

REGISTERED COMPANY NUMBER: 03655641 (England and Wales)
REGISTERED CHARITY NUMBER: 1075931



**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2018
FOR**

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Page
Report of the Trustees	1 to 5
Report of the Independent Auditors	6 to 7
Statement of Financial Activities	8
Balance Sheet	9 to 10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 24
Detailed Statement of Financial Activities	25 to 26

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2018. The trustees have adopted the provisions of 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 2015).

OBJECTIVES AND ACTIVITIES

Objectives

The charity's objectives are to promote and assist the work and purposes of the Church in Wales in the Diocese of Bangor. The Diocese of Bangor is committed to three visionary principles: worshipping God; growing the Church; and loving the world. These principles describe the diocese's deepest hopes and ambitions, expressing the permanent essence of our common life. Assessing the diocese today through the lens of these long-term principles, three urgent and clear priorities have also been identified: nurturing disciples; growing new ministries; and welcoming children, young people and families. These priorities describe vital areas of contemporary focus. In order to make manifest these principles and to meet these priorities, the diocese has committed to planning in three key areas: mission; property; and finance. Planning in these three areas by each of the diocese's Ministry Areas will enable each Ministry Area to demonstrate in practical ways the meaning of the principles and priorities within their common life. Three new platforms (Ministry Areas; archdeaconries; and re-shaped diocesan structures) now enable the diocese to plan meaningful, and to bring its principles and priorities truly to life.

Significant activities

The charity sets the annual diocesan budget, receives the annual grant from the Representative Body of the Church in Wales, and oversees the collection of the Bishop's Ministry Fund (contributions from churches towards diocesan expenditure on ministry). The charity employs the staff team that form Tîm Deiniol, based at Ty Deiniol in Bangor and elsewhere in the diocese.

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.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The Diocesan Board of Finance has continued to support the work of establishing the three new diocesan platforms: Ministry Areas; archdeaconries and their associated Synod meetings; and re-shaped diocesan structures. The charity has also continued to seek to align its resources to the diocesan principles and priorities, including by continuing to invest in resources to nurture discipleship, discern vocations and support family ministry. The main thrust of the charity's activities continues to focus on the provision of ordained leadership for the churches of the diocese, and appropriate support for these leaders. A clearer articulation of principles, priorities, plans and platforms is seen as providing greater coherence to this mainstay activity, as well as to bespoke new activities that advance particular aspects of the vision.

Investment performance

The value of the charity's investments rose during the year, reflecting the upturn in the Stock Market and the wider economy.

Internal and external factors

The overall number of people attending churches in the diocese has remained static, although within the context of a long-term downward trend. However, an upward trend in the number of families involved in the life of local churches, as well as in the number of those attending acts of worship on days other than Sunday, has continued

FINANCIAL REVIEW

Financial position

During the year both the Restricted and Unrestricted Funds have decreased. The restricted element has decreased from £1,022,440 in December 2017 to £861,441 as at December 2018. The Unrestricted Reserves have decreased from £4,273,461 to £4,254,933 in the same period.

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

FINANCIAL REVIEW

Principal funding sources

The principal funding source is income from the Bishop's Ministry Fund. The Bishop's Ministry Fund system replaced the Parish Share system in 2015, and contributions from Ministry Areas towards the Bishop's Ministry Fund in each subsequent year, including 2018, have been consistently strong. The trustees acknowledge with thanksgiving the generosity and stewardship that enables such funds to be made available to meet the cost of ministry. A secondary funding source is the annual grant from the Representative Body of the Church in Wales, which the Representative Body has set at a fixed amount, not indexed for inflation, until the end of 2021.

Investment policy and objectives

The trustees seek a level of investment income that is able to support a range of important charitable activities at a time of change, recognising that achieving such a level of income may, in the case of some investments, pose some challenges to the secondary goal of maintaining capital value. The trustees work with their investment managers to assess the ethical dimensions of their investment portfolio, prioritising the use of shareholder rights to achieve the advancement of a progressive ethical agenda through the investment portfolio.

Reserves policy

The trustees' objective is to maintain an operational reserve of approximately 3 months' expenditure, alongside an expendable endowment geared to provide investment income that is able to support a range of important charitable activities.

FUTURE PLANS

The trustees will continue to focus their resources on activities that support the diocese's clearly articulated principles, priorities, plans and platforms, recognising that stability in terms of the overall framework is significant at a time of major change and challenge for Ministry Areas and congregations. However, the trustees will also engage in proactive activity to support new programmes that enhance the support offered for the diocese's principles and priorities. Most significantly, the charity, on behalf of the diocese, has engaged with the Representative Body's Evangelism Fund initiative, and hopes to receive approval in 2019 of its bid for substantial, multi-year financial support for evangelistic initiatives across the diocese. The trustees are also conscious of the significant financial investment from the charity's savings and investments being made at the present time in supporting the diocese's principles, priorities, plans and platforms, and, while recognising the need for such investment, will also undertake a major assessment of their financial position ahead of the 2021 financial year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment of new trustees

In addition to ex-officio trustees, new trustees are recruited to maintain a balance of skills and experience, as well as an appropriate representation of ordained and lay representatives.

Organisational structure

The Board of Trustees generally has between twelve and fourteen members. The trustees meet on average four times a year to review progress and to plan for the future. They also present a report to the annual Diocesan Conference. The trustees are also members of the Diocesan Conference Standing Committee.

Decision making

The decision-making role of the trustees is supported by preparatory work by Tîm Deiniol and the Bishop's Council, and by conferring within archidiaconal Synods and the Cadfan Group of Ministry Area Leaders. The alignment in membership between the trustees and the membership of the Diocesan Conference Standing Committee also ensures that decisions about the use of resources are fully informed by the Standing Committee's oversight of broad strategic considerations.

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Induction and training of new trustees

New trustees are inducted through a series of meetings with the Tîm Deiniol, the Bishop's council and the Auditors. Trustees are briefed on new charity law developments as they arise, and are given updates on the current issues facing the charity during their regular meetings.

Key management remuneration

Remuneration of the charity's key management personnel is located within the context of the remuneration structure of Tîm Deiniol more broadly, and with reference both to the remuneration arrangements for the clerical leadership of the diocese and the pay structure of the Representative Body of the Church in Wales.

Wider network

The charity supports the life and witness of the Diocese of Bangor, led by the Bishop of Bangor and governed by the Bishop in collaboration with the Diocesan Conference. The Diocese of Bangor is one of six dioceses of the Church in Wales. Given the charity's role in organising and providing funds for the Diocese of Bangor, it works closely with the Representative Body of the Church in Wales. The Representative Body holds assets in trust on behalf of the archbishop, bishops, clergy and laity of the Church in Wales - currently some 1,500 churches, 650 parsonage houses and £370 million of investments.

Related parties

Due to the nature of the charity's operations and the composition of the Board of Trustees it is inevitable that transactions will take place with organisations in which a member may have an interest. All transactions involving organisations in which a trustee may have an interest are conducted at arms length. The charity has a policy that all trustees must declare an interest if a related party transaction occurs.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

03655641 (England and Wales)

Registered Charity number

1075931

Registered office

Ty Deiniol
Cathedral Close
Bangor
Gwynedd
LL57 1RL

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

The Right Reverend A T G John	
Mrs J M Evans	- resigned 17.7.19
Dr H J Parry-Smith	- appointed 17.7.19
The Venerable A C Jones	
The Very Reverend K L Jones	
The Reverend T J Jones	
Mrs P J Odam	
Mrs E W Owen	
Mrs S D Ward	
Dr The Venerable M K R Stallard	- appointed 17.7.19
The Venerable A F Herrick	- appointed 17.7.19
The Revd Chancellor M F West	- resigned 17.7.19
The Reverend R S Wood	

Company Secretary

Mr Sion Rhys Evans

Auditors

Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
Glaslyn
Ffordd Y Parc
Parc Menai
Bangor
Gwynedd
LL57 4FE

Advisers

Bankers:
Lloyds Bank, 268 High Street, Bangor, Gwynedd LL57 1RT

Investment Managers:
CCLA, Senator House, 85 Queen Victoria Street, London EC4V 4ET

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Bangor Diocesan Board of Finance Bwrdd Cyllid Esgobaeth Bangor for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Williams Denton Cyf, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on and signed on its behalf by:

.....
The Right Reverend A T G John - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Opinion

We have audited the financial statements of Bangor Diocesan Board of Finance Bwrdd Cyllid Esgobaeth Bangor (the 'charitable company') for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 Report of the Independent Auditors 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company'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.

Our 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 a Report of the Independent Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

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.

Keith Barker FCCA (Senior Statutory Auditor)
for and on behalf of Williams Denton Cyf
Chartered Certified Accountants
Statutory Auditors
Glaslyn
Ffordd Y Parc
Parc Menai
Bangor
Gwynedd
LL57 4FE

Date:

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	2,691,868	61,378	2,753,246	2,514,748
Charitable activities	4				
Support for Ministry		125,811	-	125,811	110,664
Church Property		-	443,318	443,318	467,383
Investment income	3	<u>90,000</u>	<u>18,980</u>	<u>108,980</u>	<u>107,360</u>
Total		2,907,679	523,676	3,431,355	3,200,155
EXPENDITURE ON					
Charitable activities	5				
Support for Ministry		2,370,576	1,971	2,372,547	2,282,093
Support for Parishes		447,590	25,129	472,719	474,047
Church Property		97,223	638,262	735,485	595,668
Grants & Other Financial Support		27,897	5,697	33,594	36,100
Communication		<u>27,897</u>	<u>197</u>	<u>28,094</u>	<u>30,178</u>
Total		2,971,183	671,256	3,642,439	3,418,086
Net gains/(losses) on investments		<u>44,976</u>	<u>(13,419)</u>	<u>31,557</u>	<u>346,910</u>
NET INCOME/(EXPENDITURE)		(18,528)	(160,999)	(179,527)	128,979
RECONCILIATION OF FUNDS					
Total funds brought forward		4,273,461	1,022,440	5,295,901	5,166,922
TOTAL FUNDS CARRIED FORWARD		<u>4,254,933</u>	<u>861,441</u>	<u>5,116,374</u>	<u>5,295,901</u>

The notes form part of these financial statements

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**BALANCE SHEET
AT 31 DECEMBER 2018**

	Notes	Unrestricted funds £	Restricted funds £	31.12.18 Total funds £	31.12.17 Total funds £
FIXED ASSETS					
Tangible assets	11	298,504	-	298,504	298,124
Investments	12	<u>3,493,929</u>	<u>783,474</u>	<u>4,277,403</u>	<u>4,266,310</u>
		3,792,433	783,474	4,575,907	4,564,434
CURRENT ASSETS					
Stocks	13	3,345	-	3,345	1,748
Debtors	14	107,444	5,459	112,903	106,100
Cash at bank		<u>452,326</u>	<u>84,364</u>	<u>536,690</u>	<u>727,622</u>
		563,115	89,823	652,938	835,470
CREDITORS					
Amounts falling due within one year	15	<u>(100,615)</u>	<u>(11,856)</u>	<u>(112,471)</u>	<u>(104,003)</u>
NET CURRENT ASSETS		<u>462,500</u>	<u>77,967</u>	<u>540,467</u>	<u>731,467</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,254,933</u>	<u>861,441</u>	<u>5,116,374</u>	<u>5,295,901</u>
NET ASSETS		<u>4,254,933</u>	<u>861,441</u>	<u>5,116,374</u>	<u>5,295,901</u>
FUNDS					
Unrestricted funds	16			4,254,933	4,273,461
Restricted funds				<u>861,441</u>	<u>1,022,440</u>
TOTAL FUNDS				<u>5,116,374</u>	<u>5,295,901</u>

The notes form part of these financial statements

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**BALANCE SHEET - CONTINUED
AT 31 DECEMBER 2018**

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on and were signed on its behalf by:

.....
The Venerable A C Jones -Trustee

.....
The Right Reverend A T G John -Trustee

The notes form part of these financial statements

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31.12.18 £	31.12.17 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(313,234)</u>	<u>(259,614)</u>
Net cash provided by (used in) operating activities		<u>(313,234)</u>	<u>(259,614)</u>
Cash flows from investing activities:			
Purchase of fixed asset investments		(304,536)	
Purchase of tangible fixed assets		(6,448)	
Sale of fixed asset investments		325,000	
Interest received		108,286	105,876
Net cash provided by (used in) investing activities		122,302	105,876
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		(190,932)	(153,738)
Cash and cash equivalents at the beginning of the reporting period		<u>727,622</u>	<u>881,360</u>
Cash and cash equivalents at the end of the reporting period		<u><u>536,690</u></u>	<u><u>727,622</u></u>

The notes form part of these financial statements

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.12.18	31.12.17
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(179,527)	128,979
Adjustments for:		
Depreciation charges	6,068	4,456
Gain on investments	(31,557)	(346,910)
Interest received	(108,286)	(105,876)
(Increase)/decrease in stocks	(1,597)	1,789
(Increase)/decrease in debtors	(6,803)	68,019
Increase/(decrease) in creditors	8,468	<u>(10,071)</u>
Net cash provided by (used in) operating activities	<u>(313,234)</u>	<u>(259,614)</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

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

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities or estimated usage.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Fixtures and fittings	- 10% on cost
Computer equipment	- 25% on cost

No depreciation is provided on freehold property because the trustees consider that the life of the property and its residual value are such that depreciation is not material. Any impairment in the carrying value of fixed assets is charged against the profit and loss account.

Investments

All listed investments are stated at market value at the balance sheet date. The movement in valuation of investments is shown in the Statement of Financial Activities and comprises both realised and unrealised gains and losses.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Related parties

Due to the nature of the charity's operations and composition of the board of trustees it is inevitable that transactions will take place with organisations in which a member may have an interest. All transactions involving organisations in which a trustee may have an interest are conducted at arm's length. The Charity has a policy that all trustees must declare an interest if a related party transaction occurs.

2. DONATIONS AND LEGACIES

	31.12.18	31.12.17
	£	£
Ministry area donations	1,637,089	1,532,969
RBCW grants	704,898	909,428
Grants	55,007	38,255
Sundry donation & other income	356,252	34,096
	<u>2,753,246</u>	<u>2,514,748</u>

3. INVESTMENT INCOME

	31.12.18	31.12.17
	£	£
Bank interest - general	694	1,484
Investment income from listed investments - general fund	90,000	87,953
Investment income from listed investments - widows & orphans	18,286	17,923
	<u>108,980</u>	<u>107,360</u>

4. INCOME FROM CHARITABLE ACTIVITIES

	31.12.18	31.12.17
	£	£
Administration contributions	108,311	93,164
Rents from Parsonages to BDBF	17,500	17,500
Rents due to Parsonage fund	100,179	134,243
Parsonages improvements fund	128,603	118,696
BDBF grant to parsonage fund	214,536	203,934
Marshall's charity - parsonage	-	10,510
	<u>569,129</u>	<u>578,047</u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 6)	Totals
	£	£	£
Support for Ministry	2,091,606	280,941	2,372,547
Support for Parishes	360,342	112,377	472,719
Church Property	623,109	112,376	735,485
Grants & Other Financial Support	5,500	28,094	33,594
Communication	-	28,094	28,094
	<u>3,080,557</u>	<u>561,882</u>	<u>3,642,439</u>

6. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Support for Ministry	239,606	41,335	280,941
Support for Parishes	95,843	16,534	112,377
Church Property	95,842	16,534	112,376
Grants & Other Financial Support	23,961	4,133	28,094
Communication	23,961	4,133	28,094
	<u>479,213</u>	<u>82,669</u>	<u>561,882</u>

Activity	Basis of allocation
Management	As below
Governance costs	As below
Support for Ministry	50%
Support for Parishes	20%
Church Property	20%
Grants & Other Financial Support	5%
Communication	5%

The basis of allocation is estimated usage as specified by Church in Wales Governing Body

7. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	31.12.18	31.12.17
	£	£
Auditors' remuneration	10,200	9,720
Depreciation - owned assets	<u>6,068</u>	<u>4,456</u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2018 nor for the year ended 31 December 2017.

Trustees' expenses

Trustees' expenses totalling £7,814 was paid for the year ended 31 December 2018 and £14,130 was paid for the year ended 31 December 2017. These expenses were made up of reimbursed travel, subsistence and accommodation costs for seven trustees.

9. STAFF COSTS

	31.12.18	31.12.17
	£	£
Wages and salaries	309,789	400,284
Social security costs	27,616	35,726
Other pension costs	46,578	54,652
	<u>383,983</u>	<u>490,662</u>

The average monthly number of employees during the year was as follows:

	31.12.18	31.12.17
Chief officer	1	1
Finance officer	1	1
CYFME	3	4
Other	6	5
	<u>11</u>	<u>11</u>

No employees received emoluments in excess of £60,000.

The charity considers its key management personnel comprise two members of Tim Deiniol with management responsibility for colleagues. Total emoluments, including employer pension contributions, of the key management personnel were £118,281 (2017 - £118,936)

The average monthly number of employees during the period is calculated on the basis of full-time equivalents.

During the year, redundancy payments of £12,102 have been paid (2017 - Nil).

The charity operated a defined contribution pension scheme for its employees and the charity made pension contributions for 15 (2017 - 15) staff members.

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	2,482,287	32,461	2,514,748
Charitable activities			
Support for Ministry	110,664	-	110,664
Church Property	-	467,383	467,383

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
Investment income	<u>87,953</u>	<u>19,407</u>	<u>107,360</u>
Total	2,680,904	519,251	3,200,155
EXPENDITURE ON			
Charitable activities			
Support for Ministry	2,280,215	1,878	2,282,093
Support for Parishes	463,358	10,689	474,047
Church Property	88,932	506,736	595,668
Grants & Other Financial Support	29,990	6,110	36,100
Communication	<u>29,990</u>	<u>188</u>	<u>30,178</u>
Total	2,892,485	525,601	3,418,086
Net gains/(losses) on investments	<u>279,273</u>	<u>67,637</u>	<u>346,910</u>
NET INCOME/(EXPENDITURE)	67,692	61,287	128,979
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>4,205,769</u>	<u>961,153</u>	<u>5,166,922</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>4,273,461</u></u>	<u><u>1,022,440</u></u>	<u><u>5,295,901</u></u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 January 2018	262,500	44,533	-	307,033
Additions	<u>-</u>	<u>-</u>	<u>6,448</u>	<u>6,448</u>
At 31 December 2018	<u>262,500</u>	<u>44,533</u>	<u>6,448</u>	<u>313,481</u>
DEPRECIATION				
At 1 January 2018	-	8,909	-	8,909
Charge for year	<u>-</u>	<u>4,456</u>	<u>1,612</u>	<u>6,068</u>
At 31 December 2018	<u>-</u>	<u>13,365</u>	<u>1,612</u>	<u>14,977</u>
NET BOOK VALUE				
At 31 December 2018	<u>262,500</u>	<u>31,168</u>	<u>4,836</u>	<u>298,504</u>
At 31 December 2017	<u>262,500</u>	<u>35,624</u>	<u>-</u>	<u>298,124</u>

The building is owned jointly by the Dean and Chapter of Bangor Cathedral and the Diocesan Board of Finance (DBF). £350,000 was spent on the building in 1994, the DBF share is 75% (i.e £262,500).

12. FIXED ASSET INVESTMENTS

	COIF investments £
MARKET VALUE	
At 1 January 2018	4,266,310
Additions	304,536
Disposals at market value	(325,000)
Realised/ unrealised net gain	<u>31,557</u>
At 31 December 2018	<u>4,277,403</u>
NET BOOK VALUE	
At 31 December 2018	<u>4,277,403</u>
At 31 December 2017	<u>4,266,310</u>

There were no investment assets outside the UK.

13. STOCKS

	31.12.18	31.12.17
	£	£
Stocks	<u>3,345</u>	<u>1,748</u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Ministry area donations	75,476	48,681
Other debtors	<u>37,427</u>	<u>57,419</u>
	<u>112,903</u>	<u>106,100</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Other creditors	<u>112,471</u>	<u>104,003</u>

16. MOVEMENT IN FUNDS

	At 1.1.18	Net movement in funds	Transfers between funds	At 31.12.18
	£	£	£	£
Unrestricted funds				
General fund	3,093,492	75,648	375,000	3,544,140
Capital reserve	262,500	-	-	262,500
St Beuno Fund	360,007	(96,159)	-	263,848
Operational reserve	<u>557,462</u>	<u>1,983</u>	<u>(375,000)</u>	<u>184,445</u>
	4,273,461	(18,528)	-	4,254,933
Restricted funds				
Parsonage board	384,699	(160,299)	-	224,400
Widows & orphans	594,530	(2,916)	-	591,614
Cathedral Partnership	24,293	148	-	24,441
Cathedral Foodbank	14,266	(1,447)	-	12,819
Good Hope Foundation	<u>4,652</u>	<u>3,515</u>	-	<u>8,167</u>
	1,022,440	(160,999)	-	861,441
	<u>5,295,901</u>	<u>(179,527)</u>	<u>-</u>	<u>5,116,374</u>
TOTAL FUNDS	<u>5,295,901</u>	<u>(179,527)</u>	<u>-</u>	<u>5,116,374</u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,907,679	(2,875,024)	42,993	75,649
St Beuno Fund	-	(96,159)	-	(96,159)
Operational reserve	-	-	1,983	1,983
	<u>2,907,679</u>	<u>(2,971,183)</u>	<u>44,976</u>	<u>(18,528)</u>
Restricted funds				
Parsonage board	478,597	(640,456)	1,560	(160,299)
Widows & orphans	18,523	(6,460)	(14,979)	(2,916)
Cathedral Partnership	2,394	(2,246)	-	148
Cathedral Foodbank	6,282	(7,729)	-	(1,447)
Good Hope Foundation	17,880	(14,365)	-	3,515
	<u>523,676</u>	<u>(671,256)</u>	<u>(13,419)</u>	<u>(160,999)</u>
TOTAL FUNDS	<u><u>3,431,355</u></u>	<u><u>(3,642,439)</u></u>	<u><u>31,557</u></u>	<u><u>(179,527)</u></u>

Comparatives for movement in funds

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.17 £
Unrestricted Funds				
General fund	2,950,558	(57,066)	200,000	3,093,492
Capital reserve	262,500	-	-	262,500
St Beuno Fund	275,147	84,860	-	360,007
Operational reserve	717,564	39,898	(200,000)	557,462
	<u>4,205,769</u>	<u>67,692</u>	<u>-</u>	<u>4,273,461</u>
Restricted Funds				
Parsonage board	384,822	(123)	-	384,699
Widows & orphans	539,184	55,346	-	594,530
Cathedral Partnership	20,640	3,653	-	24,293
Cathedral Foodbank	13,457	809	-	14,266
Good Hope Foundation	3,050	1,602	-	4,652
	<u>961,153</u>	<u>61,287</u>	<u>-</u>	<u>1,022,440</u>
TOTAL FUNDS	<u><u>5,166,922</u></u>	<u><u>128,979</u></u>	<u><u>-</u></u>	<u><u>5,295,901</u></u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	2,514,238	(2,810,679)	239,375	(57,066)
St Beuno Fund	166,666	(81,806)	-	84,860
Operational reserve	-	-	39,898	39,898
	<u>2,680,904</u>	<u>(2,892,485)</u>	<u>279,273</u>	<u>67,692</u>
Restricted funds				
Parsonage board	468,824	(493,345)	24,398	(123)
Widows & orphans	18,065	(5,958)	43,239	55,346
Cathedral Partnership	7,862	(4,209)	-	3,653
Cathedral Foodbank	6,538	(5,729)	-	809
Good Hope Foundation	17,962	(16,360)	-	1,602
	<u>519,251</u>	<u>(525,601)</u>	<u>67,637</u>	<u>61,287</u>
TOTAL FUNDS	<u><u>3,200,155</u></u>	<u><u>(3,418,086)</u></u>	<u><u>346,910</u></u>	<u><u>128,979</u></u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.17 £	Net movement in funds £	Transfers between funds £	At 31.12.18 £
Unrestricted funds				
General fund	2,950,558	18,582	575,000	3,544,140
Capital reserve	262,500	-	-	262,500
St Beuno Fund	275,147	(11,299)	-	263,848
Operational reserve	717,564	41,881	(575,000)	184,445
Restricted funds				
Parsonage board	384,822	(160,422)	-	224,400
Widows & orphans	539,184	52,430	-	591,614
Cathedral Partnership	20,640	3,801	-	24,441
Cathedral Foodbank	13,457	(638)	-	12,819
Good Hope Foundation	3,050	5,117	-	8,167
	<u>961,153</u>	<u>(99,712)</u>	<u>-</u>	<u>861,441</u>
TOTAL FUNDS	<u><u>5,166,922</u></u>	<u><u>(50,548)</u></u>	<u><u>-</u></u>	<u><u>5,116,374</u></u>

**BANGOR DIOCESAN BOARD OF FINANCE
BWRDD CYLLID ESGOBAETH BANGOR**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2018**

16. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,421,916	(5,685,702)	282,368	18,582
St Beuno Fund	166,666	(177,965)	-	(11,299)
Operational reserve	-	-	41,881	41,881
	<u>5,588,582</u>	<u>(5,863,667)</u>	<u>324,249</u>	<u>49,164</u>
Restricted funds				
Parsonage board	947,421	(1,133,801)	25,958	(160,422)
Widows & orphans	36,588	(12,418)	28,260	52,430
Cathedral Partnership	10,257	(6,456)	-	3,801
Cathedral Foodbank	12,820	(13,458)	-	(638)
Good Hope Foundation	35,842	(30,725)	-	5,117
	<u>1,042,928</u>	<u>(1,196,858)</u>	<u>54,218</u>	<u>(99,712)</u>
TOTAL FUNDS	<u><u>6,631,510</u></u>	<u><u>(7,060,525)</u></u>	<u><u>378,467</u></u>	<u><u>(50,548)</u></u>

16. MOVEMENT IN FUNDS - continued

The general fund is partly represented by St Deiniol Endowment investments of £2,764,709.

Purpose of Designated Funds

Capital reserve

This reserve represents the value of the property.

St Beuno Fund

To support the development of pioneer ministries, fresh expressions of Church and chaplaincy.

Operational reserve

The operational reserve is to cover unforeseen emergencies, contingencies and other related costs.

Purpose of Restricted Funds

Parsonage Board

The Parsonage Board fund was established to maintain parsonages.

Widows and Orphans

The Widows and Orphans fund is used to subsidise pension of clergy widows and dependants and to bring relief for those who may be in need.

Cathedral Partnership

The purpose of the fund is to finance food vouchers and respite care for those who fall below the poverty line in Bangor.

Cathedral Foodbank

The purpose of the fund is to finance groceries for those who fall below the poverty line in Bangor.

Good Hope Foundation

The purpose of the fund is to finance educational activities for disadvantaged children in the Anglican diocese of Lango, Uganda.

17. RELATED PARTY DISCLOSURES

Due to the nature of the charity's operations and the composition of the board of trustees, there is a close connection between the Bangor Diocesan Board of Finance, the Bangor Diocesan Housing Association and Bishop Henry Rowlands Almshouses.

During the year to 31 December 2018, the following transactions took place:

- Bangor Housing Association paid Bangor Diocesan Board of Finance £10,400 (2017 - £10,126) in administration fees.

- Bishop Henry Rowlands Almshouses paid Bangor Diocesan Board of Finance £21,462 (2017 - £20,898) in administration fees.

18. PENSION COMMITMENTS

The charitable company operates a defined contribution pension scheme for the office employees. The assets of the scheme are held separately from those of the charitable company in an independently administered fund.

Pensions for clerics are funded by the Representative Body of the Church in Wales. Current clergy pension contributions are made by the charity.