre of Mission in the Gwent Valleys

During 2020 the DBF embarked on a partnership with the Church Army to establish a Centre of Mission based in Abertillery. Hannah Seal was appointed as Lead Evangelist in 2020 and took up her post in Easter 2021. The Centre of Mission is a 5-year partnership, and the costs are divided equally between the two partners.

The DBF are delighted to be able to support this innovative project in the diocese and are using part of a legacy left to the DBF in 2019 to fund this much needed investment in the Gwent Valleys.

Climate change

Climate change is the single greatest threat facing all of God's creation. During 2020, the Diocese of Monmouth took the first step in playing our part in combating this threat by registering our intent to become an Eco Diocese.

Open the Book – engagement with children in schools

A programme of Open the Book training was launched in 2020 and, despite the restrictions, Ministry Areas have continued to maintain their presence in schools through digital sessions. The teams were undeterred during the lockdown and were keen to learn the new skills necessary, to perform, film and edit recordings to send into schools. Open the Book teams linked up on zoom to share their newly acquired skills and knowledge to inspire and encourage one another and continue their ministry and connection with their local schools at such a difficult and challenging time. New teams are being established and it is hoped that each team will be able to visit multiple schools where possible.

Finance and Administration

The DBF undertook a wide-ranging financial review in 2020. Commissioned in 2019, the retired Diocesan Secretary of Bristol, Lesley Farrell, embarked on an external review of central costs, such as diocesan office staff costs. Following this external review, the DBF went on to review all income and expenditure during the summer of 2020, in advance of setting the 2021 budget. The priority for the review was to protect the provision of front-line clergy in the diocese and to ensure that the diocese could operate sustainably going forward.

Diocesan Office Team

2020 was a year of considerable change in the diocesan office. Following the review, the number of staff reduced by nearly half, from 13 in 2019 to 7 by January 2021. Two members of staff were made redundant, and a number of other roles were not replaced when staff left or retired.

In June 2020, Isabel Thompson, formerly Churches Development Officer, was appointed as Diocesan Secretary.

New ways of working

Due to the Covid restrictions, staff were working from home for the majority of 2020. Although very disruptive for the first few weeks, the team soon became familiar with new software packages and the usual programme of supporting committee meetings, conferences, training sessions and fulfilling the statutory requirements of the diocese continued online.

Communication

From March 2020 the raft of Covid restrictions and associated Church in Wales guidance for churches and church activities required more rapid methods of communication from the diocese to those on the ground in our parishes and Ministry Areas. The diocesan quarterly magazine, Grapevine – a paper publication which was delivered by volunteers to the churches, was no longer practical and resources were shifted to online methods of communication.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

During the Spring of 2020, these communications were often required on a daily basis and were collated each Friday and sent out again in a Friday Round-up of all communications for that week.

Although the need to communicate Covid guidance on a daily basis diminished throughout the year, the Friday Round-up remained and it is now a useful vehicle for communicating news from across the diocese and the wider Church in Wales. As many throughout the diocese grew in confidence using video editing software, the online Friday Round-up provided more opportunity to share stories and experiences. Bishop Cherry's weekly Tuesday Reflection and streamed services from Newport Cathedral also became regular features.

2020 saw the development of a new diocesan website which will provide a good platform to develop as we continue to share news, stories and events from throughout the diocese.

Diocesan Education and Church Schools

The DBF took over financial responsibility for the diocesan provision of education during 2020, covering costs that the Diocesan Trust were no longer able to cover. The DBF embarked on a new relationship with the Diocese of Llandaff whose education team extended their scope to include the diocesan statutory duties for church schools in Monmouth, as well as providing much needed educational resources during a very challenging year for our church schools.

The education team, comprising of Director of Education Andrew Rickett, School Development Officer Beccie Morteo and Education Support Officer Deborah Griffiths have worked with the 15 primary schools across the diocese; which comprises approximately 4,000 children between the ages of 3 – 11. The team has supported schools with statutory compliance around areas such as governance, admissions and CRAMP. The team has also ensured that schools receive support with key areas of development such as Christian Ethos, Leadership and Curriculum. Education team members meet regularly with RE leaders and headteachers on an individual and group basis to support both development and wellbeing. Andrew Rickett has also provided additional personalised support for governors with regards to compliance and appointments.

Key to school development has been our offer of training and resources. Schools and governors have accessed training on diversity, curriculum, admission and appeals as well as regular update meetings. All schools in the diocese have received training on and implemented the Understanding Christianity scheme in order to raise standards in Religious Education. Projects such as 'Mini Missions for Lent' and 'Ffrindiau'r Byd Eco Project' were also part of the resources offered; with a home learning option included for any children who were unable to attend school. Communication with schools was improved by setting up a Twitter account (@monfaithfamily) and enhancing the resource section of the website. The team's intention for the coming year is to develop a one stop repository of resources for schools and foundation governors. To further develop the social action focus of the new curriculum, the team has developed joint networks between schools in Llandaff and Monmouth. For example, the 'School of Sanctuary network' consists of six schools from both Llandaff and Monmouth working towards the recognition together.

With the introduction of a new Religion, Values and Ethics curriculum (RVE) in 2021/22 the team are preparing a package of support for headteachers, teachers and foundation governors. They will also be working alongside colleagues in the Church in Wales to develop Section 50 inspection framework in light of curriculum changes and consequently will be developing a support package for schools and governors. By pooling our resources and working across two dioceses, we are able to provide a wider range of training and support and ensure consistency for our schools. The support network for headteachers and RE leaders also widens and schools are able to share and celebrate good practice within networks.

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Parsonage Board.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020 there were 72 parsonages in the scheme and the DBF contributed £399k for maintenance work. In addition, 12 parsonages were rented to generate additional income. For 2021, 71 parsonages were budgeted to be in the scheme, with a DBF contribution of £387k.

Work to the parsonages suffered considerable disruption during 2020 due to the Covid restrictions and although repairs and maintenance continued, the programme of works was delayed. Consequently, the Parsonage Board has generated a surplus in 2020. However, the need for the work remains and the programme of works will continue when restrictions allow.

Diocesan Conference

The Annual Diocesan Conference in October was online in 2020 due to the Covid restrictions. As Bishop Cherry's first Diocesan Conference, her keynote address set the agenda for the coming year by announcing plans to form single parish Ministry Areas and emphasising the importance of Stewardship and Discipleship.

Our response to Covid

Throughout 2020 and into 2021, parishes and Ministry Areas throughout the diocese have responded to the needs of their community and the challenges they have faced. Under the hashtag many of these inspiring stories were shared in the diocesan Friday Round-up.

During such a difficult year there is much to inspire us and the DBF is proud to play their part in supporting the life of our local churches and Ministry Areas.

DBF response to Covid

From March 2020 onwards the DBF met regularly online to monitor cash flow and to respond to need. The usual programme of quarterly board meetings were supplemented with extra meetings to address specific issues.

Covid Financial Support

The Covid pandemic has impacted the finances of all our parishes and Ministry Areas. This was due to a number of factors including a decline in giving on the plate during Sunday Services, loss of income from the rental of premises, such as church halls, and the loss of regular fundraising activities. While many parishes worked hard to encourage other forms of giving – such as by Standing Order or using the Church in Wales Gift Direct scheme, all suffered a decline in income. As a result, parishes and Ministry Areas were less able to cover the costs of their Ministry Share.

This need was identified early in the spring 2020 by all the Boards of Finance throughout the Church in Wales as well as the Representative Body of the Church in Wales. The Trustees of the RB committed to providing financial support to all dioceses, proportionate to the number of stipendiary clergy. In total, throughout 2020, the RB provided £629,000 to the Diocese of Monmouth in Covid financial support (£194,000 to directly support the parsonage board for the upkeep of clergy houses and £435,000 to support parishes and Ministry Areas). This support was conditional on principles laid down by the RB Trustees that included a commitment from DBF Trustees to ensure that levels of giving were maintained and to accelerate the pace of cultural change throughout the organisation.

40% Rebate

The DBF offered all parishes and Ministry Areas a 40% rebate on their Ministry Share in quarter 2, quarter 3 and quarter 4 of 2020 and continuing into quarter 1 and quarter 2 of 2021. For this 40% rebate the DBF passed on the £435,000 support from the RB as well as drawing on their own reserves.

From quarter 2 of 2020 and into 2021, over £200,000 per quarter was paid to parishes and Ministry Areas in enhanced rebate.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Covid Support Grants

Each year the Diocese of Monmouth offers grants to parishes through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs and improvements to churches, church halls and churchyards. There has also been a Ministry Area Development grant to support parishes to work together as Ministry Areas.

Covid reopening grant

In 2020 the DBF also offered a Covid Re-opening Grant, to assist PCCs with the additional cost of opening their church buildings due to the Covid restrictions. This grant scheme was very well received and each church in the diocese was offered £100 for buying equipment such as cleaning supplies, PPE and signage.

Contactless giving and Gift Direct

The DBF launched a contactless trial to financially support parishes to use contactless giving devices.

During the pandemic, the use of cash has reduced considerably and the DBF are aware that many parts of society are moving cashless. In order for churches to sustain and increase their giving, there is a need for churches to follow this trend and to invest in contactless giving. The DBF agreed to fund the initial cost of the device and the first year subscription fees and, in return, the churches who volunteered to be part of the trial committed to quarterly reporting to assess the ease of the device and its impact on giving.

St Mary's Magor, who have taken up the trial, are pleased with their device and reported that wedding couples are particularly relieved that they can pay by card. They also report that the online data which record and illustrate giving levels are very helpful because it allows them to analyse what's coming in and to understand the associated trends.

The contactless giving trial was part of the wider work of the Church in Wales in 2020 to expand and improve digital giving. As part of the Church in Wales' response to the Covid pandemic their Gift Direct scheme was developed further to offer more online tools to help parishes and Ministry Areas in managing their donations.

Furlough of DBF Staff

For periods throughout 2020, 4 members of the diocesan office team were furloughed and others took a voluntary pay cut to protect cash flow.

Financial review

The Diocesan Board of Finance made an unrestricted deficit for the year of £9,282 and a restricted surplus of £127,445. The majority of the restricted surplus was generated from the Parsonage Board, where some works to houses were severely delayed due to the Covid restrictions. However, works to maintain and repair the parsonages is ongoing and it is anticipated the programme of works will resume as restrictions allow.

Unrestricted reserves at 2020 amounted to £4,343,141 of which £401,566 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £320,000 has been designated for specific projects (see note 21).

Reserves are tied up in investments assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £530,516 (see note 20).

Income

Donations and legacies

During 2020 the DBF received £3,829,763 in donations. Of this, £2,203,766 came from Ministry Share and £911,343 came from the Representative Body's block grant. In 2020 the diocese received an additional £628,771 in Covid support from the Representative Body. This additional support came in two parts – £193,725 to directly support the parsonage board contribution and £435,046 linked to the cost of clergy.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable activities

In 2020 the DBF agreed to stop the administrative charge that had previously been paid by the Monmouth Diocesan Trust to the DBF, as the Diocesan Trust no longer have sufficient income to cover the costs. In 2019 the DBF received £20,000 under the heading 'charitable activities' for 2020 there was no income in this section.

Other trading activities

The parsonage board raised £99,025 from the rental of parsonages in 2020, this is a slight reduction in the income for 2019. These funds are restricted and are used to support the repair and maintenance of the parsonages.

Investments

Despite fears in the Spring of 2020 that investment income would be severely affected by the pandemic the investment managers reached their targets and the investments performed well. The DBF received £99,144 in income across all funds.

Other income

The DBF received £23,810 of other income in 2020. The majority of this related to the Government's Job Retention Scheme as some of the DBF staff from the Diocesan were furloughed for periods of the year.

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, pension, council tax and maintenance of the parsonages. In 2020 the cost of this was £2,212,652.

Support for Parishes

The second largest expenditure item is Support for Parishes and this has increased three-fold in 2020. In 2019, Support for Parishes was £300,003 whereas in 2020 this rose to £1,091,720. This increase demonstrates the scale of the Covid financial support that was passed to parishes and Ministry Areas in 2020.

Grants and other financial support

Grants and other financial support also increased in 2020 with new Covid support being offered by the DBF. In addition to the annual grants paid to the Cathedral, Bishop's Funds, the RB Church Building Emergency Fund and the DBF contribution to the Churches and Pastoral Committee, in 2020 the DBF also offered a Covid Re-opening Grant, to assist PCCs with the additional cost of opening their church buildings due to the Covid restrictions. In addition the DBF launched a contactless giving trial, to financially support parishes to use contactless giving devices as society become more cashless.

Support Cost

Support Costs, which primarily relate to Diocesan Office and DBF staff costs increased in 2020 despite staff redundancies and leavers. The majority of this increase relates to the salaries and other associated costs for the diocesan provision for education which was previously covered by the Diocesan Trust. In 2020 the DBF took over financial responsibility for this provision because the Diocesan Trust was no longer able to support the costs through their own income.

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Four members of the DBF and one member of the Trust sit on the Investment Advisory Group.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

The investment managers are required to ensure that the ethical investment policy, as agreed by Trustees, is followed at all times. The Trustees subscribe to the same ethical policy as that adopted by the Representative Body of the Church in Wales.

Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's Reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds, Revaluation Reserve and Designated Funds equated to £3,498,471 (2019: £3,635,372).

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend and pension provision, and Ministry (Parish) Share payments received on a quarterly basis from the parishes.

Risk Management

A major review of the Risk Register was undertaken in 2019 and the Risk Register and related policies have been rewritten. The major risks are reviewed at each quarterly Trustee meeting and the whole register is reviewed annually.

Due to the changes in working practices during 2020 two new risks were identified in 2020 –

- Security and GDPR risks associated with homeworkers.
- Health and safety issues associated with staff temporarily becoming homeworkers without proper equipment.

However, the majority of the underlying risks did not diminish and the following areas remained high risk -

- Conflict of interest.
- Decline in income through reduced Ministry Share as a result of declining aSa numbers.
- Failure to maximize alternative streams of funding including grants and legacies.

Indeed, the risk of decline income has been exacerbated by the Covid pandemic.

One area which was previously considered high risk did reduce during 2020, although remains at high risk until the programme of planned work that had been delayed has resumed.

- Deficit in parsonage board budget (rising year on year but exacerbated by high turnover of clergy).

Plans for the future

Forward strategy

During 2020 the DBF strived, despite the challenges posed by Covid, to work towards a sustainable budget. The Diocesan Review by the former Diocesan Secretary of Bristol and the wider review of income and expenditure undertaken in advance of setting the 2021 budget provided the foundations for future forecasts and future budgeting into 2021 and beyond. Central costs, particularly those associated with the Diocesan Office staff costs, have been considerably reduced to protect the provision of clergy posts.

The diocese has held many clergy vacancies in recent years and, while some vacancies were filled in 2020, many more posts were advertised and filled in 2021. This programme of filling vacancies will continue into 2022 and each Licensing is a source of great joy as we welcome new clergy into posts throughout the diocese.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Together with developing a sustainable approach on future expenditure, the DBF is committed to the significant programme of culture change that is now underway in the diocese, and throughout the Church in Wales, to enable groups of churches to work collaboratively and collegially together with all that God has given them. The DBF is committed to forming Ministry Areas in the Diocese of Monmouth to enable churches to be served and led by a team of ordained and lay ministers who will complement one another and enable each other to flourish in their ministries. To create different and diverse ways for people to discover faith in Christ and grow in their discipleship. Despite the challenges of Covid-19, this work will continue into 2021 and beyond.

With regard to the Covid restrictions, although the DBF remained cautious, there was an anticipation at the end of the 2020 that the worst of the challenges were behind us. However, many of the challenges have persisted into 2021 with the outlook remaining uncertain into 2022. There is a need for future planning to acknowledge these uncertainties and to plan for the resulting changes to our communities and our finances.

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13th October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be coopted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three-year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2nd January 1998, and registered as a charity with the Charity Commission for England & Wales.

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, *“that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith”*. The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
- administering the assets and financial management of the charity

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2020, in addition to the AGM on the 25th September 2020, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Property Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Property Board, and both bodies are administered from the Diocesan Office.

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of an annual grant to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry Share collected from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1067653
Company number	003489945
Registered Office	Diocesan Office 64 Caerau Road Newport NP20 4HJ
Statutory Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff CF23 8AB
Bankers	NatWest Bank High Street Newport NP20 1GG
Solicitors	Jacklyn Dawson Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	Brewin Dolphin 5 Callaghan Square Cardiff CF10 5BT

DIRECTORS AND TRUSTEES

The directors of the company (the charity) are also its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

The trustees during 2020 were as follows:

Ex-officio

Peter E Lea (Chairman)
Paulette Brown (Vice Chairman)
The Bishop of Monmouth (ex officio)
The Dean of Monmouth (ex officio) - Resigned 30 September 2020
The Archdeacon of Newport (ex officio)
The Archdeacon of Monmouth (ex officio)
The Archdeacon of the Gwent Valleys (ex officio)
The Diocesan Registrar (ex officio)
R D (Sandy) Blair C.B.E.(Chairman of the Parsonage Board)

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Elected

Revd Jeremy D Harris
Philip Masters
Christopher Wray
George Hughes
Sarah Mulcahy
Revd John Richard Connell - appointed 25 September 2020
Revd Kevin John Hasler - appointed 25 September 2020
Revd Mark Owen - appointed 25 September 2020
Terrence Benjamin Cristofoli - Appointed 4 June 2020

The Monmouth Diocesan Parsonage Board

R D (Sandy) Blair C.B.E. (Chairman)
The Bishop of Monmouth
The Archdeacon of Newport
The Archdeacon of Monmouth
The Archdeacon of the Gwent Valleys (ex officio)
Peter E Lea (Chairman of the Diocesan Board of Finance)
Revd Anne Gollledge
Revd Chris Walters
Rod Davies
Alun Jones
Ashley Rogers
Justin Telang

Executive Officer

Isabel Thompson from June 2020

Company Secretary

Mrs Bethan Davies

Funds held as custodian trustee

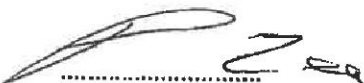
Custodian responsibilities

Trustees act as custodian trustees for certain parish assets (both land and investments) held on behalf of those parishes. Where funds are held or managed for parishes, these are either held in a dedicated bank account or can be easily identified in the books of the DBF.

Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



.....
Peter Lea

Trustee

Dated: 23/9/21

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of Monmouth Diocesan Board of Finance for the purpose of company law, 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).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 that are reasonable and prudent;
- state whether applicable UK 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 operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services**

28-9-2021
.....

**Chartered Accountants
Statutory Auditor**

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	3,752,392	77,371	3,829,763	3,529,240	144,166	3,673,406
Charitable activities	4	-	-	-	20,000	-	20,000
Other trading activities	5	-	99,906	99,906	-	111,608	111,608
Investments	6	86,839	12,305	99,144	95,619	13,132	108,751
Other income	7	23,810	-	23,810	1,316	-	1,316
Total income		3,863,041	189,582	4,052,623	3,646,175	268,906	3,915,081
<u>Expenditure on:</u>							
Raising funds	8	15,056	855	15,911	15,835	913	16,748
Charitable activities	9	3,369,217	516,803	3,886,020	2,616,101	606,244	3,222,345
Total resources expended		3,384,273	517,658	3,901,931	2,631,936	607,157	3,239,093
Net gains/(losses) on investments	13	(26,634)	(5,895)	(32,529)	221,609	13,419	235,028

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Net incoming/ (outgoing) resources before transfers	452,134	(333,971)	118,163	1,235,848	(324,832)	911,016
Gross transfers between funds	(461,416)	461,416	-	(436,977)	436,977	-
Net (outgoing)/incoming resources	(9,282)	127,445	118,163	798,871	112,145	911,016
Other recognised gains and losses						
Revaluation of tangible fixed assets	-	-	-	90,000	-	90,000
Net movement in funds	(9,282)	127,445	118,163	888,871	112,145	1,001,016
Fund balances at 1 January 2020	4,352,423	403,071	4,755,494	3,463,552	290,926	3,754,478
Fund balances at 31 December 2020	<u>4,343,141</u>	<u>530,516</u>	<u>4,873,657</u>	<u>4,352,423</u>	<u>403,071</u>	<u>4,755,494</u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	14		401,566		403,947
Investments	15		2,753,843		2,824,366
			<u>3,155,409</u>		<u>3,228,313</u>
Current assets					
Debtors	17	1,109,960		1,377,573	
Cash at bank and in hand		1,785,151		913,831	
		<u>2,895,111</u>		<u>2,291,404</u>	
Creditors: amounts falling due within one year	18	<u>(857,609)</u>		<u>(444,969)</u>	
Net current assets			<u>2,037,502</u>		<u>1,846,435</u>
Total assets less current liabilities			<u>5,192,911</u>		<u>5,074,748</u>
Creditors: amounts falling due after more than one year	19		<u>(319,254)</u>		<u>(319,254)</u>
Net assets			<u><u>4,873,657</u></u>		<u><u>4,755,494</u></u>
Income funds					
Restricted funds	20		530,516		403,071
<u>Unrestricted funds</u>					
Designated funds	21	320,000		190,000	
General unrestricted funds		3,900,037		4,039,319	
Revaluation reserve		123,104		123,104	
			<u>4,343,141</u>		<u>4,352,423</u>
			<u><u>4,873,657</u></u>		<u><u>4,755,494</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 23-9-2021



.....
Peter Lea
Trustee

Company Registration No. 03489945

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25		734,886		585,315
Investing activities					
Purchase of tangible fixed assets		(704)		(132)	
Purchase of investments		(862,768)		(651,961)	
Proceeds on disposal of investments		900,762		430,184	
Investment income received		99,144		108,751	
Net cash generated from/(used in) investing activities			136,434		(113,158)
Financing activities					
Repayment of bank loans		-		(50,000)	
Net cash used in financing activities			-		(50,000)
Net increase in cash and cash equivalents			871,320		422,157
Cash and cash equivalents at beginning of year			913,831		491,674
Cash and cash equivalents at end of year			1,785,151		913,831

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Charity information

Monmouth Diocesan Board of Finance is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 64 Caerau Road, Newport NP20 4HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Administration and management costs are allocated to the function of the charity to which they relate. The method of allocation has been on a percentage basis of the overall cost of that particular function.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Measured at fair value
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Taxation

As a registered charity Monmouth Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	3,752,392	77,371	3,829,763	3,142,539	144,166	3,286,705
Legacies receivable	-	-	-	386,701	-	386,701
	<u>3,752,392</u>	<u>77,371</u>	<u>3,829,763</u>	<u>3,529,240</u>	<u>144,166</u>	<u>3,673,406</u>
Donations and gifts						
Parish Share	2,203,766	-	2,203,766	2,223,062	-	2,223,062
RB Block Grant	911,343	-	911,343	910,963	-	910,963
Other Grants	628,770	77,371	706,141	-	144,166	144,166
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	8,333	-	8,333
Parochial Contribution	180	-	180	181	-	181
	<u>3,752,392</u>	<u>77,371</u>	<u>3,829,763</u>	<u>3,142,539</u>	<u>144,166</u>	<u>3,286,705</u>

4 Charitable activities

	2020	2019
	£	£
Administrative Fees and other income	-	20,000
	<u>-</u>	<u>20,000</u>

5 Other trading activities

	Restricted funds	Restricted funds
	2020	2019
	£	£
Room letting and miscellaneous income	881	703
Rental of Parsonages	99,025	110,905
	<u>99,906</u>	<u>111,608</u>
Other trading activities	99,906	111,608

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Income from listed investments	85,483	6,039	91,522	93,704	5,929	99,633
Interest receivable	1,356	6,266	7,622	1,915	7,203	9,118
	<u>86,839</u>	<u>12,305</u>	<u>99,144</u>	<u>95,619</u>	<u>13,132</u>	<u>108,751</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	<u>23,810</u>	<u>1,316</u>

8 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
<u>Investment management</u>	15,056	855	15,911	15,835	913	16,748
	<u>15,056</u>	<u>855</u>	<u>15,911</u>	<u>15,835</u>	<u>913</u>	<u>16,748</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Charitable activities

	2020 £	2019 £
Support for ministry	2,212,652	2,430,435
Support for parishes	1,091,720	300,003
Support for other church property	42,967	46,801
Grants and other financial support	161,652	154,358
Communications and publications	32,575	35,467
	<u>3,541,566</u>	<u>2,967,064</u>
Share of support costs (see note 10)	289,549	195,278
Share of governance costs (see note 10)	54,905	60,003
	<u>3,886,020</u>	<u>3,222,345</u>
Analysis by fund		
Unrestricted funds	3,369,217	2,616,101
Restricted funds	516,803	606,244
	<u>3,886,020</u>	<u>3,222,345</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	259,024	-	259,024	152,781	-	152,781
Depreciation	3,085	-	3,085	4,798	-	4,798
Heat, Light and Water	2,729	-	2,729	2,797	-	2,797
Telephone, fax and internet	3,537	-	3,537	3,255	-	3,255
Printing, Postage and Stationery	2,719	-	2,719	5,602	-	5,602
Furniture and computer expenses	5,550	-	5,550	5,867	-	5,867
Equipment leasing charges	6,498	-	6,498	6,498	-	6,498
Repairs and Renewals	572	-	572	3,512	-	3,512
Caretaker/Cleaning	4,629	-	4,629	5,235	-	5,235
Miscellaneous	1,206	-	1,206	4,933	-	4,933
Audit fees	-	6,720	6,720	-	7,200	7,200
Legal and professional	-	40,574	40,574	-	28,081	28,081
Diocesan Insurance	-	6,039	6,039	-	6,100	6,100
Diocesan Conference Costs	-	548	548	-	1,961	1,961
Governing Body Expenses	-	1,024	1,024	-	16,661	16,661
	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>
Analysed between Charitable activities	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>

Governance costs includes payments to the auditors of £5,920 (2019: £7,200) for audit fees.

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration, benefits or expenses from the charity during the year.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Employees

Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
12	14
<u>12</u>	<u>14</u>

Employment costs

	2020 £	2019 £
Wages and salaries	238,048	267,691
Social security costs	19,519	22,341
Other pension costs	27,616	25,006
Salary of Diocesan Registrar	24,716	24,309
Total Costs	309,899	339,347

Staff costs include £15,439 of redundancy payments (2019: £nil). There were no amounts outstanding in the current or prior year.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £180,744 (2019: £149,644). In 2019 the Director of Education costs were charged to Monmouth Diocesan Trust, in 2020 the costs were borne by the charity.

No employees received remuneration over £60,000 in the current or previous year.

13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Revaluation of investments	(26,634)	(5,895)	(32,529)	221,609	13,419	235,028
	<u>(26,634)</u>	<u>(5,895)</u>	<u>(32,529)</u>	<u>221,609</u>	<u>13,419</u>	<u>235,028</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2020	400,000	16,005	416,005
Additions	-	704	704
Disposals	-	(5,539)	(5,539)
At 31 December 2020	400,000	11,170	411,170
Depreciation and impairment			
At 1 January 2020	-	12,058	12,058
Depreciation charged in the year	-	3,085	3,085
Eliminated in respect of disposals	-	(5,539)	(5,539)
At 31 December 2020	-	9,604	9,604
Carrying amount			
At 31 December 2020	400,000	1,566	401,566
At 31 December 2019	400,000	3,947	403,947

Land and buildings with a carrying amount of £310,000 were revalued at 31 July 2019 by Graham & Co, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2019 - £276,896).

15 Fixed asset investments

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments	(Continued)
	Listed investments £
Cost or valuation	
At 1 January 2020	2,824,366
Additions	862,768
Valuation changes	(32,529)
Disposals	(900,762)
	<hr/>
At 31 December 2020	2,753,843
	<hr/>
Carrying amount	
At 31 December 2020	2,753,843
	<hr/> <hr/>
At 31 December 2019	2,824,366
	<hr/> <hr/>

The historical cost of the investments at 31 December 2020 is £2,517,058 (2019: £2,591,630). Investments relate to listed investments.

The Monmouth Diocesan Board of Finance has approved the management of the investment portfolio on a discretionary management basis. All investments and associated gains and losses are included on a fair value basis.

16 Financial instruments	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,753,843	2,824,366
	<hr/>	<hr/>
17 Debtors		
Amounts falling due within one year:	2020 £	2019 £
Trade debtors	498,267	564,829
Other debtors	292,439	493,490
	<hr/>	<hr/>
	790,706	1,058,319
	<hr/> <hr/>	<hr/> <hr/>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Debtors	(Continued)	
	2020	2019
	£	£
Amounts falling due after more than one year:		
Due from Parishes re Provincial Housing Loans	260,250	260,250
Due from Parishes re Curates Housing Loans	59,004	59,004
	<u>319,254</u>	<u>319,254</u>
Total debtors	<u>1,109,960</u>	<u>1,377,573</u>
18 Creditors: amounts falling due within one year	2020	2019
	£	£
Accruals and deferred income	857,609	444,969
	<u>857,609</u>	<u>444,969</u>
19 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Representative body loans	319,254	319,254
	<u>319,254</u>	<u>319,254</u>

Loans are repaid to the Diocese when the related property has been sold.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

20 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2019		Movement in funds				Movement in funds				Balance at 31 December 2020		
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£	£
Paronsage Board Fund	13,897	131,577	131,577	(511,008)	418,345	-	52,811	118,601	(439,658)	437,565	-	-	169,319
Churches and Pastoral Committee Funds	229,605	51,931	51,931	(47,400)	2,770	13,419	250,325	51,079	(56,956)	9,982	(5,895)	-	248,535
Council for Social Responsibility	28,268	-	-	-	-	-	28,268	-	-	-	-	-	28,268
Needlework Guild	4,624	-	-	-	-	-	4,624	-	-	-	-	-	4,624
Highveld Donations	2,109	2,901	2,901	(5,441)	431	-	-	865	(949)	84	-	-	-
Llanfair Kilgeddin Parish Units	378	20	20	-	-	-	398	23	-	-	-	-	421
Ministry Clergy School	45	2,568	2,568	(2,766)	219	-	66	2,934	(3,220)	286	-	-	66
Bishop's M&G	12,000	1,500	1,500	-	-	-	13,500	4,500	-	-	-	-	18,000
Bishop's Hardship Fund	-	63,697	63,697	(38,582)	9,057	-	34,172	11,580	(13,297)	7,181	-	-	39,636
	-	14,712	14,712	(1,960)	6,155	-	18,907	-	(3,578)	6,318	-	-	21,647
	290,926	268,906	268,906	(607,157)	436,977	13,419	403,071	189,582	(517,658)	461,416	(5,895)	-	530,516

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

20 Restricted funds (Continued)

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Fund is restricted for the maintenance of parsonages.

The Churches and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

The following transfers were made from Unrestricted Funds to Restricted Funds:-

DBF Contribution to Parsonage Board	£437,565
DBF Contribution to Support Costs	£23,851
Total Contribution	£461,416

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the Donor's wishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

21 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2019	Balance at 1 January 2020	Transfers	Balance at 31 December 2020
	£	£	£	£
Leadership Training	15,500	15,500	-	15,500
Children, Youth and Family Ministry Projects	28,000	28,000	-	28,000
Pioneer Ministry and Mission Project	16,500	16,500	-	16,500
100th Anniversary planning reserve	5,000	5,000	-	5,000
Contribution to MA Finance Resource	5,000	5,000	-	5,000
Evangelism Fund	120,000	120,000	130,000	250,000
	<u>190,000</u>	<u>190,000</u>	<u>130,000</u>	<u>320,000</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

22 Analysis of net assets between funds

	Unrestricted Funds 2020	Restricted Funds 2020	Total Unrestricted Funds 2020	Restricted Funds 2019	Total 2019
	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:					
Tangible assets	401,566	-	401,566	-	403,947
Investments	2,604,323	149,520	2,753,843	155,091	2,824,366
Current assets/ (liabilities)	1,656,506	380,996	2,037,502	247,980	1,846,435
Long term liabilities	(319,254)	-	(319,254)	-	(319,254)
	<u>4,343,141</u>	<u>530,516</u>	<u>4,873,657</u>	<u>403,071</u>	<u>4,755,494</u>

23 Related party transactions

The charity had a longstanding and ongoing administrative relationship with the Monmouth Diocesan Trust. This function was charged out to the Trust annually and amounted to £nil (2019: £20,000).

24 Share capital

As the company is limited by guarantee, there is no share capital. The liability of each member in the event of winding up is limited to £1.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

25	Cash generated from operations		2020	2019
			£	£
	Surplus for the year		118,163	911,016
	Adjustments for:			
	Investment income recognised in statement of financial activities		(99,144)	(108,751)
	Fair value gains and losses on investments		32,529	(235,028)
	Depreciation and impairment of tangible fixed assets		3,085	4,798
	Movements in working capital:			
	Decrease/(increase) in debtors		267,613	(185,089)
	Increase in creditors		412,640	198,369
	Cash generated from operations		734,886	585,315
26	Analysis of changes in net funds			
		At 1 January	Cash flows	At 31 December
		2020		2020
		£	£	£
	Cash at bank and in hand	913,831	871,320	1,785,151
	Loans falling due after more than one year	(319,254)	-	(319,254)
		<u>594,577</u>	<u>871,320</u>	<u>1,465,897</u>