

CHARITY NUMBER 1135927

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
FOR
MINISTRY AREA PENYBONT AR OGWR**

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MINISTRY AREA PENYBONT AR OGWR

Accounts 2022

CHARITY INFORMATION

Charity Name	Ministry Area, Penybont Ar Ogwr
Registered Charity Number	1135927
Principal Address	St Marys Church Hall Merthyr Mawr Road North Nolton Bridgend CF31 3NH
Contact Details	01656 667690

Charity Trustees

Rev M Thorne
Rev C Robinson (resigned 6 September 2022)
Rev R Pitman (appointed 1 September 2023)

G Coles
P Coulson
S Davidson
A Dowlman
A Dix
I Hartley – Brown
P Smith

M David (appointed 3 February 2022)
R Gauci (appointed 3 February 2022)
H Harrison (appointed 3 February 2022)
P Williams (appointed 3 February 2022)
S Buckley (appointed 30 April 2023)
H Evans (resigned 3 February 2022 re-appointed 30 April 2023)
S Jones (appointed 8 May 2023)
V Turner (appointed 8 May 2023)
J Dowlman (resigned 3 February 2022, co-opted 6 April 2022 and re-appointed formally 20 June 2023)

F Custerson (resigned 3 February 2022)
G Daniel (resigned 3 February 2022)
R Dowlman (resigned 3 February 2022)
A Elward (resigned 3 February 2022)
A Frew (resigned 3 February 2022)
C Merkins (resigned 3 February 2022)
N Omidvar (resigned 3 February 2022)
Dr S Rogers (resigned 3 February 2022)
M Short (resigned 3 February 2022)
A Williams (resigned 3 February 2022)
S Arnott (resigned 1 March 2022)

J Fenney (appointed 3 February 2022, resigned 30 April 2022)
G Carter (appointed 3 February 2022, resigned 6 December 2022)
P Craven (appointed 3 February 2022, resigned 16 May 2023)
I Hibble (appointed 3 February 2023, resigned 16 May 2023)
C Judd (resigned 16 May 23)

TRUSTEE'S REPORT

The trustees have pleasure in presenting their report and financial statements for the Charity for the year ending 31 December 2022.

Objectives and Activities

The objectives of the Charity are achieved by promoting throughout the Ministry Area the whole mission of the Church, pastoral, evangelistic, social and ecumenical – within our parish. This includes the following:

- Conducting regular Christian worship including the Holy Eucharist, marriages, funerals and baptisms;
- The provision and maintenance of the fabric of the churches, churchyards and associated buildings for which we are responsible;
- The maintenance of Christian burial places;
- Promoting the study of Christian teaching, practices and Scripture;
- The provision of means and encouragement to promote fellowship within the membership of the churches and the wider community;
- Pastoral care and visiting the sick & dying;
- Fostering ecumenical links between differing Christian denominations;
- Supporting the work of other charities.

In preparing this report, the Ministry Area Council have considered the guidance issued by the Charity Commission on public benefit. In each decision made, we have sought to weigh up the benefit and/or detriment both for those who join us for public worship within our congregations and those resident in our communities. The Ministry Area Council believes that Church's activities detailed above are the main activities undertaken to meet the charity's public benefit objectives and to achieve its overall aim of promoting the Ministry Area and whole mission of the church.

The Ministry Area measures its success based on the level of activities – both religious and social – that it undertakes throughout the year. The Trustees believe that 2022 was a successful year, with a number of activities being undertaken both internally and joining with the community, for example local schools. The Area is seeking to expand on this in future periods.

Monies are raised by freewill offertory, fundraising activities and specific appeals. These are used to support the work and administration of the churches and wider mission. Both the Ministry Area, and its constituent local churches, continue to actively increase attendance and develop mission work in the community. Many of those involved in the main functions of the churches are volunteers.

The Ministry Area is grateful to all of those who freely give of their time on a voluntary basis. The majority of functions performed within the Area, including serving on the Area Council, are performed on a voluntary basis. These include various administrative functions, but also keeping the Church in a clean and serviceable state including limited maintenance, helping at services and organising events both religious and social around the service calendar. Without the significant numbers of individuals from each church giving their time the activities of the Area would be severely restricted.

TRUSTEE'S REPORT (continued)**Achievements and Performance**

It seems unbelievable that we've had over a year of being a Ministry Area and much water has flowed under the bridge since we were brought formally into being. Our mixed feelings regarding the new order of things have more or less been accepted and handled in as best a way as has seemed appropriate and those on the MAC remain open to being asked any questions that may still need answering.

Looking back at the report for last year, the new Ministry Area structure was mentioned. For any of you who are still in any doubt, at the September 2010 meeting of the Governing Body of the Church in Wales concluded that she 'cannot go on doing the same things in the same way; some things need to change and we are open to – and indeed encourage – that possibility'. This led to the former Bishop of Oxford, Richard Harris being asked to lead a review group with the aim of gathering and assimilating information about the state of the Church, then provide independent advice on how the Church might reshape itself to be more effective in the 21st Century. The old saying, 'If you always do what you've always done, then you'll always get what you've always got.' Unfortunately, this has meant decline in both church attendance and in vocations to the priesthood. We have to keep reminding ourselves of this if we ever catch ourselves being nostalgic. No one would have thought that we would be finding ourselves in our current predicament of having no curate, no assistant priest, no colleague in the West End and the rector having to manage our 8 churches in the only way possible and it has been a matter of facing the inevitable, only doing what has had to be done and trying to be as positive as possible. The subsequent reduction in services is not at all ideal. To add to the complication, the huge rise in the cost of fuel has meant that the churches have had to cut their cloth to fit. The recent wonderful news that a new member of clergy has joined the ministry in particular, is going to be a great help.

In spite of so many difficulties, there are green shoots to note and a sense of unity across the MA developing. The cost of living crisis has brought us together to support the local Food Bank and we thank all of you who have given generously to help families who are truly in need in this way. The Warm Spaces initiative has been embraced by All Saints, Penyfai, and around 30 people have enjoyed the warmth, hospitality and renewed fellowship the local volunteers are offering. Furthermore, by not heating all of the churches all of the time, local congregations have taken the initiative and organised their own preferred ways of having lay-led services. Merthyr Mawr continues in its ministry to visitors, helped enormously by the addition of a kitchenette at the back of the church. The frustration of not having a toilet in the church continues and we have to hope that a creative solution to the problem will emerge which the Diocesan Advisory Committee will approve without question. Forest Church, although not huge in number, has been attracting people from around the MA now and friendships are being made as we enjoy and appreciate the glories of God's Creation all around us in this especially attractive part of the country. Our MA eco lead has been working with churches to bring them to bronze eco church status.

St Mary's, Brackla, have been helped in their mission by the diocesan mission enablers. One result has been a very successful Christmas Experience which was enthusiastically embraced by the school and parents. Following this, the school launched their own Lent Experience and have also enjoyed the Easter Experience. Open The Book has resumed in the school and this, coupled with a refreshed school Eucharist has been welcomed and enjoyed. By offering simple vignettes of Bible stories, the children learn and retain the gospel message and it's extremely affirming for the team to know that such small measures can have a profound and lasting effect. Penyfai has its own OTB group which ministers to a school in Aberkenfig. It perhaps should go without saying that we need more volunteers!

After all the catch-up baptisms and weddings of last year, things are a little calmer this year, but none-the-less are in reasonably good shape. Very sadly, over the year, we've lost significant members from several congregations who will be keenly missed and leave gaping holes in our communities. Practically, this means that all of us need to reimagine what we can do to help regarding the mission of our individual churches. It would be all too easy to just sit back and think how beautiful our own church is and what a shame that so few people attend. We really do have to remember that no church should be a museum piece and without a clear identity and missional focus, that's what they'll become. The trustees are very glad that the local committees are taking on more responsibility in realising the Diocesan vision and hope that as a Ministry Area, we can all support each other in whatever ways we can.

TRUSTEE'S REPORT (continued)

We are immensely grateful for all the extra help from the Diocesan office and retired clergy and of course to our Lay Ministers. Thanks as well must be given to the outgoing PPC's from the individual churches from 2021 for all their patience, understanding and hard work. Even for those who aren't part of the MAC, thank you for serving this Ministry Area by giving of your time, skills and considerable experience and of course, thank you to those others, not here today, who have served so faithfully over the years.

We look forward to seeing our congregations and the whole of the Ministry Area grow in faith, fellowship and number, and we look forward to seeing your ministries go from strength to strength.

Financial Review

The finances of the Ministry Area have slowly been centralised over the course of the year. A central accounting function has been implemented, combined with individual church Treasurers who control, account for and report on their church's finance using a central accounting package designed for churches. A central bank account has been opened and slowly each of the individual church bank accounts have been transferred to allow the sharing of resources, while still enabling the individual churches to identify and monitor their own elements via the accounting system.

As work of combining the original parish records has been undertaken during the year, investigations have been undertaken to clarify the position of various assets, particularly properties, and the original source of funds particularly some of the older restricted funds. This work is not yet complete and the notes to the accounts explain some of the outstanding areas. This may lead to adjustments to the accounts when the investigations are complete in future years.

The day-to-day finances are administered by the MAC, MA Treasurer and local Church Treasurers as agreed and directed by the MAC. As the MAC developed it became clear that for efficient governance there was a need for a Finance and Policy sub-committees to be set up. These have been formed in 2023.

During the year the charity had a total income from activities of £355,503 plus extra-ordinary income of £615,820. The extraordinary income relates to the net assets of the individual parishes that combined into the Parish of Coity, Nolton and Brackla to become the Ministry Area as at the 1 January 2022. This extra-ordinary income is restricted for the use of the individual churches for which it first arose. This is one-off adjustment and will not re-occur. The £355,503 is split between restricted income of £94,512 and unrestricted income of £260,991. The majority of the restricted income relates to one-off grants to repair the fabric of individual churches. Therefore, the unrestricted income which forms the benchmark for future income for the Ministry Area to be measured against is £260,991.

In the year, the charity had total expenses of £490,017. Of the expenditure £249,843 was unrestricted and £240,864 was restricted. Within the restricted spend was one off expenditure of approximately £135,000 relating to major repairs of various churches. Excluding these one-off items the recurring spend was approximately £355,000 against potentially recurring income of £260,000 – a significant deficit. This shortfall has been made up by utilising brought forward cash reserves.

The major recurring expense in the year is the parish share paid to the Diocese. This totalled approximately £150,000 in the year before the one-off rebate. Of this amount approximately £84,000 was classed as restricted as it applied to the newly combined parishes and therefore some of the specific brought forward reserves of each of the individual churches. It is intended to continue using these reserves of the individual churches to pay the parish share and other parish related expenses in future years.

The charity suffered a loss on its overall investments of £130,475. The majority of the investments are held in shares in the Common Investment Fund administered by the Representative Body of the Church in Wales. The value of the shares in the Fund fluctuate with time. The Representative Body follows the Church of Wales ethical guidance on ethical investments prohibiting investments for example in armaments, predatory lending activities, gambling and alcohol and seeks to promote good levels of environmental, social governance responsibility. The investments are held to provide some income to the parishes and to provide funds where necessary for in particular capital projects in line with the original donations.

TRUSTEE'S REPORT (continued)

The net assets of the charity at the year end totalled £2,307,204. However, of these assets are restricted - £1,157,307. Within the unrestricted assets £447,500 relates to investment property, £100,000 relate to Church Halls and £481,251 is held in investments leaving approximately only £120,000 in unrestricted cash. While there is also approximately £138,000 of cash in funds restricted for use in the general running of some specific churches, the Trustees recognise that there is a potential on-going issue in ensuring that sufficient incoming resources are obtained to the cover expenditure in order to minimise the requirement to realise investments.

Reserves Policy

Although the charity has £2,307,204 of total funds, a large proportion are restricted and also tied up in investments. At the year end the charity therefore held approximately only £120,000 in cash which was freely available to meet on-going expenses, together with £84,000 available for specific churches compared to ongoing recurring costs of around £300,000 excluding large maintenance projects – approximately 4 months of available reserves. While there is on-going income, the charity intends to develop plans to hold sufficient cash reserves at any point in time to cover at least 6 months of recurring expenditure.

The charity is therefore seeking to improve its position as summarised below.

Plans For Future Periods

The Trustees recognise the need to improve the charity's on-going cash position.

The charity has recently put the Port Talbot property up for resale as the property has not generated significant income. However, the Trustees are aware that this may not improve the unrestricted cash position of the charity as the original funds used to purchase the property may entail restrictions and further investigation is on-going.

The Trustees recognise the difficulties of raising funds in a general atmosphere of declining Church attendance throughout the country, together with reduced number of available clergy to celebrate services. The Charity is developing plans to set up key targets for the future including average number of persons attending services, and average giving per member of congregation.

The Trustees are also however seeking to:

- improve giving, particularly regular giving which will also assist with gift aid reclaims. The Trustees recognise that declining church attendance over a number of years has reduced incoming funds and they are seeking to address this both by seeking to increase attendance, and also by encouraging the congregation to contribute more per individual where their personal resources together with more fundraising events
- reduce expenditure. A review of expenditure is being undertaken to centralise expenditure where appropriate particularly to determine whether any savings can be achieved from canal contracts.

TRUSTEE'S REPORT (continued)**Structure, Governance and Management**

The Ministry Area is a charity registered with the Charities Commission. The Area is an amalgamation of local churches as part of the Diocese of Llandaff, part of the Anglican Province of the Church in Wales set up under the Welsh Churches Act 1914. The Churches are governed in accordance with the Constitution of the Church in Wales.

On 1 January 2022, the Parish of Nolton, Coity and Brackla were combined with the neighbouring parishes of All, Saints, Penyfai, St Crailos, Coychurch, St Davids, Laleston, St Iltyds Newcastle and St Teilos Merthyr Mawr to form a new Ministry Area under the charity registration of the Parish of Nolton, Coity and Brackla.

The Representative Body of the Church in Wales holds the land and property of the Church in Wales. They are an exempt charity set up under section 13(2) of the Welsh Churches Act. They act on behalf of the province in paying stipends and administering various aspects of central administration such as central investments.

The Ministry Area Council acts as both Parish Church Council and charity Trustees for the entire Ministry Area. It is not a body Corporate, so its composition, procedures and powers are regulated by the Constitution of the Church in Wales.

The Ministry Area Council is responsible for ensuring that reviews of all major risks are conducted and that wherever possible systems have been established to mitigate risks. The risks facing the charity include the state of repair of the churches, graveyards and church halls. The Council is responsible for ensuring that there are sufficient resources, including financial resources to achieve the Area's objectives.

The Ministry Area has identified safeguarding as a risk and has therefore adopted the Church in Wales safeguarding policy and has undertaken a number of training sessions.

Apart from The Ministry Area Leader, Lay Chair and Clergy, Trustees appointed on a voluntary basis to the Ministry Area Committee (MAC) with no time deadline set. Lay Chair is a selected position and has a term of service being 3 years.

The Trustees are appointed annually at the Annual Vestry Meeting or co-opted depending in their individual expertise.

The Ministry Area Council will be reviewing the training, including safeguarding training, facilities given to Trustees over the coming months to ensure that all members have sufficient support to fulfil their responsibilities.

The Trustees have appointed various sub-committees to handle different aspects of the charity administration. A finance sub-committee advises on finance matters, including the level of salary and remuneration for staff which is benchmarked externally for similar roles with minimum of the living wage being used.

The day-to-day management of the Area is undertaken by the Clergy Team led by Rev Maggie Thorne. The day-to-day administration is assisted by a Treasurer, who is employed by the Area and is not a Trustee, together with a number of salaried staff

MINISTRY AREA PENYBONT AR OGWR

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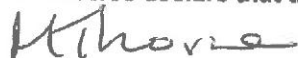
STATEMENT OF MINISTRY AREA COUNCIL RESPONSIBILITIES

The Charities Act requires the Council to prepare a statement of accounts for each financial year which comply with the regulations made under the Act.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and contain entries showing from day to day all monies received, and monies expended by the charity and the matters in respect of which those transactions took place and also contain a record of the assets and liabilities of the charity. The law also sets out the responsibilities for the preparation and content of the Annual Report.

The Council is also responsible for safeguarding the assets of the charity and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees declare that they have approved the trustees' report above



Signed on behalf of the charity's trustees

Date

24/10/23

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PENYBONT AR OGWR MINISTRY AREA

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2022 which are set out on pages 11 to 27.

Respective responsibilities of trustees and examiner

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). The charity's trustees consider that an audit is not required for this year under section 144 of the Act and that an independent examination is needed

I report in respect of my examination of the charity's accounts, and it is my responsibility to:

1. examine the accounts under section 145 of the Act,
2. follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Act, and
3. to state whether particular matters have come to my attention.

Independent examiner's statement

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view, and the report is limited to those matters set out in the statement below.

Since your charity's gross income exceeded £250,000, including extraordinary income, your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect except as detailed below:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

MINISTRY AREA PENYBONT AR OGWR

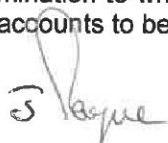
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INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF THE PENYBONT AR OGWR MINISTRY AREA (continued)

The Ministry Area was set up via a combination of the existing Parish of Nolton, Coity and Brackla with the inclusion of a number of parishes of the Church in Wales in the local area. In doing so there are a number of historical financial records that needed clarifying and some of these are in the process of being investigated further. These include:

- the title and valuation of various properties to clarify the ownership and amounts to be included in the accounts as detailed in the fixed asset notes to the accounts.
- exact restrictions on a number of restricted funds within the Ministry Area as summarised in the reserves note to the accounts.

Except as noted above I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



INDEPENDENT EXAMINER

Date: 24/10/2023

JE Payne ACA
ICAEW
Graham Paul Limited
Court House
Court Rd
Bridgend
CF31 1BE

**Statement of Financial Activities
for the year ended 31 December 2022**

		2022	2022	2022	2021	2021	2021
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
		Funds	Funds		Funds	Funds	
		(adjusted)	(adjusted)		(adjusted)	(adjusted)	
		£	£	£	£	£	£
INCOMING RESOURCES	Note 1						
Income and endowments from:							
Donations, legacies and grants		130,771	63,716	194,487	48,421	-	48,421
Charitable activities		64,952	27,922	92,874	30,824	-	30,824
Investments		49,156	1,766	50,922	47,175	-	47,175
Other income		16,112	1,108	17,220	9,281	-	9,281
Total income		260,991	94,512	355,503	135,701	-	135,701
RESOURCES EXPENDED	2						
Expenditure on:							
Charitable activities		(239,514)	(240,284)	(479,798)	(139,336)	(2,060)	(141,396)
Other expenditure		(10,309)	-	(10,309)	(3,061)	(750)	(3,811)
Total expenditure		(249,823)	(240,284)	(490,107)	(142,397)	(2,810)	(145,207)
Net income before investment gains/(losses)		11,168	(145,772)	(134,604)	(6,696)	(2,810)	(9,506)
Net gains/(losses) on investments:							
(Losses)/gains on revaluation of investments	11	(53,056)	(77,419)	(130,475)	90,426	53,834	144,260
Investment income re-invested		9,006	-	9,006	-	16,209	16,209
(Losses) on disposal of investments		-	(147)	(147)	-	-	-
Net (expense)/income before extraordinary items		(32,882)	(223,338)	(256,220)	83,730	67,233	150,963
Extraordinary income	1	-	615,820	615,820	-	-	-
NET INCOME AND MOVEMENT IN FUNDS		(32,882)	392,482	359,600	83,730	67,233	150,963
Funds brought forward		1,223,769	723,655	1,947,424	1,100,039	696,422	1,796,461
Transfer between funds		(40,900)	40,900	-	40,000	(40,000)	-
Funds carried forward		1,149,987	1,157,037	2,307,024	1,223,769	723,655	1,947,424

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Balance Sheet as at 31 December 2022

		2022	2022	2022	2021	2021	2021
		Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	Note	£	£	£	(adjusted) £	(adjusted) £	(adjusted) £
Fixed Assets							
Investment Properties	10	447,500	116,177	563,677	447,500	-	447,500
Tangible fixed assets	8	100,000	27,001	127,001	100,000	-	100,000
Investments	11	481,251	676,511	1,157,762	575,302	475,112	1,050,414
Total fixed assets		1,028,751	819,689	1,821,440	1,122,802	475,112	1,597,914
Current assets							
Cash at bank and in hand		120,010	337,348	457,358	102,107	248,543	350,650
Debtors	12	9,625	-	9,625	-	-	-
Creditors: amounts falling due within one year:	13	(8,399)	-	(8,399)	(1,140)	-	(1,140)
Net Current Assets		121,236	337,348	458,580	100,967	248,543	349,510
Net assets		1,149,987	1,157,037	2,307,024	1,223,769	723,655	1,947,424
Brought forward		1,223,769	723,655	1,947,424	1,100,039	696,432	1,796,471
Transfers (Deficit)/Surplus for the year		(40,900)	40,900	-	40,000	(40,000)	-
Carried Forward	14	1,149,987	1,157,037	2,307,024	1,223,769	723,655	1,947,424
Restricted Funds are split between							
Endowment			455,954			453,978	
Other			701,353			269,677	
			<u>1,157,037</u>			<u>723,655</u>	

These financial statements were approved by the
Ministry Area Council on

24/10/23

Signed on their behalf by

A. Hone

Statement of Cashflows

For the year ended 31 December 2022

	2022	2022	2022	2021	2021	2021
	Unrestricted Funds	Restricted Funds	Total	Unrestricted Funds	Restricted Funds	Total
	£	£	£	£	£	£
Net cash generated from operations *	8,916	(153,639)	(144,723)	24,705	(42,810)	(18,105)
Investing activities						
Cash derived from merger	-	307,243	307,243	-	-	-
Dividends received	8,329	327	8,656	8,675	-	8,675
Interest received	658	1,439	2,097	-	-	-
Investment Property additions	-	(116,177)	(116,177)	-	-	-
Proceeds on disposal of investments	-	49,612	49,612	-	-	-
Net cash used in investing activities	8,987	242,444	251,431	8,675	-	8,675
Net increase in cash and cash equivalents	17,903	88,805	106,708	33,380	(42,810)	(9,430)
Cash and cash equivalents at beginning of year	102,107	248,543	350,650	68,727	291,353	360,080
Cash equivalent at end of year	120,010	337,348	457,358	102,107	248,543	350,650
Net income before investment gains/(loss)	11,168	(145,772)	(134,604)	(6,696)	(2,810)	(9,506)
Transfers	9,101	(9,101)	-	40,000	(40,000)	-
Depreciation	-	3,000	3,000	-	-	-
Investment income	(8,987)	(1,766)	(10,753)	(8,675)	-	(8,675)
Movement on debtors/creditors	(2,366)	-	(2,366)	76	-	76
*Net cash generated from operations	8,916	(153,639)	(144,723)	24,705	(42,810)	(18,105)

STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historic cost convention as modified by the revaluation of investments to fair value in accordance with the Charities Act 2011, the Church Accounting Regulations 2006 and the Statement of Recommended Practice (SORP): 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'

As a charity, the church is a Public Benefit Entity (PBE) within the meaning of FRS102.

The accounts presentation is in line with the requirements of the Annual Financial Return to Llandaff Diocesan Board of Finance. Some of these differ from the format and disclosure requirements of the SORP (FRS102) because, in the opinion of the PCC, the format adopted best represents the activities of the church.

The Ministry Area is a multi-church parish which comprised, at the beginning of 2022, the three churches of St Marys, Coity, Nolton and Brackla. On 1st January 2022, five additional churches – All Saints Penyfai, St Crallos, Coychurch, St Davids Laleston, St Iltyds Newcastle and St Teilos Merthyr Mawr, were also added to the charity which was renamed the Ministry Area.

The key accounting estimates used in the preparation of the accounts are:

- the estimated useful life of fixed assets
- recoverability of debts.

The accounts are prepared on a going concern basis on the grounds that the charity will be able to continue its operations for at least 12 months from the date of approval of the accounts and the trustees confirm that no material uncertainties relating to this position exist.

The presentation currency of the financial statements is the Pound Sterling (£).

Accruals accounting

All income is credited gross on the date on which it is received, or when it becomes due and can be reasonably estimated. All expenditure is fully accrued based on the date that the liability has arisen.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees in furtherance of the general objectives of the charity. Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for a particular specific purpose. Endowment funds are investments where capital is maintained, and income can be used in the parishes for the purposes specified by the original donors.

Investment Properties

Investment properties are originally included in the financial statements at cost including incidental costs such as professional fees. Investment properties are then revalued periodically to market value with gains and losses credited or charged to a revaluation reserve, classified as restricted or unrestricted according to the original nature of the funds used to acquire the property.

Church Land and Buildings

The land upon which all together with the contents of the churches, most of the Area church halls and the parsonages, are vested in the Representative Body of the Church in Wales. As these, nor their contents, are vested in the Ministry Area they do not appear in the accounts of the Ministry Area.

The Ministry Area pays for all maintenance expenses of the church halls, along with the maintenance of individual churches within the Area. Significant improvements for any buildings which are not consecrated, such as church halls, are capitalised as part of fixed assets. Cost includes original purchase price plus any costs directly attributable to making the asset capable of operating as and where intended.

STATEMENT OF ACCOUNTING POLICIES (Continued)

Tangible fixed assets

Tangible fixed assets are capitalised if they can be used for more than one year and are stated at cost less accumulated depreciation. Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes original purchase price plus any costs directly attributable to making the asset capable of operating as and where intended.

Depreciation is provided at rates, in order to write off the cost, less estimated residual value, of each asset on a systematic basis over its estimated useful life. Depreciation is provided on:

- equipment at the annual rate of 15% and 25% reducing balance in order to write off each asset over its estimated useful life.
- leasehold improvements over 10 years from the date of the improvements completed.

Investment assets

Fixed asset investments in The Representative Body of the Church in Wales Common Investment Fund or other Charity Investment Vehicles are valued initially at original purchase cost and subsequently at their market value at the year end with any gains or losses going through the SOFA.

Amounts held at recognised UK banks are classified as cash at bank and in hand.

Debtors and creditors receivable/payable within one year

Debtors and creditors are recognised and measured at cost with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Cash

Cash consists of monies held in Banks by each of the Churches together with the Area plus, cash in hand at each of the individual churches plus funds held by the Representative Body in bank account.

STATEMENT OF ACCOUNTING POLICIES (Continued)

INCOME

Income is recognised in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, it's more likely than not that the trustees will receive the resources and the monetary value can be measured with sufficient reliability.

The following specifies the policies applied and the main types of income that are included within the particular categories of incoming resources:

Collection

The Ministry Area received its main income from the Direct Giving of its Parishioners and there are three main categories of this direct income:

- Gift Aided envelope which is remitted either by the use of a specially designed red envelope at a Church Service offertory collection, by direct payment to the Benefice Covenant Secretary or credited direct by bank transfer to the Benefice Covenant Bank Account.
- Casual Gift Aided contributions which are enclosed in the newly designed envelopes, which are signed and handed in at a Church Service offertory collection.
- Cash - offertory collections at a Church Service.

Grants and donations

Grants and donations are only included in the SOFA when the general income recognition criteria are met on a performance basis.

Legacies

Legacies are included in the SOFA when the receipt is probable, that is, when there has been grant of probate, the executors have established there are sufficient assets in the estate and any conditions attached to the legacy are either within the control of the charity or have been met.

Tax reclaims on donations, gifts and legacies

Gift aid receivable is included in income where there is a valid declaration from the donor and is recognised when the claim is successfully received. Any Gift Aid amount recovered is considered to be part of the original donation and as an addition to the same fund as the initial donation unless the donor or the terms of the appeal have specified otherwise.

Income from interest and dividends

The benefice has two main sources of investment income and is included in the accounts when receipt is probable, and the amount received can be measured reliably:

- Surplus cash resources are invested in Bank Deposits
- Trust Fund capital is invested in the Common Investment Fund, which is a Managed Fund under the control of the Representative Body of the Church in Wales. This is an income producing account with a Capital growth potential. The Benefice Churches involved received a quarterly income payment from the Representative Body.

Investment gains and losses

This includes any realised or unrealised gains or losses on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

Volunteer help

The value of any voluntary help is not included in the accounts but is described in the trustee's annual report.

STATEMENT OF ACCOUNTING POLICIES (Continued)

EXPENDITURE

Expenditure is accounted for on an accruals basis inclusive of VAT which is not recoverable as the organisation is not VAT registered.

Liabilities are recognised where it is more likely than not that there is a legal or constructive obligation committing the charity to pay out resources and the amount can be measured with reasonable certainty. The charity has creditors which are measured at the amounts due in settlement.

TAX

The charity is exempt from corporation tax.

MINISTRY AREA PENYBONT AR OGWR

NOTES TO THE ACCOUNTS

Accounts 2022

1 INCOME

	Unrestricted Funds £	Restricted Funds £	2022 Total £	Unrestricted Funds £	Restricted Funds £	2021 Total £
Donations and Legacies						
Planned Giving	83,420	325	83,745	32,687	-	32,687
Loose Collections	12,043	-	12,043	5,830	-	5,830
Tax Refunds (Gift Aid)	18,457	-	18,457	3,075	-	3,075
Donations	16,031	1,051	17,082	6,829	-	6,829
Legacies		118	118	-	-	-
Grants	820	62,222	63,042	-	-	-
	130,771	63,716	194,487	48,421	-	48,421
Charitable Activities						
Fees - Baptisms, Funerals and Weddings	13,781	5,337	19,118	5,729	-	5,729
- Hall hire	45,714	-	45,714	25,095	-	25,095
- Money Raising Events	5,457	22,585	28,042	-	-	-
	64,952	27,922	92,874	30,824	-	30,824
Income From Investments						
Investment Property Income	40,169	-	40,169	38,500	-	38,500
Fixed Asset Investment Income	8,329	327	8,656	8,675	-	8,675
Deposit Account Interest	658	1,439	2,097	-	-	-
	49,156	1,766	50,922	47,175	-	47,175
Other Income						
Other Incoming Resources	3,845	1,108	4,953	2,998	-	2,988
Covid related grant from Diocese	12,267	-	12,267	-	-	-
Covid related Government Grant	-	-	-	6,283	-	6,283
	16,112	1,108	17,220	9,271	-	9,271
Extraordinary Income						
Merger of Parishes	-	615,820	615,820	-	-	-
	-	615,820	615,820	-	-	-

Extraordinary Income

Extraordinary income relates to the integration of a number of parishes into the charity. The existing Parishes were joined on 1 January 2022 by the churches of All Saints Penyfai, St Crallos Coychurch, St Davids Laleston, St Iltyds Newcastle and St Teilos Merthyr Mawr. At 1 January 2022 the net funds in each of the parishes were transferred as restricted funds to the combined Ministry Area. These opening funds are then being applied, either in line with individual restrictions from the original donor, or for use in the general expenditure of the specific church, including contributions to the parish share.

The transfers were:

	£
All Saints, Penyfai	187,597
St Crallos, Coychurch	61,524
St Davids, Laleston	72,202
St Iltyds, Newcastle	138,504
St Teilos, Merthyr Mawr	155,993
	615,820

2 EXPENDITURE

	Unrestricted Funds £	Restricted Funds £	2022 Total £	Unrestricted Funds £	Restricted Funds £	2021 Total £
Charitable Activities Expenditure						
Support for Ministry including parish share	84,366	81,045	165,411	89,698	-	89,698
Ministry Area parish share rebate	(12,939)	-	(12,939)	(40,319)	-	(40,319)
Maintenance of Services	5,859	-	5,859	-	2,060	2,060
General Parish Expenses	75,939	883	76,822	39,142	-	39,142
Maintenance of Churches	44,029	3,199	47,228	20,897	-	20,897
Maintenance of Property	36,937	152,157	189,094	29,918	-	29,918
Mission (Donations)	2,323	3,000	5,323	-	-	-
Depreciation	3,000	-	3,000	-	-	-
	239,514	240,284	479,798	139,336	2,060	141,396
Other Expenditure						
Legal and Professional	10,309	-	10,309	3,061	750	3,811

3 MAINTENANCE OF MINISTRY AND RELATED PARTY TRANSACTIONS

To fund the provision of Ministry, the Ministry pays a "Parish Share" to the Diocese. This Parish Share was split and allocated between each church as agreed within the Area.

The total charge for Parish Share for the Area was £154,491 (2021 - £84,944).

During the year the area received a rebate for the parish share from the diocese of £12,939 (2021 - £40,319).

The total amount outstanding from the area to the diocese at the year end was £Nil (2021 Nil).

4 MISSION

The Ministry Area recognises that an important part of its Christian Stewardship is to financially support the work of Church Missions, Christian Charities, Social and Emergency appeals. The amounts paid out for mission and charity donations in the year totalled £5,323.

5 LEGAL AND PROFESSIONAL

Amounts included in the accounts due to Independent Examiners, including VAT, for:

Independent Examination	£3,600	(2021 – £3,061)
Accounting	£3,600	(2021 – £Nil).

6 CLERICS AND TRUSTEES TRANSACTIONS

The Ministry Area pays the cost of all expenses incurred by the Church in Wales Clerics and Church Wardens in the performance of their Parish duties. The amounts paid to Clerics were £7,809 (2021 - £4,704), including £525 of baptism, funeral and wedding fees and £508 for re-imbursement of water rates, electricity and gas to 5 individuals. Comparative figures are not available. No amounts were paid to vergers in the period. The amounts paid to vergers totalled £Nil (2021 - Nil).

Other trustees received expenses totalling £Nil (2021 - £Nil) for reimbursement of expenses incurred relating to the general running and administrative costs of the charity.

Other than detailed above, the Area does not pay any remuneration to the Church in Wales Clerics. The clergy team, including the Dean, are remunerated by the Llandaff Diocesan Board of Finance. No payments were made to other Trustees for remuneration.

Some trustees give anonymously to the charity via the weekly church collections. Specific donations from trustees with conditions attached totalled £1,000 (2021 - £Nil) which are included in the restricted fund income for use in the maintenance and renovation of church buildings.

7 WAGES AND SALARIES

During the year the area employed 4 (2021 – 3) part time employees at a total cost of £42,635 (2021- £28,270). The total cost included £1,862 of employer's national insurance costs and £326 of employer's contributions to personal pension schemes. The is estimated equivalent 2 full time employees (2021 - 2).

A trustee resigned in the period to accept a paid role within the Ministry Area, and their costs are included above.

No employees earned over £60,000 (2021 - Nil).

8 OTHER INCOME AND EXPENDITURE

Income includes government grants of:

	2022	2021
	£	£
Central government grants	-	6,283
Other government grants	37,837	-

Total grants including the above of £88,312 (2021 - £6,283) were received in the year, of which £59,584 (2021 - £Nil) related to work done on St Teilos Church and surrounding grounds.

9 TANGIBLE FIXED ASSETS

	<u>Property</u>	<u>Leasehold Improvements</u>	<u>2022 Total</u>	<u>2021 Total</u>
	£	£	£	£
Cost Brought Forward				-
Adjustments	100,000	-	100,000	100,000
Adjusted cost brought forward	100,000	-	100,000	100,000
Merger	1	30,000	30,001	-
Depreciation in year	-	(3,000)	(3,000)	-
Total	100,001	27,000	127,001	100,000

The land upon which all together with the contents of the churches, most of the Area church halls and the parsonages, are vested in the Representative Body of the Church in Wales. As these, nor their contents, are vested in the Ministry Area they do not appear in the accounts of the Ministry Area.

The following properties are however potentially believed to be held for the benefit of the Ministry Area:

Nolton Rectory and Church Hall

The beneficial ownership of this land and property is currently being determined. It is currently understood that the parish is not the beneficial owner of the properties and therefore no amounts are included in the accounts in relation to these buildings, although shown in the prior year accounts - in the notes to, but not the Statement of Financial Affairs, at a cost of £638,000. Estimates of the current valuation are significantly lower than this original cost.

Coity Church Hall

The original cost of this property cannot be fully determined, although shown in the prior year accounts - in the notes to, but not the Statement of Financial Affairs, at a cost of £507,168. Due to the uncertainty surrounding these cost amounts Coity Church Hall is included in the accounts at valuation for balance sheet purposes at £100,000. The valuation was undertaken by Watts & Morgan, Chartered Surveyors in accordance with RICS valuation rules effective as at 31 December 2022 as a freehold property.

Laleston Church Hall

Laleston Church Hall is held by the Representative Body of the Church in Wales as custodian trustee for The Ministry Area under terms of a 999 Year Lease which include covenants that render the Lease valueless to the Ministry Area under the required RICS assumptions as to balance sheet values.

Leasehold Improvements to the property at an apportioned estimated cost of £30,000 were made prior to the merger.

10 INVESTMENT PROPERTIES

	2022	2021
	£	£
Brought Forward	-	-
Adjustments	447,500	447,500
Adjusted cost brought forward	<u>447,500</u>	<u>447,500</u>
Additions	116,177	-
Total	<u>553,677</u>	<u>447,500</u>

Leominster Property was purchased in 2015 for £442,026. In the opinion of the trustees the current valuation of the property is £447,500. The Ministry Area is currently in the process of agreeing a new lease with the current tenants of the property and after completion of these negotiations a revised revaluation will be obtained.

Port Talbot Property was purchased during the year and is therefore included at cost which also represents the trustees estimate of market value at the year end. The proceeds used to acquire the property are believed to be restricted – although further clarification is being sort and therefore this property is classified as restricted.

11 FIXED ASSET INVESTMENTS

The long-term investment of the Ministry Area consists of monies that have been donated or bequeathed to the Benefice and/or one of its churches by parishioners and also Stock issued by the Governing Body of the Church of Wales under the Tithe Act. The use to which some of these capital and income items may be put is restricted to the specific terms of the individual Trust Deed.

The majority of this money is under the control of the Representative Body of the Church in Wales in its capacity as the Special Trustee of all the Deeds and is invested by the Representative Body in its Common Investment Fund, which is a Managed Fund under its supervision.

MINISTRY AREA PENYBONT AR OGWR

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11 FIXED ASSET INVESTMENTS (continued)

Shares No	2021 Market Value £	Fund	Merger No	Value At Transfer £	Purchase/ Disposals No	Shares No	2022 Market Value £
Held at Representative Body – Common Investment Fund							
Ministry Area Religious purpose in general but primarily for the use in Coity and Nolton Parish							
387,800	907,956	- Capital	-	-	23,677	411,477	862,291
11,472	26,859	- Accumulated income	-	-	11,974	23,446	49,133
-	71,565	- Cash for re-investment	-	-	-	-	5,284
9,781	22,900	Legacy held for religious purposes	-	-	-	9,781	20,497
St Iltyds, Church, Newcastle							
		Maintenance of graveyard	4,008	9,384	-	4,008	8,399
St Crallo's, Coychurch							
		Maintenance of Graveyard	106	248	(106)	-	-
		Maintenance of Memorial Tablets	100	234	(100)	-	-
		Maintenance of Church and Churchyard	545	1,276	(545)	-	-
		General church purposes Maintenance of Church and Churchyard,	2,976	6,967	-	2,976	6,237
		Maintenance of West Memorial Window					
		- Capital	1,154	2,702	-	1,154	2,418
		- Accumulated income	3,501	8,196	-	3,501	7,337
		- Cash for re-investment	-	136	-	-	136
All Saints, Penyfai							
		Maintenance of Church Buildings					
		- Capital	15,863	37,140	-	15,863	33,242
		- Accumulated income	37,777	88,447	-	37,777	79,165
		- Cash for re-investment	-	1,908	-	-	1,908
		Maintenance of Churchyard	2,373	5,556	-	2,373	4,973
St Davids, Laleston							
		Chancel repair fund					
		- Capital	614	1,437	-	614	1,285
		- Accumulated income	705	1,651	-	705	1,477
		- Cash for re-investment		163	-	-	163
1,029,280		Sub-total		165,445			1,083,945
Held at Church							
		St Marys, Coity					
21,134		Maintenance of graveyard – COIF Charities Investment Fund		-			18,677
		St Teilos, Merthyr Mawr		113,131			55,140
		LGT investment fund					
21,134		Sub Total		113,131			73,817
1,050,414		Totals		278,576			1,157,762

MINISTRY AREA PENYBONT AR OGWR

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11 FIXED ASSET INVESTMENTS (continued)

	Ministry Area	Coity	Newcastle	Coychurch	Penyfai	Laleston	Merthyr Mawr	Total
	£	£	£	£	£	£	£	
At 1 January – original	487,550	10,676	-	-	-	-	-	498,226
Prior year adjustments								
- Reclassification	71,565	-	-	-	-	-	-	71,565
- Revaluation	470,165	10,458	-	-	-	-	-	480,623
At 1 January – as adjusted	1,029,280	21,134	-	-	-	-	-	1,050,414
Merger	-	-	9,384	19,759	133,051	3,251	113,131	278,576
Income retained in portfolio	9,006	-	-	-	-	-	-	9,006
Disposals	-	-	-	(1,759)	-	-	-	(1,759)
Revaluation	(101,081)	(2,457)	(985)	(1,872)	(13,763)	(326)	(9,991)	(130,475)
Capital transfer to Parish	-	-	-	-	-	-	(48,000)	(48,000)
	937,205	18,677	8,399	16,128	119,288	2,925	55,140	1,157,712
Restricted See Note 14	-	18,677	8,399	16,128	119,288	2,925	55,140	220,556
Restricted Endowment	455,954	-	-	-	-	-	-	455,954
Unrestricted See Note 14	481,251	-	-	-	-	-	-	481,251
	937,205	18,677	8,399	16,128	119,288	2,925	55,140	1,157,712

Movement:

	Brought Forward	Reclass	Reval	Adjusted Brought Forward	Merger	Income	Transfer to Parish	Use of funds	Sales	Reval	Total
	£	£	£	£	£	£	£	£	£	£	
Restricted	251,951	(241,575)	10,758	21,134	278,576	-	(48,000)	-	(1,759)	(29,394)	220,556
Restricted - endowment	-	241,575	212,403	453,978				50,000	-	(48,024)	455,954
Total Restricted	251,951	-	223,161	475,112	278,576		(48,000)		(1,759)	(77,418)	676,112
Unrestricted	246,275	71,565	257,462	575,302	-	9,006	-	(50,000)	-	(53,057)	481,251
Total	498,226	71,565	480,623	1,050,414	278,576	9,096	(48,000)	-	(1,759)	(130,475)	1,157,712

MINISTRY AREA PENYBONT AR OGWR

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12 DEBTORS

	2022 £	2021 £
Other debtors (rent due)	<u>9,625</u>	<u>-</u>

Other debtors are classed as unrestricted.

13 CREDITORS

	2022 £	2021 £
Accruals	7,561	1,140
Other creditors including tax and social security	838	-
	<u>8,399</u>	<u>1,140</u>

Other creditors are classed as unrestricted.

MINISTRY AREA PENYBONT AR OGWR

Accounts 2022

14 RESERVES

The Ministry Area aims to be at least break-even in future years so that its reserves are maintained so that fixed asset investments are only drawn down for major capital expenditure.

	1 Jan 2022 £	Adjust £	Adjusted 1 Jan 2022 £	Merger £	Additions/ (Disposals) £	Net Income /(Expenditure) £	31 Dec 2022 £
Restricted							
Fixed Assets							
Investment Property	-	-	-	-	116,177	-	116,177
Tangible fixed assets - property St Davids, Laleston	-	-	-	30,001	-	(3,000)	27,001
Investments							
Religious Purposes for Coity and Nolton parishes - endowment	241,275	212,703	453,978	-	50,000	(48,024)	455,954
Maintenance of churchyard and buildings:							
St Marys, Coity	10,676	10,458	21,134	-	-	(2,457)	18,677
St llyds, Newcastle	-	-	-	9,384	-	(985)	8,399
St Crallos, Coychurch	-	-	-	19,759	(1,759)	(1,872)	16,128
All Saints, Penyfai	-	-	-	133,051	-	(13,763)	119,288
St Davids, Laleston	-	-	-	3,251	-	(326)	2,925
For use in parish							
St Teilos, Merthyr Mawr	-	-	-	113,131	(48,000)	(9,991)	55,140
Total Investments	251,951	223,161	475,112	278,576	241	(77,418)	676,511
Cash							
Brackla, Coity and Nolton parishes	320,108	(71,565)	248,543	-	(116,177)	(8,254)	124,112
Maintenance of churchyard and buildings							
St llyds, Newcastle	-	-	-	1,259	-	2,846	4,105
St Crallos, Newcastle	-	-	-	28,896	-	1,028	29,924
All Saints, Penyfai	-	-	-	6,861	-	(6,209)	652
St Davids, Laleston	-	-	-	970	-	(970)	-
St Teilos, Merthyr Mawr	-	-	-	33,228	49,759	(29,952)	53,035
Other specific purposes within parish							
St Davids, Laleston	-	-	-	17,900	-	(10,892)	7,008
Transfer of opening balances for use on parish expenditure	-	-	-				
St llyds, Newcastle	-	-	-	127,862	-	(41,470)	86,392
St Crallos, Newcastle	-	-	-	12,867	-	(12,867)	-
All Saints, Penyfai	-	-	-	47,686	-	(18,991)	28,695
St Davids, Laleston	-	-	-	20,080	-	(20,080)	-
St Teilos, Merthyr Mawr	-	-	-	9,634	-	(6,209)	3,425
Total Cash	320,108	(71,565)	248,543	307,243	(66,418)	(152,020)	337,348
Total Restricted	572,059	151,596	723,655	615,820	50,000	(232,438)	1,157,037
Unrestricted							
Investment property	-	447,500	447,500	-	-	-	447,500
Tangible fixed assets - property	-	100,000	100,000	-	-	-	100,000
Investments	246,275	329,027	575,302	-	(50,000)	(44,051)	481,251
Cash	102,107	-	102,107	-	-	17,903	120,010
Debtors/creditors	(1,140)	-	(1,140)	-	-	2,366	1,226
Total unrestricted	347,242	876,527	1,223,769	-	(50,000)	(23,782)	1,149,987
Total	919,301	1,028,123	1,947,424	615,820	-	(256,220)	2,307,024

The restrictions regarding the investment property and cash held in Brackla, Coity, Nolton and St Teilos are under investigation to determine their exact nature from the original source of the funding.

Transfers of £50,000 represent use of unrestricted investment funds held by the Representative Body to purchase restricted endowments funds. This is offset by transfer of £9,100 spending from restricted funds resulting in a net transfer in the Statement of Financial Activities of £40,900.

15 PRIOR YEAR ADJUSTMENTS

Adjustments have been made to the comparative figures for the year ended 31 December 2021. These adjustments have been included to account for:

- fixed asset properties and investment properties not included in the opening balance sheet - although disclosed in the notes to the accounts;
- fixed asset investments originally shown at cost, adjusted to market value;
- the original accounts included a receipts and payments account rather than a Statement of Financial Activities prepared on an accruals basis as now required due to the size of the charity in the current year. Therefore, net costs incurred but not paid at the year-end have been included in the comparatives to reconcile the financial position at the year-end;
- reclassification between restricted and unrestricted funds to clarify position.

Statement of Financial Position

	Original	Reclassification	Property	Investment Market Value	Adjusted
	£	£	£	£	£
Tangible Fixed Assets	-	-	100,000	-	100,000
Investment Properties	-	-	447,500	-	447,500
Investments	498,226	71,565	-	480,623	1,050,414
Cash	422,215	(71,565)	-	-	350,650
Creditors due within one year	(1,140)	-	-	-	(1,140)
	919,301	-	547,500	480,623	1,947,424
<i>Funds</i>					
Restricted	572,059	(71,565)	-	223,161	723,655
Unrestricted	347,242	71,565	547,500	257,462	1,223,769
	919,301	-	547,500	480,623	1,947,424

Statement of Financial Activities

	Original	Parish Share Rebate	Investment Income	Accruals	Revaluation in year	Adjusted
	£	£	£	£	£	£
Income	192,229	(40,319)	(16,209)	-	-	135,701
Expenditure	(185,459)	40,319	-	(67)	-	(145,207)
	6,770	-	(16,209)	(67)	-	(9,506)
Investment Income	-	-	16,209	-	-	16,209
Gains on revaluation of investments	-	-	-	-	144,260	144,260
	6,770	-	-	(67)	144,260	150,963