

**Calvinistic Methodist or Presbyterian
Church of Wales Candidates and
Training Department Fund**

(Registered Charity Number 1118759)

Annual Report

For the year ended 31 December 2020

Calvinistic Methodist or Presbyterian Church of Wales Candidates and Training Department Fund

Annual Report for the year ended 31 December 2020

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Legal and administrative information for the year ended 31 December 2020

Constitution

The Calvinistic Methodist or Presbyterian Church of Wales Candidates and Training Department Fund ("the Charity") is an unincorporated organisation and a registered charity (No: 1118759). The Charity was registered on 11 April 2007.

Trustees

The trustees who served during the year and up to the date of approval of the financial statements were:

Dr Erwyl Davies (appointed 12 May 2021)
Parch O Aneurin Owen (resigned on 25 May 2021)
Miss Glynis Owen
Parch Jonathan Hodgins
Mr Idris O Hughes
Parch Meirion Morris
Parch Brian H Jones
Mr Cliff Williams

Under the scheme governing the Charity, the trustees are all members of the Candidates and Training Department of the Presbyterian Church of Wales. There are a maximum of 4 ex officio trustees and 3 nominated trustees. The nominated trustees must be appointed by the Candidates and Training Department

Ex officio trustees are:

The General Secretary of the Presbyterian Church of Wales
The Chairperson of the Candidates and Training Department
The Secretary of the Candidates and Training Department
The Treasurer of the Candidates and Training Department

Principal address

c/o The Presbyterian Church of Wales
Tabernacle Chapel
81 Merthyr Road
Whitchurch
Cardiff
CF14 1DD

Solicitors

ADVE Solicitors
33 High Street
Lampeter
Ceredigion
SA48 7BB

Independent Auditors

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

Bankers

Barclays Bank plc
85 High Street
Blackwood
NP2 1ZA

Report of the trustees for the year ended 31 December 2020

The trustees are pleased to present their report and the audited financial statements for the year ended 31 December 2020. The Charity was registered on 11 April 2007 and was formed from the former Aberystwyth Theological College and Scholarship Funds.

The information with respect to trustees, officers and advisors set out on page 1 forms part of this report. The financial statements have been prepared on a going concern basis in compliance with the applicable accounting standards in the United Kingdom including the Statement of Recommended Practice (SORP): Accounting and Reporting by charities in preparing their financial statements in accordance with the Financial Reporting Standard (FRS) applicable in the UK and Republic of Ireland (FRS 102).

Status and objectives

The Charity is the Calvinistic Methodist or Presbyterian Church of Wales Candidates and Training Department Fund. The Charity reports to the Presbyterian Church of Wales General Assembly through the Church's Ministries Department.

The object of the Charity is to provide training for ministry for the Presbyterian Church of Wales.

Connected charity

The Charity is the Candidates and Training Department of the Presbyterian Church of Wales, Tabernacle Chapel, 81 Merthyr Road, Whitchurch, Cardiff, CF14 1DD. The Charity receives an annual grant from the Presbyterian Church of Wales to assist with salaries, course and running costs. This grant amounted to £84,953 (2019: £152,861).

Developments, activities and achievements

The main activity of the Charity is to provide training for the ministry of the Presbyterian Church of Wales.

- The Candidates and Training Department is revising the training prospectus and through the Academic Director engaging in discussions with other denominations regarding possible changes to Theological education in Wales;
- The department continues to be involved with the Mission Programme by arranging suitable training for the students involved in the programme; and
- The Charity continues promote the Gap Year student programme at Coleg y Bala and provided a grant of £17,500.

Results

During the year the funds of the Charity have been used to further the Charity's objectives. The net deficit for the year was £16,599 (2019: surplus £68,824). The decrease in net income is mainly attributable to an unrealised loss on investments in 2020 of £32,059 (2019: gain of £35,415).

Report of the trustees' for the year ended 31 December 2020

Expenditure on charitable activity decreased from £133,984 in 2019 to £97,457 in 2020, however there was a larger decrease in income from £167,393 in 2019 to £112,917 in 2020. The results for the year are shown in the statement of financial activities on page 8.

The trustees are satisfied that the financial position at the period end is adequate to meet the on-going requirements of the Charity with the continued support of The Presbyterian Church of Wales.

Reserves policy

The trustees policy is to maintain the amount of total reserves at a minimum of one years' worth of expenditure. Reserves currently exceed this level with annual expenditure currently approximately £97,000 per annum. At this level the trustees believe they would be able to continue the current activities of the charity in the event of a drop in income. The trustees acknowledge the continuing support of the Presbyterian Church of Wales is essential for its long term viability.

Investment powers, policy and performance

The investments attributable to the Charity are held as part of the investment portfolio of the Presbyterian Church of Wales.

All investments are administered by Investec Bank plc in accordance with the guidelines set out by the Resources Department and Properties Board of the Presbyterian Church of Wales.

The performance is regularly monitored by means of detailed quarterly reports and a minimum of one meeting per annum with the investment manager.

Risk management

The trustees are undertaking a review of the current risk register, and updating it to reflect the major risks to which the Charity is exposed and its risk management and internal control procedures in order to ensure that systems are in place to mitigate these risks.

Covid-19

Due to measures to combat the spread of Covid-19 the charity's activities have been curtailed and staff placed on furlough. Some training for candidates, ministers and workers has continued on line . The charity has sufficient reserves and investments should there be any of loss of income.

Governance of the Charity

During 2020 the trustees met as required. On a day to day basis the Charity was administered by the Academic Director Rev Bryn Williams, Training Co-Ordinator, Mrs Delyth Oswy Shaw and the central office of the Presbyterian Church of Wales. All liaise closely with the trustees when significant matters arise.

Public Benefit

In planning and reviewing its activities the Church has considered the Charity Commission's guidance on public benefit and in particular the specific guidance on charities for the advancement of religion

Statement of trustees' responsibilities

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

The law applicable to charities in England and Wales 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 of the charity for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008. 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.

By order of the trustees

Trustee: B. H. Jones

Date: 2021

27/05

Trustee: John P. Lee

Date: 2021

27/05

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Independent auditors' report to the trustees of Calvinistic Methodist or Presbyterian Church of Wales Candidates and Training Department Fund

Report on the audit of the financial statements

Opinion

In our opinion, Calvinistic Methodist or Presbyterian Church of Wales Candidates and Training Department Fund's financial statements (the financial statements"):

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Charities Act 2011 and Regulation 8 of The Charities (Accounts and Reports) Regulations 2008).

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the balance sheet as at 31 December 2020; the statement of financial activities for the year then ended, and the notes to the financial statements which include a summary of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the date on which the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the charity's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement

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of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Trustees' Report

Under the Charities Act 2011 we are required to report to you if, in our opinion the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employer related legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and Regulation 15 of The Charities (Accounts and Reports) Regulations 2008. We evaluated the trustees' incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the financial performance and position of the charity. Audit procedures performed included:

- Reviewing Board minutes and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Using computer based audit techniques to identify and test higher risk manual journals, in particular those having unusual account combinations; and
- Obtaining third party confirmations of all the charity's banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through 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 auditors' report.

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Use of this report

This report, including the opinions, has been prepared for and only for the charity's trustees as a body in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Charities Act 2011 exception reporting

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- sufficient accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

27 May 2021

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Statement of financial activities for the year ended 31 December 2020

	Note	2020 £	2019 £
Income from:			
Investment income	4	9,507	14,378
Grant from Presbyterian Church of Wales		84,953	152,861
Donations and other income		18,457	154
Total		112,917	167,393
Expenditure on:			
Charitable activities	2	97,457	133,984
Total		97,457	133,984
Net Income		15,460	33,409
Other recognised gains and losses:			
Net (losses) / gains on investments	4	(32,059)	35,415
Net movement in funds		(16,599)	68,824
Reconciliation of funds:			
Total funds brought forward		723,268	654,444
Total funds carried forward		706,669	723,268

All recognised gains and losses have been included in the Statement of Financial Activities and the amounts included are derived from the continuing operations of the Charity.

The notes on pages 10 to 13 form part of these financial statements.

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Balance sheet as at 31 December 2020

		2020 £	2019 £
Fixed Assets	Note		
Investments	4	<u>337,093</u>	<u>369,152</u>
Current assets			
Debtors	5	44,460	167,239
Cash at bank and in hand		<u>360,351</u>	<u>232,371</u>
		404,811	399,610
Creditors: amounts falling due within one year	6	<u>(35,235)</u>	<u>(45,494)</u>
Net current assets		369,576	354,116
Total assets less net current liabilities		<u>706,669</u>	<u>723,268</u>
Funds		<u>706,669</u>	<u>723,268</u>

Approved by the Board of Trustees on 27 May 2021 and signed on its behalf by:

.....B. H. Jones.....Trustee

.....W. Hughes.....Trustee

The notes at pages 10 to 13 form part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the applicable accounting standards in the United Kingdom, the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities", FRS 102 and in accordance with the Charities Act 2011, using consistently applied accounting policies.

Income policy

Income from donations and legacies is recognised on a receivable basis when there is sufficient certainty of receipt and of the value of the incoming resource can be measured with sufficient reliability. Grants receivable from the Presbyterian Church of Wales are included as income in the year of receipt.

Recognition of expenditure

Expenditure is accounted for on an accruals basis.

Fixed asset investments

Listed investments are valued at bid market value. Profits and losses on sales of investments are calculated by reference to the opening carrying amount. Both profits and losses on disposals and unrealised surpluses or deficits arising on revaluation of investments are reported in the Statement of Financial Activities.

Fund accounting

All funds held by the Charity are unrestricted and can be used in accordance with the charitable objects at the discretion of the trustees.

Cash flow statement

The Charity has taken advantage of the exemption under FRS 102, paragraph 1.12(b), from preparing a statement of cash flows on the basis that it is a qualifying entity and its ultimate parent, Presbyterian Church of Wales, includes the charity's cash flows in its own consolidated financial statements.

Taxation

The Candidates & Training Department Fund is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried out in the furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

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Notes to the financial statements for the year ended 31 December 2020

2 Charitable activities

	Staff costs £	Support costs £	Other costs £	2020 £	2019 £
Training	47,363	8,364	41,730	97,457	133,984

Audit fees are paid by the Presbyterian Church of Wales

Support costs

	2020 £	2019 £
Office costs	8,364	11,369

3 Staff costs

	2020 £	2019 £
Wages and salaries	42,878	41,308
Social security costs	4,485	4,257
	47,363	45,565

The average number of employees during the period was: 2 2

No employees received remuneration of more than £60,000 (2019: nil)

The number of employees who received emoluments in the following ranges was:	2020 Number	2019 Number
£10,001 to £20,000	1*	1*
£20,001 to £30,000	1*	1*
Total	2*	2*

**part time noted in bracket*

No trustee received any remuneration for the services they provided as trustee in either year. No (2019: 2) trustees had expenses paid or were reimbursed for expenses in the year. These costs were met by the Presbyterian Church of Wales and were for travel and subsistence and totalled £nil (2019: £96).

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Notes to the financial statements for the year ended 31 December 2020

4 Investments

	2020 £	2019 £
Quoted investments		
Market value at 1 January	369,152	333,737
Net (losses)/ gains on investments	(32,059)	35,415
Market value at 31 December	<u>337,093</u>	<u>369,152</u>
Cost at 31 December	<u>267,002</u>	<u>281,414</u>
UK investments		
Presbyterian Church of Wales Segregated Fund	<u>337,093</u>	<u>369,152</u>

Included in net gains/(losses) on investments are realised gains of £nil (2019: £nil) on disposal of investments.

The following represent investments valued at greater than 5% of the total market value of quoted investments:

	2020 £	2019 £
Presbyterian Church of Wales Segregated Fund	100%	100%
Investment income		
Presbyterian Church of Wales Segregated Fund	<u>9,507</u>	<u>14,378</u>

All investments are held under the control in the UK by the Presbyterian Church of Wales, Tabernacle Chapel, 81 Merthyr Road, Whitchurch, Cardiff, CF14 1DD and are managed by Investec, London.

5 Debtors

	2020 £	2019 £
Amounts owed by the Presbyterian Church of Wales	<u>44,460</u>	<u>167,239</u>
	<u>44,460</u>	<u>167,239</u>

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Notes to the financial statements for the year ended 31 December 2020

6 Creditors - amounts falling due within one year

	2020 £	2019 £
Amounts owed to Presbyterian Church of Wales	23,651	40,164
Sundry creditors	11,584	5,330
	35,235	45,494

7 Movement on funds

	Balance 1 January 2020 £	Total incoming resources £	Total resources expended £	Balance 31 December 2020 £
Unrestricted	723,268	112,917	(129,516)	706,669

8 Related Party Transactions

The charity is the Candidates and Training Department of the Presbyterian Church of Wales, Tabernacle Chapel, 81 Merthyr Road, Whitchurch, Cardiff, CF14 1DD. The trustees have considered the disclosure requirements of the Statement of Recommended Practice for Charities and consider that the transactions requiring disclosure are as follows:

- (i) the Presbyterian Church of Wales has awarded a grant of £84,953 (2019: £152,861) to assist with salaries, course and running costs during the year;
- (ii) the Charity has a debtor balance of £44,460 (2019: £167,239) at the year-end in relation to investment income and grants allocated by the Presbyterian Church of Wales for 2020 which were not transferred to the Charity until 2021;
- (iii) the Charity has a creditor balance of £23,651 (2019: £40,164) at the year-end in relation to salaries paid through the Presbyterian Church of Wales payroll and not transferred by the Charity until 2021;
- (iv) The Charity has provided a grant of £17,500 (2019 :£22,500) to Coleg Y Bala to support the Gap Year student programme and the Souled Out course; and
- (v) Two of the trustees' (2019: three) of the Charity have outstanding mortgages and car loans from the Presbyterian Church of Wales of £91,705 (2019: £162,365) at year end. Total interest of £1,645 (2019: £2,251) was payable to the Church in relation to these balances during the year. One of the trustees included above retired as a trustee in 2019 and the balances noted are at the date of retirement.

The maximum car loan available is £6,500 repayable over a maximum period of 5 years, at an interest rate of 3%. The car loans are unsecured loans. The maximum mortgage available is £175,000 repayable over a maximum period of 30 years, at an interest rate of 3%. There are certain exceptions to these terms within the mortgage rules set by the Church and each case will be considered on an individual basis. The mortgage is secured by a first charge against the property.

