

Charity Registration No. 1067653

Company Registration No. 03489945 (England and Wales)

**MONMOUTH DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

MONMOUTH DIOCESAN BOARD OF FINANCE

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MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees present their report and financial statements for the year ended 31 December 2019.

The financial statements have been prepared in accordance with the accounting policies set out in the notes 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The primary objective of the charity is to ensure that there is sufficient revenue to maintain the level of ministry for the diocese, and to enable the administrative functions of the diocese to be properly exercised.

Management of the assets of the charity forms an important part of ensuring that there is sufficient revenue available. The Diocesan Secretary has delegated authority for the management of the organisation and the responsibility as the employer of staff engaged on Diocesan activities.

The DBF receives a contribution each year from the Monmouth Diocesan Trust towards the cost of providing secretariat facilities for the Diocesan Trust, a separate registered charity and company limited by guarantee. In 2019 the DBF continued to employ a Diocesan Director of Education who was funded by the Diocesan Trust.

Public Benefit

The Trustees have had due regard to the Charity Commission guidance on public benefit, and are satisfied that the charity is providing a public benefit. A major strength of the Anglican religion in Wales is the parochial structure which ensures that all communities, however congested or remote, are integrated within an Anglican parish.

Parishes hold regular services of worship, which are freely accessible to all members of the public, and offer services of holy communion, baptism, confirmation, marriage and funerals, subject to the guidelines of the Church in Wales. An inclusive policy is adopted throughout the Diocese and parishes are encouraged to develop links with their communities, promoting the Christian Gospel and working to create greater social cohesion.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Achievements and performance

Planning and monitoring the DBF Budget

A budget group, set up by the trustees, is tasked with preparing a budget in the summer of each year for implementation the following year.

The Property Board

The DBF makes a grant available to the Property Board, paid quarterly, to enable the Property Board to maintain the parsonages within the Diocese. The capital funds of the Property Board, which are used to carry out major improvements or purchase new properties when required, are held and administered by the RB. The parsonages are vested in the RB. The trustees receive quarterly reports from the Property Board. These reports contain information about house acquisitions and sales as well as information about planned and actual expenditure on parsonages.

In 2019 there were 71 parsonages in the scheme and the DBF contributed £378k for maintenance work. In addition, 14 parsonages were rented to generate additional income. For 2020, 72 parsonages were budgeted to be in the scheme, with a DBF contribution of £399k.

Clergy

Details of the number of stipendiary clergy are provided at each trustee meeting to ensure that clergy numbers can be financed from within the existing budget. 48 stipendiary clerics were budgeted in 2019 but there were several vacancies throughout the year. The budget number for 2020 remained at 48.

The Diocese also has 31 Non-Stipendiary Ministers (NSMs). NSMs do not receive a stipend, although some live in parsonages on a House for Duty (HfD) basis. The diocese recognises the invaluable contribution that NSMs make to the life of the diocese.

DBF Staff and Diocesan Office Support in 2019

In 2019 the core DBF staff comprised the Diocesan Secretary (until September 2019); Senior Finance Officer; Administrators; DAC Secretary; Churches Development Officer; Communications Officer; Children, Youth & Family Ministry Advisors and Projects Officer.

Some members of staff work on a part-time basis and the number of full-time equivalents (FTE's) in 2019 was 8.5.

In addition, the DBF funded the Diocesan Registrar and a part-time cleaner.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Ministry Share

The Ministry Share scheme was introduced in 2016 and has been successful in ensuring a higher level of on-time payments. Over 95% of parishes paid by Standing Order (for which they received a 5% rebate). Ministry Areas and parishes with unpaid share from previous years are monitored at the quarterly board meetings. Repayment of outstanding share is sought through an arrears plan.

For 2019 the trustees agreed to continue the Ministry Share Support Fund (with an initial £40k) to help Ministry Areas and Parishes experiencing difficulty in making their share payments. It was agreed in May 2019 to add an additional 50k to further support Parishes and Ministry Areas.

Six parishes generously donated their 5% rebate to help those parishes in greater need. We are extremely thankful to them.

The trustees have been advised to maintain the provision for unpaid share at £250k.

The impact of COVID-19 on Ministry Areas and Parishes is being closely monitored in 2020 although it is too early to make a comprehensive assessment of the position across the diocese. The Representative Body of the Church in Wales agreed financial assistance to Diocesan Boards of Finance in quarters two and three of 2020. The trustees agreed to use the support in turn to support our Ministry Areas and Parishes.

Financial review

Unrestricted reserves at 2019 amounted to £4,352,423 of which £403,947 is expressed by tangible fixed assets which are not readily saleable and £190,000 has been designated for specific projects, additionally reserves are tied up in investment assets which are held to enable a higher level of investment income to be generated. Restricted funds amounted to £403,071 (see Notes 19).

Investment powers, policy and oversight

The investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust) and comprises four members of the DBF and Trust plus the Diocesan Secretary.

The portfolio of investments is managed by investment managers who have authority to buy and sell without reference to trustees. All purchases and sales are notified to the Secretary and a full review of the charity's portfolio is undertaken twice each year by the Investment Advisory Group with the investment managers. The members of the Investment Advisory Group also receive quarterly reports, including benchmark indices.

The investment managers are required to ensure that the ethical investment policy, as agreed by Trustees, is followed at all times. The Trustees subscribe to the same ethical policy as that adopted by the Representative Body of the Church in Wales.

Brewin Dolphin are the DBF's Investment Manager and provide quarterly reports for trustees.

Reserves policy

The trustees review the charity's Reserves policy annually. The current policy is to maintain the equivalent of 6 months of the charity's running costs (£1.5m) in freely available funds.

The charity's free reserves, which excludes Fixed Assets, Restricted Funds and Designated Funds equated to £3,758,476.

Reserves are needed to provide adequate cash flow between regular payments to the RB for clergy stipend and pension provision, and Ministry (Parish) Share payments received on a quarterly basis from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2019*

Risk Management

A major review of the Risk Register was undertaken in 2019 and the Risk Register and related policies have been rewritten. The major risks are reviewed at each quarterly Trustee meeting and the whole register is reviewed annually.

Following mitigation there are four areas that remain high risk. These are –

- Conflict of interest.
- Decline in income through reduced Ministry Share as a result of declining aSa numbers.
- Failure to maximize alternative streams of funding including grants and legacies.
- Deficit in parsonage board budget (rising year on year but exacerbated by high turnover of clergy).

An external review of the Diocese has been commissioned for early 2020 to address many of the operational and financial risks of the Diocese.

Covid-19 was not listed as a risk in the 2019 risk assessment but has greatly impacted the charity during 2020. The financial impact has been particularly acute principally because the temporary closure of churches and church halls has reduced the charity's income.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Plans for the Future

Forward Strategy

Towards the end of the 2019 Trustees were looking forward to welcoming a new Bishop to the Diocese in early 2020 and embarking on a new vision and strategy to support the development and growth of mission and ministry of the diocese.

Covid-19 was not part of that forward planning towards the end of 2019, however, it has dominated the agenda for 2020 so far. The Trustees have been aware of the need to adapt their forward planning and all major in-person events have been postponed.

In financial terms, the DBF has been fortunate to receive significant support from the Representative Body of the Church in Wales and this considerably lessens the financial impact of the crisis on the organization. The investment income, although slightly reduced in the first quarter of 2020, has recovered to a sufficient level at the end of the second quarter. The significant drop in the value of the investment portfolios at the end of quarter one was partially recovered at the end of the second quarter.

Looking further towards the end of 2020 and into 2021, it is clear that the current period of uncertainty is likely to continue. Throughout 2020, additional Trustee meetings have been called at regular intervals to ensure that the Trustees are kept informed of the additional risks emerging from the Covid-19 crisis and that they understand how the cash flow is being managed. It is likely that the need for these additional meetings will continue for some time to come. The key points to ensure in 2020 will be -

- Good communication between the Treasurers in the parishes/Ministry Areas and the Diocese to ensure that Trustees understand the financial situation of the those responsible for paying Ministry Share.
- Supportive guidance and resources to ensure that parishes/Ministry Areas can adapt as best as they can to the crisis. This will include providing additional facilities for online giving, support and publicity for online services and an encouragement to move to cashless giving in the future.
- Open dialogue with the Representative Body of the Church in Wales to ensure that the Diocese is keeping their Trustees informed of how the Covid-19 crisis is affecting the situation in the parishes and the Diocese.
- Regular updates from the Investment Managers so the impact of the crisis on the investments and the investment income can be understood.
- Strong leadership and vision to hold the organisation together in a time of crisis and to ensure that the Diocese and the DBF emerge stronger on the other side.

During the planned annual review of the Risk Register in Dec 2020 there will be opportunity to look back and evaluate the lessons that have been learnt throughout 2020 and to assess whether any further control procedures are required to protect the organisation in the future.

Budget for 2020:

Approved by the Trustees in September 2019, the 2020 budget envisaged a total spend of £3.45m, with approximately 80% of the budget spent directly on support for ministry i.e. primarily clergy stipends and associated costs (clergy NI, final salary pension contributions, training, maintenance of parsonages, Council Tax).

The budget is financed by:

- the parishes through the Ministry Share system £2.05m (60%)
- a grant from the RB of £1m (29%);
- DBF funds, including prior year surpluses, £280k (8%)
- other sources, including interest and income from investments, £108k (3%).

The DBF Executive Committee monitors the income and expenditure at its quarterly meetings.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Structure, governance and management

The charity is a company limited by guarantee governed by its Memorandum and Articles of Association. It is registered as a charity with the Charity Commission for England and Wales.

Membership

Membership of the Diocesan Board of Finance (DBF) is governed by the Constitution of the Diocesan Conference of the Diocese of Monmouth adopted 13th October 2001, which stipulates that:

- each deanery shall elect two lay members from amongst those elected to the Diocesan Conference;
- not more than six lay persons, who need not be members of the Diocesan Conference, may be co-opted by the Board, and
- not more than four persons (either cleric or lay so long as the number of clerics on the Board shall not thereby exceed that of the lay persons) may be nominated by the Bishop. The lay persons so nominated need not be members of the Diocesan Conference;
- the Bishop may nominate one extra person during a three year period.

Membership of the Board is for a period of three years commencing at the Annual General Meeting following appointment and members, if appointed, shall be eligible for re-appointment.

Electing and appointing trustees

Monmouth Diocesan Board of Finance operates through a company limited by guarantee governed by Memorandum and Articles of Association dated 2nd January 1998, and registered as a charity with the Charity Commission for England & Wales.

At its Annual General meeting (AGM) the DBF appoints an Executive committee of ex-officio and elected members to be the Directors of the Company and Trustee board of the charity. As such they are bound by both charity and company law.

In addition to the ex officio trustees, the Annual General Meeting on 22nd June 2006 resolved, "that the rules and byelaws be amended to provide that the number of elected members on the Executive Committee be increased from nine to twelve forthwith".

The Chairman and Vice Chairman are elected for a period of office of one year. Trustees are elected for a period of three years.

When considering both the election and appointment of new trustees, the charity takes into account the skills required of trustees in:

- managing a Christian charity, and
- administering the assets and financial management of the charity.

Trustee induction and training

New trustees are briefed on their legal obligations under charity and company law, the background history of the charity, the decision-making processes, the business plan and the quarterly monitoring of financial progress and the charity's latest annual financial performance. Information from the Charity Commission is also available for both new and existing trustees.

Management and Organisation

The Board of Trustees, which met four times in 2019, in addition to the AGM on the 26th September 2019, administers the charity. The trustees meet when the previous quarter's financial management information is available.

A Secretary and Executive Officer is employed by the trustees to manage the day to day operations of the charity. The Secretary has delegated authority, approved by the trustees, for operational matters, staff management, finance and the overall operation of the charity within the approved budget.

The Representative Body of the Church in Wales (RB) delegates responsibility for overseeing the care of parsonages within the diocese to the Monmouth Diocesan Property Board. There is considerable common membership between the Diocesan Board of Finance (DBF) and the Property Board, and both bodies are administered from the Diocesan Office.

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Key Management Personnel

The key management personnel of the charity are the Board of Trustees, the Diocesan Secretary and the Diocesan Accountant.

Trustees are not remunerated. Staff salaries are paid in line with the Representative Body of the Church in Wales guidance and incremental increases are set in line with clergy stipends.

Links with the Representative Body of the Church in Wales

The charity has a close liaison with the Representative Body of the Church in Wales (RB). Financial assistance is provided by the RB in the form of an annual grant to the Diocesan Board of Finance, payable quarterly. The Chairman, Vice Chair and the Archdeacon of Newport are members of the RB, the Trustee body responsible for the administration of the assets of the Church in Wales.

The RB also manages the stipendiary clergy payroll system, although clergy stipends are mainly funded from the Ministry (Parish) Share collected from the parishes.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1067653
Company number	003489945
Registered Office	Diocesan Office 64 Caerau Road Newport NP20 4HJ
Statutory Auditors	Azets Audit Services Waters Lane Chambers 1-3 Waters Lane Newport NP20 1LA
Bankers	NatWest Bank High Street Newport NP20 1GG
Solicitors	Jacklyn Dawson Equity Chambers John Frost Square Newport NP20 1PW
Investment Managers	Brewin Dolphin 5 Callaghan Square Cardiff CF10 5BT

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

DIRECTORS AND 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.

The trustees during 2019 were as follows:

Ex-officio

Peter E Lea (Chairman)

Paulette Brown (Vice Chairman)

The Bishop of Monmouth (ex officio) - Until April 2019, Vacant until January 2020.

The Dean of Monmouth (ex officio)

The Archdeacon of Newport (ex officio)

The Archdeacon of Monmouth (ex officio)

The Archdeacon of the Gwent Valleys (ex officio)

The Diocesan Registrar (ex officio)

R D (Sandy) Blair C.B.E.(Chairman of the Property Board)

Elected

Revd Jeremy D Harris (Area Dean of Netherwent)

Revd Canon Timothy S Clement (Area Dean of Raglan & Usk) - Resigned 26th September 2019

Revd Anne Golledge (Area Dean of Pontypool) - Resigned 26th September 2019

Revd Canon Mark Soady (Area Dean of Abergavenny) - Resigned 26th September 2019

Revd Martyn Evans (Bishop's nominee) - Resigned 26th September 2019

Richard Harbottle - Resigned 26th September 2019

Philip Masters

Christopher Wray

George Hughes

Sarah Mulcahy

The Monmouth Diocesan Property Board

R D (Sandy) Blair C.B.E. (Chairman)

The Bishop of Monmouth

The Archdeacon of Newport

The Archdeacon of Monmouth

The Archdeacon of the Gwent Valleys (ex officio)

Peter E Lea (Chairman of the Diocesan Board of Finance)

Revd Anne Golledge

Revd Chris Walters

Rod Davies

Alun Jones

Ashley Rogers

Justin Telang

Executive Officer

Dr Paul Glover to 30 September 2019

Isabel Thompson from June 2020

Company Secretary

Dr Paul Glover to 30 September 2019

Mrs Bethan Davies from 30 September 2019

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2019

Funds held as custodian trustee

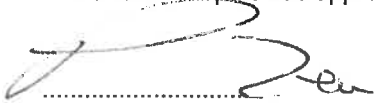
Custodian responsibilities

Trustees act as custodian trustees for certain parish assets (both land and investments) held on behalf of those parishes. Where funds are held or managed for parishes, these are either held in a dedicated bank account or can be easily identified in the books of the DBF.

Auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



Peter Lea

Trustee

Dated: 21 September 2020

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees, who are also the directors of Monmouth Diocesan Board of Finance 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.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2019 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

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.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Case FCA DChA (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

09-10-2020
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Waters Lane Chambers
1-3 Waters Lane
Newport
NP20 1LA

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 of section 1212 of the Companies Act 2006.

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	3,529,240	144,166	3,673,406	3,153,102	55,781	3,208,883
Charitable activities	4	20,000	-	20,000	20,000	-	20,000
Other trading activities	5	-	111,608	111,608	-	90,731	90,731
Investments	6	95,619	13,132	108,751	84,400	10,152	94,552
Other income	7	1,316	-	1,316	70,087	53,534	123,621
Total income		3,646,175	268,906	3,915,081	3,327,589	210,198	3,537,787
<u>Expenditure on:</u>							
Raising funds	8	15,835	913	16,748	14,309	1,009	15,318
Charitable activities	9	2,616,101	606,244	3,222,345	2,760,116	604,622	3,364,738
Total resources expended		2,631,936	607,157	3,239,093	2,774,425	605,631	3,380,056
Net gains/(losses) on investments	13	221,609	13,419	235,028	(188,781)	(13,121)	(201,902)

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

Net incoming/ (outgoing) resources before transfers	1,235,848	(324,832)	911,016	364,383	(408,554)	(44,171)
Gross transfers between funds	(436,977)	436,977	-	(420,035)	420,035	-
Net incoming/(outgoing) resources	798,871	112,145	911,016	(55,652)	11,481	(44,171)
Other recognised gains and losses						
Revaluation of tangible fixed assets	90,000	-	90,000	-	-	-
Net movement in funds	888,871	112,145	1,001,016	(55,652)	11,481	(44,171)
Fund balances at 1 January 2019	3,463,552	290,926	3,754,478	3,519,196	279,445	3,798,641
Fund balances at 31 December 2019	<u>4,352,423</u>	<u>403,071</u>	<u>4,755,494</u>	<u>3,463,552</u>	<u>290,926</u>	<u>3,754,478</u>

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.

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	14		403,947		318,613
Investments	15		2,824,366		2,369,372
			<u>3,228,313</u>		<u>2,687,985</u>
Current assets					
Debtors	16	1,377,573		1,190,673	
Cash at bank and in hand		913,831		491,674	
			<u>2,291,404</u>	<u>1,682,347</u>	
Creditors: amounts falling due within one year	17	(444,969)		(246,600)	
Net current assets			<u>1,846,435</u>		<u>1,435,747</u>
Total assets less current liabilities			<u>5,074,748</u>		<u>4,123,732</u>
Creditors: amounts falling due after more than one year	18		(319,254)		(369,254)
Net assets			<u><u>4,755,494</u></u>		<u><u>3,754,478</u></u>
Income funds					
Restricted funds	19		403,071		290,926
<u>Unrestricted funds</u>					
Designated funds	20	190,000		190,000	
General unrestricted funds		4,039,319		3,240,448	
Revaluation reserve		123,104		33,104	
			<u>4,352,423</u>		<u>3,463,552</u>
			<u><u>4,755,494</u></u>		<u><u>3,754,478</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

Notes	2019		2018	
	£	£	£	£

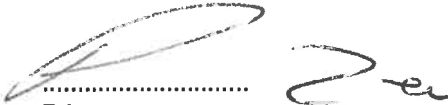
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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 25 September 2020


.....
P Lea
Trustee

Company Registration No. 03489945

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		585,315		(141,851)
Investing activities					
Purchase of tangible fixed assets		(132)		(8,491)	
Purchase of investments		(651,961)		(895,920)	
Proceeds on disposal of investments		430,184		784,232	
Interest received		108,751		94,552	
Net cash used in investing activities			(113,158)		(25,627)
Financing activities					
Repayment of bank loans		(50,000)		-	
Net cash used in financing activities			(50,000)		-
Net increase/(decrease) in cash and cash equivalents			422,157		(167,478)
Cash and cash equivalents at beginning of year			491,674		659,152
Cash and cash equivalents at end of year			913,831		491,674

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

Monmouth Diocesan Board of Finance is a charitable company limited by guarantee incorporated in England and Wales. The registered office is 64 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

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.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 on the following bases:

Freehold land and buildings	Measured at fair value
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

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 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 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.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.10 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Taxation

As a registered charity Monmouth Diocesan Board of Finance 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

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Donations and gifts	3,142,539	144,166	3,286,705	3,153,102	55,781	3,208,883
Legacies receivable	386,701	-	386,701	-	-	-
	<u>3,529,240</u>	<u>144,166</u>	<u>3,673,406</u>	<u>3,153,102</u>	<u>55,781</u>	<u>3,208,883</u>
Donations and gifts						
Parish Share	2,223,062	-	2,223,062	2,225,500	-	2,225,500
RB Block Grant	910,963	-	910,963	910,688	-	910,688
Other Grants	-	144,166	144,166	-	55,781	55,781
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	8,333	-	8,333
Church Surveyor	-	-	-	8,400	-	8,400
Parochial Contribution	181	-	181	181	-	181
	<u>3,142,539</u>	<u>144,166</u>	<u>3,286,705</u>	<u>3,153,102</u>	<u>55,781</u>	<u>3,208,883</u>

4 Charitable activities

	Unrestricted funds	Unrestricted funds
	2019	2018
	£	£
Administrative Fees and other income	20,000	20,000
	<u>20,000</u>	<u>20,000</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Other trading activities

	Restricted funds	Restricted funds
	2019 £	2018 £
Room letting and miscellaneous income	703	713
Rental of Parsonages	110,905	90,018
Other trading activities	<u>111,608</u>	<u>90,731</u>

6 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Income from listed investments	93,704	5,929	99,633	78,548	10,152	88,700
Interest receivable	1,915	7,203	9,118	5,852	-	5,852
	<u>95,619</u>	<u>13,132</u>	<u>108,751</u>	<u>84,400</u>	<u>10,152</u>	<u>94,552</u>

7 Other income

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2019 £	2018 £	2018 £	2018 £
Other income	1,316	87	6,110	6,197
Write back of prior years' project accruals to designated funds	-	70,000	-	70,000
Release of Custodian Trustee Funds to Restricted Funds	-	-	47,424	47,424
	<u>1,316</u>	<u>70,087</u>	<u>53,534</u>	<u>123,621</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
<u>Investment management</u>	15,835	913	16,748	14,309	1,009	15,318
	<u>15,835</u>	<u>913</u>	<u>16,748</u>	<u>14,309</u>	<u>1,009</u>	<u>15,318</u>

9 Charitable activities

	2019 £	2018 £
Support for ministry	2,430,435	2,539,202
Support for parishes	300,003	360,916
Support for other church property	46,801	50,709
Grants and other financial support	154,358	124,660
Communications and publications	35,467	36,118
	<u>2,967,064</u>	<u>3,111,605</u>
Share of support costs (see note 10)	195,278	192,073
Share of governance costs (see note 10)	60,003	61,060
	<u>3,222,345</u>	<u>3,364,738</u>
Analysis by fund		
Unrestricted funds	2,616,101	2,760,116
Restricted funds	606,244	604,622
	<u>3,222,345</u>	<u>3,364,738</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Support costs

	Support costs	Governance costs	2019	Support costs	Governance costs	2018
	£	£	£	£	£	£
Staff costs	152,781	-	152,781	138,833	-	138,833
Depreciation	4,798	-	4,798	7,874	-	7,874
Heat, Light and Water	2,797	-	2,797	4,209	-	4,209
Telephone, fax and internet	3,255	-	3,255	6,328	-	6,328
Printing, Postage and Stationery	5,602	-	5,602	8,831	-	8,831
Furniture and computer expenses	5,867	-	5,867	5,387	-	5,387
Equipment leasing charges	6,498	-	6,498	7,565	-	7,565
Repairs and Renewals	3,512	-	3,512	2,007	-	2,007
Caretaker/Cleaning	5,235	-	5,235	5,098	-	5,098
Miscellaneous	4,933	-	4,933	5,766	-	5,766
Recruitment Costs	-	-	-	175	-	175
Audit fees	-	7,200	7,200	-	8,700	8,700
Legal and professional	-	28,081	28,081	-	27,913	27,913
Diocesan Insurance	-	6,100	6,100	-	6,341	6,341
Diocesan Conference Costs	-	1,961	1,961	-	4,143	4,143
Governing Body Expenses	-	16,661	16,661	-	13,963	13,963
	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>	<u>192,073</u>	<u>61,060</u>	<u>253,133</u>
Analysed between Charitable activities	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>	<u>192,073</u>	<u>61,060</u>	<u>253,133</u>

Governance costs includes payments to the auditors of £7,200 (2018: £8,700) for audit fees.

11 Trustees

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

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2019	2018
	Number	Number
	14	15
	<u>14</u>	<u>15</u>
Employment costs	2019	2018
	£	£
Wages and salaries	267,691	260,204
Social security costs	22,341	20,233
Other pension costs	25,006	22,814
Salary of Diocesan Registrar	24,309	23,641
Total Costs	339,347	326,891

No employees received employee benefits of more than £60,000.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £149,644 (2018: £160,194). This includes the Director of Education whose costs have been charged to Monmouth Diocesan Trust.

13 Net gains/(losses) on investments

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	funds	funds		funds	funds	
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Revaluation of investments	221,609	13,419	235,028	(188,781)	(13,121)	(201,902)
	<u>221,609</u>	<u>13,419</u>	<u>235,028</u>	<u>(188,781)</u>	<u>(13,121)</u>	<u>(201,902)</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Tangible fixed assets

	Freehold land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2019	310,000	33,441	343,441
Additions	-	132	132
Disposals	-	(17,568)	(17,568)
Revaluation	90,000	-	90,000
At 31 December 2019	400,000	16,005	416,005
Depreciation and impairment			
At 1 January 2019	-	24,828	24,828
Depreciation charged in the year	-	4,798	4,798
Eliminated in respect of disposals	-	(17,568)	(17,568)
At 31 December 2019	-	12,058	12,058
Carrying amount			
At 31 December 2019	400,000	3,947	403,947
At 31 December 2018	310,000	8,613	318,613

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2019	2,369,372
Additions	651,961
Valuation changes	235,028
Movement	(1,811)
Disposals	(430,184)
At 31 December 2019	2,824,366
Carrying amount	
At 31 December 2019	2,824,366
At 31 December 2018	2,369,372

The historical cost of the investments at 31 December 2019 is £2,591,630 (2018: £2,350,000). Investments relate to listed investments.

The Monmouth Diocesan Board of Finance has approved the management of the investment portfolio on a discretionary management basis. All investments and associated gains and losses are included on a fair value basis.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Fixed asset investments **(Continued)**

16 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Trade debtors	564,829	562,754
Other debtors	493,490	258,665
	<u>1,058,319</u>	<u>821,419</u>

	2019	2018
Amounts falling due after more than one year:	£	£
Due from Parishes re Provincial Housing Loans	260,250	310,250
Due from Parishes re Curates Housing Loans	59,004	59,004
	<u>319,254</u>	<u>369,254</u>

Total debtors	<u><u>1,377,573</u></u>	<u><u>1,190,673</u></u>
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17 Creditors: amounts falling due within one year

	2019	2018
	£	£
Accruals and deferred income	<u>444,969</u>	<u>246,600</u>

18 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Representative body loans	<u>319,254</u>	<u>369,254</u>

Loans are repaid to the Diocese when the related property has been sold.

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 January 2018		Movement in funds				Movement in funds				Balance at 31 December 2019		
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at January 2019	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£	£
Paronsage Board Fund	21,001	131,490	131,490	(554,915)	416,321	-	13,897	131,577	(511,008)	418,345	-	-	52,811
Churches and Pastoral Committee Funds	258,444	31,284	31,284	(50,716)	3,713	(13,120)	229,605	51,931	(47,400)	2,770	13,419	250,325	
Council for Social Responsibility	-	28,268	28,268	-	-	-	28,268	-	-	-	-	28,268	
Needlework Guild	-	4,624	4,624	-	-	-	4,624	-	-	-	-	4,624	
Highveld Donations	-	2,109	2,109	-	-	-	2,109	2,901	(5,441)	431	-	-	
Llanfair Kilgeddin Parish Units	-	378	378	-	-	-	378	20	-	-	-	398	
Ministry Clergy School	-	45	45	-	-	-	45	2,568	(2,766)	219	-	66	
Bishop's M&G	-	12,000	12,000	-	-	-	12,000	1,500	-	-	-	13,500	
Bishop's Hardship Fund	-	-	-	-	-	-	-	63,697	(38,582)	9,057	-	34,172	
	-	-	-	-	-	-	-	14,712	(1,960)	6,155	-	18,907	
	279,445	210,198	210,198	(605,631)	420,034	(13,120)	290,926	268,906	(607,157)	436,977	13,419	403,071	

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

19 Restricted funds **(Continued)**

Restricted Funds are those funds which are limited by the terms and conditions of the fund and can be used for specific purposes only.

The Parsonage Board Fund is restricted for the maintenance of parsonages.

The Churches and Pastoral Committee Fund is restricted for the support of church maintenance and related pastoral care.

The following transfers were made from Unrestricted Funds to Restricted Funds:-

DBF Contribution to Parsonage Board	£418,345
DBF Contribution to Support Costs	£18,632
Total Contribution	£436,977

Other restricted fund balances relate to former Custodian Trustee funds released to Restricted Funds. These funds will be spent in line with the Donor's wishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Transfers	Balance at 1 January 2019	Movement in funds Incoming resources	Balance at 31 December 2019
	£	£	£	£
Leadership Training	15,500	15,500	-	15,500
Children, Youth and Family Ministry Projects	28,000	28,000	-	28,000
Pioneer Ministry and Mission Project	16,500	16,500	-	16,500
100th Anniversary planning reserve	5,000	5,000	-	5,000
Contribution to MA Finance Resource	5,000	5,000	-	5,000
Evangelism Fund	120,000	120,000	-	120,000
	<u>190,000</u>	<u>190,000</u>	<u>-</u>	<u>190,000</u>

The designated funds have been set aside for future projects and expenditure agreed by the Board of Trustees.

21 Analysis of net assets between funds

	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Unrestricted Funds 2019 £	Restricted Funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:					
Tangible assets	403,947	-	403,947	-	318,613
Investments	2,669,275	155,091	2,824,366	143,141	2,369,372
Current assets/ (liabilities)	1,598,455	247,980	1,846,435	147,785	1,435,747
Long term liabilities	(319,254)	-	(319,254)	-	(369,254)
	<u>4,352,423</u>	<u>403,071</u>	<u>4,755,494</u>	<u>290,926</u>	<u>3,754,478</u>

22 Related party transactions

The charity has a longstanding and ongoing administrative relationship with the Monmouth Diocesan Trust. This function is charged out to the Trust annually and amounted to £20,000 (2018: £20,000).

23 Share capital

As the company is limited by guarantee, there is no share capital. The liability of each member in the event of winding up is limited to £1.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

24	Cash generated from operations	2019 £	2018 £
	Surplus/(deficit) for the year	911,016	(44,171)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(108,751)	(94,552)
	Fair value gains and losses on investments	(235,028)	201,902
	Depreciation and impairment of tangible fixed assets	4,798	7,874
	Movements in working capital:		
	(Increase) in debtors	(185,089)	(134,666)
	Increase/(decrease) in creditors	198,369	(78,238)
	Cash generated from/(absorbed by) operations	<u>585,315</u>	<u>(141,851)</u>
25	Analysis of changes in net funds	At 1 January 2019 £	Cash flows At 31 December 2019 £
	Cash at bank and in hand	491,674	913,831
	Loans falling due after more than one year	(369,254)	(319,254)
		<u>122,420</u>	<u>594,577</u>