

Charity Registration No. 1133935

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

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THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Parochial Church Council Powers Measure (1956) As Amended and Church Representation Rules, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Report of activity in the past year, 2019

This will be the last complete year of operation of the Charity under the trusteeship of a Parochial Church Council. Very soon into the next cycle this will have been replaced with the newly constituted Chapter as the trustee body under the provision of the charity's new Constitution.

The Charity continues to offer public prayer, in both the Cathedral and at St Martin's, by the accustomed means of at least twenty weekly services on behalf of the communities in this diocese for the needs of the nation and the world.

Canon Mark Dimond's departure in June deprived us of our mainstay in running courses of renewal and instruction. The Dean will step in during Lent. Meanwhile, the continuing hidden ministry of Christian instruction, exercised in his so-called 'retirement' by Canon David Neale in preparing people for Baptism and Marriage, remains a mainstay of this aspect of Cathedral life and witness.

'Engagement with other faith communities' has also suffered from our diminished clergy team since Canon Dimond's departure but relations have been maintained with the *Onyx Foundation* and our new bishop brings a strong commitment to inter-faith cooperation. This will no doubt be reflected in the new Cathedral clergy appointments in the coming year.

The Cathedral Visitors' Book testifies to the sense of welcome people feel in the Cathedral, whether or not visitors actually meet anyone. If the community here is a welcoming community, the place will begin to take on that feeling, as it clearly has. Our being open every day of the year is clearly valued as a 'public benefit' as people from near and far find their way here for solace, peace, refreshment of spirit and even inspiration.

The Night Shelter is now a mainstay of our service of the needy and we expect to expand and improve our very limited facilities in the year ahead. Our weekly collections for the Stow Park Church food pantry and our monthly contribution to the food bags needed by Eden Gate play their modest part in supporting those neighbouring groups in their ministry.

The ministry to the community on the Gaer of St Martin's church over these many decades will continue after the implementation of the new governance but no longer as part of this Charity. Both the public worship and the availability of the premises for all manner of public good is both established and always developing.

Our work with children, through the two choirs, the Girls' Brigade and our little Sunday School, continues to draw deeply appreciative comments from parents and families who, in turn, become valued members of our community as they choose to participate in our life and outreach.

When someone, this year, remarked on how good it is that so many people get involved in our outreach though they 'are not part of the Cathedral', I pointed out that anyone involved in anything here is very much 'part of the Cathedral', no less than those who worship on Sundays, week by week. We are learning to recognize that we are a community of many parts, of different functions, interests and abilities; but all of us are drawn by God to be part of his project known as St Woolos' Cathedral.

The Very Reverend Lister Tonge
Dean of Newport, 13 March 2020

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Objectives and activities

The objective of the Charity is promoting in the ecclesiastical parish the whole mission of the Church. Encouraging and facilitating the practice of the Christian Faith by the Cathedral includes the following:

- The provision and maintenance of the Cathedral Church of St Woolos;
- Conducting regular Christian worship in the building which is open to the public;
- The celebration of Holy Eucharist, marriages, baptisms and funerals;
- Leaving the Cathedral open to the public to enter and benefit from personal spiritual contemplation;
- The maintenance of Christian burial places;
- Promoting the study of Christian teaching, practices and Scriptures. In addition to the above, Christian devotional acts and outreach work is carried out including:
- Visiting the sick;
- Administering the sacraments to those unable to attend regular acts of Worship, to the sick and dying;
- Supporting pastoral work;
- Fostering ecumenical links between differing Christian denominations.
- Public benefit

We review our aims, objectives and activities each year. This review looks at what we achieved and the outcomes of our work in the previous twelve months. The review looks at the success of each key activity and the benefits of activities in a wide variety of cultural areas. The review also helps us ensure our aims, objectives and activities remained focused on our stated objectives. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and performance

Charitable activities

Public worship on at least eighteen occasions in each week continues to be the Cathedral's primary objective and this has been carried out with the customary regularity and devotion by clergy and laity alike during the past year. Being available for private prayer, quiet and reflection is an allied public service for which the Cathedral strives to be consistently available.

The establishment of a choir for girls, alongside the traditional boys' choir, marks an expansion of the Cathedral's educational ministry to children in the locality and further afield. Musical opportunities for adults are provided by the Voluntary Choir, which sings on Sundays during school holidays and also by events such as the recent sing-along *Messiah* and the RSCM workshop on Gregorian chant.

Continuing to staff a full rota of volunteer 'Welcomers' continues to be a challenge but the Welcome Desk and shop are features of our ministry of hospitality to visitors.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The removal of the pews and the creation of a flexible space in the Cathedral nave have greatly increased our availability for use by groups of different kinds. The photography exhibition was the outcome of a two-month project by USW students working with different groups within the wider Cathedral community and the newly emptied church was shown off to full effect. Art exhibitions included Nigel Robert Pugh's 'Stations of the Cross', which were exhibited for the whole of Lent, and Sr Katharine Hall's striking pictures which came later in the year. Two local art groups also made use of the space and are booked to return. Concerts continue to attract mostly small but consistent audiences, though the Newport Philharmonic Choir and the 'Sing-Along Messiah' brought larger audiences. Being able to move the Bösendorfer piano into the middle of the church has been much appreciated and the instrument has been provided with concert castors and an A-frame to protect both it and the refurbished floor whilst making this glorious instrument more usable.

The Diocese of Monmouth planned a series of events for church schools and others across the area and the Leavers' Service in July is now a fixture in the Cathedral calendar. The 'Messy Church' training programme helped to further resource leasers of that mission initiative which touches many otherwise non-church people.

The annual Cathedral 'Friends' lecture and the choir's own 'Friends' lecture draw groups with different interests whilst music exams and other Hall lettings open our facilities to other groups. The regular round of charity concerts and services, especially around Christmas enable more people to enjoy this lovely space.

The Cathedral's participation for the first time in the Newport Night Shelter has been the single most significant new development in the past year. Some thirty volunteers were trained for this work of hospitality and they have expressed their delight in having been able to be part of making the Cathedral available to more people in this way.

Financial review

Reserves Policy

The reserves policy of Newport Cathedral recognises the need to hold reserves to ensure funds are available to provide continuing mission should the income levels fall. Reserves are also required to meet the future maintenance programme for the Cathedral and Church buildings.

A minimum level of reserves needs to be retained to ensure the Parochial Church Council (PCC) can operate their exit strategy and meet its legal commitments should the Charity be unable to continue due to a lack of a sustainable income stream. The PCC has established a policy whereby the unrestricted funds not designated for specific use by the PCC or invested in tangible fixed assets, i.e. free reserves, held by the Charity should be between 3 and 6 months of the resources expended in general funds. At this level the members of the PCC feel that they would be able to continue the current activities of the Cathedral in the event of a significant drop in funding. It would be necessary to consider how the funding would be replaced should this happen as the most likely cause would be a significant drop in communicants or a significant rise in maintenance costs. At present the level of free reserves after the unrestricted net assets less unrestricted tangible assets and designated reserves which amounts to £402,583 (2018: £350,627). The PCC are continuing to consider fundraising schemes and other ways of increasing this level to the amount stated in the policy.

Results

The total incoming resources increased to £211,488 (2018: £216,235).

The level of direct voluntary contributions at each act of worship, excluding tax reclaimed through Gift Aid giving amounted to £61,973 (2018: £66,020). This represents a decrease of £4,347 (2018: £3,399 increase).

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The level of expenditure amounted to £230,209 (2018: £194,420). The Parish Share payable amounted to £66,598 (2018: £65,239). Donations and mission payments made during the year amounted to £7,063 (2018: £8,644), the funds for which were collected during either regular or special services.

The overall increase in the level of unrestricted funds amounted to £59,006 (2018: £18,209 decrease).

The designated funds include the activities within the Cathedral i.e. Bell Ringers and Social Groups, all funds used by the activity groups are retained for their use, but will be returned to general funds upon cessation of activity.

Investment policy and objectives

The Parochial Church Council (PCC) has considered the most appropriate policy for investing funds and has invested in specialised unit trusts, designed for the charity sector. The PCC has taken specialist investment advice regarding the investments they control to maximise income. Funds invested include surplus funds and those specifically donated or bequeathed. Some funds bequeathed are held by the Representative Body of the Church in Wales who act as custodian trustees.

Structure, governance and management

Governing document

The Parish of St. Woolos is part of the Diocese of Monmouth within the Church in Wales. The Church in Wales is a Province within the Anglican Communion and, as such, exists to advance the Christian Religion through world-wide mission. The object of the Parochial Church Council is to ensure that the life and work of the Church within the Parish helps to fulfil that mission, both locally and more widely.

The PCC is not a body corporate, its composition, procedure and powers being regulated by the Constitution of the Church in Wales as amended from time to time by its Governing Body set up under Section 13(1) of the Welsh Church Act 1914. Elections are held at an Annual Vestry Meeting which must take place on or before 30th April each year. All persons whose names are entered on the Electoral Roll are entitled to vote and stand for election. Before assuming office, every member of the Council publicly makes a declaration that he or she will be bound by the Constitution.

The Representative Body of the Church in Wales holds the land and property of the Church in Wales including St Woolos Cathedral and other church buildings, including 9 and 10 Clifton Road and the churchyard and their contents. The Representative Body is an exempt Charity and was set up under Section 13(2) of the Welsh Churches Acts 1914. It acts on behalf of the Province in paying the stipends of the full time clergy, and administers the Church in Wales scheme of covenanted and gift aid giving recovering tax on behalf of the parishes.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Organisational structure

The Parochial Church Council (PCC) is responsible inter-alia for promoting the mission of the Church, the parochial budget and all expenditure there under, the care and maintenance of the Church fabric and of the Churchyard, for action on any other matter referred to it in accordance with the constitution. The PCC is also the normal channel of communication between the parishioners and the Bishop of the Diocese. The PCC delegates the day to day administration of the Cathedral to the Administrator, who reports to the PCC at their regular meetings. All members of the PCC are volunteers.

Representatives are chosen from the Membership and are elected to the PCC to serve for a specified term by the Members of the Cathedral at the annual Easter Vestry. The Officers, i.e. The Peoples' Warden is also elected by the Members at the annual Easter Vestry and the Dean appoints the Dean's Warden. New representatives are told of their responsibilities and of the issues facing the Cathedral by existing representatives, and receive such additional training as required.

The Cathedral is run by volunteers as the clergy are remunerated by another charity from the Share payments made by the Churches in the Diocese. Without the work of these volunteers, the Cathedral could not function.

Committee Structure

Between the regular meetings of The Parochial Church Council (PCC) several committees meet to support the PCC and include:

- Electoral Roll Committee
- Events & Community Committee
- Fabric Committee

Risk Management

The Parochial Church Council (PCC) has conducted its own review of the major risks to which the Charity is exposed and systems have been established to mitigate those risks. The risks facing the Charity include the state of repair of the Cathedral and the financial requirements to meet the day to day administration as a result of a significant fall in the numbers of regular worshippers. The structure of the Cathedral is continually monitored by the Fabric committee and the Cathedral Architect. During the year minor repairs were carried out. The finances are controlled by careful budgeting and regular appeals.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Reference and administrative information

Trustees	The Very Revd L Tonge The Venerable J Williams Canon M Diamond Mr A Lewis Mrs S Toulson Mr H Carver Mrs T Carver Mr B Cox Mrs S Smith Mr J Blasby Dr B King Mrs M Mahoney Mrs A Thomas Dr E Gibbins Mr G Brown Mr S Martin - resigned 28/4/19 Mrs J Robinson - appointed 28/4/19 Mrs P Beckett - appointed 28/4/19 Mrs F Howe - appointed 28/4/19
Secretary	Mrs S Smith
Charity number	1133935
Principal address	Administration Office Newport Cathedral 105 Stow Hill NEWPORT UK NP20 4EA
Independent examiner	Sarah Case FCA DChA Baldwins Audit Services Waters Lane Chambers Waters Lane NEWPORT UK NP20 1LA
Incumbent	The Very Revd Lister Tonge
Cathedral Administrator	Mrs Andrea Keen
Bankers	National Westminster Bank High Street Newport Barclays Bank Commercial Street Newport
Church Architect	Davies Sutton Penhevad Studios Penhevad Street Cardiff

**THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL
CHURCH COUNCIL**

TRUSTEES REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

It is the responsibility of both the Parochial Church Council and the Incumbent to work together and co-operate in all matters of concern and important to the Parish for promotion of the whole mission of the Church, pastoral, evangelistic, social and ecumenical in the Parish.

The trustees report was approved by the Board of Trustees.

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Dated:

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2019

The trustees 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).

The law applicable to charities in England and Wales 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 of the charity 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 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 sufficient 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 Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

I report on the financial statements of the charity for the year ended 31 December 2019, which are set out on pages 10 to 22.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Act;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Sarah Case FCA DChA
Baldwins Audit Services
1-3 Waters Lane Chambers
Waters Lane
NEWPORT
NP20 1LA
Dated:

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	101,577	1,390	102,967	99,027	10,253	109,280
Charitable activities	4	45,033	348	45,381	46,877	1,340	48,217
Investments	5	12,127	86	12,213	13,347	9	13,356
Other income	6	50,927	-	50,927	2,845	42,537	45,382
Total income		<u>209,664</u>	<u>1,824</u>	<u>211,488</u>	<u>162,096</u>	<u>54,139</u>	<u>216,235</u>
<u>Expenditure on:</u>							
Raising funds	7	10,247	-	10,247	9,816	-	9,816
Charitable activities	8	201,139	18,823	219,962	135,089	49,515	184,604
Total resources expended		<u>211,386</u>	<u>18,823</u>	<u>230,209</u>	<u>144,905</u>	<u>49,515</u>	<u>194,420</u>
Net gains/(losses) on investments	11	60,728	4,128	64,856	(35,400)	(11,667)	(47,067)
Net movement in funds		59,006	(12,871)	46,135	(18,209)	(7,043)	(25,252)
Fund balances at 1 January 2019		361,992	157,295	519,287	380,201	164,338	544,539
Fund balances at 31 December 2019		<u><u>420,998</u></u>	<u><u>144,424</u></u>	<u><u>565,422</u></u>	<u><u>361,992</u></u>	<u><u>157,295</u></u>	<u><u>519,287</u></u>

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

All income and expenditure derive from continuing activities.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	12		78,645		82,298
Investments	13		415,045		357,256
			<u>493,690</u>		<u>439,554</u>
Current assets					
Stocks	14	8,465		8,465	
Debtors	15	7,697		14,720	
Cash at bank and in hand		79,781		77,024	
			<u>95,943</u>	<u>100,209</u>	
Creditors: amounts falling due within one year	16	(24,211)		(20,476)	
Net current assets			<u>71,732</u>		<u>79,733</u>
Total assets less current liabilities			<u><u>565,422</u></u>		<u><u>519,287</u></u>
Income funds					
Restricted funds	17		144,424		157,295
<u>Unrestricted funds</u>					
Designated funds	18	10,673		9,655	
General unrestricted funds		410,325		352,337	
			<u>420,998</u>		<u>361,992</u>
			<u><u>565,422</u></u>		<u><u>519,287</u></u>

The accounts were approved by the Trustees on

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Trustee

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Charity information

The Cathedral Church of St Woolos, Newport, Parochial Church Council is an unincorporated charity, registered with the Charity Commission in England & Wales, registration number 1133935, principal address being Administration Office, Newport Cathedral, 105 Stow Hill, Newport, UK NP20 4EA

1.1 Accounting convention

The accounts have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

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 to include investment 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.

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

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

1.4 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.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

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.

1.5 Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. The charity is unable to reclaim VAT on its costs except where allowed under special rules for places of Worship.

Costs of generating funds comprise the costs of trading for fundraising purposes and investment management fees.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

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:

Organ renovation	4% on reducing balance basis
Fixtures and fittings	25% on reducing balance basis

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).

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 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.

1.11 Financial instruments

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

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

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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 receipts 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.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Donations and gifts	101,577	1,390	102,967	99,027	10,253	109,280

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Charitable activities

	2019 £	2018 £
Fees, activities and income from fundraising	29,339	35,123
Shop income	2,982	4,573
Rental income	13,060	7,181
Other income - Appeals	-	1,340
	<u>45,381</u>	<u>48,217</u>
Analysis by fund		
Unrestricted funds	45,033	46,877
Restricted funds	348	1,340
	<u>45,381</u>	<u>48,217</u>
For the year ended 31 December 2018		
Unrestricted funds	46,877	
Restricted funds	1,340	
	<u>48,217</u>	

5 Investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019 £	2019 £	2019 £	2018 £	2018 £	2018 £
Deposit account interest	36	86	122	145	9	154
Income from listed investments	12,091	-	12,091	13,202	-	13,202
	<u>12,127</u>	<u>86</u>	<u>12,213</u>	<u>13,347</u>	<u>9</u>	<u>13,356</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

6 Other income

	Unrestricted funds	Unrestricted funds	Restricted funds	Total
	2019 £	2018 £	2018 £	2018 £
Other income	50,927	2,845	42,537	45,382

7 Raising funds

	2019 £	2018 £
<u>Fundraising and publicity</u>		
Fundraising costs	8,122	7,763
<u>Investment management</u>	2,125	2,053
	10,247	9,816
For the year ended 31 December 2018		
Fundraising and publicity		7,763
Investment management		2,053
		9,816

8 Charitable activities

	2019 £	2018 £
Cathedral running costs	67,980	67,582
Share Payment	66,598	65,239
Missions, donations etc.	7,063	8,644
Cathedral renovation costs	74,721	39,539
	216,362	181,004
Governance costs	3,600	3,600
	219,962	184,604

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

9 Trustees

No trustees were reimbursed for expenses incurred during the current or previous year.

10 Employees

There were no employees during the year.

11 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Revaluation of investments	-	4,128	4,128	(36,743)	(11,507)	(48,250)
Gain/(loss) on sale of investments	60,728	-	60,728	1,343	(160)	1,183
	<u>60,728</u>	<u>4,128</u>	<u>64,856</u>	<u>(35,400)</u>	<u>(11,667)</u>	<u>(47,067)</u>

12 Tangible fixed assets

	Organ renovation	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2019	197,835	16,020	213,855
At 31 December 2019	<u>197,835</u>	<u>16,020</u>	<u>213,855</u>
Depreciation and impairment			
At 1 January 2019	117,246	14,313	131,559
Depreciation charged in the year	3,224	427	3,651
At 31 December 2019	<u>120,470</u>	<u>14,740</u>	<u>135,210</u>
Carrying amount			
At 31 December 2019	<u>77,365</u>	<u>1,280</u>	<u>78,645</u>
At 31 December 2018	<u>80,590</u>	<u>1,708</u>	<u>82,298</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

13 Fixed asset investments

	Listed investments £
Cost or valuation	
At 31 December 2019	357,256
Additions	12,231
Gain/(Loss) on revaluation	75,720
Gain/(Loss) on disposals	(1,676)
Disposals	(28,486)
	<hr/>
At 31 December 2019	415,045
	<hr/>
Carrying amount	
At 31 December 2019	415,045
	<hr/> <hr/>
At 31 December 2018	357,256
	<hr/> <hr/>

14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	8,465	8,465
	<hr/> <hr/>	<hr/> <hr/>

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	7,697	14,720
	<hr/> <hr/>	<hr/> <hr/>

16 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	24,211	20,476
	<hr/> <hr/>	<hr/> <hr/>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Restricted funds

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

	Movement in funds				Movement in funds				
	Balance at 1 January 2018	Incoming resources	Resources expended	Revaluations, Gains and Losses	Balance at 1 January 2019	Incoming resources	Resources expended	Revaluations, Gains and Losses	Balance at 31 December 2019
	£	£	£	£	£	£	£	£	£
Organ Fund	83,747	6	(3,077)	-	80,676	-	(9,773)	-	70,903
St Martin's Memorial Fund	2,714	3	-	-	2,717	3	-	-	2,720
Bell Refurbishment Fund	1,194	-	-	-	1,194	83	-	-	1,277
Rescue Appeal	2,440	54,130	(46,438)	-	10,132	1,738	(9,050)	-	2,820
Fabric Fund	49,115	-	-	(10,562)	38,553	-	-	666	39,219
Chancel Repair Fund	1,392	-	-	(7)	1,385	-	-	230	1,615
John Lester Leach Fund	23,736	-	-	(1,098)	22,638	-	-	3,232	25,870
	<u>164,338</u>	<u>54,139</u>	<u>(49,515)</u>	<u>(11,667)</u>	<u>157,295</u>	<u>1,824</u>	<u>(18,823)</u>	<u>4,128</u>	<u>144,424</u>

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Restricted funds (Continued)

The organ restoration appeal fund is being used to fund the annual depreciation charge made on the expenditure incurred to restore the organ.

The St Martin's Memorial fund was set up for special fundraising activities.

Bell Refurbishment fund represents specific money collected and costs incurred.

Rescue Appeal was launched to provide funds for the refurbishment of the Cathedral roof, tower and any other part of the Cathedral.

The Fabric Fund is represented by investments arising from the sale of land and held for the purposes of maintaining the fabric of the Cathedral and St Martins.

The Chancel Repair Fund was bequeathed for St Woolos Cathedral.

John Lester Leech Fund is held by the Representative Body of the Church in Wales for the benefit of the Cathedral.

THE CATHEDRAL CHURCH OF ST WOOLOS, NEWPORT, PAROCHIAL CHURCH COUNCIL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Designated funds

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

	Movement in funds			Movement in funds			Balance at 31 December 2019 £
	Balance at 1 January 2018 £	Incoming resources £	Resources expended £	Balance at January 2019 £	Incoming resources £	Resources expended £	
Bellringers 30	7,453	1,049	(727)	7,775	1,391	(446)	8,720
Somethings	436	933	(1,033)	336	980	(930)	386
Girls Brigade	1,016	564	(36)	1,544	424	(401)	1,567
	<u>8,905</u>	<u>2,546</u>	<u>(1,796)</u>	<u>9,655</u>	<u>2,795</u>	<u>(1,777)</u>	<u>10,673</u>

The designated funds represent group activities within the cathedral. The funds are designated for the use of the groups whilst the activity continues. Once the activity ceases, the funds revert to the Cathedral general funds.

19 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £
Fund balances at 31 December 2019 are represented by:						
Tangible assets	7,742	70,903	78,645	1,710	80,588	82,298
Investments	348,341	66,704	415,045	294,676	62,580	357,256
Current assets/ (liabilities)	64,915	6,817	71,732	65,606	14,127	79,733
	<u>420,998</u>	<u>144,424</u>	<u>565,422</u>	<u>361,992</u>	<u>157,295</u>	<u>519,287</u>

20 Related party transactions

There were no related party transactions during the current or previous year.

Remuneration of key management personnel

There were no employees during the year and therefore no remuneration of key management personnel.