

# **Presbyterian Church of Wales**

***(Registered Charity Number 1132022)***

***Annual report***

***For the year ended 31 December 2020***

# **Presbyterian Church of Wales**

## **Annual Report for the Year Ended 31 December 2020**

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# **Presbyterian Church of Wales**

## **Trustees, Officers and Advisers**

### **Legal status of the Presbyterian Church of Wales**

The Presbyterian Church of Wales (also known as the Calvinistic Methodist Church of Wales) ("the Church") is a charity registered with the Charity Commission (charity number 1132022) and is governed by its constitution adopted in 2008, together with its Handbook of Order and Rules, Constitutional Deed 1826, The Calvinistic Methodist or Presbyterian Church of Wales Act 1933, and the Calvinistic Methodist or Presbyterian Church of Wales (Amendment) Act 1959. The Church was registered with the Charity Commission on 7 October 2009 having previously been an excepted charity.

### **Trustees**

The trustee appointments are confirmed at the Annual General Meeting, the General Assembly each year before completing induction activities.

The General Assembly at its meeting on 13<sup>th</sup> October 2020 approved the following temporary changes made by the Executive Committee/Trustees Group for the Covid-19 period:

- Reverend Marcus Wyn Robinson to continue as Moderator. The Moderator elect Rev Evan Morgan would be invited as a non-voting member.
- Moderators from the past 10 years were invited to join the Executive Committee/Trustees Group as Co-opted members.
- All Co-opted members of the Executive Committee/Trustees Group had been given voting rights.

The trustees, who served during the year to 31 December 2020, and up to the date of approval of the financial statements, are as follows:

Mr Idris O Hughes	Chair of the Resources Department and Properties Board and Deputy Chair of Trustees
Mrs Kathryn Morris	Treasurer of the Association in the South
Rev Brian H Jones	Chair of the Ministries Department and Chair of Trustees
Rev Michael Ward	Clerk of the Association in the East
Rev Elwyn Richards	Clerk of the Association in the North
Rev Wyn Rhys Morris	Clerk of the Association in the South – retired 25 August 2020
Mr Hywyn Pritchard	Treasurer of the General Assembly
Rev J Paul Morgan	Treasurer of the Association in the East– appointed 1 January 2020
Rev Marcus Robinson	Moderator of General Assembly
Mr Dewi Lewis-Jones	Treasurer of the Association in the North
Miss Glynis Owen	Co-opted – retired 2 June 2020
Mr Cliff Williams	Co-opted
Rev Dafydd Andrew Jones	Co-opted past Moderator – appointed 4 May 2020 and Clerk of the Association in the South – appointed 25 August 2020
Rev Brian Matthews	Co-opted past Moderator – appointed 4 May 2020
Rev Neil Kirkham	Co-opted past Moderator – appointed 4 May 2020
Rev Trefor Lewis	Co-opted past Moderator – appointed 4 May 2020
Rev Robert Roberts	Co-opted past Moderator – appointed 4 May 2020
Prof John Gwynfor Jones	Co-opted past Moderator – appointed 4 May 2020 – deceased 18 December 2020

### **Principal Address**

Presbyterian Church of Wales  
Tabernacle Chapel  
81 Merthyr Road  
Whitchurch  
Cardiff  
CF14 1DD

# Presbyterian Church of Wales

## Trustees, Officers and Advisers

### Principal Officers

Rev Meirion Morris	General Secretary
Mrs Ffion Williams	Head of Corporate
Mrs Joanna Thomas-Wright	Head of Strategic Support
Rev Gwyn Rhydderch	Head of Projects and Communication
Rev Nan Powell-Davies	Assistant Director of Ministries
Mr Andrew Britton	Head of Finance
Mr Neil Poulton	Head of Property
Mrs Shanta Rupalia	Head of HR and Legal Support
Mrs Sian Edwards	Manager – Coleg y Bala (joint)
Mr Owain Edwards	Manager – Coleg y Bala (joint)
Miss Mair Jones	Manager – Coleg Trefeca
Rev W Bryn Williams	Academic Director
Mrs Eleri Melhuish	Head of Administration
Miss Carys Moseley	Church and Society Liaison Officer

### Bankers

Barclays Bank plc  
85 High Street  
Blackwood  
NP2 1ZA

### Independent Auditors

PricewaterhouseCoopers LLP  
One Kingsway  
Cardiff  
CF10 3PW

### Investment Managers

Investec Bank plc  
2 Gresham Street  
London  
EC2V 7QN

### Actuaries and Pension Administrator

Barnett Waddingham LLP  
St James's House  
St James's Square  
Cheltenham  
Glos GL50 3PR

### Investment Managers (Properties Board Deposit)

Barclays Wealth and Investments  
1 Churchill Place  
Canary Wharf  
London  
E14 5HP

### Health and Safety Advisors

CDM Consultant Limited  
12 Moriah Mews  
Risca  
Newport  
NP11 6RL

### Connexional Solicitors (appointed 1 January 2020)

Geldards LLP  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

### Connexional Property Solicitors

ADVE Solicitors  
33 High Street  
Lampeter  
Ceredigion  
SA48 7BB

### Employment Solicitors

Keelys LLP  
28 Dam Street  
Lichfield  
Staffordshire  
WS13 6AA

# **Presbyterian Church of Wales**

## **Annual Report of the Trustees**

The trustees are pleased to present their annual report together with the audited consolidated financial statements of the Presbyterian Church of Wales ("the Church") for the year ended 31 December 2020. 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).

### **Charitable Status**

The Church was registered as a charity with the Charity Commission for England and Wales on 7 October 2009. Prior to registration the Presbyterian Church of Wales was an excepted charity. This registration covers the central body of the Presbyterian Church of Wales only and does not cover local churches, Presbyteries or the Association in the three provinces. Discussions are on-going with the Charity Commission in relation to the constitution and whether or not one central registration could cover the whole Church in the future.

### **Church objectives**

The purpose of the Church is to worship God and spread the Gospel of the Lord Jesus Christ as it is revealed in the Holy Scriptures and expounded in our Doctrinal standards, by establishing and maintaining fellowships of people worshipping God and believing in the Lord Jesus Christ. We seek to achieve this purpose by:

- preaching the Gospel, administering the sacraments, pastoral care of local churches, holding meetings for fellowship and prayer;
- religious biblical education and training in the Faith;
- missionary work and evangelising at home and abroad, setting people aside for this work;
- providing and publishing literature;
- setting an example of Christian life and good works;
- serving our communities and our country through practical activity;
- taking a stand for justice and peace in the world;
- safeguarding our environment in every possible way.

In order to meet its objectives the General Assembly, together with the trustees, and its constituent courts review annually the developments, activities, achievements and performance of the Church.

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.

### **Organisational structure**

The ultimate decision making body of the Presbyterian Church of Wales is the General Assembly which meets annually. The General Assembly is representative of the whole Church with representatives being nominated by the General Assembly Board and Departments of General Assembly and also the Association in the three Provinces and the 14 Presbyteries.

The day to day running of the Presbyterian Church of Wales and the implementation of the decisions of General Assembly is carried out by the General Assembly Board and its Executive Committee/Trustees Group with specific issues dealt with by five departments. Each department presents a report annually to the General Assembly through the General Assembly Board.

It is only the transactions and the assets and liabilities controlled by the General Assembly Board and the Departments which are included in these financial statements. The charity registration covers these funds only. Inter-fund grants, debtors and creditors are eliminated on consolidation.

## **Presbyterian Church of Wales**

### **Annual Report of the Trustees**

All transactions and assets/liabilities administered by local churches, Presbyteries and the Association in the three provinces are excluded from these financial statements.

The Properties Board of the Calvinistic Methodist Church of Wales or the Presbyterian Church of Wales ("Properties Board") is the custodian trustee of the Presbyterian Church of Wales. The Properties Board, a body corporate created by The Calvinistic Methodist or Presbyterian Church of Wales Act 1933, administers funds on behalf of local churches, Presbyteries, the Association and other funds affiliated to the Presbyterian Church of Wales. All such funds are used in accordance with the objects of the Presbyterian Church of Wales.

The funds are held separately from other assets of the Presbyterian Church of Wales. The Properties Board has a separate bank account and the majority of funds are managed by Barclays Wealth Management (see note 19).

At a local level, the Presbyterian Church of Wales is comprised of the Association in the three provinces (the North and South Association being mainly Welsh speaking with the Association in the East being the English speaking section of the Church). Each Association is divided into Presbyteries of which there are 14 in total. Each individual local church is a member of a Presbytery; the sizes of the current Presbyteries vary from 24 churches up to 68 churches. There were 557 churches at 31<sup>st</sup> December 2020 (2019: 558 churches).

#### **Related parties**

The Church undertakes some of its work at its centres at Bala and Trefeca. These centres have been established as separate charities although they both report to the Resources Department and Properties Board. The Candidates and Training Department Fund has also been established as a separate charity and reports to the Ministries Department.

The transactions of these three charities are fully consolidated into the financial statements. The principal contact addresses and main activities of each charity are:

Coleg y Bala, Ffordd Ffrydan, Y Bala, Gwynedd, LL23 7RY

- Coleg y Bala continues to be the Church's training centre for children and young people and continues to employ gap year students as part of its programme.

Coleg Trefeca, Trefeca, Brecon, Powys, LD3 0PP

- Coleg Trefeca continues to be the Lay Training Centre for the Church and the work is guided by the Candidates and Training Department Fund.

Candidates and Training Department Fund, Tabernacle Chapel, Merthyr Road, Cardiff, CF14 1DD

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

In addition, the Church is the ultimate controlling party of the Welsh Calvinistic Methodist Assurance Trust. The principal activity of the company was that of an insurance company. However, the company ceased to trade in 2006 and is currently dormant.

Copies of the financial statements of all the above entities can be obtained from the General Secretary of the Presbyterian Church of Wales at the principal address shown on page 3. A summary of the results and financial position of the three charities is set out below:

## Presbyterian Church of Wales Annual Report of the Trustees

	Coleg Y Bala	Coleg Trefeca	Candidates and Training Department Fund
	Year Ended 31 December 2020	Year ended 31 December 2020	Year ended 31 December 2020
	£'000	£'000	£'000
<b>Income</b>			
From Presbyterian Church of Wales	92	86	85
Charitable Activities (incl course fees)	10	16	-
Investment income and interest	2	1	10
Other (incl grants and furlough reclaims)	61	49	18
	<b>165</b>	<b>152</b>	<b>113</b>
<b>Expenditure</b>			
Salaries and wages	52	47	42
Other	94	148	55
	<b>146</b>	<b>195</b>	<b>97</b>
<b>Surplus / (Deficit)</b>	<b>19</b>	<b>(43)</b>	<b>16</b>

	Coleg Y Bala	Coleg Trefeca	Candidates and Training Department Fund
	31 December 2020	31 December 2020	31 December 2020
	£'000	£'000	£'000
Tangible Fixed Assets	56	385	-
Heritage Assets	-	223	-
Investments	-	-	337
<b>Fixed Assets</b>	<b>56</b>	<b>608</b>	<b>337</b>
Net Current Assets/(Liabilities)	155	(84)	370
	<b>211</b>	<b>524</b>	<b>707</b>
Unrestricted Funds	211	301	707
Restricted Funds	-	223	-
<b>Total Funds</b>	<b>211</b>	<b>524</b>	<b>707</b>

### Summary of developments, activities, achievements and performance

The developments, activities and achievements of the Church are reviewed in the reports of the General Assembly Board and the departments published in the General Assembly proceedings.

The main items during the year were:

- the Church has sought to respond in a timely way to the issues which have come to the forefront in the light of Covid-19. This has meant that all our responses to the current social, political and practical consequences have been discussed and responded to by the Trustees as the Executive Committee of our Board;
- receiving reports and updates from all of the workers and projects through the Ministries Department including church planting in various locations and projects funded by a new Ministries Fund;

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## Annual Report of the Trustees

- the oversight of the new Properties Board Deposit which seeks to obtain a better return for the churches, Presbyteries and other funds deposited with the Properties Board;
- the development of national and local projects including the Mission Programme, CAMU, Dorcas, industrial and university chaplaincies, and the Gap Year at Coleg y Bala;
- monies raised from the Moderators appeal launched by Trefor Lewis for Shillong Hospital in India were transferred to Shillong Hospital to fund an extension to house the College of Nursing; the sum transferred was £113,063;
- the development of Ministry and Mission Strategy plans for each Presbytery together with detailed analysis of funding and creation of viable Ministries;
- the production of a training video to assist local managing trustees in their work;
- the decision to allow churches to apply to release funds from the sale of property towards revenue projects focussed on Ministry; and
- the work of the interdenominational protection panel, and the voluntary Protection Co-ordinator;

### Financial review

#### Incoming resources

The primary source of income continues to be the Ministry and Mission Contribution (formerly Connexional Contribution) which is used towards the financing of our Ministers, Mission and Field workers throughout the Church. The continuing financial viability of the Church is dependent upon the contributions of membership as assessed annually and reflected in the Ministry and Mission Contribution. Contributions receivable decreased from £2,308k in 2019 to £2,183k in 2020 due to a rebate of 25% of one quarters contribution being given to the churches and this amounted to £146k.

The Church's overall income increased from £3,976k in 2019 to £4,344k in 2020, due to an increase within other income. Investment income decreased from £476k in 2019 to £346k in 2020 and income from the colleges and centres decreased from £125k in 2019 to £26k in 2020. Both centres at Bala and Trefeca remain closed due to the Covid-19 restrictions.

The main item within Other Income is a proportion of the proceeds of sale of buildings which is transferred to the central funds as income, and this sum increased from £770k in 2019 to £1,039k in 2020. The sum of £441k that was reclaimed in respect of furlough through the job retention scheme is also included within Other Income.

A summary of the main categories of income is shown below:

	£'000	%
Ministry and Mission Contributions	2,183	50.2
Donations, legacies and grants	165	3.8
Investment income and interest	346	8.0
Income from Colleges and Centres	26	0.6
Other	1,624	37.4
<b>Total</b>	<b>4,344</b>	<b>100</b>

#### Expenditure

The main item of expenditure continues to be Ministry benefits which comprises the stipend, employer pension contributions and employers national insurance of all ministers. In addition the salary, employer pension contributions and employers national insurance of contracted employees promoting the interests of the Church through the Ministries Department are included as ministry benefits. A proportion of support is allocated to Ministerial Benefits (see Note 8).



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A summary of the main categories of expenditure and their percentage of the total is as follows:

	£'000	%
Ministry benefits	3,531	75.4
Ecumenical and PCW contributions	677	14.4
Colleges and centres Costs	438	9.4
Other	38	0.8
<b>Total</b>	<b>4,684</b>	<b>100</b>

### Results

The net outgoing resources, before movements in investments, have decreased from a deficit of £1,114k in 2019 to a deficit of £340k in 2020.

The movement can be principally attributed to the increase in income as noted above whilst expenditure had also decreased from £5,090k in 2019 to £4,684k in 2020. The decrease was noted across all categories of charitable expenditure including support costs.

The net movement in funds in 2020 after investment gains and losses and actuarial gains and losses on the pension scheme was a deficit of £2,416k (2019: surplus of £1,735k). Unrealised losses on investments and unrealised actuarial losses on the pension scheme in 2020 were £835k and £1,241k respectively (2019: unrealised gains of £1,093k and £1,749 respectively).

### Ministry and mission contribution (formerly Connexional contribution)

A detailed review of overdue debts is regularly undertaken by the Association in each of the three provinces and by the Executive Committee/Trustee Group. During the year, there has been an increase of £81k in the gross debtor from £334k at 31 December 2019 to £415k at 31 December 2020.

A bad debt charge of £171k has been made against overdue Ministry and Mission contributions. The charge has increased by £32k in 2020 and represents a specific charge against 19 overdue amounts.

### Capital expenditure

During the year, capital expenditure of £12k (2019: £33k) was incurred in respect of fixtures and fittings at Coleg Trefeca.

### Heritage Assets

In accordance with the provisions of FRS 102 (para 34.50 -34.56), the value of the Howell Harris Museum together with artefacts transferred from the National Library of Wales, Aberystwyth in 2014, located at Coleg Trefeca and included in the financial statements of Coleg Trefeca has been included as a fixed asset in the group balance sheet at a value of £223k (2019: £223k). The valuation used an insurance value and the trustees consider this a cost effective valuation method for this type of asset. There are further details in Note 1 – Statement of accounting policies and Note 11 – Heritage assets to the financial statements.

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## Annual Report of the Trustees

### *Investment policy and performance*

The Church has an agreed customised benchmark for measuring performance with the investment managers. The benchmark is based on mid points of asset allocation parameters and was changed at the 2016 General Assembly with cash being removed from the benchmark. The new parameters and benchmark are noted together with the previous in brackets:

	<b>Asset Allocation Parameters</b>	<b>Benchmark</b>
UK Equities	75% - 85% (70% - 80%)	80% (75%)
Fixed Interest	15% - 25% (15% - 25%)	20% (20%)
Cash	0% - 5% (0% - 10%)	0% (5%)

During the year to 31 December 2020, the performance of the fund was -5.8% against the benchmark of -5.9%.

The Church has adopted the provisions of the Trustee Act 2000 subject to our ethical policy.

Investment performance is monitored by a sub committee appointed by the Executive Committee/Trustee Group and the Resources Department and Properties Board by means of quarterly reports and at least one meeting per year with the investment manager.

### *Investment properties*

The Church holds nine properties for investment purposes seven of which were valued in 2017. Five properties were valued by Prys Jones & Booth (Chartered Surveyors), Abergele and two by Seel & Co (Chartered Surveyors), Cardiff. In the intervening years market values are adjusted using a recognised index. All properties were due to be valued again in 2020 but the Executive Committee/Trustee Group deemed it impractical due to the Covid-19 restrictions in place. All properties will now be revalued in 2021. One property was transferred from fixed assets in 2019 as the property was no longer required for a member of staff and has been let commercially. The property was transferred at net book value and revalued using the recognised index in 2019 and 2020. A further property was purchased in 2019 and was revalued at the end of 2019 and 2020 using the recognised index.

Eight properties are residential; the ninth property was acquired in 2012 at a market value of £180k, as per a chartered surveyors report. The property is a commercial property, located next to the central office in Whitchurch, Cardiff and was previously managed by the trustees of Tabernacle Chapel, Whitchurch, Cardiff.

### *Resources expended*

The Church does not undertake any fund raising activities and, consequently, there are no costs of generating funds to disclose.

Charitable Expenditure can be broadly divided into three activities:

- i) *Ministry Benefits* are costs of service (including stipend, employers national insurance and pension costs) for ministers in pastorates together with those ministers serving the Church in other posts. This amount also includes the costs of those employees serving the Church through the Ministries Department.
- ii) *Ecumenical and PCW Contributions* are amounts paid to partner organisations throughout Wales and worldwide to promote the objects of the Church through Mission and Ministry. The contributions are analysed between internal Church amounts, those relating to Wales/United Kingdom and those to international churches and church bodies. These sums include annual affiliations to UK and International inter-church organisations.
- iii) *Colleges and centres costs* relate to all amounts incurred by Coleg y Bala and Coleg Trefeca in their work as the centre for training children and young people and lay training centre respectively.

## **Presbyterian Church of Wales Annual Report of the Trustees**

Support costs are allocated based upon an estimate of the proportion of staff time that has been spent on each charitable activity. The appropriateness of this split is reviewed annually as part of the preparation of the financial statements; and the current percentage allocation is 55% ministry benefits, 35% ecumenical/PCW contributions and 10% colleges and centres costs.

### **Risk management**

The Church has developed a risk strategy to identify, assess and monitor the risks that the Church may be exposed to. A comprehensive risk register is reviewed annually by the General Assembly Board and the trustees. A further review of the strategy and the risk register is to be carried out to assess the impact of Covid-19 on the activities and finances of the Church.

The Executive Committee/Trustees Group, in conjunction with the General Assembly Board, have developed a rolling plan to mitigate the major risks to which the organisation is exposed. Major risks are those which may have significant impact on:

- the effective governance of the Church;
- the ability to finance all current activities;
- legislative compliance including Health and Safety, Employment Law and the protection of children and vulnerable adults.
- the reputation of the Church; and
- operational performance given the continued decline in ministers and members.

The Board and trustees prioritise the risks according to the likelihood of occurrence and potential impact and has set up a sub-group to undertake this task and they report to the trustees annually.

The trustees have linked the setting and monitoring of objectives to this risk management exercise by defining risks as those occurrences which prevent the Presbyterian Church of Wales from achieving its objectives.

### **Reserves policy**

The Church's policy is to maintain the amount of total reserves at the equivalent of 2 years' worth of expenditure. Current levels of annual expenditure require reserves to be maintained at £10,000k. At this level, the trustees believe that they would be able to continue the current activities of the Church in the event of a drop in income. At 31 December 2020 total reserves were £16,849k (2019: £19,625k) and the trustees have agreed a financial forecast to reduce reserves to £12,000k over a five to ten year period (excluding any Pension reserve). Further consideration is to be given to ensuring sufficient reserves are held in cash and whether a specific sum should be set aside to fund any future deficit in the Church's defined benefit pension scheme. It is therefore deemed that sufficient and appropriate resources are held to enable each fund to be applied in accordance with any restrictions. The reserves policy will be further reviewed in the light of the impact of Covid-19 on the activities and finances of the Church at all levels.

Total unrestricted funds had a deficit (including investment and actuarial gains or losses) of £1,445k for the year to 31<sup>st</sup> December 2020 compared to a surplus of £1,429k for the year to 31<sup>st</sup> December 2019.

The value in the pension reserve has been calculated in accordance with the provisions of FRS102.

The Executive Committee/Trustees Group intend to review the adequacy of the current reserves policy in the light of their financial forecasts; these forecasts to be reconsidered in detail in 2021 and 2022 taking into account the impact of the Covid-19 pandemic.

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## **Annual Report of the Trustees**

### **Investment review**

#### ***Market Review***

Covid-19 proved the most influential factor effecting markets in 2020, even ahead of the US Presidential election and Brexit. Markets fell sharply in the early part of 2020 as the Covid-19 pandemic spread across the globe but as more positive news on the development of vaccines, coupled with financial stimulus policies, filtered through markets recovered. There was a disparity between equity markets with the UK market lagging, as much due to market composition as anything else. The US market has a greater proportion of tech stocks (27%) and the US S&P 500 returned +13.9% in sterling whilst the FTSE 100 in the UK returned -11.5%.

#### ***Performance***

The portfolio was disadvantaged by only being able to invest in UK equities during a period where global equities performance better. The total return on Presbyterian Church of Wales fund was -5.8% for 2020 compared with the return from the benchmark of -5.9%. The value of the fund solely managed by Investec Bank Plc was £9,914k at 31 December 2020 (2019: £10,857k). There was no capital withdrawal/addition from/to the portfolio in either 2019 or 2020.

#### ***Outlook***

The Presbyterian Church of Wales funds are long term investments and there has been no change in 2020 to the asset allocation and benchmark within the portfolio (see section on investment policy and performance on page 9); the Church will continue to review its future cash flow requirements in the light of the current reserves policy. The Resources Department have opened discussions with Investec Bank Plc regarding the asset allocation of the portfolio and in particular whether investment in overseas equities, property unit trusts and alternatives is possible to further diversify the portfolio. The Church is currently considering a draft environmental policy and discussions are also taking place on the potential impact of adopting such a policy on the restrictions contained in the ethical policy, in particular the effect of excluding oil and gas stocks on income and the asset allocation in the portfolio.

ESG (Environmental, Social and Governance) issues are factors in measuring the sustainability and societal impact of investing in particular companies and will continue to be prevalent in setting investment strategies.

Two elements of uncertainty were resolved in late 2020 and early 2021, the announcement of a Brexit deal on Christmas Eve and that Joe Biden moved into the White House on 20<sup>th</sup> January.

Governments will need to balance the conundrum of ensuring public safety as Covid-19 remains, despite the positive roll-out of vaccinations, whilst supporting economies without destroying the public finances.

Despite high overall deficits used partly to fund furlough repayments, the situation is deemed to be sustainable owing to low interest rates and bond yields. However, any rise in inflation could lead to a tightening of monetary policy. There may be a market reaction to any volatility in inflation indices.

Climate change will be increasingly important for markets following announcements from China and the Democrat victory in the US election realigning the US with the Paris climate accord.

Global earnings are estimated to fall by 18% in 2020 but are forecast to increase by 26% in 2021. The latest IMF forecasts estimate the global economy growing by 5.2% in 2021 following a fall in 2020 of 4.4%

### **COVID-19**

The General Assembly at its meeting of 13<sup>th</sup> October 2020 approved the Executive Committee/Trustees Group's decision to take responsibility for the matters that are usually delegated to the General Assembly Board, Departments and Association, for the duration of the Covid-19 pandemic. The General Assembly also approved the Executive Committee/Trustees Group's decision to hold the General Assembly meeting of 13<sup>th</sup> October 2020 by Zoom.

## **Presbyterian Church of Wales**

### **Annual Report of the Trustees**

The impact of the measures to combat the spread of Covid-19 have affected the work of the Church at both local and central level. Many local churches have been closed since March 2020 as have the centres at Bala and Trefeca and appropriate measures to allow reopening will be made in accordance with guidelines issued by the relevant public health authorities. The Church committee structure has had to be curtailed with the Executive Committee/Trustees Group taking on day to day responsibility for matters previously delegated to the General Assembly Board and Departments. These temporary governance measures are reviewed regularly.

The Church has sufficient reserves and investments which are easily realised to cope with any net loss of income arising from the pandemic. Investment income fell by 27% in 2020 and local churches were granted a rebate on their contributions for the second quarter of 2020. The Church has offset this reduction in income by general cost saving measures and taking advantage of the furlough scheme.

The Executive Committee/Trustees Group are considering the risk register, financial forecasts and reserves policy in the light of the effects of the Covid-19 pandemic including potential loss of revenue should membership numbers fall by greater than forecasted. Most key administrative functions have continued with office staff working from home although the colleges at Bala and Trefeca remain closed.

#### **Future developments**

The following items will hopefully be considered by the Board and departments in 2021 with recommendations or progress updates presented to the General Assembly in 2021.

- the possibility of changes to the provision of theological education in Wales; the Academic Director is in consultation with a number of colleges and other denominations in Wales;
- the report on the review of the centres, Coleg Trefeca and Coleg y Bala;
- the MSP 4 (Mission Support Programme) has been agreed by the CWM (Council for World Mission). The sum of £92k has been allocated for this programme focussing on dementia;
- the Communications Department is reviewing the Church publications;
- the academic director is revising the Training Prospectus for the Department and is liaising with other Denominations and Coleg Cymraeg Cenedlaethol;
- the responses from Association and Presbyteries to the draft environmental policy;
- and the implications of the postponed changes to the excepted charity status in 2021.

## **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 the group and of the incoming resources and application of resources of the charity/group 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.

## **Presbyterian Church of Wales**

### **Annual Report of the Trustees**

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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By order of the trustees**

*B. H. Jones*

Trustee

*Ally Pugh*

Date: 27<sup>th</sup> May 2021

## ***Independent auditors' report to the trustees of Presbyterian Church of Wales***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Presbyterian Church of Wales's group financial statements and parent charity financial statements (the financial statements"):

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 December 2020 and of the group's and parent charity's incoming resources and application of resources, and of the group's cash flows, 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 15 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 consolidated and parent charity balance sheets as at 31 December 2020; the consolidated statement of financial activities for the year then ended, the consolidated cash flow statement 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 group 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 group and parent 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 group's and parent 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 of the other information.

# Presbyterian Church of Wales

## Independent Auditors' Report to the Trustees of the Presbyterian Church of Wales

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.

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## **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 group's and parent 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 group and parent 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 group and parent charity/industry, 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;
- Reviewing the appropriateness of the assumptions used by the charity in estimating the value of the defined benefit pension scheme surplus; 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



# **Presbyterian Church of Wales**

## **Independent Auditors' Report to the Trustees of the Presbyterian Church of Wales**

### *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 151 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.

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## **Other required reporting**

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### **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 parent charity; or
- the parent charity 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*

**Presbyterian Church of Wales**  
**Consolidated Statement of Financial Activities**  
**for the year ended 31 December 2020**

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
<b>Income from generated funds:</b>					
Ministry and mission contributions		2,183	-	2,183	2,308
Donations		41	32	73	114
Legacies		-	-	-	2
Grants		4	88	92	23
Income from investments	3	152	194	346	476
<b>Income from charitable activities:</b>					
Colleges and centres		-	26	26	125
Other income	4	1,270	354	1,624	928
<b>Total</b>		<b>3,650</b>	<b>694</b>	<b>4,344</b>	<b>3,976</b>
<b>Expenditure on:</b>					
Charitable activities:					
<i>Ministry benefits</i>	6	1,320	2,211	3,531	3,641
<i>Ecumenical and PCW contributions</i>	7	482	195	677	892
<i>Colleges and centres costs</i>		91	347	438	529
		1,893	2,753	4,646	5,062
Other		21	17	38	28
<b>Total</b>		<b>1,914</b>	<b>2,770</b>	<b>4,684</b>	<b>5,090</b>
<b>Net income / (expenditure)</b>		<b>1,736</b>	<b>(2,076)</b>	<b>(340)</b>	<b>(1,114)</b>
Net gains /(losses) on investments	12	(183)	(652)	(835)	1,093
<b>Net income / (expenditure)</b>		<b>1,553</b>	<b>(2,728)</b>	<b>(1,175)</b>	<b>(21)</b>
Transfers between funds		(1,757)	1,757	-	-
Other recognised gains / (losses):					
<i>Loss on disposal of fixed assets</i>		-	-	-	(1)
<i>Valuation of heritage assets</i>	11	-	-	-	8
<i>Actuarial (loss)/gain on defined pension scheme</i>	9	(1,241)	-	(1,241)	1,749
<b>Net movement on funds</b>		<b>(1,445)</b>	<b>(971)</b>	<b>(2,416)</b>	<b>1,735</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		9,373	9,892	19,265	17,530
<b>Total funds carried forward</b>		<b>7,928</b>	<b>8,921</b>	<b>16,849</b>	<b>19,265</b>

The statement of financial activities incorporates the statement of comprehensive income.

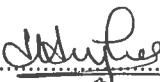
All activities are continuing.

**Presbyterian Church of Wales**  
**Consolidated and Parent Charity Balance Sheets as at 31 December 2020**

		Group		Charity	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Fixed assets</b>					
Tangible fixed assets	10	664	749	222	234
Heritage assets	11	223	223	-	-
Investments	12	11,843	12,678	11,506	12,309
		<b>12,730</b>	<b>13,650</b>	<b>11,728</b>	<b>12,543</b>
<b>Current assets</b>					
Stock	13	6	6	-	-
Debtors	14	2,064	2,105	2,268	2,011
Short term deposits		229	228	12	12
Cash at bank and in hand		473	1	48	59
		<b>2,772</b>	<b>2,340</b>	<b>2,328</b>	<b>2,082</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(570)</b>	<b>(696)</b>	<b>(606)</b>	<b>(853)</b>
<b>Net current assets</b>		<b>2,202</b>	<b>1,644</b>	<b>1,722</b>	<b>1,229</b>
<b>Creditors: amounts falling due after more than 1 year</b>	15	<b>(1,504)</b>	<b>(750)</b>	<b>(1,504)</b>	<b>(750)</b>
<b>Net assets excluding pension scheme asset</b>		<b>13,428</b>	<b>14,544</b>	<b>11,946</b>	<b>13,022</b>
Pension scheme surplus	9	3,421	4,721	3,421	4,721
<b>Net assets</b>		<b>16,849</b>	<b>19,265</b>	<b>15,367</b>	<b>17,743</b>
<b>Funds</b>					
Unrestricted	16	4,507	4,652	4,507	4,652
Pension reserve		3,421	4,721	3,421	4,721
		<b>7,928</b>	<b>9,373</b>	<b>7,928</b>	<b>9,373</b>
Restricted	17	8,921	9,892	7,439	8,370
<b>Total funds</b>		<b>16,849</b>	<b>19,265</b>	<b>15,367</b>	<b>17,743</b>

The financial statements on pages 16 to 35 were approved by the Board of Trustees on 27<sup>th</sup> May 2021 and signed on its behalf by:

  
 .....  
 Trustee

  
 .....  
 Trustee

**Presbyterian Church of Wales**  
**Consolidated Cash Flow Statement for the year ended 31 December 2020**

	Note	2020 £'000	2019 £'000
<b>Reconciliation of net expenditure to net cash generated from /(used by)</b>			
Net (expenditure)		(340)	(1,114)
Adjustments for:			
Investment income	3	(346)	(476)
Pension Fund	9	59	134
Depreciation charges	10	97	98
Add:			
(Increase) in stocks	13	-	(1)
Decrease / (increase) in debtors	14	41	(129)
Increase in creditors	15	628	911
Net cash generated from/(used by) operating activities		<u>139</u>	<u>(577)</u>
<b>Statement of cash flows</b>			
<b>Cash flows from operating activities</b>			
Net cash generated from/ (used by) operating activities		<u>139</u>	<u>(577)</u>
<b>Cash flows from investing activities:</b>			
Interest from investments		346	476
Purchase of investments		(1,252)	(1,085)
Proceeds from sale of investments		1,252	909
Proceeds from sale of fixed assets		-	1
Purchase of property, plant and equipment		(12)	(33)
Net cash provided by investing activities		<u>334</u>	<u>268</u>
<b>Change in cash and cash equivalents</b>			
Cash & cash equivalents at 1 January		<u>229</u>	<u>538</u>
<b>Cash &amp; cash equivalents at 31 December</b>		<b><u>702</u></b>	<b><u>229</u></b>
<b>Cash equivalents at the year end comprise:</b>			
Short term deposits		229	228
Cash at bank and in hand		<u>473</u>	<u>1</u>
<b>Cash &amp; cash equivalents at 31 December</b>		<b><u>702</u></b>	<b><u>229</u></b>

# **Presbyterian Church of Wales**

## **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 and under the historical cost convention, with the exception of the revaluation of certain land and buildings, heritage assets and investments which are included on a market value basis. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities), Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Charities Act 2011, using consistently applied accounting policies.

The financial statements consolidate those of Coleg y Bala, Trefeca College, the Candidates and Training Department Fund and the Welsh Calvinistic Methodist Assurance Trust (dormant). In accordance with the Charities SORP, no separate Statement of Financial Activities has been presented for the Church alone.

#### **Fund accounting**

The purpose of the unrestricted funds (note 16) is to finance the general running of the Presbyterian Church of Wales. The primary source of income is the Ministry and Mission Contribution (formerly Connexional Contribution), the levy paid by each church within the Connexion. Unrestricted funds are used to finance the day to day running of the Church including the General Assembly and its constituent Boards and the administrative office in Cardiff.

Restricted funds (note 17) are funds subject to specific restrictive conditions imposed by the donor or by the purpose of an appeal. The principal restricted fund relates to the Ministries Department (formerly Life and Witness Board) General Fund (an amalgamation of the JJ Maintenance of Ministry, Mission Board and Christian Education Board Funds), the purpose of which is restricted to financing ministerial costs and mission work.

All income and expenditure is shown in the Statement of Financial Activities.

#### **Accruals**

The financial statements have been prepared on an accruals basis. All liabilities are recognised at their settlement value.

#### **Incoming resources**

Income from donations and gifts, legacies and grants is recognised on a receivable basis when there is sufficient certainty of receipt and the value of the incoming resource can be measured with sufficient reliability.

#### **Property**

Churches and manses and other ecclesiastical land or property which have been transferred to, bequeathed or given to the Presbyterian Church of Wales and were held by the Church (and managed by the trustees of local congregations or Presbyteries) at the balance sheet date have had no value placed on them.

Each local church, Presbytery and Association undertakes its own transactions and has its own trustees. The Elders, Ministers and Officers of each local church are the managing trustees. Therefore, all transactions undertaken by each Association, Presbytery and local congregation are excluded from these financial statements. Transactions relating to these properties e.g. repairs, insurance, or any rental income are included in the books of each local church.

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost together with any incidental costs of acquisition. Expenditure on tangible fixed assets with a cost below £3,000 is not capitalised.

# Presbyterian Church of Wales

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

Depreciation is charged by equal annual instalments to write down the cost of the assets to their expected residual values over their estimated useful lives at the following rates:

Buildings	2% per annum
Motor vehicles	20% per annum
Computer equipment	20% per annum
Fixtures and fittings	10% - 20% per annum
Property improvements	5% per annum

Freehold land is not depreciated. The useful economic lives of fixed assets are reviewed at the end of each accounting period along with a review for impairment where indicators of potential impairment are identified. There has been no change in the rates of depreciation in the year.

### Heritage Assets

The Howell Harris Museum at Coleg Trefeca shows aspects of the life of Howell Harris, whose 1735 conversion led to the founding of Welsh Methodism; also the community 'Teulu Trefeca', which he established at the College in 1752. The displays include a room as it might have been in Harris' time, an outdoor preaching scene and panels telling his story. A collection of 32 religious books, most of which were printed by the 'Trevecka press' in the late eighteenth century are displayed in rotation in the museum along with artefacts and furniture from Harris's period at the College.

The museum also houses artefacts of the Presbyterian Church of Wales which were previously housed at the National Library of Wales. Items include furniture, silverware and other items of historical significance.

In accordance with the provisions of FRS 102, heritage assets have been included in the financial statements at their insurance valuation contained within the College policy with Ecclesiastical Insurance. The insurance value is reassessed annually. Any costs to maintain the museum or its artefacts are charged to the Statement of Financial Activities as incurred. The assets are deemed to have indeterminate lives and therefore no depreciation is charged.

The museum is managed by the trustees of College and on a day to day basis by the centre manager. Details of the artefacts are kept at the College. Additions to the museum can be made by way of donation. Any purchases or disposals (in exceptional circumstances) require the approval of the trustees and the Church through the General Assembly Board. The museum and artefacts are generally accessible Monday to Friday between 10am and 4pm. Coleg Trefeca and the museum have been closed since March 2020 due to Covid-19.

The Charity has a number of further heritage assets which include furniture, paintings, silverware and other objects of historical interest relating to the Church. The collection, located at various locations across Wales and beyond, includes artefacts dating back to the nineteenth century and forms a unique record of the history of the Church. At this date it has not been possible to value these assets.

### Fixed asset Investments

- (a) Listed investments are stated at market values based on bid prices at 31 December 2020. Profits and losses on sales of investments are calculated by reference to the opening carrying amount and are transferred directly to the relevant funds. Unrealised revaluation surpluses or deficits are also included in the relevant funds movement. Both profits and losses on disposals and unrealised surpluses or deficits arising on revaluation of investments are reported in the Statement of Financial Activities.
- (b) Investment properties are included in the balance sheet at fair value. Professional valuations are performed every three years on each property and market values are index linked in the intervening years. Depreciation is not provided on investment properties as the properties are not held for consumption but for investment and the trustees consider that systematic annual depreciation would be inappropriate. Depreciation or amortisation is only one of the many factors reflected in the property valuation and the amount which might otherwise have been shown cannot be identified. A valuation of investment properties was due at 31 December 2020 but the trustees considered it impractical to do so due to Covid-19 and values have been index linked.

# Presbyterian Church of Wales

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

### Stock

Stock is stated at the lower of cost and net realisable value.

### Pensions

The Church operates a defined benefit pension scheme. The fund is valued every three years by qualified actuaries.

The scheme is accounted for in accordance with the requirements of FRS 102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the financial statements as a separate fund entitled 'Pension Reserve' which is deducted from General Funds in the Balance Sheet. Details of the pension scheme are given in Note 9 to the financial statements.

In order to comply with auto enrolment regulations the Church operates a defined contribution scheme administered by AEGON for those ministers and employees who do not join the defined benefit scheme.

### Taxation

The Church 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 Church's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

### Consolidation

The consolidated financial statements incorporate the results of the Church and each of its subsidiaries for the financial year ended 31 December 2020. Intra-group balances and transactions are eliminated on consolidation. Uniform accounting policies are applied across the group.

### Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### i. Defined benefit pension scheme

The Church has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 9.

The Trustees consider that there are no further significant judgements or key sources of estimation uncertainty in the preparation of these financial statements.

## 2. Results of Connected Charities \*

(\* excludes grant received from the Church)

	2020	2019
	£'000	£'000
<b>Incoming resources</b>		
Course fees	25	120
Shop sales	1	3
Donations, grants and legacies	59	23
Investment income	12	14
HMRC Furlough reclaims	69	-
Sundry income	-	5
<b>Total incoming resources</b>	<b>166</b>	<b>165</b>

## Presbyterian Church of Wales

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

#### Resources Expended

Charitable activities	433	541
Other	5	5
Total resources expended	438	546
Net outgoing resources	(272)	(381)



**Presbyterian Church of Wales**  
**Notes to the financial statements for the year ended 31 December 2020**

**3. Investment income**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Investment Income</i>				
Unit Trusts	37	53	36	51
Fixed Interest and cash	54	74	52	72
Equities	191	298	184	288
Investment Property	64	51	64	51
	<b>346</b>	<b>476</b>	<b>336</b>	<b>462</b>

**4. Other Income**

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds 2020</b>	<b>Total funds 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank interest	-	3	3	3
Loan interest receivable	27	-	27	36
HMRC furlough reclaim	91	350	441	-
Profit on sales of chapels and manses	1,039	-	1,039	770
Sundry income	14	1	15	28
Pension - interest	99	-	99	91
<b>Total – Group</b>	<b>1,270</b>	<b>354</b>	<b>1,624</b>	<b>928</b>

**5. Total resources used**

	<b>Staff costs</b>	<b>Other costs</b>	<b>Total 2020</b>	<b>Total 2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Ministry benefits	3,246	285	3,531	3,641
Ecumenical and PCW contributions	175	502	677	892
College and centre costs	50	46	96	118
Other	-	38	38	28
<b>Total Charity</b>	<b>3,471</b>	<b>871</b>	<b>4,342</b>	<b>4,679</b>
College and centre costs	99	243	342	411
<b>Total Group</b>	<b>3,570</b>	<b>1,114</b>	<b>4,684</b>	<b>5,090</b>

**Staff costs**

Stipends, wages and salaries	2,614	2,542
Social security costs	221	216
Pension costs	735	668
	<b>3,570</b>	<b>3,426</b>

# Presbyterian Church of Wales

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

The total number of employees by function was:

	2020 Number	2019 Number
Ministers – full time	40	39
Ministers – part time	8	9
Field workers	43	39
Colleges and centres	8	7
Administration	21	23
	<b>120</b>	<b>117</b>

### Trustees

5 of the trustees (2019: 4) received a total of £161,697 in 2020 (2019: £123,933) in stipend (including employer pension contributions) as Ministers within the Presbyterian Church of Wales.

8 of the trustees (2019: 6) received a total of £2,950 in 2020 (2019: £2,850) in honoraria payments as recognition for their work within the Church's various boards, departments and panels.

3 of the trustees (2019: 12) who served during the year received a total of £722 in 2020 (2019: £11,829) as reimbursement for travel and subsistence expenses incurred in their capacity as trustees, officers or ministers within the Church.

No employee, officer or minister received remuneration of more than £60,000. The number of employees who received emoluments in the following ranges was:

	2020 Number	2019 Number
£0 to £10,000	14 (14*)	18 (18*)
£10,001 to £20,000	20 (19*)	15 (14*)
£20,001 to £30,000	39 (18*)	40 (16*)
£30,001 to £40,000	40 (2*)	37
£40,001 to £50,000	7 (1*)	7 (1*)
£50,001 to £60,000	0	0
	<b>120 (54*)</b>	<b>117 (49*)</b>

*\*Denotes part time staff*

**Presbyterian Church of Wales**  
**Notes to the financial statements for the year ended 31 December 2020**

**6. Ministry benefits**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Stipends and salaries	55	2,181	2,236	2,189
Pastoral expenses	-	4	4	21
Support costs (note 8)	500	26	526	737
	555	2,211	2,766	2,947
Pension costs:				
Contributions paid	577	-	577	443
Current service pension costs	158	-	158	225
Pension audit	30	-	30	26
	765	-	765	694
<b>Total ministers benefits</b>	<b>1,320</b>	<b>2,211</b>	<b>3,531</b>	<b>3,641</b>

**7. Ecumenical and PCW Contributions**

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
International	24	6	30	38
Wales/UK	80	32	112	126
Ministers, workers, candidates, Association, Presbyteries and local churches	59	141	200	313
Support costs (note 8)	319	16	335	415
	482	195	677	892

**Presbyterian Church of Wales**  
**Notes to the financial statements for the year ended 31 December 2020**

**8. Support costs**

	Ministers Benefits £'000	Allocation of Ecumenical Contributions £'000	College and Centre costs £'000	Total 2020 £'000	Total 2019 £'000
Salaries & wages	275	175	50	500	469
Travelling & subsistence	14	9	3	26	177
Utility costs	17	10	3	30	31
Property & general insurances	20	13	4	37	34
Printing & stationery	32	21	6	59	120
Postage & telephone	16	11	3	30	40
Repairs, maintenance & improvements	8	5	2	15	33
Leasing charges	13	9	2	24	18
Equipment & materials	14	9	3	26	38
Legal & professional charges	57	37	10	104	240
Audit fees	28	17	5	50	48
Depreciation	6	4	1	11	12
Advertising & publicity	1	-	-	1	6
Course fees	1	-	-	1	2
Bad debt charge	20	12	3	35	1
Publishing costs	4	3	1	8	1
	<b>526</b>	<b>335</b>	<b>96</b>	<b>957</b>	<b>1,270</b>

**Basis of allocation**

Support costs are allocated on the basis of the estimated percentage allocation of staff time spent on each charitable activity.

# Presbyterian Church of Wales

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

### 9. Pension costs

The Presbyterian Church of Wales (the Church) operates a defined benefit pension arrangement called the Presbyterian Church of Wales Pension Scheme (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Church must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective.

The most recent comprehensive actuarial valuation of the Scheme was carried out as at 31 December 2018 and the next valuation of the Scheme is due as at 31 December 2021. In the event that the valuation reveals a larger deficit than expected the Church may be required to increase contributions above those set out in the existing Schedule of Contributions. Conversely, if the position is better than expected, it is possible that contributions may be reduced.

The Scheme is managed by a board of Trustees appointed in part by the Church and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisors where appropriate.

There were no plan amendments, curtailments or settlements during the period.

### Assumptions

The principal actuarial assumptions used to calculate Scheme liabilities are:

	31 December 2020	31 December 2019
Discount rate	1.30%	2.00%
Inflation: RPI	3.20%	3.25%
Inflation: CPI	2.70%	2.40%
Pension increases in payment:		
Discretionary increase	0.00%	0.00%
CPI capped at 5.0% per annum	2.60%	2.30%
CPI capped at 2.5% per annum	2.00%	1.90%
Salary Increases	3.20%	2.90%
Retirements	All members retire at National Retirement Age (NRA)	
Post retirement mortality	2020 95% of the S2PA tables with the CMI_2017 projections using a long-term rate of improvement of 1.25% per annum. 2019 95% of the S2PA tables with the CMI_2015 projections using a long-term rate of improvement of 1.25% per annum.	
Commutation	80% of members are assumed to take of the maximum tax free cash possible	

The weighted average duration of the defined benefit obligation is around 16 years.

# Presbyterian Church of Wales

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

### Assets

The major categories of assets as a percentage of total assets are as follows:

	31 December 2020	31 December 2019
Equities	32%	33%
Other assets	4%	5%
Index-linked gilts	29%	28%
Corporate bonds	32%	32%
Cash	3%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The total value of assets as at 31 December 2020 was £31,657,000 (2019: £28,624,000).

The assets do not include any investment in the Church.

### Amounts Recognised in the Balance Sheet

	2020 £'000	2019 £'000
Fair value of plan assets	31,657	28,624
Present value of funded obligations	(28,236)	(23,903)
<b>Surplus</b>	<b>3,421</b>	<b>4,721</b>

### Amounts Recognised in the Summary of Financial Activities over the year

	2020 £'000	2019 £'000
Current service cost	573	448
Administrative costs	121	118
Interest on liabilities	469	606
Interest on assets	(568)	(697)
Past service cost	34	97
<b>Total</b>	<b>629</b>	<b>572</b>

### Remeasurements over the year

	2020 £'000	2019 £'000
Gain on scheme assets in excess of interest	(2,914)	(3,350)
Experience losses / (gains) on liabilities	-	(395)
(Losses) / gains from changes to demographic assumptions	-	(429)
(Losses) / gains from changes to financial assumptions	4,155	2,425
<b>Total</b>	<b>1,241</b>	<b>(1,749)</b>

# Presbyterian Church of Wales

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

### Reconciliation of assets and Defined Benefit Obligation

The change in assets over the year was:

	2020 £'000	2019 £'000
<b>Fair value of assets at the beginning of the year</b>	28,624	25,234
Interest on assets	568	697
Employer contributions	570	438
Contributions by Scheme participants	159	155
Benefits paid (net of expenses)	(1,057)	(1,132)
Administration costs	(121)	(118)
Return on plan assets less interest	2,914	3,350
<b>Fair value of assets at the end of the year</b>	<b>31,657</b>	<b>28,624</b>

Actual return on scheme assets £3,482,000 (2019: £4,047,000)

The change in defined benefit liabilities over the year was:

	2020 £'000	2019 £'000
<b>Defined benefit liabilities at the beginning of the year</b>	23,903	22,128
Current service cost	573	448
Contributions by Scheme participants	159	155
Past service cost	34	97
Interest cost	469	606
Benefits paid (net of expenses)	(1,057)	(1,132)
Experience (gain) / loss on liabilities	-	(395)
Changes to demographic assumptions	-	(429)
Changes to financial assumptions	4,155	2,425
<b>Defined benefit liabilities at the end of the year</b>	<b>28,236</b>	<b>23,903</b>

# Presbyterian Church of Wales

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

### 10. Tangible fixed assets

Group	Motor vehicles £'000	Land and buildings £'000	Computer equipment/ fixtures and fittings £'000	Property improvements £'000	Total £'000
<b>Cost/valuation</b>					
At 1 January 2020	13	219	514	1,384	2,130
Additions	-	-	12	-	12
At 31 December 2020	13	219	526	1,384	2,142
<b>Accumulated Depreciation</b>					
At 1 January 2020	13	8	365	995	1,381
Charge for the year	-	4	24	69	97
At 31 December 2020	13	12	389	1,064	1,478
<b>Net book value</b>					
<b>At 31 December 2020</b>	-	207	137	320	664
At 31 December 2019	-	211	149	389	749
<b>Charity</b>					
<b>Cost/valuation</b>					
At 1 January 2020	-	219	93	-	312
Transfer to investments	-	-	-	-	-
Disposals	-	-	-	-	-
Additions	-	-	-	-	-
At 31 December 2020	-	219	93	-	312
<b>Accumulated Depreciation</b>					
At 1 January 2020	-	8	70	-	78
Charge for the year	-	4	8	-	12
At 31 December 2020	-	12	78	-	90
<b>Net book value</b>					
<b>At 31 December 2020</b>	-	207	15	-	222
At 31 December 2019	-	211	23	-	234

### 11. Heritage Assets

The Group's Heritage assets are included at the insurance valuation as follows:

	2020 £'000	2019 £'000
31 December	223	223

There were no additions or disposals in 2020 or 2019 and the estimated increase in the value of the heritage assets of £nil (2019: £8,000) has been credited as an unrealised gain on valuation of Heritage Asset.

The Charity has a number of further heritage assets which include furniture, paintings, silverware and other objects of historical interest relating to the Church. The collection, located at various locations across Wales and beyond, includes artefacts dating back to the nineteenth century and forms a unique record of the history of the Church. At this date it has not been possible to value these assets.



# Presbyterian Church of Wales

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

### 12. Investments

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At 1 January	12,678	11,136	12,309	10,802
Transfer from fixed assets	-	273	-	273
Additions	1,252	1,085	1,209	1,054
Disposals	(1,252)	(909)	(1,209)	(878)
(Losses) / Gains on investments	(835)	1,093	(803)	1,058
<b>At 31 December</b>	<b>11,843</b>	<b>12,678</b>	<b>11,506</b>	<b>12,309</b>
 <b>Cost at 31 December</b>	 <b>9,709</b>	 <b>10,133</b>	 <b>9,379</b>	 <b>9,788</b>
 <i>UK Investments</i>				
Investment property	1,846	1,732	1,846	1,732
Unit trusts	1,286	1,369	1,242	1,323
Fixed interest securities	1,717	1,798	1,659	1,737
Equities	6,812	7,711	6,583	7,451
Cash	182	68	176	66
<b>Market value of investments</b>	<b>11,843</b>	<b>12,678</b>	<b>11,506</b>	<b>12,309</b>

The Charity has recognised realised gains on sales of investments of £nil (2019: £nil).

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

	2020	2019
Merian Investment Management UK mid cap	5.56%	-
Unilever Ordinary Shares	5.62%	5.09%
UK Government Fixed Interest 1.75%, 2022	5.65%	5.16%

Investment properties consist of 9 properties (2019: 9) throughout Wales. All are valued every 3 years and 7 were valued at market value during 2017, five properties by Prys Jones & Booth (Chartered Surveyors), Abergele and two by Seel & Co (Chartered Surveyors), Cardiff. One property was transferred from fixed assets in 2019 and was transferred at net book value and one property was purchased in 2019. Both properties added in 2019 were revalued at 31 December using the Nationwide property value index (Wales region). All properties were due to be valued in 2020 but due to Covid-19 restrictions the Executive Committee/Trustees Group deemed it impractical to do so, as such all properties will now be valued in 2021. Market values for intervening years are calculated using the Nationwide property value index (Wales region).

Eight properties are residential and one is a commercial property which was acquired in 2012 from a local church.

**Presbyterian Church of Wales**  
**Notes to the financial statements for the year ended 31 December 2020**

**13. Stocks**

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Goods for resale and consumables	6	6	-	-

**14. Debtors**

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Debtors less than one year:</b>				
Ministry and mission contributions	244	195	244	195
Loans and mortgages	123	108	123	108
Other debtors and prepayments	672	684	876	590
	<b>1,039</b>	<b>987</b>	<b>1,243</b>	<b>893</b>
<b>Debtors more than one year:</b>				
Loans and mortgages	1,025	1,118	1,025	1,118
	<b>2,064</b>	<b>2,105</b>	<b>2,268</b>	<b>2,011</b>

Loans and mortgages comprise car loans and mortgages relating to residential property which are made available to ministers and employees of the church.

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.

**15. Creditors:**

**Amounts falling due within one year**

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Creditors and accruals	227	358	263	515
Other liabilities	343	338	343	338
	<b>570</b>	<b>696</b>	<b>606</b>	<b>853</b>

**Amounts falling due after more than one year**

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Loan from the Properties Board of the Presbyterian Church of Wales	1,504	750	1,504	750
	<b>1,504</b>	<b>750</b>	<b>1,504</b>	<b>750</b>

# Presbyterian Church of Wales

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

### 16. Movement in Unrestricted Funds

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	(Losses) /gains £000	At 31 December 2020 £000
Unrestricted Funds	4,652	4,578	(4,540)	(183)	4,507
<b>Total Group and Charity</b>	<b>4,652</b>	<b>4,578</b>	<b>(4,540)</b>	<b>(183)</b>	<b>4,507</b>

### 17. Movement in Restricted Funds

	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Gains/ (losses) £000	At 31 December 2020 £000
Ministries Department	5,191	2,023	(2,353)	(464)	4,397
Robert Davies Trust	403	-	-	(32)	371
Historical Society	6	2	-	-	8
Christian Aid	1	-	-	-	1
Mission Programme Fund	19	89	(65)	-	43
Moderators Fund	24	-	(2)	-	22
Davies Lecture Trust	116	3	(8)	(6)	105
Sale of Theological College Fund	1,482	-	-	(118)	1,364
Sale of Chapels Fund	1,128	-	-	-	1,128
<b>Total Charity</b>	<b>8,370</b>	<b>2,117</b>	<b>(2,428)</b>	<b>(620)</b>	<b>7,439</b>
Coleg y Bala	192	165	(146)	-	211
Coleg Trefeca	344	152	(195)	-	301
Howell Harris Museum and Artefacts	223	-	-	-	223
Candidates and Training Department Fund	723	113	(97)	(32)	707
Welsh Calvinistic Methodist Assurance Trust	40	-	-	-	40
	<b>1,522</b>	<b>430</b>	<b>(438)</b>	<b>(32)</b>	<b>1,482</b>
<b>Total Group</b>	<b>9,892</b>	<b>2,547</b>	<b>(2,866)</b>	<b>(652)</b>	<b>8,921</b>

# Presbyterian Church of Wales

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

### 18. Analysis of Group Net Assets

	Tangible and heritage fixed assets £'000	Investments £'000	Other net assets / (liabilities) £'000	At 31 December 2020 £'000
<b>Unrestricted funds</b>	223	4,969	(685)	4,507
<b>Total</b>	<b>223</b>	<b>4,969</b>	<b>(685)</b>	<b>4,507</b>
<b>Restricted funds</b>				
Ministries Department	-	4,878	(481)	4,397
Robert Davies Trust	-	337	34	371
Historical Society	-	-	8	8
Christian Aid	-	-	1	1
Mission Programme Fund	-	-	43	43
Moderators Fund	-	-	22	22
Davies Lecture Trust	-	83	22	105
Sale of Theological College Fund	-	1,239	125	1,364
Sale of Chapels Fund	-	-	1,128	1,128
Coleg Y Bala	56	-	155	211
Coleg Trefeca	385	-	(84)	301
Howell Harris Museum	223	-	-	223
Candidates & Training Fund Charity	-	337	370	707
Welsh Calvinistic Methodist Assurance Trust	-	-	40	40
<b>Total</b>	<b>664</b>	<b>6,874</b>	<b>1,383</b>	<b>8,921</b>
<b>Total net assets (excluding pension asset)</b>	<b>887</b>	<b>11,843</b>	<b>698</b>	<b>13,428</b>

### 19. Funds held on behalf of others

The Properties Board is the custodian trustee of the Presbyterian Church of Wales. The Board administers funds on behalf of local churches, Presbyteries, the Association and other funds affiliated to the Presbyterian Church of Wales and these funds are not consolidated within these financial statements. The majority of funds are managed by Barclays Wealth and the total funds held are:

	2020 £'000	2019 £'000
Multi asset class investments	15,237	6,310
Higher yield bonds	1,095	1,095
Investment grade bonds	3,381	2,237
Cash and short maturity bonds	3,452	12,184
Debtor from Presbyterian Church of Wales	1,504	750
Cash held by Presbyterian Church of Wales	744	1,524
<b>Total funds</b>	<b>25,413</b>	<b>24,100</b>

The Church holds funds of £130,000 (2019: £130,000) on behalf of Coleg y Bala and this balance has been consolidated on the face of the balance sheet. The Church also holds £12,000 (2019: £12,000) on behalf of the Davies Lecture Trust and £31,000 (2019: £31,000) on behalf of the Welsh CM Assurance Trust.

# **Presbyterian Church of Wales**

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

### **20. Related Party Transactions**

In accordance with paragraph 33.1A of FRS 102, the Church has not needed to disclose related party transactions with the exemptions afforded group entities.

At the year-end no trustee (2019: none) of the Church had an outstanding mortgage from the Church. One trustee (2019: one) had an outstanding car loan from the Church with a value of £782 (2019: £2,512). Additionally, five members of senior staff of the Church (2019: five) had outstanding mortgages and car loans from the Church with an aggregate value of £188,638 at year end (2019: £195,608). Total interest of £5,410 (2019: £6,021) was payable in relation to these balances relating to trustees and senior staff during the year.

The Church provides accommodation for the General Secretary who is also a trustee of Coleg y Bala, Coleg Trefeca, and the Candidates and Training Department Fund. Job related accommodation is also provided for three other senior staff members, the manager at Coleg Trefeca, and the joint managers at Coleg y Bala.

Close relatives of three senior staff members are employed by or are ministers within the Church, of which six (2019: six) have outstanding mortgages and car loans with the Church with an aggregate value of £90,793 (2019: £102,640). Total interest of £2,698 (2019: £3,355) was payable in relation to these balances relating to close relatives of senior staff during the year.

No close relatives of Trustees have outstanding mortgages or car loans with the Church (2019: nil) with a value of £nil (2019: £nil). Total interest of £nil (2019: £nil) was payable in relation to those balance relating to a close relative of a Trustees during the year.

A close relative of a senior staff member undertook contracted building work in 2020 with a value of £2,840 (2019: £9,244).

# Presbyterian Church of Wales

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

### 21. Prior year analysis of unrestricted and restricted income and expenditure

	Unrestricted funds	Restricted funds	Total funds 2019
	£'000	£'000	£'000
<b>Income from generated funds:</b>			
Ministry and mission contributions	2,308	-	2,308
Donations	45	69	114
Legacies	2	-	2
Grants	4	19	23
Income from investments	184	292	476
<b>Income from charitable activities:</b>			
Colleges and centres	-	125	125
Other income	923	5	928
<b>Total</b>	<b>3,466</b>	<b>510</b>	<b>3,976</b>
<b>Expenditure on:</b>			
Charitable activities:			
<i>Ministers benefits</i>	1,419	2,222	3,641
<i>Ecumenical and PCW contributions</i>	536	356	892
<i>Colleges and centres costs</i>	107	422	529
	2,062	3,000	5,062
Other	20	8	28
<b>Total</b>	<b>2,082</b>	<b>3,008</b>	<b>5,090</b>
<b>Net income / (expenditure)</b>	<b>1,384</b>	<b>(2,498)</b>	<b>(1,114)</b>
Net gains on investments	352	741	1,093
<b>Net income / (expenditure)</b>	<b>1,736</b>	<b>(1,757)</b>	<b>(21)</b>
Transfers between funds	(2,055)	2,055	-
Other recognised gains / (losses):			
<i>Loss on disposal of fixed assets</i>	(1)	-	(1)
<i>Valuation of heritage assets</i>	-	8	8
<i>Actuarial gain on defined pension scheme</i>	1,749	-	1,749
<b>Net movement on funds</b>	<b>1,429</b>	<b>306</b>	<b>1,735</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	7,944	9,586	17,530
<b>Total funds carried forward</b>	<b>9,373</b>	<b>9,892</b>	<b>19,265</b>