

Charity registration number 232841

Company registration number 00182863 (England and Wales)

THE MONMOUTH DIOCESAN TRUST
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE MONMOUTH DIOCESAN TRUST

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THE MONMOUTH DIOCESAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

Objectives and activities

Objectives and strategy

The charity is responsible for the provision of support and finance, as available, for Church in Wales Schools within the Diocese of Monmouth as approved by trustees.

The Memorandum & Articles of Association of the Trust permit it to hold property and funds on behalf of parishes within the Diocese. In 1999 most of these properties and funds were transferred to the Monmouth Diocesan Board of Finance to enable the Trust to concentrate on supporting the Church Schools within the Diocese.

• 21st Century School Building Programme

Money which used to be given by the Welsh Government directly to the Church in Wales to help maintain and upgrade the school buildings has been withdrawn and subsumed into the Government's 21st Century School Building Programme. This programme is administered by the Local Authorities, who now decide the priority for upgrading school buildings.

• Capital Repair and Maintenance Programme (CRAMP)

As agents of the Welsh Government scheme, the Trust administered grant monies of £89,544 in 2023 to help the Diocesan Voluntary Aided schools with minor repairs.

Public benefit

The Trustees have had due regard to the charity commission guidance on public benefit and are content that the Trust is demonstrating public benefit in providing support for church schools. The Trustees are satisfied that the church schools are providing a good standard of education for local children and are serving the wider community.

Achievements and performance

Raglan School

Work to transfer the land upon which the new school has been built is ongoing, pending receipt of valuations of the respective parcels of land currently in the ownership of the Council and the Trust.

Meetings were held during 2023 with Monmouthshire Council who are responsible for the initial work of valuing the land. The Trust is keen to see progress on these issues and will keep in regular contact with the Council to ensure it is completed.

Loan to Magor School

There is £47.5k outstanding from the Governing Body of Magor Church in Wales Primary School. However, there is no contract in place for the repayment. The School Governors have agreed to pay between £1,000 and £2,000 per annum.

Land at Llanfair Kilgeddin

The school building at Llanfair Kilgeddin was sold in 2018 for £265,000. The associated land is covered by a separate Trust Deed and has been marketed for sale. In 2018 the trustees agreed in principle, to sell the land to the Monmouthshire Housing Association for the development of affordable housing.

THE MONMOUTH DIOCESAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

In 2020, an independent surveyor's report, advised the trustees that Monmouthshire Housing Association's offer for the land did not represent best value and they were advised to consider other options.

The land is now being maintained while discussions continue about the options for the remaining site. Meetings with Monmouthshire Housing Association were held at the beginning of 2024.

Valuation of Trust Properties

The school properties were revalued in 2016 and they are being depreciated from 2017. The trustees have now agreed to revalue the properties every 10 years.

Financial review

Fixed Assets

The Diocesan Trust's fixed assets were revalued in December 2016. The total value of the fixed assets at 31 December 2023 was £35,642,613 (compared to £36,243,389 at 31 December 2022).

Investment powers and policy

Under the governing document, the charity has the power to invest in any way the trustees wish, subject to Trustee legislation.

The investments are managed by independent investment managers who have delegated authority to buy and sell without reference to trustees. In practice, all such purchases and sales are notified to the Secretary, and a full review of the charity's portfolio is undertaken twice each year by an Investment Advisory Group representing both of the Diocesan charities. The Archdeacon of Newport and Mrs Susan Gwyer-Roberts represent the interests of the Diocesan Trust on this group.

The Investment Managers are required to adhere to the prescribed ethical policy agreed by Trustees. The ethical policy follows that agreed by the Church in Wales and is discussed and reviewed regularly.

The value of the investments at 31 December 2023 was £736,781 (compared to £734,461 at 31 December 2022).

Reserves policy

The current policy is to hold at least £50k in cash to cover short term expenditure.

Our Investment Managers have assured us that further funds can be available within one month, if required. The trustees consider that the level of reserves is adequate for the future needs and requirements of the charity. The reserves policy is reviewed regularly.

Structure, governance and management

Governing Document

Monmouth Diocesan Trust is a company limited by guarantee governed by its Memorandum and Articles of Association dated 19 June 1922. It is registered as a charity with the Charity Commission for England & Wales.

Rules covering membership are laid down in the Articles of Association.

Elections of trustees are for a period of one year and take place at the Annual General Meeting. The Area Deans are responsible for nominating 3 of their group to be trustees.

The Headteachers of the CinW schools, in conjunction with the DDE, are responsible for nominating 2 of their group to be trustees.

Trustee induction and training

The Diocesan Secretary is available to brief new trustees about their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the regular monitoring of the finances, and the previous year's financial performance of the charity.

THE MONMOUTH DIOCESAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Management and Organisation

Meetings

The Trustees met four times in 2023 in addition to the Annual General Meeting held on 11 September 2023.

At each meeting a statement showing the previous quarter's income and expenditure was presented. A forecast of future expenditure and the value of the Charity's investments was also made available to trustees.

Administration

The Secretary and Executive Officer, employed by Monmouth Diocesan Board of Finance, manages the day-to-day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters and the control of the finances of the charity within prescribed guidelines for projects approved by the trustees.

Financial relationship with Monmouth Diocesan Board of Finance

The Monmouth Diocesan Board of Finance took over financial responsibility for the diocesan provision of education during 2020, covering costs that the Diocesan Trust were no longer able to cover. With this, the DBF embarked on a new relationship with the Diocese of Llandaff whose education team extended their scope to take on the diocesan statutory duties for church schools in Monmouth.

Prior to 2020 an annual administration fee was payable to Monmouth Diocesan Board of Finance to cover the costs of secretariat facilities provided by the Monmouth Diocesan Board of Finance. It has been agreed with the DBF that the Trust will not be required to pay the administration fee from 2020 onwards in order to reduce Trust expenditure. This will continue to be reviewed in 2024.

Risk management

Major Risk

The major identified risk is the income which is required to support the 15 Church Schools in the Diocese.

During 2020, as part of wider Diocesan Review, it was agreed that the Monmouth Diocesan Board of Finance would take over the expenditure relating to the diocesan statutory duties for education. Work has continued, to ensure the Diocesan Trust is financially sustainable and in 2022 the Church Schools agreed to a Service Level of Agreement and the Diocesan Trust will receive a contribution from each school towards the services provided.

THE MONMOUTH DIOCESAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Reference and administrative details

Registered Company number

00182863

Registered Charity number

232841

Registered office

Diocesan Office
64 Caerau Road
Newport
South Wales
NP20 4HJ

Trustees

The directors of the company (the charity) are also its trustees for the purposes of charity law and throughout this report are collectively referred to as the trustees.

Trustees during 2023 were as follows:

Ex officio

The Bishop of Monmouth (Chairman) - The Right Reverend C E Vann
The Dean of Newport - The Very Reverend I C Black
The Archdeacon of Newport - The Venerable J S Williams
The Archdeacon of Monmouth - The Venerable I K Rees
The Archdeacon of the Gwent Valleys - The Venerable S Bailey

Appointed by Area Deans

There are currently vacancies for Area Deans

Elected

Susan Gwyer-Roberts
Nicola Price
Rebecca Penn

Secretary and Executive Officer

Isabel Thompson
Bethan Davies

THE MONMOUTH DIOCESAN TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Reference and administrative details

Auditors

Azets Audit Services
Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Bankers

NatWest Bank plc
High Street
Newport
South Wales
NP19 1GG

Solicitors

Jacklyn Dawson
Equity Chambers
John Frost Square
Newport
NP20 1PW

Investment Managers

RBC Brewin Dolphin
Third Floor
Two Central Square
Cardiff
CF10 1FS


Funds held as custodian trustee

Custodian responsibilities

Trustees act as custodian trustees with responsibilities for funds held on behalf of others and shown at Note 21 of the Accounts. These funds are held on behalf of parishes and have a dedicated bank account.

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.


The Right Reverend C E Vann
Trustee
Dated: 20-6-2024

THE MONMOUTH DIOCESAN TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of The Monmouth Diocesan Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

THE MONMOUTH DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE MONMOUTH DIOCESAN TRUST

Opinion

We have audited the financial statements of The Monmouth Diocesan Trust (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

THE MONMOUTH DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MONMOUTH DIOCESAN TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

THE MONMOUTH DIOCESAN TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE MONMOUTH DIOCESAN TRUST

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

14-8-2024
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Chartered Accountants
Statutory Auditor

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE MONMOUTH DIOCESAN TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

| | | Restricted funds Land & Buildings 2023 £ | Restricted funds Educational Purposes 2023 £ | Total 2023 £ | Restricted funds Land & Buildings 2022 £ | Restricted funds Educational Purposes 2022 £ | Total 2022 £ |
|--|-------|---|---|--------------------|---|---|--------------------|
| | Notes | | | | | | |
| Income from: | | | | | | | |
| Donations and legacies | 3 | - | - | - | - | 8,363 | 8,363 |
| Charitable activities | 4 | 3,504 | 8,371 | 11,875 | 3,504 | 6,986 | 10,490 |
| Investments | 5 | - | 29,003 | 29,003 | - | 28,402 | 28,402 |
| Total income | | 3,504 | 37,374 | 40,878 | 3,504 | 43,751 | 47,255 |
| Expenditure on: | | | | | | | |
| Raising funds | 6 | - | 4,212 | 4,212 | - | 4,339 | 4,339 |
| Charitable activities | 7 | 620,282 | 28,549 | 648,831 | 614,086 | 17,958 | 632,044 |
| Total resources expended | | 620,282 | 32,761 | 653,043 | 614,086 | 22,297 | 636,383 |
| Net gains/(losses) on investments | 12 | - | 6,025 | 6,025 | - | (76,285) | (76,285) |
| Net incoming/ (outgoing) resources before transfers | | (616,778) | 10,638 | (606,140) | (610,582) | (54,831) | (665,413) |
| Gross transfers between funds | | 16,002 | (16,002) | - | 9,806 | (9,806) | - |
| Net movement in funds | | (600,776) | (5,364) | (606,140) | (600,776) | (64,637) | (665,413) |
| Fund balances at 1 January 2023 | | 36,243,389 | 810,761 | 37,054,150 | 36,844,165 | 875,397 | 37,719,562 |
| Fund balances at 31 December 2023 | | 35,642,613 | 805,397 | 36,448,010 | 36,243,389 | 810,760 | 37,054,149 |

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE MONMOUTH DIOCESAN TRUST

BALANCE SHEET

AS AT 31 DECEMBER 2023

| | Notes | 2023 £ | £ | 2022 £ | £ |
|---|-------|-------------------|-------------------|-------------------|-------------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | 35,842,613 | | 36,243,389 | |
| Investments | 15 | 736,781 | | 734,461 | |
| | | <u>36,379,394</u> | | <u>36,977,850</u> | |
| Current assets | | | | | |
| Debtors | 16 | 1,038 | | 1,109 | |
| Cash at bank and in hand | | 95,391 | | 108,043 | |
| | | <u>96,429</u> | | <u>109,152</u> | |
| Creditors: amounts falling due within one year | 17 | (27,813) | | (32,853) | |
| Net current assets | | | 68,616 | | 76,298 |
| Total assets less current liabilities | | | <u>36,448,010</u> | | <u>37,054,149</u> |
| Income funds | | | | | |
| Restricted funds - Educational Purposes | 18 | 805,397 | | 810,760 | |
| Restricted funds - Land & Buildings | | 35,842,613 | | 36,243,389 | |
| | | <u>36,448,010</u> | | <u>37,054,149</u> | |

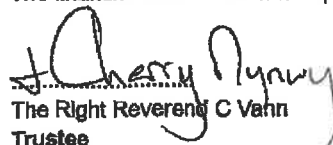
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 20-6-2024


The Right Reverend C Vann
Trustee

Company Registration No. 00182863

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Monmouth Diocesan Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Caerau Road, Newport NP20 4HJ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for smaller charities not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Rental income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Investment income is recognised on a receivable basis.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.5 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Administration and management costs are allocated to the function of the charity to which they relate. The method of allocation has been on a percentage basis of the overall cost of that particular function.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives.

School buildings, and a church hall (valued on 31 December 2016) are depreciated at a rate calculated by the District Valuer to write off these assets over their estimated remaining lives, ranging from 20 years to 51 years.

Any expenditure on school buildings or trust properties after this date are depreciated at a rate of 2% on cost.

Land is not depreciated

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial assets

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Derecognition of financial assets

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.10 Taxation

As a registered charity Monmouth Diocesan Trust is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 Donations and legacies

| | Total | Restricted funds Educational Purposes |
|--------|-------|---|
| | 2023 | 2022 |
| | £ | £ |
| Grants | - | 8,363 |

4 Charitable activities

| | Restricted funds Land & Buildings | Restricted funds Educational purposes | Total 2023 | Total 2022 |
|-------------------------------------|-----------------------------------|---------------------------------------|---------------|---------------|
| | 2023 | 2023 | | |
| | £ | £ | £ | £ |
| Schools (Service Level Agreement) | - | 8,371 | 8,371 | 6,986 |
| Rental income | 3,504 | | 3,504 | 3,504 |
| | <u>3,504</u> | <u>8,371</u> | <u>11,875</u> | <u>10,490</u> |
| Analysis by fund | | | | |
| Restricted funds - Land & Buildings | 3,504 | | 3,504 | 3,504 |
| Restricted funds - general | - | 8,371 | 8,371 | 6,986 |
| | <u>3,504</u> | <u>8,371</u> | <u>11,875</u> | <u>10,490</u> |

5 Investments

| | Restricted funds Educational Purposes | Restricted funds Educational Purposes |
|---------------------|---|---|
| | 2023 | 2022 |
| | £ | £ |
| Dividends | 28,884 | 28,355 |
| Interest receivable | 119 | 47 |
| | <u>29,003</u> | <u>28,402</u> |

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

6 Raising funds

| | Restricted funds Educational Purposes 2023 £ | Restricted funds Educational Purposes 2022 £ |
|-----------------------|---|---|
| Investment management | 4,212 | 4,339 |
| | <u>4,212</u> | <u>4,339</u> |

7 Charitable activities

| | 2023 £ | 2022 £ |
|---|----------------|----------------|
| Support for Education | 28,549 | 17,693 |
| Support for Schools - Land & Buildings | 601,814 | 601,311 |
| Support for Other Trust Property | 4,963 | 3,705 |
| | <u>635,326</u> | <u>622,709</u> |
| Share of support costs (see note 8) | 1,145 | 1,205 |
| Share of governance costs (see note 8) | 12,360 | 8,130 |
| | <u>648,831</u> | <u>632,044</u> |
| Analysis by fund | | |
| Restricted funds - Land & Buildings | 620,282 | 614,086 |
| Restricted Funds - Educational Purposes | 28,549 | 17,958 |
| | <u>648,831</u> | <u>632,044</u> |

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Support costs

| | Support costs £ | Governance costs £ | 2023 £ | Support costs £ | Governance costs £ | 2022 £ |
|---|--------------------|-----------------------|---------------|--------------------|-----------------------|--------------|
| Insurance | 1,092 | - | 1,092 | 1,092 | - | 1,092 |
| Sundries | 53 | - | 53 | 113 | - | 113 |
| Audit fees | - | 12,360 | 12,360 | - | 8,130 | 8,130 |
| | <u>1,145</u> | <u>12,360</u> | <u>13,505</u> | <u>1,205</u> | <u>8,130</u> | <u>9,335</u> |
| Analysed between Charitable activities | <u>1,145</u> | <u>12,360</u> | <u>13,505</u> | <u>1,205</u> | <u>8,130</u> | <u>9,335</u> |

Governance costs includes payments to the auditors of £12,360 for audit fees (2022 - £8,130) and £nil for other services (2022- £nil).

9 Net movement in funds

2023
£

2022
£

Net movement in funds is stated after charging/(crediting)

| | | |
|---|----------------|----------------|
| Fees payable to the company's auditor for the audit of the company's financial statements | 12,360 | 8,130 |
| Depreciation of owned tangible fixed assets | <u>600,776</u> | <u>600,776</u> |

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

There were no employees during the year.

| | 2023 Number | 2022 Number |
|-------|----------------|----------------|
| Total | <u>-</u> | <u>-</u> |

There were no employees whose annual remuneration was more than £60,000.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

12 Net gains/(losses) on investments

| | Restricted funds Educational Purposes 2023 £ | Restricted funds Educational Purposes 2022 £ |
|------------------------------------|---|---|
| Revaluation of investments | 13,229 | (86,645) |
| Gain/(loss) on sale of investments | (7,204) | 10,360 |
| | <u>6,025</u> | <u>(76,285)</u> |

13 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

14 Tangible fixed assets

| | Freehold land and buildings £ |
|------------------------------------|----------------------------------|
| Cost or valuation | |
| At 1 January 2023 | 39,810,500 |
| At 31 December 2023 | 39,810,500 |
| Depreciation and impairment | |
| At 1 January 2023 | 3,567,111 |
| Depreciation charged in the year | 600,776 |
| At 31 December 2023 | 4,167,887 |
| Carrying amount | |
| At 31 December 2023 | 35,642,613 |
| At 31 December 2022 | 36,243,389 |

Land and buildings includes land to the value of £21,567,500. No depreciation is provided on land

Land and buildings with a carrying amount of £17,632,660 were revalued at 31 December 2016 by The Valuation Office Agency, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £11,655,136 (2022 - £12,072,577).

The revaluation surplus is disclosed in the restricted funds note.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

14 Tangible fixed assets

(Continued)

£3,864,251 of the net book value relates to land and buildings in respect of Llantilio Pertholey School. The local authority has not complied with their statutory obligation to transfer title and as such are holding as bare trustees on behalf of Monmouth Diocesan Trust pending compliance with this statutory obligation.

A new school opened in Raglan in September 2015 however at the balance sheet date the formal transfer of land to the Trust had not been concluded. There are ongoing negotiations between the Trust and Monmouthshire Council to enable land to be transferred between the two parties. As the risks and rewards of ownership sit with the Trust, the land and buildings are recognised as an asset in the financial statements.

15 Fixed asset investments

| | Listed investments £ | Cash in portfolio | Total £ |
|----------------------------|----------------------------|----------------------|----------------|
| Cost or valuation | | | |
| At 1 January 2023 | 725,973 | 8,488 | 734,461 |
| Additions | 221,759 | (221,759) | - |
| Valuation changes | 13,229 | - | 13,229 |
| Other movement | - | (3,705) | (3,705) |
| Disposals | (231,032) | 223,828 | (7,204) |
| | <u>729,929</u> | <u>6,852</u> | <u>736,781</u> |
| At 31 December 2023 | 729,929 | 6,852 | 736,781 |
| Carrying amount | | | |
| At 31 December 2023 | 729,929 | 6,852 | 736,781 |
| | <u>725,973</u> | <u>8,488</u> | <u>734,461</u> |
| At 31 December 2022 | 725,973 | 8,488 | 734,461 |

16 Debtors

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Other debtors | 1,040 | 1,109 |

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Debtors

(Continued)

An amount of £90,000 was agreed for repayment by the governors of Magor School over the next few years. This will be included in the accounts as it is received. The amount outstanding in relation to this agreement is £47,500 (2022: £48,000).

17 Creditors: amounts falling due within one year

| | 2023 £ | 2022 £ |
|-----------------|-----------|-----------|
| Other creditors | 27,813 | 32,853 |

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Restricted funds

The income funds of the charity include restricted funds as follows:

| | Balance at 1 January 2022 | Movement in funds | | | Balance at 1 January 2023 | Movement in funds | | | Balance at 31 December 2023 |
|--|------------------------------|-----------------------|-----------------------|-----------|--------------------------------------|-----------------------|-----------------------|-----------|--------------------------------------|
| | | Incoming resources | Resources expended | Transfers | Revaluations, gains and losses | Incoming resources | Resources expended | Transfers | Revaluations, gains and losses |
| | £ | £ | £ | £ | £ | £ | £ | £ | £ |
| Educational Purposes | 875,397 | 43,751 | (22,297) | (9,806) | 810,761 | 37,374 | (32,761) | (16,002) | 6,025 |
| Land & Buildings - Property Reserve | 18,097,890 | 3,504 | (614,086) | 262,300 | - | 3,504 | (620,282) | 268,496 | - |
| Land & Buildings - Revaluation Reserve | 18,746,275 | - | - | (252,494) | - | - | - | (252,494) | - |
| | 37,719,562 | 47,255 | (636,383) | - | 37,054,150 | 40,878 | (653,043) | - | 6,025 |

Schools Fund - Educational Purposes - This is the excess of income of the restricted fund after the creation of the Land and Buildings restricted fund and can only be used for educational purposes.

Land and Buildings - Property Reserve - This fund reflects the net book value of the trust's tangible assets.

Land and Buildings - Revaluation Reserve - This fund has arisen following the valuation of church schools in the Diocese of Monmouth in 2016.

Transfers between funds

Transfers have been made between funds to agree the fund balances at the year end to reflect the net book value of land and buildings.

THE MONMOUTH DIOCESAN TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Analysis of net assets between funds

| | Restricted - Land & Buildings 2023 £ | Restricted - Educational Purposes 2023 £ | Total 2023 £ | Restricted - Land & Buildings 2022 £ | Restricted - Educational Purposes 2022 £ | Total 2022 £ |
|---|--|--|--------------------|--|--|--------------------|
| Fund balances at 31 December 2023 are represented by: | | | | | | |
| Tangible assets | 35,642,613 | - | 35,642,613 | 36,243,389 | - | 36,243,389 |
| Investments | - | 736,781 | 736,781 | - | 734,461 | 734,461 |
| Current assets/(liabilities) | - | 68,616 | 68,616 | - | 76,299 | 76,299 |
| | <u>35,642,613</u> | <u>805,397</u> | <u>36,448,010</u> | <u>36,243,389</u> | <u>810,760</u> | <u>37,054,149</u> |

20 Related party transactions

There were no other disclosable related party transactions during the year.

21 Custodian Funds

Trustees act as custodian trustees with responsibilities for funds held on behalf of others. These funds are held on behalf of parishes and have a dedicated bank account, and include the following trusts:

Abertillery - £37.50 (2022: £30.00)
 Newport St Pauls - £15.00 (2022: £12.00)
 Rumney - £20.00 (2022: £20.00)
 Sundry Mon.Diocesan Trust - £134.00 (2022: £134.00).