

REGISTERED COMPANY NUMBER: 03655641 (England and Wales)
REGISTERED CHARITY NUMBER: 1075931

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**



**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2021. The trustees have adopted the provisions of 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

Objectives

The charity's objectives are to promote and assist the work and purposes of the Church in Wales in the Diocese of Bangor. The Diocese of Bangor is committed to three visionary principles: worshipping God; growing the Church; and loving the world. These principles describe the diocese's deepest hopes and ambitions, expressing the permanent essence of our common life. Assessing the diocese today through the lens of these long-term principles, three urgent and clear priorities have also been identified: nurturing disciples; growing new ministries; and welcoming children, young people and families. These priorities describe vital areas of contemporary focus. In order to make manifest these principles and to meet these priorities, the diocese has committed to planning in three key areas: mission; property; and finance. Planning in these three areas by each of the diocese's Ministry Areas will enable each Ministry Area to demonstrate in practical ways the meaning of the principles and priorities within their common life. Three platforms (Ministry Areas; archdeaconries; and re-shaped diocesan structures) now enable the diocese to plan meaningful, and to bring its principles and priorities truly to life.

Significant activities

The charity sets the quinquennial diocesan budget, receives the annual grant from the Representative Body of the Church in Wales, and oversees the collection of the Bishop's Ministry Fund (contributions from churches towards diocesan expenditure on ministry). The charity employs the staff team that form Tîm Deiniol, based at Tŷ Deiniol in Bangor and elsewhere in the diocese.

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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The main thrust of the charity's activities continues to focus on the provision of ordained leadership for the churches of the diocese, and appropriate support for these leaders. The charity has also continued to seek to align its resources to the diocesan principles and priorities, including by continuing to invest in resources to nurture discipleship, discern vocations and support family ministry. A clearer articulation of principles, priorities, plans and platforms is seen as providing greater coherence to this mainstay activity, as well as to bespoke new activities that advance particular aspects of the vision.

Investment performance

The value of the charity's investments rose during the year, reflecting the upturn in the Stock Market.

Internal and external factors

The overall number of people attending churches in the diocese has remained static, although within the context of a long-term downward trend. However, an upward trend in the number of families involved in the life of local churches, as well as in the number of those attending acts of worship on days other than Sunday, has continued.

FINANCIAL REVIEW

Financial position

During the year both the Restricted and Unrestricted Funds have increased. The restricted element has increased from £1,369,218 in December 2020 to £1,534,074 as at December 2021. The Unrestricted Reserves have increased from £4,819,731 to £5,671,558 in the same period.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

FINANCIAL REVIEW

Principal funding sources

The principal funding source is income from the Bishop's Ministry Fund. The Bishop's Ministry Fund system replaced the Parish Share system in 2015, and contributions from Ministry Areas towards the Bishop's Ministry Fund in each subsequent year, including 2021, have been consistently strong. The allocation of emergency funding from the Representative Body of the Church in Wales and from the charity's own funds, as well as generous full contributions from some Ministry Areas, enabled reduced contributions from other Ministry Areas during the year, reflecting reduced Ministry Area income because of the pandemic. The trustees acknowledge with thanksgiving the generosity and stewardship that allow funds to be made available to meet the cost of ministry, and the faithfulness across the life of the Church in Wales that has enabled financial viability to be maintained during the pandemic. A secondary funding source is the annual grant from the Representative Body of the Church in Wales. The trustees look forward to clarity surrounding the value of the grant from the end of the current funding quinquennium in 2022.

Investment policy and objectives

The trustees seek a level of investment income that is able to support a range of important charitable activities at a time of change, recognising that achieving such a level of income may, in the case of some investments, pose some challenges to the secondary goal of maintaining capital value. The trustees work with their investment managers to assess the ethical dimensions of their investment portfolio, prioritising the use of shareholder rights to achieve the advancement of a progressive ethical agenda through the investment portfolio.

Reserves policy

The trustees' objective is to maintain an operational reserve of approximately 3 months' expenditure, alongside an expendable endowment geared to provide investment income that is able to support a range of important charitable activities.

FUTURE PLANS

The trustees will continue to focus their resources on activities that support the diocese's clearly articulated principles, priorities, plans and platforms, recognising that stability in terms of the overall framework is significant at a time of major change and challenge for Ministry Areas and congregations. However, the trustees will also engage in proactive activity to support new programmes that enhance the support offered for the diocese's principles and priorities. These twin aspects will form the framework of the charity's new quinquennial budget from 2022. Furthermore, the charity, on behalf of the diocese, has engaged with the Representative Body's Evangelism Fund initiative, and work on the resulting Llan project has now commenced.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment of new trustees

In addition to ex-officio trustees, new trustees are recruited to maintain a balance of skills and experience, as well as an appropriate representation of ordained and lay representatives.

Organisational structure

The Board of Trustees generally has between twelve and fourteen members. The trustees meet on average four times a year to review progress and to plan for the future. The trustees are also members of the Diocesan Conference Standing Committee, and reflect on the Standing Committees business at the beginning of each of their meetings.

Decision making

The decision-making role of the trustees is supported by preparatory work by Tîm Deiniol and the Bishop's Council, and by conferring within archidiaconal Synods and the Cadfan Group of Ministry Area Leaders and Associate Vicars. The alignment in membership between the trustees and the membership of the Diocesan Conference Standing Committee also ensures that decisions about the use of resources are fully informed by the Standing Committee's oversight of broad strategic considerations.

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New trustees are inducted through a series of meetings with the Tîm Deiniol, the Bishop's Council and the Auditors. Trustees are briefed on new charity law developments as they arise, and are given updates on the current issues facing the charity during their regular meetings.

Key management remuneration

Remuneration of the charity's key management personnel is located within the context of the remuneration structure of Tîm Deiniol more broadly, and with reference both to the remuneration arrangements for the clerical leadership of the diocese and the pay structure of the Representative Body of the Church in Wales.

Wider network

The charity supports the life and witness of the Diocese of Bangor, led by the Bishop of Bangor and governed by the Bishop in collaboration with the Diocesan Conference. The Diocese of Bangor is one of six dioceses of the Church in Wales. Given the charity's role in organising and providing funds for the Diocese of Bangor, it works closely with the Representative Body of the Church in Wales. The Representative Body holds assets in trust on behalf of the archbishop, bishops, clergy and laity of the Church in Wales - currently some 1,500 churches, 650 parsonage houses and £370 million of investments.

Related parties

Due to the nature of the charity's operations and the composition of the Board of Trustees it is inevitable that transactions will take place with organisations in which a member may have an interest. All transactions involving organisations in which a trustee may have an interest are conducted at arms length. The charity has a policy that all trustees must declare an interest if a related party transaction occurs.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03655641 (England and Wales)

Registered Charity number

1075931

Registered office

Ty Deiniol
Cathedral Close
Bangor
Gwynedd
LL57 1RL

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees

The Very Right Reverend A T G John
The Right Reverend M K R Stallard
The Venerable A C Jones
The Very Reverend K L Jones (resigned 22.7.21)
The Reverend P J Odam
Mrs E W Owen
The Canon Reverend E C Williams
Mr G Howard
The Reverend D A Parry
The Reverend R S Wood
Mrs S D Ward
Dr H J Parry-Smith
The Venerable A F Herrick

Company Secretary

The Canon Reverend S R Evans

Auditors

Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
Glaslyn
Ffordd Y Parc
Parc Menai
Bangor
Gwynedd
LL57 4FE

Advisers

Bankers:

Lloyds Bank, 268 High Street, Bangor, Gwynedd LL57 1RT

Investment Managers:

CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Bangor Diocesan Board of Finance Bwrdd Cyllid Esgobaeth Bangor for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Williams Denton Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 22 September 2022 and signed on its behalf by:



.....
The Right Reverend M K R Stallard – Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Opinion

We have audited the financial statements of Bangor Diocesan Board of Finance Bwrdd Cyllid Esgobaeth Bangor (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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 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.

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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Our 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 a Report of the Independent Auditors 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:

Based on our understanding of the charitable company and the environment in which it operates, we considered the risk of acts by the charitable company that were contrary to applicable laws and regulations, including fraud, and designed audit procedures in response to this risk. We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, Companies Act 2006 and Charities Act 2011.

Our tests included:

- enquiring with management of any known or suspected irregularities, including fraud;
- evaluating the adequacy of internal controls designed to detect or prevent irregularities, including the risk of management override;
- agreeing the amounts and disclosures in the financial statements to underlying supporting documentation;
- testing journal entries to identify unusual transactions; and
- evaluating whether there was evidence of management bias on key judgements and accounting estimates.

There are inherent limitations in the audit procedures described above. The more removed that financial transactions are from the laws and regulations, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of trustees and management, and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those resulting from errors, as fraud may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Use of our report

This report is made solely to the charitable company'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 charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Owain Ap Elfed FCCA (Senior Statutory Auditor)
for and on behalf of Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
Glaslyn
Ffordd Y Parc
Parc Menai
Bangor
Gwynedd
LL57 4FE

Date: **7 December 2022**

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021

		Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,554,902	237,786	2,792,688	2,973,997
Charitable activities					
Support for Ministry		73,945	-	73,945	74,214
Church Property		-	357,276	357,276	350,841
Investment income	3	63,289	20,704	83,993	86,637
Total		<u>2,692,136</u>	<u>615,766</u>	<u>3,307,902</u>	<u>3,485,689</u>
EXPENDITURE ON					
Charitable activities	5				
Support for Ministry		1,845,865	213,372	2,059,237	2,181,355
Support for Parishes		437,362	5,424	442,786	522,495
Church Property		149,520	386,294	535,814	273,911
Grants & Other Financial Support		37,381	258	37,639	36,943
Communication		37,381	258	37,639	29,174
Total		<u>2,507,509</u>	<u>605,606</u>	<u>3,113,115</u>	<u>3,043,878</u>
Net gains on investments		<u>667,200</u>	<u>154,696</u>	<u>821,896</u>	<u>265,005</u>
NET INCOME		851,827	164,856	1,016,683	706,816
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>4,819,731</u>	<u>1,369,218</u>	<u>6,188,949</u>	<u>5,482,133</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>5,671,558</u></u>	<u><u>1,534,074</u></u>	<u><u>7,205,632</u></u>	<u><u>6,188,949</u></u>

The notes form part of these financial statements

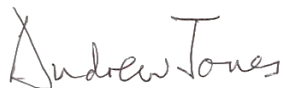
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

BALANCE SHEET
31 DECEMBER 2021

	Notes	Unrestricted funds £	Restricted funds £	31.12.21 Total funds £	31.12.20 Total funds £
FIXED ASSETS					
Tangible assets	11	281,193	1,582	282,775	292,241
Investments	12	<u>4,751,277</u>	<u>1,166,150</u>	<u>5,917,427</u>	<u>5,095,529</u>
		5,032,470	1,167,732	6,200,202	5,387,770
CURRENT ASSETS					
Debtors	13	515,580	104,210	619,790	412,904
Cash at bank		<u>459,796</u>	<u>301,172</u>	<u>760,968</u>	<u>941,312</u>
		975,376	405,382	1,380,758	1,354,216
CREDITORS					
Amounts falling due within one year	14	(336,288)	(39,040)	(375,328)	(553,037)
NET CURRENT ASSETS		<u>639,088</u>	<u>366,342</u>	<u>1,005,430</u>	<u>801,179</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,671,558</u>	<u>1,534,074</u>	<u>7,205,632</u>	<u>6,188,949</u>
NET ASSETS		<u>5,671,558</u>	<u>1,534,074</u>	<u>7,205,632</u>	<u>6,188,949</u>
FUNDS	15				
Unrestricted funds				5,671,558	4,819,731
Restricted funds				<u>1,534,074</u>	<u>1,369,218</u>
TOTAL FUNDS				<u>7,205,632</u>	<u>6,188,949</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 22 September 2022 and were signed on its behalf by:



.....
The Venerable A C Jones - Trustee



.....
The Right Reverend M K R Stallard Trustee

The notes form part of these financial statements

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(260,041)</u>	<u>301,819</u>
Net cash (used in)/provided by operating activities		<u>(260,041)</u>	<u>301,819</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,997)	(9,580)
Interest received		<u>82,694</u>	<u>86,150</u>
Net cash provided by investing activities		<u>79,697</u>	<u>76,570</u>
Change in cash and cash equivalents in the reporting period		(180,344)	378,389
Cash and cash equivalents at the beginning of the reporting period		<u>941,312</u>	<u>562,923</u>
Cash and cash equivalents at the end of the reporting period		<u><u>760,968</u></u>	<u><u>941,312</u></u>

The notes form part of these financial statements

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31.12.21 £	31.12.20 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,016,683	706,816
Adjustments for:		
Depreciation charges	12,463	11,741
Gain on investments	(821,896)	(265,005)
Interest received	(82,694)	(86,150)
Decrease in stocks	-	3,000
Increase in debtors	(206,886)	(21,027)
Decrease in creditors	(177,711)	(47,556)
Net cash (used in)/provided by operations	<u>(260,041)</u>	<u>301,819</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21 £	Cash flow £	At 31.12.21 £
Net cash			
Cash at bank	<u>941,312</u>	<u>(180,344)</u>	<u>760,968</u>
	<u>941,312</u>	<u>(180,344)</u>	<u>760,968</u>
Total	<u>941,312</u>	<u>(180,344)</u>	<u>760,968</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities or estimated usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on reducing balance
Fixtures and fittings	- 10% on cost
Computer equipment	- 25% on cost

No depreciation is provided on freehold property because the trustees consider that the life of the property and its residual value are such that depreciation is not material. Any impairment in the carrying value of fixed assets is charged against the profit and loss account.

Investments

All listed investments are stated at market value at the balance sheet date. The movement in valuation of investments is shown in the Statement of Financial Activities and comprises both realised and unrealised gains and losses.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Related parties

Due to the nature of the charity's operations and composition of the board of trustees it is inevitable that transactions will take place with organisations in which a member may have an interest. All transactions involving organisations in which a trustee may have an interest are conducted at arm's length. The Charity has a policy that all trustees must declare an interest if a related party transaction occurs.

2. DONATIONS AND LEGACIES

	31.12.21	31.12.20
	£	£
Ministry area donations	1,341,585	1,408,303
RBCW grants	271,725	352,450
Other grants	90,793	83,098
Coronavirus grants	819,427	995,131
Evangelism grants	210,793	71,318
Sundry donation & other income	58,365	63,697
	<u>2,792,688</u>	<u>2,973,997</u>

3. INVESTMENT INCOME

	31.12.21	31.12.20
	£	£
Bank interest - general	1,299	487
Investment income from listed investments - general fund	63,289	67,123
Investment income from listed investments - widows & orphans	<u>19,405</u>	<u>19,027</u>
	<u>83,993</u>	<u>86,637</u>

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

4. INCOME FROM CHARITABLE ACTIVITIES

		31.12.21	31.12.20
	Activity	£	£
Administration contributions	Support for Ministry	73,945	74,214
Rents due to Parsonage fund	Church Property	119,364	113,010
Parsonages improvements fund	Church Property	27,582	8,129
BDBF grant to parsonage fund	Church Property	210,330	229,702
		<u>431,221</u>	<u>425,055</u>

5. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 6)	Totals
	£	£	£
Support for Ministry	1,682,860	376,377	2,059,237
Support for Parishes	292,234	150,552	442,786
Church Property	385,262	150,552	535,814
Grants & Other Financial Support	-	37,639	37,639
Communication	-	37,639	37,639
	<u>2,360,356</u>	<u>752,759</u>	<u>3,113,115</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Support for Ministry	344,745	31,632	376,377
Support for Parishes	137,899	12,653	150,552
Church Property	137,900	12,652	150,552
Grants & Other Financial Support	34,476	3,163	37,639
Communication	34,476	3,163	37,639
	<u>689,496</u>	<u>63,263</u>	<u>752,759</u>

Activity	Basis of allocation
Management	As below
Governance costs	As below
Support for Ministry	50%
Support for Parishes	20%
Church Property	20%
Grants & Other Financial Support	5%
Communication	5%

The basis of allocation is estimated usage as specified by Church in Wales Governing Body

BANGOR DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Auditors' remuneration	11,400	10,920
Auditors' remuneration for non audit work	11,607	3,320
Depreciation - owned assets	<u>12,463</u>	<u>11,741</u>

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Trustees' expenses

Trustees' expenses totalling £12,250 was paid for the year ended 31 December 2021 and £5,629 was paid for the year ended 31 December 2020. These expenses were made up of reimbursed travel, subsistence and accommodation costs for five trustees.

9. STAFF COSTS

	31.12.21	31.12.20
	£	£
Wages and salaries	450,224	437,223
Social security costs	41,092	38,882
Other pension costs	<u>64,119</u>	<u>60,813</u>
	<u>555,435</u>	<u>536,918</u>

The average monthly number of employees during the year was as follows:

	31.12.21	31.12.20
Chief officer	3.8	4.8
Finance officer	2	2
Education	3	4
Llan	2.75	-
Other	<u>3.25</u>	<u>4</u>
	<u>14.8</u>	<u>14.8</u>

No employees received emoluments in excess of £60,000.

The charity considers its key management personnel comprise four members of Tim Deiniol with management responsibility for colleagues. Total emoluments, including employer pension contributions, of the key management personnel were £207,035 (2020 - £262,787)

The average monthly number of employees during the period is calculated on the basis of full-time equivalents.

The charity operated a defined contribution pension scheme for its employees and the charity made pension contributions for 16 (2020 - 19) staff members.

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,846,412	127,585	2,973,997
Charitable activities			
Support for Ministry	74,214	-	74,214
Church Property	-	350,841	350,841
Investment income	<u>67,123</u>	<u>19,514</u>	<u>86,637</u>
Total	<u>2,987,749</u>	<u>497,940</u>	<u>3,485,689</u>
EXPENDITURE ON			
Charitable activities			
Support for Ministry	2,110,720	70,635	2,181,355
Support for Parishes	487,696	34,799	522,495
Church Property	115,699	158,212	273,911
Grants & Other Financial Support	28,925	8,018	36,943
Communication	<u>28,925</u>	<u>249</u>	<u>29,174</u>
Total	<u>2,771,965</u>	<u>271,913</u>	<u>3,043,878</u>
Net gains on investments	<u>194,028</u>	<u>70,977</u>	<u>265,005</u>
NET INCOME	409,812	297,004	706,816
Transfers between funds	<u>55,360</u>	<u>(55,360)</u>	<u>-</u>
Net movement in funds	465,172	241,644	706,816
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,354,561</u>	<u>1,127,572</u>	<u>5,482,133</u>
TOTAL FUNDS CARRIED FORWARD	<u>4,819,733</u>	<u>1,369,216</u>	<u>6,188,949</u>

BANGOR DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2021	262,500	44,533	18,646	325,679
Additions	<u>-</u>	<u>-</u>	<u>2,997</u>	<u>2,997</u>
At 31 December 2021	<u>262,500</u>	<u>44,533</u>	<u>21,643</u>	<u>328,676</u>
DEPRECIATION				
At 1 January 2021	2,625	22,270	8,543	33,438
Charge for year	<u>2,599</u>	<u>4,453</u>	<u>5,411</u>	<u>12,463</u>
At 31 December 2021	<u>5,224</u>	<u>26,723</u>	<u>13,954</u>	<u>45,901</u>
NET BOOK VALUE				
At 31 December 2021	<u>257,276</u>	<u>17,810</u>	<u>7,689</u>	<u>282,775</u>
At 31 December 2020	<u>259,875</u>	<u>22,263</u>	<u>10,103</u>	<u>292,241</u>

The building is owned jointly by the Dean and Chapter of Bangor Cathedral and the Diocesan Board of Finance (DBF). £350,000 was spent on the building in 1994, the DBF share is 75% (i.e £262,500).

12. FIXED ASSET INVESTMENTS

	COIF investments £
MARKET VALUE	
At 1 January 2021	5,095,529
Revaluations	<u>821,898</u>
At 31 December 2021	<u>5,917,427</u>
NET BOOK VALUE	
At 31 December 2021	<u>5,917,427</u>
At 31 December 2020	<u>5,095,529</u>

There were no investment assets outside the UK.

BANGOR DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	31.12.21	31.12.20	
	£	£	
Ministry area donations	202,979	39,869	
Other debtors	<u>416,811</u>	<u>373,035</u>	
	<u>619,790</u>	<u>412,904</u>	
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	31.12.21	31.12.20	
	£	£	
Other creditors	<u>375,328</u>	<u>553,037</u>	
15. MOVEMENT IN FUNDS			
	At 1.1.21	Net movement	At
	£	in funds	31.12.21
		£	£
Unrestricted funds			
General fund			
	4,359,695	911,252	5,270,947
Capital reserve	259,875	(2,599)	257,276
St Beuno Fund	80,216	(72,789)	7,427
Operational reserve	<u>119,945</u>	<u>15,963</u>	<u>135,908</u>
	4,819,731	851,827	5,671,558
Restricted funds			
Parsonage board	555,099	31,630	586,729
Widows & orphans	745,742	112,534	858,276
Cathedral Partnership	25,172	-	25,172
Cathedral Foodbank	34,293	19,134	53,427
Good Hope Foundation	6,539	2,349	8,888
Envangelism Fund	<u>2,373</u>	<u>(791)</u>	<u>1,582</u>
	<u>1,369,218</u>	<u>164,856</u>	<u>1,534,074</u>
TOTAL FUNDS	<u>6,188,949</u>	<u>1,016,683</u>	<u>7,205,632</u>

BANGOR DIOCESAN BOARD OF FINANCE
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund				
	2,662,100	(2,402,085)	651,237	911,252
Capital reserve	-	(2,599)	-	(2,599)
St Beuno Fund	30,036	(102,825)	-	(72,789)
Operational reserve	-	-	15,963	15,963
	2,692,136	(2,507,509)	667,200	851,827
Restricted funds				
Parsonage board	359,256	(388,562)	60,936	31,630
Widows & orphans	19,542	(768)	93,760	112,534
Cathedral Foodbank	23,077	(3,943)	-	19,134
Good Hope Foundation	3,098	(749)	-	2,349
Evangelism Fund	210,793	(211,584)	-	(791)
	615,766	(605,606)	154,696	164,856
TOTAL FUNDS	<u>3,307,902</u>	<u>(3,113,115)</u>	<u>821,896</u>	<u>1,016,683</u>

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.20 £	Net movement in funds £	Transfers between funds £	At 31.12.20 £
Unrestricted funds				
General fund				
	3,791,148	513,187	55,360	4,359,695
Capital reserve	262,500	(2,625)	-	259,875
St Beuno Fund	187,733	(107,517)	-	80,216
Operational reserve	<u>113,180</u>	<u>6,765</u>	<u>-</u>	<u>119,945</u>
	4,354,561	409,810	55,360	4,819,731
Restricted funds				
Parsonage board	388,411	222,048	(55,360)	555,099
Widows & orphans	695,547	50,195	-	745,742
Cathedral Partnership	25,065	107	-	25,172
Cathedral Foodbank	10,840	23,453	-	34,293
Good Hope Foundation	7,709	(1,170)	-	6,539
Envangelism Fund	<u>-</u>	<u>2,373</u>	<u>-</u>	<u>2,373</u>
	<u>1,127,572</u>	<u>297,006</u>	<u>(55,360)</u>	<u>1,369,218</u>
TOTAL FUNDS	<u><u>5,482,133</u></u>	<u><u>706,816</u></u>	<u><u>-</u></u>	<u><u>6,188,949</u></u>

BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

15. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund				
	2,962,749	(2,636,825)	187,263	513,187
Capital reserve	-	(2,625)	-	(2,625)
St Beuno Fund	25,000	(132,517)	-	(107,517)
Operational reserve	-	-	6,765	6,765
	2,987,749	(2,771,967)	194,028	409,810
Restricted funds				
Parsonage board	351,172	(160,370)	31,246	222,048
Widows & orphans	19,253	(8,789)	39,731	50,195
Cathedral Partnership	107	-	-	107
Cathedral Foodbank	45,645	(22,192)	-	23,453
Good Hope Foundation	10,445	(11,615)	-	(1,170)
Envangelism Fund	71,318	(68,945)	-	2,373
	497,940	(271,911)	70,977	297,006
TOTAL FUNDS	<u>3,485,689</u>	<u>(3,043,878)</u>	<u>265,005</u>	<u>706,816</u>

The general fund is partly represented by St Deiniol Endowment investments of £4,622,779.

Purpose of Designated Funds

Capital reserve

This reserve represents the value of the property.

St Beuno Fund

To support the development of pioneer ministries, fresh expressions of Church and chaplaincy.

Operational reserve

The operational reserve is to cover unforeseen emergencies, contingencies and other related costs.

Purpose of Restricted Funds

Parsonage Board

The Parsonage Board fund was established to maintain parsonages.

Widows and Orphans

The Widows and Orphans fund is used to subsidise pension of clergy widows and dependants and to bring relief for those who may be in need.

Cathedral Partnership

The purpose of the fund is to finance respite care and other support to venerable people.

15. MOVEMENT IN FUNDS - continued

Cathedral Foodbank

The purpose of the fund is to finance groceries for those who fall below the poverty line in Bangor.

Good Hope Foundation

The purpose of the fund is to finance educational activities for disadvantaged children in the Anglican diocese of Lango, Uganda.

Envangelism Fund

The purpose of this fund is to finance the operations of the Llan project.

16. RELATED PARTY DISCLOSURES

Due to the nature of the charity's operations and the composition of the board of trustees, there is a close connection between the Bangor Diocesan Board of Finance, the Bangor Diocesan Housing Association, Bishop Henry Rowlands Almshouses and Bangor Diocesan Trust.

During the year to 31 December 2021, the following transactions took place:

- Bangor Housing Association paid Bangor Diocesan Board of Finance £10,882 (2020 - £10,873) in administration fees.

- Bishop Henry Rowlands Almshouses paid Bangor Diocesan Board of Finance £22,618 (2020 - £22,438) in administration fees and £6,337 (2020 - £6,337) in rent.

- Bangor Diocesan Trust paid Bangor Diocesan Board of Finance £40,085 (2020 - £40,903) in administration fees.

17. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme for the office employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

Pensions for clerics are funded by the Representative Body of the Church in Wales. Clergy pension commitments were made by the charity for the first and second quarter of the year, after which the liability was wholly vested with the RB. In light of changes in responsibilities, the grant received from the RB was reduced