

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 2018

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# 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 2018

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The trustees present their report and financial statements for the year ended 31 December 2018.

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)" (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 2018 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 2018

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### 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 2018 there were 73 parsonages in the scheme and the DBF contributed £375k for maintenance work. In addition, 14 parsonages were rented to generate additional income.

For 2019, 71 parsonages were budgeted to be in the scheme, with a DBF contribution of £378k.

#### 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. 49 stipendiary clerics were budgeted in 2018 but there were several vacancies throughout the year. The budget number for 2019 is 48.

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The Diocese also has 50 Non-Stipendiary Ministers (NSMs) the highest number of NSM's in the Church in Wales. 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 2018

In 2018 the core DBF staff comprised the Diocesan Secretary; Senior Finance Officer; Administrators; DAC Secretary; Churches Development Officer; Communications Officer; Children, Youth & Family Ministry Advisors, Projects Officer and Pioneer Development Officer for part of the year.

Some members of staff work on a part-time basis and the number of full-time equivalents (FTE's) in 2018 was 7.5.

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

#### 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 our parishes paid by Standing Order (for which they received a 5% rebate). There were still several Ministry Areas and parishes with unpaid share from previous years and agreements are being sought to repay the debts to the DBF.

For 2018 the trustees agreed to continue the Ministry Share Support Fund (with £50k) to help Ministry Areas and Parishes who are still experiencing difficulty in making their share payments.

It was also good to note that 7 parishes agreed to donate their 5% share rebate to those parishes in greater need.

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

# MONMOUTH DIOCESAN BOARD OF FINANCE

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

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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### Financial review

Unrestricted reserves at 2018 amounted to £3,463,552 of which £318,613 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 £290,926 (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 4 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. At the end of the year they reported a fall in the value of the investments in line with the financial market trends as detailed in Note 19.

### 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 £2,954,939.

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.

### Risk management

The charity has a risk management strategy which is reviewed each year and updated as necessary. During the last year the trustees have been made aware of

- the increase in the cost of clergy pensions (to 38.8% of stipend);
- the costs of training through the newly formed St Padarn's Institute (£75k p.a.);
- the extra provision for HR support (£15k p.a.).

As a result of these changes the costs to the DBF will increase at the same time as the income from Ministry Share continues to fall, due to the continued decline in congregation numbers. Consequently, in setting future budgets, the trustees have acknowledged the need to carefully manage the number of stipends, Diocesan Officers and other discretionary expenditure in order to deliver a balanced budget.

A comprehensive review of the DBF risk register will be undertaken in 2019.

### Plans for the Future

#### Forward Strategy

The trustees are aware of the long-term trend in reducing Sunday attendance and the consequent reduction in giving, together with the increased costs of clergy pensions, training and HR support. At the same time, they are conscious of the need to invest in evangelism and mission in order to develop the church for 2020 and beyond. Therefore, the Diocese is preparing a bid for the RB's Evangelism Fund (£10m for the 6 Welsh Diocese) to be submitted in 2019.

# MONMOUTH DIOCESAN BOARD OF FINANCE

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

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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### **Budget for 2019:**

Approved by the Trustees in September 2018, the 2019 budget envisaged a total spend of £3.4m, 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 trustees agreed to establish a separate Evangelism Fund of £120k to initiate mission projects for which further support will be requested from the RB Evangelism Fund.

The budget is financed by:

- the parishes through the Ministry Share system £2.15m (63%)
- a grant from the RB of £1m (30%);
- DBF funds, including unspent income from 2017, £145k (4%)
- 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 2018

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### 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 2018, in addition to the AGM on the 17th September 2018, administers the charity. The trustees meet when the previous quarter's financial management information is available.

# MONMOUTH DIOCESAN BOARD OF FINANCE

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

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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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, a sub-committee of the Diocesan Board of Finance (DBF). 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.

### **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 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.



# MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Reference and administrative details

**Charity number**  
1067653

**Company number**  
003489945

**Registered Office**  
Diocesan Office  
64 Caerau Road  
Newport  
NP20 4HJ

**Statutory Auditors**  
Baldwins 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 2018

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### 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 2018 were as follows:

#### Ex-officio

Peter E Lea (Chairman)  
Paulette Brown (Vice Chairman)  
The Bishop of Monmouth (ex officio)  
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) from September 2018  
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)  
Revd Anne Golledge (Area Dean of Pontypool)  
Revd Canon Mark Soady (Area Dean of Abergavenny)  
Revd Martyn Evans (Bishop's nominee)  
Richard Harbottle  
Philip Masters  
Christopher Wray  
George Hughes  
Sarah Mulcahy

#### The Monmouth Diocesan Property Board (sub- committee)

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) from September 2018  
Peter E Lea (Chairman of the Diocesan Board of Finance)  
Revd Anne Golledge  
Revd Chris Walters  
Rod Davies  
Alun Jones  
Ashley Rogers  
Justin Telang

#### Secretary and Executive Officer

Dr Paul Glover

#### 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

# MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Disclosure of information to 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: 26 September 2019

# MONMOUTH DIOCESAN BOARD OF FINANCE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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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; 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.

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# MONMOUTH DIOCESAN BOARD OF FINANCE

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MONMOUTH DIOCESAN BOARD OF FINANCE

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#### Opinion

We have audited the financial statements of Monmouth Diocesan Board of Finance (the 'charity') for the year ended 31 December 2018 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 2018 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, except to the extent otherwise explicitly stated in our report, 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 MEMBERS OF MONMOUTH DIOCESAN BOARD OF FINANCE

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

#### **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**

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

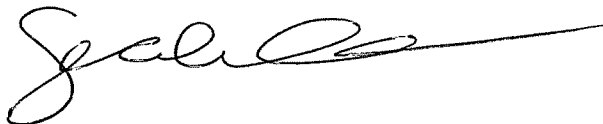
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MONMOUTH DIOCESAN BOARD OF FINANCE

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#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members 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 Baldwins Audit Services

26/9/19

Chartered Accountants  
Statutory Auditor

1-3 Waters Lane Chambers  
Waters Lane  
NEWPORT  
UK  
NP20 1LA

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# MONMOUTH DIOCESAN BOARD OF FINANCE

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	3,153,102	55,781	3,208,883	3,371,524
Charitable activities	4	20,000	-	20,000	16,159
Other trading activities	5	-	90,731	90,731	86,850
Investments	6	84,400	10,152	94,552	100,227
Other income	7	70,087	53,534	123,621	85
<b>Total income</b>		<b>3,327,589</b>	<b>210,198</b>	<b>3,537,787</b>	<b>3,574,845</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	14,309	1,009	15,318	14,587
Charitable activities	9	2,760,116	604,622	3,364,738	3,330,539
<b>Total resources expended</b>		<b>2,774,425</b>	<b>605,631</b>	<b>3,380,056</b>	<b>3,345,126</b>
Net gains/(losses) on investments	13	(188,781)	(13,121)	(201,902)	92,113
<b>Net incoming/(outgoing) resources before transfers</b>		<b>364,383</b>	<b>(408,554)</b>	<b>(44,171)</b>	<b>321,832</b>
Gross transfers between funds		(420,035)	420,035	-	-
<b>Net movement in funds</b>		<b>(55,652)</b>	<b>11,481</b>	<b>(44,171)</b>	<b>321,832</b>
Fund balances at 1 January 2018		3,519,196	279,445	3,798,641	3,476,809
<b>Fund balances at 31 December 2018</b>		<b>3,463,552</b>	<b>290,926</b>	<b>3,754,478</b>	<b>3,798,641</b>

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.



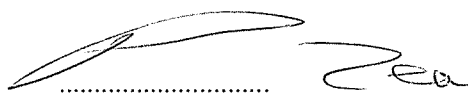
# MONMOUTH DIOCESAN BOARD OF FINANCE

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	14		318,613		317,997
Investments	15		2,369,372		2,459,555
			<u>2,687,985</u>		<u>2,777,552</u>
<b>Current assets</b>					
Debtors	16	1,190,673		1,056,029	
Cash at bank and in hand		491,674		659,152	
		<u>1,682,347</u>		<u>1,715,181</u>	
<b>Creditors: amounts falling due within one year</b>	17	(246,600)		(324,838)	
Net current assets			<u>1,435,747</u>		<u>1,390,343</u>
<b>Total assets less current liabilities</b>			<u>4,123,732</u>		<u>4,167,895</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(369,254)		(369,254)
<b>Net assets</b>			<u><u>3,754,478</u></u>		<u><u>3,798,641</u></u>
<b>Income funds</b>					
Restricted funds	19		290,926		279,445
<u>Unrestricted funds</u>					
Designated funds	20	190,000		-	
General unrestricted funds		3,240,448		3,486,092	
Revaluation reserve		33,104		33,104	
		<u>3,463,552</u>		<u>3,519,196</u>	
			<u><u>3,754,478</u></u>		<u><u>3,798,641</u></u>

The financial statements were approved by the Trustees on 26 September 2019



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Peter Lea  
Trustee

Company Registration No. 03489945

# MONMOUTH DIOCESAN BOARD OF FINANCE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

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	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(141,829)		191,032
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,491)		(3,884)	
Purchase of investments		(895,920)		(434,308)	
Proceeds on disposal of investments		784,210		312,342	
Interest received		94,552		100,227	
<b>Net cash used in investing activities</b>			(25,649)		(25,623)
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(167,478)		165,409
Cash and cash equivalents at beginning of year			659,152		493,743
<b>Cash and cash equivalents at end of year</b>			<u>491,674</u>		<u>659,152</u>

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# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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 unless the funds have been designated for other purposes.

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.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

#### 1.4 Incoming resources

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 2018

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### 1 Accounting policies (Continued)

#### 1.5 Resources expended

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	0%
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.

#### 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).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 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 2018

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### 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

#### 1.13 Operating leases

Rental charges are charged on a straight-line basis to the Statement of Financial Activities on a straight-line basis over the term of the lease

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies (Continued)

#### 1.14 Netting Off of Income against Expenditure

It is not the policy of the charity to show income net of expenditure

### 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	Total
	2018	2018	2018	2017
	£	£	£	£
Donations and gifts	3,153,102	55,781	3,208,883	3,351,524
Legacies receivable	-	-	-	20,000
	<u>3,153,102</u>	<u>55,781</u>	<u>3,208,883</u>	<u>3,371,524</u>
<b>For the year ended 31 December 2017</b>	<u><u>3,314,516</u></u>	<u><u>57,008</u></u>		<u><u>3,371,524</u></u>
<b>Donations and gifts</b>				
Parish Share	2,225,500	-	2,225,500	2,181,982
RB Block Grant	910,688	-	910,688	956,335
Grants Received Parsonage Board	-	55,781	55,781	15,710
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	8,333
Specific Fund Donations	-	-	-	180
Ecclesiastical Insurance Group Rebate/Grant	-	-	-	22,317
RB Transformation Fund	-	-	-	166,667
Church Surveyor	8,400	-	8,400	-
Parochial Contribution	181	-	181	-
	<u>3,153,102</u>	<u>55,781</u>	<u>3,208,883</u>	<u>3,351,524</u>

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 4 Charitable activities

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Administrative Fees and other income	20,000	16,159

### 5 Other trading activities

	Restricted funds 2018 £	Total 2017 £
Room letting and miscellaneous income	713	603
Rental of Parsonages	90,018	86,247
Other trading activities	90,731	86,850

### 6 Investments

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
Income from listed investments	78,548	10,152	88,700	99,014
Interest receivable	5,852	-	5,852	1,213
	84,400	10,152	94,552	100,227
<b>For the year ended 31 December 2017</b>	<b>90,302</b>	<b>9,925</b>		<b>100,227</b>

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 Other income

	Unrestricted funds	Restricted funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Funds transferred to the charity	87	6,110	6,197	85
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>70,087</u>	<u>53,534</u>	<u>123,621</u>	<u>85</u>
<b>For the year ended 31 December 2017</b>	<u>85</u>	<u>-</u>		<u>85</u>

### 8 Raising funds

	Unrestricted funds	Restricted funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
<u>Investment management</u>	<u>14,309</u>	<u>1,009</u>	<u>15,318</u>	<u>14,587</u>
	<u>14,309</u>	<u>1,009</u>	<u>15,318</u>	<u>14,587</u>
<b>For the year ended 31 December 2017</b>				
Investment management	<u>13,614</u>	<u>973</u>		<u>14,587</u>



# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 9 Charitable Activities

	2018	2017
	£	£
Direct costs:		
Support for ministry	2,539,202	2,479,244
Support for parishes	360,916	334,634
Support for other church property	50,709	83,834
Grants and other financial support	124,660	106,167
Communications and publications	36,118	36,643
	<u>3,111,605</u>	<u>3,040,522</u>
Share of support costs (see note 10)	192,073	230,732
Share of governance costs (see note 10)	61,060	59,285
	<u>3,364,738</u>	<u>3,330,539</u>
<b>Analysis by fund</b>		
Unrestricted funds	2,760,116	2,713,154
Restricted funds	604,622	617,385
	<u>3,364,738</u>	<u>3,330,539</u>
<b>For the year ended 31 December 2017</b>		
Unrestricted funds	2,713,154	
Restricted funds	617,385	
	<u>3,330,539</u>	

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
Staff costs	138,833	-	138,833	170,041
Depreciation	7,874	-	7,874	9,557
Heat, Light and Water	4,209	-	4,209	3,283
Telephone, fax and internet	6,328	-	6,328	8,274
Printing, Postage and Stationery	8,831	-	8,831	8,814
Furniture and computer expenses	5,387	-	5,387	5,188
Equipment leasing charges	7,565	-	7,565	6,113
Repairs and Renewals	2,007	-	2,007	4,919
Caretaker/Cleaning	5,098	-	5,098	4,777
Miscellaneous	5,766	-	5,766	8,835
Recruitment Costs	175	-	175	931
Audit fees	-	8,700	8,700	10,602
Legal and professional	-	27,913	27,913	27,065
Diocesan Insurance	-	6,341	6,341	5,391
Diocesan Conference Costs	-	4,143	4,143	4,477
Governing Body Expenses	-	13,963	13,963	11,750
	<u>192,073</u>	<u>61,060</u>	<u>253,133</u>	<u>290,017</u>
Analysed between				
Charitable activities	<u>192,073</u>	<u>61,060</u>	<u>253,133</u>	<u>290,017</u>

Governance costs includes payments to the auditors of £8,700 (2017: £10,602) 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 2018

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### 12 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
	15	15

#### Employment costs

	2018 £	2017 £
Wages and salaries	260,204	252,671
Social security costs	20,233	15,289
Other pension costs	22,814	20,850
Salary of Diocesan Registrar	23,641	23,019
<b>Total Costs</b>	<b>326,891</b>	<b>311,829</b>

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

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £160,194 (2017: £156,721). This includes the Director of Education whose costs have been charged to Monmouth Diocesan Trust.

### 13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Total
	2018 £	2018 £	2018 £	2017 £
Revaluation of investments	(188,781)	(13,121)	(201,902)	92,113
<b>For the year ended 31 December 2017</b>	<b>85,591</b>	<b>6,522</b>		<b>92,113</b>

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
<b>Cost</b>			
At 1 January 2018	310,000	30,909	340,909
Additions	-	8,491	8,491
Disposals	-	(5,959)	(5,959)
At 31 December 2018	310,000	33,441	343,441
<b>Depreciation and impairment</b>			
At 1 January 2018	-	22,912	22,912
Depreciation charged in the year	-	7,875	7,875
Eliminated in respect of disposals	-	(5,959)	(5,959)
At 31 December 2018	-	24,828	24,828
<b>Carrying amount</b>			
At 31 December 2018	310,000	8,613	318,613
At 31 December 2017	310,000	7,997	317,997

### 15 Fixed asset investments

	Listed investments
	£
<b>Cost or valuation</b>	
At 1 January 2018	2,459,555
Additions	895,920
Valuation changes	(201,871)
Disposals	(784,232)
At 31 December 2018	2,369,372
<b>Carrying amount</b>	
At 31 December 2018	2,369,372
At 31 December 2017	2,459,555

The historical cost of the investments at 31 December 2018 is £2,350,000 (2017: £2,221,361). 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 2018

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16 Debtors	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	562,754	617,466
Other debtors	258,665	69,309
	<u>821,419</u>	<u>686,775</u>
	2018	2017
Amounts falling due after more than one year:	£	£
Due from Parishes re Provincial Housing Loans	310,250	310,250
Due from Parishes re Curates Housing Loans	59,004	59,004
	<u>369,254</u>	<u>369,254</u>
<b>Total debtors</b>	<u><u>1,190,673</u></u>	<u><u>1,056,029</u></u>

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17 Creditors: amounts falling due within one year	2018	2017
	£	£
Accruals and deferred income	246,600	324,838
	<u>246,600</u>	<u>324,838</u>

18 Creditors: amounts falling due after more than one year	2018	2017
	£	£
Representative body loans	369,254	369,254
	<u>369,254</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 2018

#### 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:

	Movement in funds					Movement in funds					
	Balance at 1 January 2017	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2018	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 December 2018
Paronsage Board Fund	63,613	117,014	(585,619)	425,993	-	21,001	131,490	(554,915)	416,321	-	13,897
Churches and Pastoral Committee	245,126	36,769	(32,739)	2,766	6,522	258,444	31,284	(50,716)	3,713	(13,120)	229,605
Council for Social Responsibility	-	-	-	-	-	-	28,268	-	-	-	28,268
Needlework Guild	-	-	-	-	-	-	4,624	-	-	-	4,624
Highveld Donations	-	-	-	-	-	-	2,109	-	-	-	2,109
Llantfair Kilgeddin Parish Units	-	-	-	-	-	-	378	-	-	-	378
Ministry Clergy School	-	-	-	-	-	-	12,000	-	-	-	12,000
	<u>308,739</u>	<u>153,783</u>	<u>(618,358)</u>	<u>428,759</u>	<u>6,522</u>	<u>279,445</u>	<u>210,198</u>	<u>(605,631)</u>	<u>420,034</u>	<u>(13,120)</u>	<u>290,926</u>

# MONMOUTH DIOCESAN BOARD OF FINANCE

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 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 £374,854

DBF Contribution to Support Costs £45,510

**Total Contribution £420,034**

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 2018

#### 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:

	Movement in funds			
	Incoming resources <sup>1</sup>	Balance at January 2018	Transfers	Balance at 31 December 2018
	£	£	£	£
Leadership Training	-	-	15,500	15,500
Children, Youth and Family Ministry Projects	-	-	28,000	28,000
Pioneer Ministry and Mission Project	-	-	16,500	16,500
100th Anniversary planning reserve	-	-	5,000	5,000
Contribution to MA Finance Resource	-	-	5,000	5,000
Evangelism Fund	-	-	120,000	120,000
	-	-	190,000	190,000

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	Restricted Funds	Total	Total
	2018	2018	2018	2017
	£	£	£	£
Fund balances at 31 December 2018 are represented by:				
Tangible assets	318,613	-	318,613	317,997
Investments	2,226,231	143,141	2,369,372	2,459,555
Current assets/(liabilities)	1,287,962	147,785	1,435,747	1,390,343
Long term liabilities	(369,254)	-	(369,254)	(369,254)
	3,463,552	290,926	3,754,478	3,798,641

#### 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 (2017: £15,000).

#### 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 2018

24	Cash generated from operations	2018 £	2017 £
	(Deficit)/surplus for the year	(44,171)	321,832
	Adjustments for:		
	Investment income recognised in statement of financial activities	(94,552)	(100,227)
	Fair value gains and losses on investments	201,902	(92,113)
	Depreciation and impairment of tangible fixed assets	7,874	9,557
	Movements in working capital:		
	(Increase)/decrease in debtors	(134,644)	66,431
	(Decrease) in creditors	(78,238)	(14,448)
	<b>Cash (absorbed by)/generated from operations</b>	<b>(141,829)</b>	<b>191,032</b>
25	Analysis of changes in net funds	At 1 January 2018 £	Cash flows At 31 December 2018 £
	Cash at bank and in hand	659,152	(167,478)
	Loans falling due after more than one year	(369,254)	-
		<u>289,898</u>	<u>122,420</u>

