

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 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

| | | Unrestricted funds 2022 £ | Restricted funds 2022 £ | Total 2022 £ | Unrestricted funds 2021 £ | Restricted funds 2021 £ | Total 2021 £ |
|---|----|------------------------------------|----------------------------------|--------------------|------------------------------------|----------------------------------|--------------------|
| Notes | | | | | | | |
| <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 | |
| | | | 3,598,985 | | 3,982,361 |
| 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 | |
| | | 2,726,862 | | 2,540,747 | |
| Creditors: amounts falling due within one year | 17 | (740,055) | | (1,006,086) | |
| Net current assets | | | 1,986,807 | | 1,534,661 |
| Total assets less current liabilities | | | 5,585,792 | | 5,517,022 |
| Creditors: amounts falling due after more than one year | 18 | | (217,300) | | (260,250) |
| Net assets | | | 5,368,492 | | 5,256,772 |
| 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 | |
| | | | 4,810,220 | | 4,695,574 |
| | | | 5,368,492 | | 5,256,772 |

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

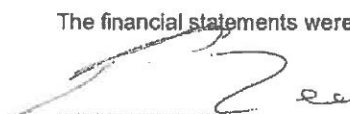
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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 | | Unrestricted funds | | Restricted funds | | Total | |
|--|--------------------|---------|------------------|------|-------|-----------|--------------------|-----------|------------------|------|-------|------|
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Donations and gifts | 2,997,456 | 114,744 | 3,112,200 | | | 3,501,716 | 171,786 | 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 | | | 546,414 | 171,786 | 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 | | | 3,501,716 | 171,786 | 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 | | Unrestricted funds | | Restricted funds | | Total | |
|--------------------------------|--------------------|---------------|------------------|---------------|---------------|----------------|--------------------|------|------------------|------|-------|------|
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 | 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> </u> | <u> </u> | <u> </u> | <u> </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 | £ |
| | | 18,067 | | 860 | | 18,927 | | 17,575 | | 903 | | 18,478 | |
| | Investment management | 18,067 | | 860 | | 18,927 | | 17,575 | | 903 | | 18,478 | |

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 |
| | | |
| 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 |
| | | |
| 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 | 12,436 |
| | | | | | 268,050 |

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 | 3,166,522 | 28,554 | 3,195,076 |
| Carrying amount | | | |
| At 31 December 2022 | 3,166,522 | 28,554 | 3,195,076 |
| At 31 December 2021 | 3,467,097 | 112,303 | 3,579,400 |

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 |
| | 393,402 | 493,523 |
| Amounts falling due after more than one year: | | |
| Due from Parishes re Provincial Housing Loans | 217,300 | 260,250 |
| Total debtors | 610,702 | 753,773 |

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 | | |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | £ | |
| Parsonage Board Fund | 169,319 | 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 | (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 | (954) | 75 | - | 292 | 328 | - | - | - | 620 | |
| Llanfair Kilgeddin | 421 | 17 | - | - | - | 438 | 19 | - | - | - | 457 | |
| Parish Units | 66 | 2,179 | (2,390) | 187 | - | 42 | 2,440 | (2,739) | 300 | - | 43 | |
| Ministry Clergy School | 18,000 | 3,000 | - | - | - | 21,000 | 3,000 | - | - | - | 24,000 | |
| Bishop's M&G | 39,636 | 3,172 | (8,495) | 1,665 | - | 35,978 | 2,071 | (3,704) | 1,406 | - | 35,751 | |
| Bishop's Hardship Fund | 21,647 | - | (2,062) | 2,211 | - | 21,796 | - | (1,854) | 1,203 | - | 21,145 | |
| Church Army | - | 1,825 | - | - | - | 1,825 | 1,925 | - | - | - | 3,750 | |
| Lent Appeal | - | 25,968 | (28,172) | 2,204 | - | - | - | - | - | - | - | |
| Kilgwrwg - Holy Cross | - | - | - | - | - | - | 801 | (511) | 56 | - | 346 | |
| Priest to the Deaf Community | - | - | - | - | - | - | 17,000 | (18,482) | 2,027 | - | 545 | |
| | 530,516 | 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 Kilgwynwg 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 | 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 | 145,711 | 3,195,076 | 3,417,778 | 3,417,778 | - | - | 161,622 | 161,622 | 3,579,400 | |
| | Current assets/(liabilities) | 849,502 | 724,744 | 724,744 | 412,561 | 412,561 | 1,986,807 | 830,058 | 830,058 | 305,027 | 305,027 | 399,576 | 399,576 | 1,534,661 | |
| | Long term liabilities | (217,300) | - | - | - | - | (217,300) | (260,250) | (260,250) | - | - | - | - | (260,250) | |
| | | 4,085,476 | 724,744 | 724,744 | 558,272 | 558,272 | 5,368,492 | 4,390,547 | 4,390,547 | 305,027 | 305,027 | 561,198 | 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> |