

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 2020**

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 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

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) (effective 1 January 2019)".

Objectives and activities

The role of the Monmouth Diocesan Board of Finance (DBF) is to ensure that there is sufficient revenue to maintain the cost of ministry across the diocese, and to enable the administrative functions to be properly exercised.

As a charity, the DBF monitors the finances of the diocese to support the mission and ministry of the Church in Wales in the Diocese of Monmouth. By far the largest part of the DBF budget is dedicated to supporting the cost of clergy in the diocese – their stipends, parsonages and other associated costs.

The Covid-19 pandemic has made 2020 an unprecedented year and the challenges have been considerable. Although churches were closed for large parts of the year, the need for mission and ministry in our communities did not diminish. In all our parishes and Ministry Areas, clergy and lay alike responded to the needs and challenges to serve congregations and communities and to develop new forms of worship. The DBF is proud to be part of the Monmouth diocesan family during this difficult year.

Public Benefit

The trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding the activities undertaken during the year. The trustees are satisfied that the information provided in the report and accounts meets the public benefit reporting requirements.

Achievements and performance

Ministry

New Bishop of Monmouth

2020 began full of excitement with the enthronement of our new Bishop, The Right Reverend Cherry Vann to a large congregation in Newport Cathedral. This was a joyful occasion full of hope for the coming years ahead.

Clergy

48 stipendiary clerics were budgeted in 2020 but there were several vacancies throughout the year. Despite the Covid-19 restrictions and the difficulties that this caused in filling these vacancies, the diocese was very fortunate to welcome Revd Tim Dack, Revd Karen Dack and Revd Dan Frett to stipendiary ministry roles in the diocese during 2020.

In addition to stipendiary clergy, the diocese is also blessed with 48 Non-Stipendiary Ministers (NSMs). NSMs do not receive a stipend, although some live in parsonages on a House for Duty (HfD) basis.

Lay Ministry

There are 43 licensed lay ministers and many more licensed Eucharistic ministers. In October 2020 Paul Stafford was licensed as a lay minister in a service in Newport Cathedral.

Ordinations

2020 was a year of disrupted events for everyone – and this was no less true of ordinations. The annual ordination service in Newport Cathedral each summer is usually a lively occasion full of friends and family, however, during 2020 this was severely restricted. The Revd Liz Houghton was priested in June 2020.

MONMOUTH DIOCESAN BOARD OF FINANCE

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FOR THE YEAR ENDED 31 DECEMBER 2020

In early October 2020, when restrictions allowed, another larger ordination service was held in Newport Cathedral where Kay Denly and Mary Moore were Deaconed. The Revd Lea Ryder, the Revd Lisa Taylor, the Revd Bronwen Summers, the Revd Matt Sellers, the Revd John Thorne and the Revd Heulwen Rees were all Priested.

Mission

Church Army Centre of Mission in the Gwent Valleys

During 2020 the DBF embarked on a partnership with the Church Army to establish a Centre of Mission based in Abertillery. Hannah Seal was appointed as Lead Evangelist in 2020 and took up her post in Easter 2021. The Centre of Mission is a 5-year partnership, and the costs are divided equally between the two partners.

The DBF are delighted to be able to support this innovative project in the diocese and are using part of a legacy left to the DBF in 2019 to fund this much needed investment in the Gwent Valleys.

Climate change

Climate change is the single greatest threat facing all of God's creation. During 2020, the Diocese of Monmouth took the first step in playing our part in combating this threat by registering our intent to become an Eco Diocese.

Open the Book – engagement with children in schools

A programme of Open the Book training was launched in 2020 and, despite the restrictions, Ministry Areas have continued to maintain their presence in schools through digital sessions. The teams were undeterred during the lockdown and were keen to learn the new skills necessary, to perform, film and edit recordings to send into schools. Open the Book teams linked up on zoom to share their newly acquired skills and knowledge to inspire and encourage one another and continue their ministry and connection with their local schools at such a difficult and challenging time. New teams are being established and it is hoped that each team will be able to visit multiple schools where possible.

Finance and Administration

The DBF undertook a wide-ranging financial review in 2020. Commissioned in 2019, the retired Diocesan Secretary of Bristol, Lesley Farrell, embarked on an external review of central costs, such as diocesan office staff costs. Following this external review, the DBF went on to review all income and expenditure during the summer of 2020, in advance of setting the 2021 budget. The priority for the review was to protect the provision of front-line clergy in the diocese and to ensure that the diocese could operate sustainably going forward.

Diocesan Office Team

2020 was a year of considerable change in the diocesan office. Following the review, the number of staff reduced by nearly half, from 13 in 2019 to 7 by January 2021. Two members of staff were made redundant, and a number of other roles were not replaced when staff left or retired.

In June 2020, Isabel Thompson, formerly Churches Development Officer, was appointed as Diocesan Secretary.

New ways of working

Due to the Covid restrictions, staff were working from home for the majority of 2020. Although very disruptive for the first few weeks, the team soon became familiar with new software packages and the usual programme of supporting committee meetings, conferences, training sessions and fulfilling the statutory requirements of the diocese continued online.

Communication

From March 2020 the raft of Covid restrictions and associated Church in Wales guidance for churches and church activities required more rapid methods of communication from the diocese to those on the ground in our parishes and Ministry Areas. The diocesan quarterly magazine, Grapevine – a paper publication which was delivered by volunteers to the churches, was no longer practical and resources were shifted to online methods of communication.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

During the Spring of 2020, these communications were often required on a daily basis and were collated each Friday and sent out again in a Friday Round-up of all communications for that week.

Although the need to communicate Covid guidance on a daily basis diminished throughout the year, the Friday Round-up remained and it is now a useful vehicle for communicating news from across the diocese and the wider Church in Wales. As many throughout the diocese grew in confidence using video editing software, the online Friday Round-up provided more opportunity to share stories and experiences. Bishop Cherry's weekly Tuesday Reflection and streamed services from Newport Cathedral also became regular features.

2020 saw the development of a new diocesan website which will provide a good platform to develop as we continue to share news, stories and events from throughout the diocese.

Diocesan Education and Church Schools

The DBF took over financial responsibility for the diocesan provision of education during 2020, covering costs that the Diocesan Trust were no longer able to cover. The DBF embarked on a new relationship with the Diocese of Llandaff whose education team extended their scope to include the diocesan statutory duties for church schools in Monmouth, as well as providing much needed educational resources during a very challenging year for our church schools.

The education team, comprising of Director of Education Andrew Rickett, School Development Officer Beccie Morteo and Education Support Officer Deborah Griffiths have worked with the 15 primary schools across the diocese; which comprises approximately 4,000 children between the ages of 3 – 11. The team has supported schools with statutory compliance around areas such as governance, admissions and CRAMP. The team has also ensured that schools receive support with key areas of development such as Christian Ethos, Leadership and Curriculum. Education team members meet regularly with RE leaders and headteachers on an individual and group basis to support both development and wellbeing. Andrew Rickett has also provided additional personalised support for governors with regards to compliance and appointments.

Key to school development has been our offer of training and resources. Schools and governors have accessed training on diversity, curriculum, admission and appeals as well as regular update meetings. All schools in the diocese have received training on and implemented the Understanding Christianity scheme in order to raise standards in Religious Education. Projects such as 'Mini Missions for Lent' and 'Ffrindiau'r Byd Eco Project' were also part of the resources offered; with a home learning option included for any children who were unable to attend school. Communication with schools was improved by setting up a Twitter account (@monfaithfamily) and enhancing the resource section of the website. The team's intention for the coming year is to develop a one stop repository of resources for schools and foundation governors. To further develop the social action focus of the new curriculum, the team has developed joint networks between schools in Llandaff and Monmouth. For example, the 'School of Sanctuary network' consists of six schools from both Llandaff and Monmouth working towards the recognition together.

With the introduction of a new Religion, Values and Ethics curriculum (RVE) in 2021/22 the team are preparing a package of support for headteachers, teachers and foundation governors. They will also be working alongside colleagues in the Church in Wales to develop Section 50 inspection framework in light of curriculum changes and consequently will be developing a support package for schools and governors. By pooling our resources and working across two dioceses, we are able to provide a wider range of training and support and ensure consistency for our schools. The support network for headteachers and RE leaders also widens and schools are able to share and celebrate good practice within networks.

The Parsonage Board

The DBF makes an annual contribution to the Parsonage Board Scheme, paid quarterly, to enable the Parsonage Board to maintain the parsonages within the Diocese. The capital funds of the Parsonage 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 Parsonage Board.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

In 2020 there were 72 parsonages in the scheme and the DBF contributed £399k for maintenance work. In addition, 12 parsonages were rented to generate additional income. For 2021, 71 parsonages were budgeted to be in the scheme, with a DBF contribution of £387k.

Work to the parsonages suffered considerable disruption during 2020 due to the Covid restrictions and although repairs and maintenance continued, the programme of works was delayed. Consequently, the Parsonage Board has generated a surplus in 2020. However, the need for the work remains and the programme of works will continue when restrictions allow.

Diocesan Conference

The Annual Diocesan Conference in October was online in 2020 due to the Covid restrictions. As Bishop Cherry's first Diocesan Conference, her keynote address set the agenda for the coming year by announcing plans to form single parish Ministry Areas and emphasising the importance of Stewardship and Discipleship.

Our response to Covid

Throughout 2020 and into 2021, parishes and Ministry Areas throughout the diocese have responded to the needs of their community and the challenges they have faced. Under the hashtag many of these inspiring stories were shared in the diocesan Friday Round-up.

During such a difficult year there is much to inspire us and the DBF is proud to play their part in supporting the life of our local churches and Ministry Areas.

DBF response to Covid

From March 2020 onwards the DBF met regularly online to monitor cash flow and to respond to need. The usual programme of quarterly board meetings were supplemented with extra meetings to address specific issues.

Covid Financial Support

The Covid pandemic has impacted the finances of all our parishes and Ministry Areas. This was due to a number of factors including a decline in giving on the plate during Sunday Services, loss of income from the rental of premises, such as church halls, and the loss of regular fundraising activities. While many parishes worked hard to encourage other forms of giving – such as by Standing Order or using the Church in Wales Gift Direct scheme, all suffered a decline in income. As a result, parishes and Ministry Areas were less able to cover the costs of their Ministry Share.

This need was identified early in the spring 2020 by all the Boards of Finance throughout the Church in Wales as well as the Representative Body of the Church in Wales. The Trustees of the RB committed to providing financial support to all dioceses, proportionate to the number of stipendiary clergy. In total, throughout 2020, the RB provided £629,000 to the Diocese of Monmouth in Covid financial support (£194,00 to directly support the parsonage board for the upkeep of clergy houses and £435,000 to support parishes and Ministry Areas). This support was conditional on principles laid down by the RB Trustees that included a commitment from DBF Trustees to ensure that levels of giving were maintained and to accelerate the pace of cultural change throughout the organisation.

40% Rebate

The DBF offered all parishes and Ministry Areas a 40% rebate on their Ministry Share in quarter 2, quarter 3 and quarter 4 of 2020 and continuing into quarter 1 and quarter 2 of 2021. For this 40% rebate the DBF passed on the £435,000 support from the RB as well as drawing on their own reserves.

From quarter 2 of 2020 and into 2021, over £200,000 per quarter was paid to parishes and Ministry Areas in enhanced rebate.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Covid Support Grants

Each year the Diocese of Monmouth offers grants to parishes through the Churches and Pastoral Committee and the DBF makes a contribution to these grants. In recent years, these grants have been given to support repairs and improvements to churches, church halls and churchyards. There has also been a Ministry Area Development grant to support parishes to work together as Ministry Areas.

Covid reopening grant

In 2020 the DBF also offered a Covid Re-opening Grant, to assist PCCs with the additional cost of opening their church buildings due to the Covid restrictions. This grant scheme was very well received and each church in the diocese was offered £100 for buying equipment such as cleaning supplies, PPE and signage.

Contactless giving and Gift Direct

The DBF launched a contactless trial to financially support parishes to use contactless giving devices.

During the pandemic, the use of cash has reduced considerably and the DBF are aware that many parts of society are moving cashless. In order for churches to sustain and increase their giving, there is a need for churches to follow this trend and to invest in contactless giving. The DBF agreed to fund the initial cost of the device and the first year subscription fees and, in return, the churches who volunteered to be part of the trial committed to quarterly reporting to assess the ease of the device and its impact on giving.

St Mary's Magor, who have taken up the trial, are pleased with their device and reported that wedding couples are particularly relieved that they can pay by card. They also report that the online data which record and illustrate giving levels are very helpful because it allows them to analyse what's coming in and to understand the associated trends.

The contactless giving trial was part of the wider work of the Church in Wales in 2020 to expand and improve digital giving. As part of the Church in Wales' response to the Covid pandemic their Gift Direct scheme was developed further to offer more online tools to help parishes and Ministry Areas in managing their donations.

Furlough of DBF Staff

For periods throughout 2020, 4 members of the diocesan office team were furloughed and others took a voluntary pay cut to protect cash flow.

Financial review

The Diocesan Board of Finance made an unrestricted deficit for the year of £9,282 and a restricted surplus of £127,445. The majority of the restricted surplus was generated from the Parsonage Board, where some works to houses were severely delayed due to the Covid restrictions. However, works to maintain and repair the parsonages is ongoing and it is anticipated the programme of works will resume as restrictions allow.

Unrestricted reserves at 2020 amounted to £4,343,141 of which £401,566 is expressed by tangible fixed assets which are not readily saleable (the Diocesan Office on Caerau Road, Newport) and £320,000 has been designated for specific projects (see note 21).

Reserves are tied up in investments assets which are maintained by an investment manager to generate income. The DBF use the income generated from these investments to support their annual budget.

Restricted funds amounted to £530,516 (see note 20).

Income

Donations and legacies

During 2020 the DBF received £3,829,763 in donations. Of this, £2,203,766 came from Ministry Share and £911,343 came from the Representative Body's block grant. In 2020 the diocese received an additional £628,771 in Covid support from the Representative Body. This additional support came in two parts – £193,725 to directly support the parsonage board contribution and £435,046 linked to the cost of clergy.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Charitable activities

In 2020 the DBF agreed to stop the administrative charge that had previously been paid by the Monmouth Diocesan Trust to the DBF, as the Diocesan Trust no longer have sufficient income to cover the costs. In 2019 the DBF received £20,000 under the heading 'charitable activities' for 2020 there was no income in this section.

Other trading activities

The parsonage board raised £99,025 from the rental of parsonages in 2020, this is a slight reduction in the income for 2019. These funds are restricted and are used to support the repair and maintenance of the parsonages.

Investments

Despite fears in the Spring of 2020 that investment income would be severely affected by the pandemic the investment managers reached their targets and the investments performed well. The DBF received £99,144 in income across all funds.

Other income

The DBF received £23,810 of other income in 2020. The majority of this related to the Government's Job Retention Scheme as some of the DBF staff from the Diocesan were furloughed for periods of the year.

Expenditure

Support for Ministry

The largest proportion of expenditure comes under the heading 'Support for Ministry' and consists of clergy costs – stipends, pension, council tax and maintenance of the parsonages. In 2020 the cost of this was £2,212,652.

Support for Parishes

The second largest expenditure item is Support for Parishes and this has increased three-fold in 2020. In 2019, Support for Parishes was £300,003 whereas in 2020 this rose to £1,091,720. This increase demonstrates the scale of the Covid financial support that was passed to parishes and Ministry Areas in 2020.

Grants and other financial support

Grants and other financial support also increased in 2020 with new Covid support being offered by the DBF. In addition to the annual grants paid to the Cathedral, Bishop's Funds, the RB Church Building Emergency Fund and the DBF contribution to the Churches and Pastoral Committee, in 2020 the DBF also offered a Covid Re-opening Grant, to assist PCCs with the additional cost of opening their church buildings due to the Covid restrictions. In addition the DBF launched a contactless giving trial, to financially support parishes to use contactless giving devices as society become more cashless.

Support Cost

Support Costs, which primarily relate to Diocesan Office and DBF staff costs increased in 2020 despite staff redundancies and leavers. The majority of this increase relates to the salaries and other associated costs for the diocesan provision for education which was previously covered by the Diocesan Trust. In 2020 the DBF took over financial responsibility for this provision because the Diocesan Trust was no longer able to support the costs through their own income.

Investment powers and oversight

The income generated from investments are used to support the DBF annual budget. Investment strategy is determined by the Investment Advisory Group (which also oversees investments on behalf of the Trust). Four members of the DBF and one member of the Trust sit on the Investment Advisory Group.

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.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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, Revaluation Reserve and Designated Funds equated to £3,498,471 (2019: £3,635,372).

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

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.

Due to the changes in working practices during 2020 two new risks were identified in 2020 –

- Security and GDPR risks associated with homeworkers.
- Health and safety issues associated with staff temporarily becoming homeworkers without proper equipment.

However, the majority of the underlying risks did not diminish and the following areas remained high risk -

- 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.

Indeed, the risk of decline income has been exacerbated by the Covid pandemic.

One area which was previously considered high risk did reduce during 2020, although remains at high risk until the programme of planned work that had been delayed has resumed.

- Deficit in parsonage board budget (rising year on year but exacerbated by high turnover of clergy).

Plans for the future

Forward strategy

During 2020 the DBF strived, despite the challenges posed by Covid, to work towards a sustainable budget. The Diocesan Review by the former Diocesan Secretary of Bristol and the wider review of income and expenditure undertaken in advance of setting the 2021 budget provided the foundations for future forecasts and future budgeting into 2021 and beyond. Central costs, particularly those associated with the Diocesan Office staff costs, have been considerably reduced to protect the provision of clergy posts.

The diocese has held many clergy vacancies in recent years and, while some vacancies were filled in 2020, many more posts were advertised and filled in 2021. This programme of filling vacancies will continue into 2022 and each Licensing is a source of great joy as we welcome new clergy into posts throughout the diocese.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Together with developing a sustainable approach on future expenditure, the DBF is committed to the significant programme of culture change that is now underway in the diocese, and throughout the Church in Wales, to enable groups of churches to work collaboratively and collegially together with all that God has given them. The DBF is committed to forming Ministry Areas in the Diocese of Monmouth to enable churches to be served and led by a team of ordained and lay ministers who will complement one another and enable each other to flourish in their ministries. To create different and diverse ways for people to discover faith in Christ and grow in their discipleship. Despite the challenges of Covid-19, this work will continue into 2021 and beyond.

With regard to the Covid restrictions, although the DBF remained cautious, there was an anticipation at the end of the 2020 that the worst of the challenges were behind us. However, many of the challenges have persisted into 2021 with the outlook remaining uncertain into 2022. There is a need for future planning to acknowledge these uncertainties and to plan for the resulting changes to our communities and our finances.

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 coopted 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

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020, in addition to the AGM on the 25th September 2020, 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.

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 Share collected from the parishes.

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

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 Ty Derw Lime Tree Court Cardiff CF23 8AB
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

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 2020 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) - Resigned 30 September 2020
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 Parsonage Board)

MONMOUTH DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Elected

Revd Jeremy D Harris
Philip Masters
Christopher Wray
George Hughes
Sarah Mulcahy
Revd John Richard Connell - appointed 25 September 2020
Revd Kevin John Hasler - appointed 25 September 2020
Revd Mark Owen - appointed 25 September 2020
Terrence Benjamin Cristofoli - Appointed 4 June 2020

The Monmouth Diocesan Parsonage 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 Gollledge
Revd Chris Walters
Rod Davies
Alun Jones
Ashley Rogers
Justin Telang

Executive Officer

Isabel Thompson from June 2020

Company Secretary

Mrs Bethan Davies

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: 23/9/21

MONMOUTH DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

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 2020 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 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

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

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

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

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

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

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

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

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

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

28-9-2021

Chartered Accountants
Statutory Auditor

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

MONMOUTH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF MONMOUTH DIOCESAN BOARD OF FINANCE

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 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
<u>Income and endowments from:</u>							
Donations and legacies	3	3,752,392	77,371	3,829,763	3,529,240	144,166	3,673,406
Charitable activities	4	-	-	-	20,000	-	20,000
Other trading activities	5	-	99,906	99,906	-	111,608	111,608
Investments	6	86,839	12,305	99,144	95,619	13,132	108,751
Other income	7	23,810	-	23,810	1,316	-	1,316
Total income		3,863,041	189,582	4,052,623	3,646,175	268,906	3,915,081
<u>Expenditure on:</u>							
Raising funds	8	15,056	855	15,911	15,835	913	16,748
Charitable activities	9	3,369,217	516,803	3,886,020	2,616,101	606,244	3,222,345
Total resources expended		3,384,273	517,658	3,901,931	2,631,936	607,157	3,239,093
Net gains/(losses) on investments	13	(26,634)	(5,895)	(32,529)	221,609	13,419	235,028

MONMOUTH DIOCESAN BOARD OF FINANCE

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

FOR THE YEAR ENDED 31 DECEMBER 2020

Net incoming/ (outgoing) resources before transfers	452,134	(333,971)	118,163	1,235,848	(324,832)	911,016
Gross transfers between funds	(461,416)	461,416	-	(436,977)	436,977	-
Net (outgoing)/incoming resources	(9,282)	127,445	118,163	798,871	112,145	911,016
Other recognised gains and losses						
Revaluation of tangible fixed assets	-	-	-	90,000	-	90,000
Net movement in funds	(9,282)	127,445	118,163	888,871	112,145	1,001,016
Fund balances at 1 January 2020	4,352,423	403,071	4,755,494	3,463,552	290,926	3,754,478
Fund balances at 31 December 2020	<u>4,343,141</u>	<u>530,516</u>	<u>4,873,657</u>	<u>4,352,423</u>	<u>403,071</u>	<u>4,755,494</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 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	14		401,566		403,947
Investments	15		2,753,843		2,824,366
			<u>3,155,409</u>		<u>3,228,313</u>
Current assets					
Debtors	17	1,109,960		1,377,573	
Cash at bank and in hand		1,785,151		913,831	
		<u>2,895,111</u>		<u>2,291,404</u>	
Creditors: amounts falling due within one year	18	<u>(857,609)</u>		<u>(444,969)</u>	
Net current assets			<u>2,037,502</u>		<u>1,846,435</u>
Total assets less current liabilities			<u>5,192,911</u>		<u>5,074,748</u>
Creditors: amounts falling due after more than one year	19		<u>(319,254)</u>		<u>(319,254)</u>
Net assets			<u><u>4,873,657</u></u>		<u><u>4,755,494</u></u>
Income funds					
Restricted funds	20		530,516		403,071
Unrestricted funds					
Designated funds	21	320,000		190,000	
General unrestricted funds		3,900,037		4,039,319	
Revaluation reserve		<u>123,104</u>		<u>123,104</u>	
			<u>4,343,141</u>		<u>4,352,423</u>
			<u><u>4,873,657</u></u>		<u><u>4,755,494</u></u>

MONMOUTH DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

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 2020, although an audit has been carried out under section 144 of the Charities Act 2011.

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

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

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

The financial statements were approved by the Trustees on 23-9-2021



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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 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25		734,886		585,315
Investing activities					
Purchase of tangible fixed assets		(704)		(132)	
Purchase of investments		(862,768)		(651,961)	
Proceeds on disposal of investments		900,762		430,184	
Investment income received		99,144		108,751	
Net cash generated from/(used in) investing activities			136,434		(113,158)
Financing activities					
Repayment of bank loans		-		(50,000)	
Net cash used in financing activities			-		(50,000)
Net increase in cash and cash equivalents			871,320		422,157
Cash and cash equivalents at beginning of year			913,831		491,674
Cash and cash equivalents at end of year			1,785,151		913,831

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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) (effective 1 January 2019)". 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 2020

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.

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.

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.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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

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.

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Donations and gifts	3,752,392	77,371	3,829,763	3,142,539	144,166	3,286,705
Legacies receivable	-	-	-	386,701	-	386,701
	<u>3,752,392</u>	<u>77,371</u>	<u>3,829,763</u>	<u>3,529,240</u>	<u>144,166</u>	<u>3,673,406</u>
Donations and gifts						
Parish Share	2,203,766	-	2,203,766	2,223,062	-	2,223,062
RB Block Grant	911,343	-	911,343	910,963	-	910,963
Other Grants	628,770	77,371	706,141	-	144,166	144,166
RB Contribution to Diocesan Advisory Committee	8,333	-	8,333	8,333	-	8,333
Parochial Contribution	180	-	180	181	-	181
	<u>3,752,392</u>	<u>77,371</u>	<u>3,829,763</u>	<u>3,142,539</u>	<u>144,166</u>	<u>3,286,705</u>

4 Charitable activities

	2020	2019
	£	£
Administrative Fees and other income	-	20,000
	<u>-</u>	<u>20,000</u>

5 Other trading activities

	Restricted funds	Restricted funds
	2020	2019
	£	£
Room letting and miscellaneous income	881	703
Rental of Parsonages	99,025	110,905
Other trading activities	<u>99,906</u>	<u>111,608</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
Income from listed investments	85,483	6,039	91,522	93,704	5,929	99,633
Interest receivable	1,356	6,266	7,622	1,915	7,203	9,118
	<u>86,839</u>	<u>12,305</u>	<u>99,144</u>	<u>95,619</u>	<u>13,132</u>	<u>108,751</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2020	2019
	£	£
Other income	<u>23,810</u>	<u>1,316</u>

8 Raising funds

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020	2020	2020	2019	2019	2019
	£	£	£	£	£	£
<u>Investment management</u>	15,056	855	15,911	15,835	913	16,748
	<u>15,056</u>	<u>855</u>	<u>15,911</u>	<u>15,835</u>	<u>913</u>	<u>16,748</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Charitable activities

	2020 £	2019 £
Support for ministry	2,212,652	2,430,435
Support for parishes	1,091,720	300,003
Support for other church property	42,967	46,801
Grants and other financial support	161,652	154,358
Communications and publications	32,575	35,467
	<u>3,541,566</u>	<u>2,967,064</u>
Share of support costs (see note 10)	289,549	195,278
Share of governance costs (see note 10)	54,905	60,003
	<u>3,886,020</u>	<u>3,222,345</u>
Analysis by fund		
Unrestricted funds	3,369,217	2,616,101
Restricted funds	516,803	606,244
	<u>3,886,020</u>	<u>3,222,345</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Support costs

	Support costs	Governance costs	2020	Support costs	Governance costs	2019
	£	£	£	£	£	£
Staff costs	259,024	-	259,024	152,781	-	152,781
Depreciation	3,085	-	3,085	4,798	-	4,798
Heat, Light and Water	2,729	-	2,729	2,797	-	2,797
Telephone, fax and internet	3,537	-	3,537	3,255	-	3,255
Printing, Postage and Stationery	2,719	-	2,719	5,602	-	5,602
Furniture and computer expenses	5,550	-	5,550	5,867	-	5,867
Equipment leasing charges	6,498	-	6,498	6,498	-	6,498
Repairs and Renewals	572	-	572	3,512	-	3,512
Caretaker/Cleaning	4,629	-	4,629	5,235	-	5,235
Miscellaneous	1,206	-	1,206	4,933	-	4,933
Audit fees	-	6,720	6,720	-	7,200	7,200
Legal and professional	-	40,574	40,574	-	28,081	28,081
Diocesan Insurance	-	6,039	6,039	-	6,100	6,100
Diocesan Conference Costs	-	548	548	-	1,961	1,961
Governing Body Expenses	-	1,024	1,024	-	16,661	16,661
	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>
Analysed between Charitable activities	<u>289,549</u>	<u>54,905</u>	<u>344,454</u>	<u>195,278</u>	<u>60,003</u>	<u>255,281</u>

Governance costs includes payments to the auditors of £5,920 (2019: £7,200) 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 2020

12 Employees

Number of employees

The average monthly number of employees during the year was:

2020 Number	2019 Number
12	14
<u>12</u>	<u>14</u>

Employment costs

	2020 £	2019 £
Wages and salaries	238,048	267,691
Social security costs	19,519	22,341
Other pension costs	27,616	25,006
Salary of Diocesan Registrar	24,716	24,309
Total Costs	309,899	339,347

Staff costs include £15,439 of redundancy payments (2019: £nil). There were no amounts outstanding in the current or prior year.

Key Management Personnel costs including Salary, Pension and Employers National Insurance amounted to £180,744 (2019: £149,644). In 2019 the Director of Education costs were charged to Monmouth Diocesan Trust, in 2020 the costs were borne by the charity.

No employees received remuneration over £60,000 in the current or previous year.

13 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2020 £	2020 £	2020 £	2019 £	2019 £	2019 £
Revaluation of investments	(26,634)	(5,895)	(32,529)	221,609	13,419	235,028
	<u>(26,634)</u>	<u>(5,895)</u>	<u>(32,529)</u>	<u>221,609</u>	<u>13,419</u>	<u>235,028</u>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 1 January 2020	400,000	16,005	416,005
Additions	-	704	704
Disposals	-	(5,539)	(5,539)
At 31 December 2020	400,000	11,170	411,170
Depreciation and impairment			
At 1 January 2020	-	12,058	12,058
Depreciation charged in the year	-	3,085	3,085
Eliminated in respect of disposals	-	(5,539)	(5,539)
At 31 December 2020	-	9,604	9,604
Carrying amount			
At 31 December 2020	400,000	1,566	401,566
At 31 December 2019	400,000	3,947	403,947

Land and buildings with a carrying amount of £310,000 were revalued at 31 July 2019 by Graham & Co, independent valuers not connected with the charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 December 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £276,896 (2019 - £276,896).

15 Fixed asset investments

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Fixed asset investments	(Continued)
	Listed investments £
Cost or valuation	
At 1 January 2020	2,824,366
Additions	862,768
Valuation changes	(32,529)
Disposals	(900,762)
	<hr/>
At 31 December 2020	2,753,843
	<hr/>
Carrying amount	
At 31 December 2020	2,753,843
	<hr/> <hr/>
At 31 December 2019	2,824,366
	<hr/> <hr/>

The historical cost of the investments at 31 December 2020 is £2,517,058 (2019: £2,591,630). 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.

16 Financial instruments	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,753,843	2,824,366
	<hr/> <hr/>	<hr/> <hr/>
17 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	498,267	564,829
Other debtors	292,439	493,490
	<hr/>	<hr/>
	790,706	1,058,319
	<hr/> <hr/>	<hr/> <hr/>

MONMOUTH DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Debtors	(Continued)	
	2020	2019
	£	£
Amounts falling due after more than one year:		
Due from Parishes re Provincial Housing Loans	260,250	260,250
Due from Parishes re Curates Housing Loans	59,004	59,004
	<u>319,254</u>	<u>319,254</u>
Total debtors	<u>1,109,960</u>	<u>1,377,573</u>
18 Creditors: amounts falling due within one year	2020	2019
	£	£
Accruals and deferred income	857,609	444,969
	<u>857,609</u>	<u>444,969</u>
19 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Representative body loans	319,254	319,254
	<u>319,254</u>	<u>319,254</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 2020

20 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 2019		Movement in funds				Movement in funds				Balance at 31 December 2020		
	£	£	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 1 January 2020	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	£	£
Paronsage Board Fund	13,897	131,577	131,577	(511,008)	418,345	-	52,811	118,601	(439,658)	437,565	-	-	169,319
Churches and Pastoral Committee Funds	229,605	51,931	51,931	(47,400)	2,770	13,419	250,325	51,079	(56,956)	9,982	(5,895)	-	248,535
Council for Social Responsibility	28,268	-	-	-	-	-	28,268	-	-	-	-	-	28,268
Needlework Guild	4,624	-	-	-	-	-	4,624	-	-	-	-	-	4,624
Highveld Donations	2,109	2,901	2,901	(5,441)	431	-	-	865	(949)	84	-	-	-
Llanfair Kilgeddin Parish Units	378	20	20	-	-	-	398	23	-	-	-	-	421
Ministry Clergy School	45	2,568	2,568	(2,766)	219	-	66	2,934	(3,220)	286	-	-	66
Bishop's M&G	12,000	1,500	1,500	-	-	-	13,500	4,500	-	-	-	-	18,000
Bishop's Hardship Fund	-	63,697	63,697	(38,582)	9,057	-	34,172	11,580	(13,297)	7,181	-	-	39,636
	-	14,712	14,712	(1,960)	6,155	-	18,907	-	(3,578)	6,318	-	-	21,647
	290,926	268,906	268,906	(607,157)	436,977	13,419	403,071	189,582	(517,658)	461,416	(5,895)	-	530,516

MONMOUTH DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

20 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	£437,565
DBF Contribution to Support Costs	£23,851
Total Contribution	£461,416

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 2020

21 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:

	Balance at 1 January 2019	Balance at 1 January 2020	Transfers	Balance at 31 December 2020
	£	£	£	£
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	130,000	250,000
	<u>190,000</u>	<u>190,000</u>	<u>130,000</u>	<u>320,000</u>

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

22 Analysis of net assets between funds

	Unrestricted Funds 2020	Restricted Funds 2020	Total Unrestricted Funds 2020	Restricted Funds 2019	Total 2019
	£	£	£	£	£
Fund balances at 31 December 2020 are represented by:					
Tangible assets	401,566	-	401,566	-	403,947
Investments	2,604,323	149,520	2,753,843	155,091	2,824,366
Current assets/ (liabilities)	1,656,506	380,996	2,037,502	247,980	1,846,435
Long term liabilities	(319,254)	-	(319,254)	-	(319,254)
	<u>4,343,141</u>	<u>530,516</u>	<u>4,873,657</u>	<u>403,071</u>	<u>4,755,494</u>

23 Related party transactions

The charity had a longstanding and ongoing administrative relationship with the Monmouth Diocesan Trust. This function was charged out to the Trust annually and amounted to £nil (2019: £20,000).

24 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 2020

25	Cash generated from operations		2020	2019
			£	£
	Surplus for the year		118,163	911,016
	Adjustments for:			
	Investment income recognised in statement of financial activities		(99,144)	(108,751)
	Fair value gains and losses on investments		32,529	(235,028)
	Depreciation and impairment of tangible fixed assets		3,085	4,798
	Movements in working capital:			
	Decrease/(increase) in debtors		267,613	(185,089)
	Increase in creditors		412,640	198,369
	Cash generated from operations		734,886	585,315
26	Analysis of changes in net funds			
		At 1 January	Cash flows	At 31 December
		2020		2020
		£	£	£
	Cash at bank and in hand	913,831	871,320	1,785,151
	Loans falling due after more than one year	(319,254)	-	(319,254)
		<u>594,577</u>	<u>871,320</u>	<u>1,465,897</u>