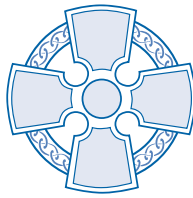


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THE CHURCH
IN WALES

THE REPRESENTATIVE BODY OF THE CHURCH IN WALES

Annual Report and Accounts

2023



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Further copies of this report may be downloaded from the Church in Wales website:

https://www.churchinwales.org.uk/en/publications/administration-and-business/Annual_Report_Accounts/

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Front cover photographs:

- top left:* St Peter's Church in Llanbedr, became the first church in Wales to achieve its Gold Eco-Church award.
- top middle:* Bishop Dorrien Davies was elected as the 130th Bishop of St Davids.
- top right:* In June 2023, the Bishop of St Asaph blessed and rededicated All Saints Church in Newtown after re-ordering project to transform the worship space.
- bottom left:* In their first official engagement in Wales after the Coronation, The King and Queen visited Brecon Cathedral to mark the centenary of the Diocese of Swansea and Brecon.
- bottom middle:* In 2023 we celebrated 900 years of pilgrimage at St Davids, culminating at a special service at St Davids Cathedral when the Archbishop blessed the shrine.
- bottom right:* Their Royal Highnesses the Prince and Princess of Wales visited St Davids Cathedral on the anniversary of the Queen's death.

CHAIR'S INTRODUCTION



As the world navigated the complexities of 2023, marked by the rise of artificial intelligence, the pressing issue of climate change with global temperatures on the rise, and increasing geopolitical tensions, the Church in Wales remained a steadfast presence, committed to

its mission and the well-being of its communities. One of the most significant challenges we continue to face is the decline in church attendance, which is reflective of a broader trend worldwide. Yet, at the heart of this challenge is an opportunity – an opportunity to rekindle the flame of faith and to reimagine the Church's role as a beacon of hope and community.

2023 has been a year of ambition and innovation. The Church Growth Fund was formally opened for applications in October. With a commitment of £100 million from capital reserves, this Fund aims to develop innovative approaches for sharing the transformative message of Jesus Christ throughout communities in Wales. It is a once-in-a-generation opportunity to empower confident and consistent evangelism across the province. Its primary goal is to facilitate encounters with Jesus, foster faith, encourage baptism, and nurture discipleship. The Church Growth Fund Allocation Group, responsible for assessing and approving funding applications, held its inaugural meeting in June, taking the first steps in this journey of innovation.

Furthermore, the Representative Body made a further £3.7 million available to the Dioceses through the Structural Resilience Fund, a strategic ten-year funding initiative aimed at ensuring the long-term stability and strength of the Church's infrastructure. The financial commitments made in 2023 are substantial, yet they are crucial for the long-term vitality of the Church's work, as detailed in this annual report. The investment environment is challenging, and the Investment Committee continues to work closely with our advisors to ensure that the funds needed to support the mission and ministry of the Church in Wales are available.

The Representative Body continued to support progress to build on the Governing Body's declaration of a climate emergency, the journey towards achieving a net-zero carbon footprint by 2030 saw practical steps being taken to reduce the environmental impact of church operations.

Of course, these accomplishments are not the Representative Body's alone, but are shared with every member of our church who has contributed their time, resources, and prayers.

In a year filled with both promise and uncertainty, the Church in Wales's commitment to the Gospel and the people of Wales prevailed. With a forward-looking approach, the Church continues to adapt and innovate.

Ultimately, the Representative Body exists for the Church; to serve, support and resource the six dioceses and mission and ministry areas of the Church in Wales; to steward its resources and enable the proclamation of the Gospel in the most effective manner. This is and remains our commitment. We embrace the challenging journey ahead with optimism and look forward to the growth and vitality of our province over the next decade.

May I take this opportunity to express my personal thanks to the clergy and lay leaders of the Church in Wales for all your contributions to our mission and ministry. Your support is very much appreciated.

Professor Medwin Hughes
Chair of the Representative Body

OBJECTIVES AND ACTIVITIES

Public Benefit Statement

When planning its activities for the year, the Representative Body has taken into account the Charity Commission's guidance on public benefit and its specific guidance on charities for the advancement of religion. The Representative Body provides significant financial support for the activities of the Church in Wales which is present in all communities throughout Wales. As such, the Representative Body's assets (which include most church buildings and church halls) are available to the whole community. Regular worship, marriages, funerals, baptisms, pastoral care and outreach both at home and overseas are just some examples.

Key Objectives

The Representative Body's key objectives are:

- To manage its investments so as:
 - to meet the past service liability of the Clergy Pension Scheme;
 - to provide the maximum sustainable level of support for the work of bishops, dioceses, parishes and cathedrals.
- To manage the ecclesiastical and secular property vested in it for the uses and purposes of the Church in Wales.
- To support the Bench of Bishops in its oversight of the St Padarn's Institute by employing its staff and providing financial and operational support resource.
- To employ specialist staff to advise the bishops in connection with their allocated portfolios of activity.
- To provide an efficient and professional administrative service across a wide range of functions including:
 - payment of stipends and pensions to serving clergy and pensioners;
 - management of trusts and other funds held provincially;
 - organisation of provincial meetings of the Representative Body, Governing Body, Bench of Bishops and their committees;
 - provision of guidance for the wider Church on a range of issues including safeguarding, IT, property management, data protection and human resources;
 - maintenance of databases and information management.

Ongoing Objectives

- Maintaining diocesan support – to maintain financial support for dioceses through the Partnership Funding and other provisions.
- Financial stability – to ensure financial stability with regard to the clergy and staff pension schemes.
- Fund performance – to make investment returns that exceed agreed benchmarks.
- Safeguarding – to continue to strengthen the Church's capacity in safeguarding as we seek to be a Safe Church.

Additional Objectives for 2024

- To administer the Church Growth Fund in line with the criteria and application process devised by the Church Growth Fund Allocation Group, in consultation with the Representative Body, ensuring rigorous scrutiny and accountability with accessibility and a willingness to encourage and support innovation.
- To work with dioceses to develop protocols for the mutual sharing of information to ensure financial transparency.
- To develop a holistic property strategy which will inform decision-making around and management of each type of property within the Church in Wales.
- To continue to provide training and practical support to assist all parts of the Church in Wales to engage effectively with the Climate Emergency and the movement towards being carbon net zero by 2030.

ACHIEVEMENT AND PERFORMANCE

Investment Gains were £47m in a positive year for the markets

Overall Financial Position

The results for the year are shown in the Statement of Financial Activities on page 20.

There was an increase in total net funds for 2023 of £38 million. This was primarily due to gains on investments.

After considering other recognised gains and losses, the total funds shown on the balance sheet of the Representative Body at 31 December 2023 increased from £830 million to £868 million. Further details on the investment performance are given on page 6.

General Funds

Over 95% of the Representative Body's income is generated through its investments. During 2023, the Representative Body's investment income increased by £1.6 million. Expenditure remained at 2022 levels.

The following operational results were generated by the charity during the year:

	£m
General Fund income	22.8
General Fund expenditure	(25.4)
Net operational deficit	(2.6)

The resulting net deficit of £2.6 million was offset by investment gains of £47 million, a movement of (£8.7m) regarding the clergy pension provision, transfers to designated reserves of (£10.7m), losses on revaluation of fixed assets of (£1m) and an actuarial gain on the staff defined benefit pension scheme of £0.4m. This resulted in a net movement in funds over the year of £24 million.

Total Assets of the Representative Body

The Balance Sheet on page 21 presents the key financial data but it is of vital importance that Church members understand the nature of the Representative Body's total funds.

The table on page 4 explains how the Representative Body's assets are structured.

The total assets of the Representative Body as at 31 December 2023 stood at £1,015 million.

However, as the Clergy Pension Scheme is an unfunded scheme (which means that the assets that are set aside to match the liabilities of the Scheme are not segregated from the assets of the Representative Body) the total assets include £147.5 million representing the clergy pension liability.

The net effect of this means that the total funds excluding the pension liabilities of the Representative Body are £868 million.

These funds are split as follows:

	£m
General Funds	499
Endowment Fund	5
Designated Funds	364
Total	868

The Endowment Fund of £5.1 million represents the value of the former St Michael's College site.

The Designated Funds totalling £364 million are set out in detail on page 34. However, 57% of this total comprises the cost or valuation of the parsonages and church halls. These are not income-generating assets and reflect the working plant of the Church. The remaining balance is specifically earmarked for future costs, such as the Church Growth Fund, the Evangelism Fund, church repairs and future pension liabilities.

This leaves the General Funds which total £499 million. It is these assets that are invested in stock exchange securities and investment property on a total returns basis to generate the income and capital returns required to 'run' the Representative Body. The Representative Body aims to achieve a 5.5% total return, although this may not be sustainable in the future.

The income generated by these investments of around £22 million per annum is used to fund the Partnership Funding to dioceses, training through St Padarn's Institute, the bishops and the provincial office. With current expenditure levels of around £17 million, the Representative Body is running an income and expenditure deficit of around £2 million per annum. As may be seen on page 38, the Representative Body's expenditure has for many years exceeded its income, but this is offset by the capital gains. The Trustees are aware that commitment to structural expenditure

which progressively erodes the capital base of the Representative Body will reduce its income and ability to fund the ministry and mission of the whole Church in years to come.

	£m
Total Funds of the Representative Body	1,015
Less: Clergy Provision	(147)
Balance	868
Less: Endowment Fund	(5)
Less: Designated Funds	(364)
Balance – representing General Funds	499
It is this £499 million that is held as investment assets and generates the returns (income and capital).	

Supporting Ministry

Grants to Dioceses

The Representative Body continues to provide each diocese with Partnership Funding to help with costs such as stipends, clergy pensions (current service contributions) and certain other categories of expenditure, so enabling provincial funding to be used more flexibly by the dioceses.

In 2023 the total Partnership Funding was set at £2.7 million and an additional £3.6 million was provided to dioceses from the Structural Resilience Fund to provide additional assistance to the dioceses.

The Representative Body has agreed the Partnership Funding will be set at £2.5 million for 2024 together with £3.7 million from the Structural Resilience Fund.

In addition, Bishops' costs (including their office costs) are met directly by the Representative Body.

Overall the Representative Body meets over 30% of the total expenditure of the Church.

CLERGY PENSION SCHEME

Clergy Pension Scheme

The Clergy Pension Scheme is a non-contributory final salary scheme and is a significant benefit for the clergy.

An incumbent with 40 years' uninterrupted service, retiring in 2024 will receive a lump sum of up to £42,783 and an annual pension of £17,113. On the death of a cleric, a qualifying surviving spouse or civil partner receives 60% of the cleric's pension, which in 2024 is £10,267 for full service.

The Clergy Pension Provision forms part of the overall investments of the Representative Body and the long-term challenge is to ensure that pension liabilities are held as a stable proportion of the Representative Body's total assets.

The Clergy Pension Provision is shown in note 20 on page 33. The principal expenditure is the payment of pension benefits.

The membership of the Clergy Pension Scheme including the movements during the year are shown below:

Clergy Pension Scheme Membership				
	Active	Deferred	Pensioners	Total
Membership at 1 January 2023	393	229	866	1,488
Adjustments to opening figures	(3)	(4)	(4)	(11)
New entrants	35	-	-	35
Members returning to active service	4	(4)	-	-
Leavers with deferred benefits	(15)	15	-	-
Transfers out	-	(1)	-	(1)
Retirements	(23)	(14)	50	13
Deaths	-	(2)	(41)	(43)
Membership at 31 December 2023	391	219	871	1,481

The Clergy Pension Scheme is reviewed every three years and the results of the actuarial valuation that took place as at 31 December 2022, together with the previous three valuations are highlighted below. The new rates took effect from 1 January 2023. The next actuarial valuation is due to take place at 31 December 2025.

Clergy Pension Scheme Funding				
	2022	2019	2016	2013
Market Value of the Representative Body's General Funds	£733m	£719m	£607m	£512m
Value of Past Service Liability	£140.4m	£196.2m	£187.8m	£158.9m
Liability as a proportion of General Fund	19.2%	27.3%	30.9%	31.1%
Employer's Current Service Contributions	26.8%	36.5%	38.8%	32.7%

FINANCIAL REVIEW

Investments increased by 4.6% over 2023

Investment Policy

The power to invest all monies held by the Representative Body in trust for the Church in Wales is set out in section 20 of Chapter III of the Constitution, which gives wide ranging authority for investment.

Investment Objectives

The objectives of the Representative Body's investment policy are to:

- achieve a balance between sustainable levels of income and capital growth;
- optimise total returns without undue risk;
- continue to meet the Representative Body's current to long-term liabilities and income commitments;
- operate within the constraints of the Church's Ethical Investment Policy Statement, as set out on page 8.

Diversification in a range of assets is essential to reducing risk, and therefore forms an important part of the investment strategy of the fund. The assets in which the fund is invested are regularly reviewed.

Investment Managers

Sarasin & Partners and Newton Investment Management each manage one half of the stock exchange investment fund, under a Global Multi-Asset mandate.

Cluttons LLP manage both the investment properties and the property unit trusts.

Overall Fund Performance

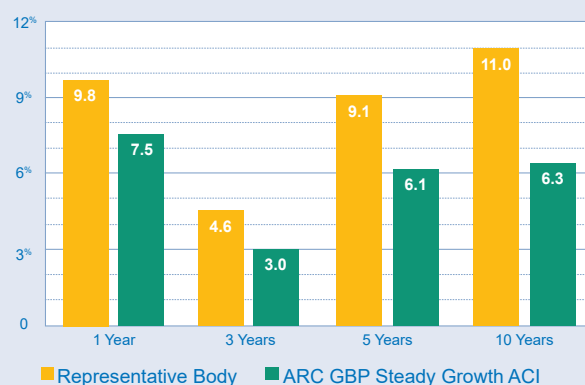
During 2023 the total value of the Representative Body's investments increased by 4.6% to £763 million as shown on the Balance Sheet on page 21.

The capital value of the fund is of particular significance in assessing the proportion of assets required to meet the Clergy Pension Scheme liabilities which were valued at £147.5 million on 31 December 2023 (2022: £140.4 million).

Total Return

The total return (both income and capital growth) from the Representative Body's fund during 2023 was 9.8%, outperforming the ARC comparator return of 7.5%. The annualised returns also outperformed the comparator over 3 years as highlighted in the table below.

Representative Body Total Return v Benchmark



Comparator

The performance of the Representative Body's total investment fund, including the stock exchange investments and property investments is measured relative to the ARC GBP Steady Growth ACI benchmark.

The property portfolio is measured against the MSCI Monthly Index.

Stock Exchange Investments

The value of stock exchange securities increased over the year from £623 million to £674 million at 31 December 2023, an increase of 8.1%.

2023 was an eventful year for markets with plenty of forces for investors to navigate. The year started on a positive note, with confidence buoyed by a number of good news stories underpinning investor risk appetite. However, this optimism was supplanted by worries around the trajectory of interest rates as central banks made it clear that they were prepared to continue on their hiking path in their determination to conquer inflation, which was proving stickier than anticipated.

Against this backdrop, the month of March saw some of the more fragile banking institutions, including Silicon Valley Bank and Credit Suisse, succumbing to the weight of higher interest rates, giving rise to

worries about the stability of the financial system and causing central banks to intervene amid fears of broader contagion. Markets began to worry about the consequences of the funding crisis in the banking sector and the potential for tighter credit conditions, as financial institutions struggled for liquidity. The likely slowdown in economic growth that may ensue resulted in weakness in the oil price, which had already been falling since last summer's geopolitically induced spike.

In the search for better outcomes elsewhere, investors began to focus on new innovations. The potential for artificial intelligence to improve productivity was much discussed, as the launch of ChatGPT was viewed as a potential inflection point in the democratisation of the technology. This growing excitement around artificial intelligence propelled technology stocks higher, which continued through much of the year.

Elsewhere, the general tone was one of muted performance across a broad swathe of financial assets through the Spring and Summer period. In particular, the prospect of interest rates remaining higher for longer, amid persistent inflation and robust employment market data, led to a major bond sell-off. Further concerns emerged in China, where the strength of the post-Covid recovery was called into question, with various economic indicators, such as retail sales and investments, weaker than expected as the country's beleaguered property sector in particular has remained a drag on the economy.

The final quarter of 2023 played out in two distinct phases. The first stage, comprising the majority of October, witnessed a continuation of the subdued equity markets, as stronger-than-expected US employment and growth data coupled with persistent inflation suggested that the US economy was still running too hot. However, the tone changed significantly at the end of October, which marked the beginning of a major cross-asset-class rally, fuelled by a combination of downside surprises for inflation and a more dovish tone by central banks, culminating in a series of interest-rate cuts being priced in by markets. This marked change in tone from the Federal Reserve, which steered investors away from prior expectations of "higher for longer" to anticipating rate cuts in the first half of next year, was the chief catalyst of the equity market's rally in the final few weeks of 2023, and heralded the prospect of achieving the fabled "soft-landing". Within equities, the 'magnificent seven' group of technology stocks continued to turbocharge performance, while bond yields retraced from their relentless climb higher.

Asset allocation ranges and the allocation as at 31 December 2023 are shown below:

Asset Allocation Range		
Asset class	Range	Allocation at 31 December 2023
UK Equities	15-40%	15%
Overseas Equities	20-70%	61%
Fixed Interest	5-25%	15%
Alternatives	0-15%	7%
Cash	0-25%	2%

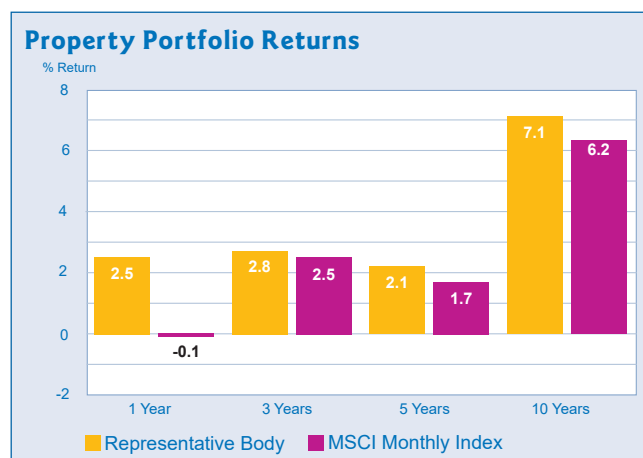
Investment Property

The value of the Representative Body's investment property portfolio decreased over the year from £62.8 million to £57.9 million. The Representative Body directly holds 9 investment properties and also holds units in 1 Property Units Trust (PUTs).

The direct properties are independently valued at each year end and as at 31 December 2023 at £47.9 million compared to £52.9 million at the end of 2022.

The PUTs investments were valued at 31 December 2023 at £10 million compared to £9.9 million the previous year.

The commercial property portfolio equalled or outperformed the MSCI Monthly Index over all periods as shown in the table below.



Ethical Investment Policy Statement

The Church in Wales has had an Ethical Investment Policy for many years. Informed by the work of Churches Ethical Investment Group and supported by the Representative Body's Investment Committee, the current policy statement was adopted by the Governing Body of the Church in Wales in April 2021.

As a Christian Church, we are tasked to co-operate with God's active presence in the world and with proclaiming the values of the kingdom of God. This means that the Church has a particular interest in promoting all that furthers justice and peace, that enables full human flourishing, that honours creation and that builds creative human communities.

The Church in Wales wishes to have an investment policy that is ethical and consistent with the furtherance of our aims and objectives. We believe that it is entirely appropriate and possible to operate such a policy alongside the requirement to achieve the best returns from our investments, and to use our investments as an ethical means of contributing to the cost of ministry and mission in the Province.

Our aim is to invest in successful companies that are committed to developing their business in the interests of their shareholders, customers, local communities and employees by operating:

- Responsible employment practices;
- Conscientious corporate governance;
- Policies and practices which demonstrate a proper regard for the environment and for the well-being of the created order;
- Policies sensitive to the human rights and wellbeing of individuals and communities in which they operate;
- Fair trading practices.

In its policy for investment, the Church in Wales will use its best endeavours not to be associated with companies whose products or policies conflict with these aims or to invest in companies which:

- Are responsible for the wanton despoliation of the environment;
- Are responsible for anything that threatens peace, security and communal well-being;
- Exploit, demean, corrupt or degrade humankind, especially the poor or the financially vulnerable;
- Are indifferent to the well-being of animals.

We recognise the complexities surrounding the activities of companies in which we can invest, and reserve the right to make investment decisions on a case by case basis. We will endeavour to engage with companies which are in actual or potential breach of this policy or where concerns exist over environmental, social and governance issues before considering disinvestment.

It is the policy of the Church in Wales not normally or knowingly to invest in any company:

- which derives more than 10% of turnover from a primary focus on gambling, or the production or sale of alcoholic beverages or tobacco products;
- which derives more than 5% of turnover from pornography, predatory lending activities or the proliferation of armaments;
- which derives more than 5% of turnover from the production or the extraction of fossil fuels.

The Church in Wales wishes to be a well informed and responsible investor, and to this end is represented on the Church Investors Group, which is a means of accessing research, obtaining reliable information, sharing best practice with other member organisations, and exercising combined shareholder influence.

A valuable relationship exists between the Investment Committee and the Church in Wales Ethical Investment Group to which the Committee refers problematic cases, and from which it receives an annual report.

Risk Management Policy

The Representative Body has an extensive risk register which is overseen by the Audit and Risk Committee with regular reviews by senior management. It is formally reviewed annually by the Representative Body.

The 2023 risk register identifies the major risks to which the organisation is exposed and the scope of such risks. The register then identifies the controls and procedures which have been established to manage and mitigate those risks, from which there are defined action points, strategies and timescales to mitigate risk further.

The 2023 risk register has identified the following as the top four most significant risks:

1. Financial instability or insolvency of a diocese

Declining parish share income, as a consequence of declining congregations, may jeopardise the solvency of a diocese. If a diocese were to be insolvent intervention by the Representative Body would be needed to continue payment of clergy stipends, representing a significant additional financial burden for the Representative Body. Diocesan accounts and supporting information are provided to the Representative Body to allow potential problems to be identified at an early stage. In 2023 the Representative Body agreed a mechanism for the provision of additional funding to dioceses to help develop their financial resilience.

2. Depletion of the Representative Body's assets

Significant loss or reduction of the Representative Body's assets would have a detrimental effect on the Representative Body's ability to support the financial needs of the wider Church in Wales. The Investment Committee reviews the investment performance quarterly, with staff monitoring weekly. The investment portfolio is well diversified and managed by two investment managers with complementary investment approaches.

3. Accelerated decline in church attendance

The continuation of declining attendance and an increasing age profile would result in declining financial income for dioceses: this would lead to an inability to present established patterns of ministry to the

whole of Wales. The Representative Body endeavours to maintain the highest financial support to dioceses possible. Also, a renewed focus on mission and evangelism, including additional financial resources being made available, aims to stimulate church growth. A membership app is being rolled out to assist with monitoring church attendance statistics.

4. Increasing number of redundant church buildings

Accelerated decline may mean increased numbers of redundant church buildings, which become the responsibility of the Representative Body together with the associated liabilities. Some may be sold, but for others sale is problematic or even impossible. Dedicated property department staff members manage redundant church buildings to manage the liability risk. Work is taking place to improve the strategic approach to property generally and to provide a greater range of options for the future of church buildings.

Reserves Policy

At 31 December 2023, the Representative Body's total funds amounted to £868 million (2022: £830 million). This includes the Endowment and Designated Funds with a combined total of £369 million.

The Endowment Fund which total £5.1 million is in respect of the former St Michael's College site.

The Designated Funds total £364 million and £207 million is in respect of the non-investment properties held by the Representative Body, represented by church 'plant' – church halls and parsonages.

In determining the available reserves of the Representative Body, it is considered prudent to exclude the Endowment and Designated Funds, as these funds are not available to spend. The Representative Body therefore considers that the General Fund balance of £499 million (2022: £475 million) represents the reserves available.

As shown in the Balance Sheet on page 21, the Representative Body's General Fund balance is £499 million which as shown in the table on page 4, is made up of investment assets. It is those investment assets held by the Representative Body that generate the overwhelming majority of both its income and capital gains.

It is therefore in the interest of the Church as a whole to carefully steward and manage its investment assets in order to maintain the current levels of income and capital gains so that the Representative Body can continue, for both this generation and generations to come, the current levels of support it provides to dioceses and parishes.

General Funds

The amount of General Funds held by the Representative Body at 31 December 2023 totalled £499 million (2022: £475 million).

The total return expenditure policy is based on the amount of General Funds held by the Representative Body. The policy is to set spending at a level intended to provide vital funding for the Church in the short term whilst preserving the investment base to provide sustainable increases in annual expenditure into the future.

Designated Funds

The Trustees have the power to designate general funds to be retained for an agreed purpose where this is considered to be prudent.

At 31 December 2023 Designated Funds amounted to £364 million (2022: £350 million). Details of the Designated Funds are set out on page 34. The most significant fund is the Revaluation Reserve, with a balance of £163 million, and represents the difference between the market values assigned to non-investment property (including parsonages, church halls and sundry property) and the underlying cost. As such, the Revaluation Reserve can only be realised by the disposal of the non-investment property held by the Representative Body for the day-to-day work of the Church.

All designated funds are reviewed annually and returned to general funds in the event that the purpose of their designation can no longer be justified.

Endowment Fund

At 31 December 2023 the Endowment Fund amounted to £5.1 million (2022: £4.8 million), and represents the value of the former St Michael's College site.

FUTURE PLANS

An assessment of forthcoming strategic priorities for the Representative Body.

Short to medium term issues

Support for the Dioceses

The Representative Body continues to provide a comprehensive portfolio of services, advice and financial support to the wider Church in Wales. This includes Partnership Funding (originally called the Block Grant) to dioceses.

Examples of services and advice provided to dioceses:

Human Resources – the human resources team provides support in relation to clergy office holders and RB employees. A thorough review of policies and procedures is underway to ensure that they are compliant with recent legislative changes and fit for purpose. Work is underway, with others, to focus on training and development opportunities for clergy and staff.

Property Services – providing advice and support to the whole Church in Wales for its estate of church buildings, residential and other properties, graveyards and other land holdings.

Legal Services – providing advice to ministry / mission areas and parishes in connection with approximately 1,890 trusts.

Finance Services – payment of stipends, administration of the Common Investment Fund, administration of the Clergy Pension Scheme.

IT Services – Provision of computer services to staff in diocesan offices, the provincial office, St Padarn's and Bishops' offices. DBS checking; introduction of Church in Wales e-mail addresses for clergy in all dioceses.

Governance Services – provision of secretariat support to the Governing Body, the Standing Committee, the Representative Body, and their sub-committees, and to the Bench of Bishops.

Funding the Church in Wales

The Representative Body has committed £100 million of funding over the next ten years to the Church Growth Fund, to enable, promote and galvanise mission and evangelism in the Church in Wales, orienting it towards numerical and spiritual growth.

It has committed a further £37 million over the same period to a Structural Resilience Fund – to ensure that sufficient funding is available to undertake routine operational work optimally.

These are significant sums of money and this commitment may affect the long-term ability of the Representative Body's investment portfolio to generate income. Therefore, it is imperative that this funding is used appropriately and an important element of ongoing work will be to ensure projects which receive support from the Church Growth Fund are held accountable for their effectiveness. One of the roles of the Church Growth Fund Allocation Group is to monitor, audit and challenge projects that receive funding from the Fund and - where necessary - reduce or discontinue work that is not bearing fruit. The Allocation Group has also designed the application process for the Fund, assesses applications made and makes grants within agreed budgeting parameters.

Rationalising and reshaping the arrangements for the provision of structural provincial funding to dioceses was an important area of work during 2023 undertaken by the Distribution of Funds Review Group. This considered established practice and reviewed these in line with operational convenience and fairness of distribution. Proposals for the distribution of Partnership Funding and funding via the Structural Resilience Fund were agreed by the Representative Body in the autumn of 2023.

Operational development projects

A number of projects which will be significant to the operational support provided by the Representative Body are underway. The Infonet, the central database around which provincial administration revolves – including clergy and lay ministerial appointments, membership and finance data, DBS and Gift Direct administration, details of property ownership and occupation, committee membership and territorial configurations – has fulfilled its role for almost 20 years and the technical infrastructure upon which it is built is now outdated and maintenance support dependent on the expertise of a single member of current staff. The development of a new database system to replace Infonet is underway and is due to be completed in 2024.

A separate database to aid casework management within the provincial property department is also being developed for implementation in 2024.

Safeguarding

The Representative Body continues to invest in its safeguarding resource. The Director of Safeguarding has brought together, into one team, activities in casework, training, policy and procedure development, and relationship building with the statutory agencies and other partners. Governance oversight is provided by the Safeguarding Committee (for matters relating to policy, procedure and training) and the Safeguarding Panel, which principally oversees and advises on the handling of casework. Both the Panel and Safeguarding Committee are accountable to the Standing Committee on behalf of the Governing Body. An annual safeguarding report is provided to the Governing Body.

Training for Ministry

2023 saw St. Padarn's Institute continue its role as the Church in Wales's ministerial training resource, as it reached its seventh year of operation. St. Padarn's and its significant role in clergy training was at the forefront in efforts to make sure those training for ministry – both lay and ordained – were equipped to foster numerical and spiritual growth in their various ministerial contexts.

In July 2023 the Bench of Bishops approved a new strategic direction plan for St. Padarn's for the five years 2023-2028. St. Padarn's will continue to develop its core operations which centre around the provision of training and formation for licensed clergy and newly licensed ministers as well as continual ministry development (CMD) for clergy. St. Padarn's also supports theology programmes at master's level. Several areas of development were also expressed within the development plan, particularly maintaining and enhancing the reputation of St. Padarn's as a higher education institution.

The final report of the periodic external review (PER) undertaken during late 2022 was published in February 2023. This contained several commendations of good practice at St. Padarn's together with recommendations for enhancing current arrangements. A formal response was submitted in May 2023. A follow-up visit by the lead reviewer took place in late 2023, with good developments from the original report noted.

Monmouth Review

During 2023 the Representative Body, together with the Standing Committee and Bench of Bishops, worked to respond to the 28 recommendations within the report of the Monmouth Enquiry and Review which was published in December 2021 and considered

the events which led to the retirement of the former Bishop of Monmouth. The recommendations included a review and overhaul of disciplinary policies and procedures as well as people-related casework being undertaken in a more multi-disciplinary way. The implementation work has been overseen by a dedicated implementation group, the Monmouth Review Implementation Group which expects to conclude its work in 2024.

Long term issues

Pensions

The Representative Body keeps the Clergy Pension Scheme, including its funding and benefits, under active review. The next actuarial valuation of the Clergy Pension Scheme is due to take place as at 31 December 2025. The Scheme is well funded and continues to represent a prudent proportion of the Representative Body's total assets.

Climate Change

Following the Governing Body's Climate Emergency declaration in April 2021, the Representative Body appointed a full-time member of staff to bring focus to this important area of work and much work has been done to engage with all parts of the Church in Wales. This member of staff now sits within the Mission and Strategy group of staff to ensure this area of work is embedded with the overall strategic work of the Representative Body, and the wider Church in Wales.

The Representative Body is committed to supporting the whole Church in its response to the global climate crisis.

Effectiveness of structural governance

The Church in Wales is a large organisation and its macro structure is complex. The leadership of the Church in Wales centres on its bishops and their shared episcopate; the strategic direction of the Church in Wales lies with the Governing Body through its Standing Committee; and management of the financial assets and governance lies with the Representative Body. Ideas will be explored to ensure the current arrangements are as effective as they might be with the possibility of bringing together the strategic work of the Standing Committee (which includes the bishops) with the asset management role of the Representative Body explored.

GOVERNANCE AND MANAGEMENT

The Representative Body of the Church in Wales was created by a Charter of Incorporation on 24 April 1919 and is constituted to hold all property and investments vested in it in trust for the use and purposes of the Archbishop, Bishops, Clergy and Laity of the Church in Wales. These assets are held in order to maximise the support which can be given to the mission of the Church in parishes throughout the province.

The Representative Body comprises up to 26 members and normally meets three times a year. The membership and functions of the Representative Body are regulated by Chapter III of the Constitution of the Church in Wales.

Details of the trustees who served during the year and since the year end are set out on page 39. The relationship of the Representative Body to its committees and to the other provincial bodies of the Church in Wales is set out on page 15.

Membership Composition

Trustees (other than ex-officio trustees) are appointed for a three-year term of membership. The Representative Body's membership consists of:

- The Archbishop;
- The Chair of the Standing Committee of the Governing Body;
- The Chair of the Diocesan Board of Finance of each diocese;
- One cleric elected by the Diocesan Conference of each diocese;
- One lay person elected by the Diocesan Conference of each diocese;
- Up to four members nominated by the Bench of Bishops in consultation with the Standing Committee;
- Up to two members co-opted by the other members of the Representative Body.

Membership Eligibility

The following are eligible to be members of the Representative Body:

- Any cleric who holds an ecclesiastical office in the Church in Wales or a licence from a Welsh Diocesan Bishop who is not retired nor has reached the age of 70;
- Any lay communicant over 18 and under 75 years of age who either:
 - a. resides or has resided for a period of 12 months in a Church in Wales parish; or,

- b. whose name appears in the electoral roll in a Church in Wales parish and who does not belong to a religious body which itself is not in communion with the Church in Wales.

A lay communicant may be elected a member of the Representative Body only for the diocese in which he or she either resides, holds diocesan office or has his or her name on the electoral roll of a parish in such diocese. No full-time employee of the Representative Body, a Diocesan Board of Finance or any other such provincial or diocesan body within the Church in Wales shall be eligible to be a member of the Representative Body.

Membership – Induction and Training

It is the policy of the Representative Body that its members should be provided with training appropriate to their duties both as charity trustees and as members of its committees. New members are given the opportunity to attend external training events for charity trustees, and invited to an induction session at the Provincial Office to meet staff and to learn more about the work of the Representative Body, the Governing Body and the Bench of Bishops.

In addition, members are offered training tailored to meet specific gaps in knowledge or experience, often linked to a member's work with the Representative Body's committees. In the past this training has proved to be particularly beneficial in the complex and specialised areas of investments and audit.

Committees

The Representative Body has six committees – Finance, Investment, Property, Human Resources, Audit and Risk and the Cathedrals and Churches Commission – each with specific terms of reference and functions delegated by the Representative Body and reviewed every three years.

Investment Committee

The Investment Committee determines the investment strategy for approval by the Representative Body (within the overall policy objectives of the Representative Body and with advice from their appointed advisers) and recommends for the Representative Body's approval all strategic decisions necessary to manage the investments of the Representative Body within this strategy.

Property Committee

The Property Committee has responsibility for policy relating to the Representative Body's non-investment property including churches, parsonages, burial

grounds, glebe land, and bishops' residences and the management of those properties. Its duties are wide-ranging and include authorising the sale and purchase of properties; developing strategies for dealing with redundant church buildings and churchyards; administering trusts, legacies and bequests; and administering grants for the repair and improvement of properties.

Human Resources Committee

The Human Resources Committee is responsible for developing policies and procedures for clergy, staff and volunteers in line with good practice and the specific legislation that applies to each group. This includes advising the Representative Body on the level of clergy stipends and staff salaries and the terms and funding of the pension schemes for clergy and staff respectively.

Audit and Risk Committee

The Audit and Risk Committee works with the Representative Body's external auditors to ensure proper financial reporting practice and compliance with charity accounting requirements. It is also responsible for monitoring the effectiveness of the internal audit function. It also has an important role in overseeing the risk management process and to consider the potential financial exposure on safeguarding matters.

Finance Committee

The Finance Committee was established in 2021 and is the principal place of detailed engagement and interface between the Representative Body and its staff on matters of financial strategy development; financial planning and budgeting; scrutiny of un-budgeted expenditure proposals; financial arrangements with the diocesan boards of finance; and matters relating to the staff and clergy pension schemes.

Cathedrals and Churches Commission

The role of the Cathedrals and Churches Commission is to provide expert advice to diocesan courts and advisory groups on applications for major works to cathedral and church buildings as part of the in-house procedure (or faculty procedure) established by the Church in Wales as a condition of the ecclesiastical exemption from local planning controls.

Conflicts of Interest

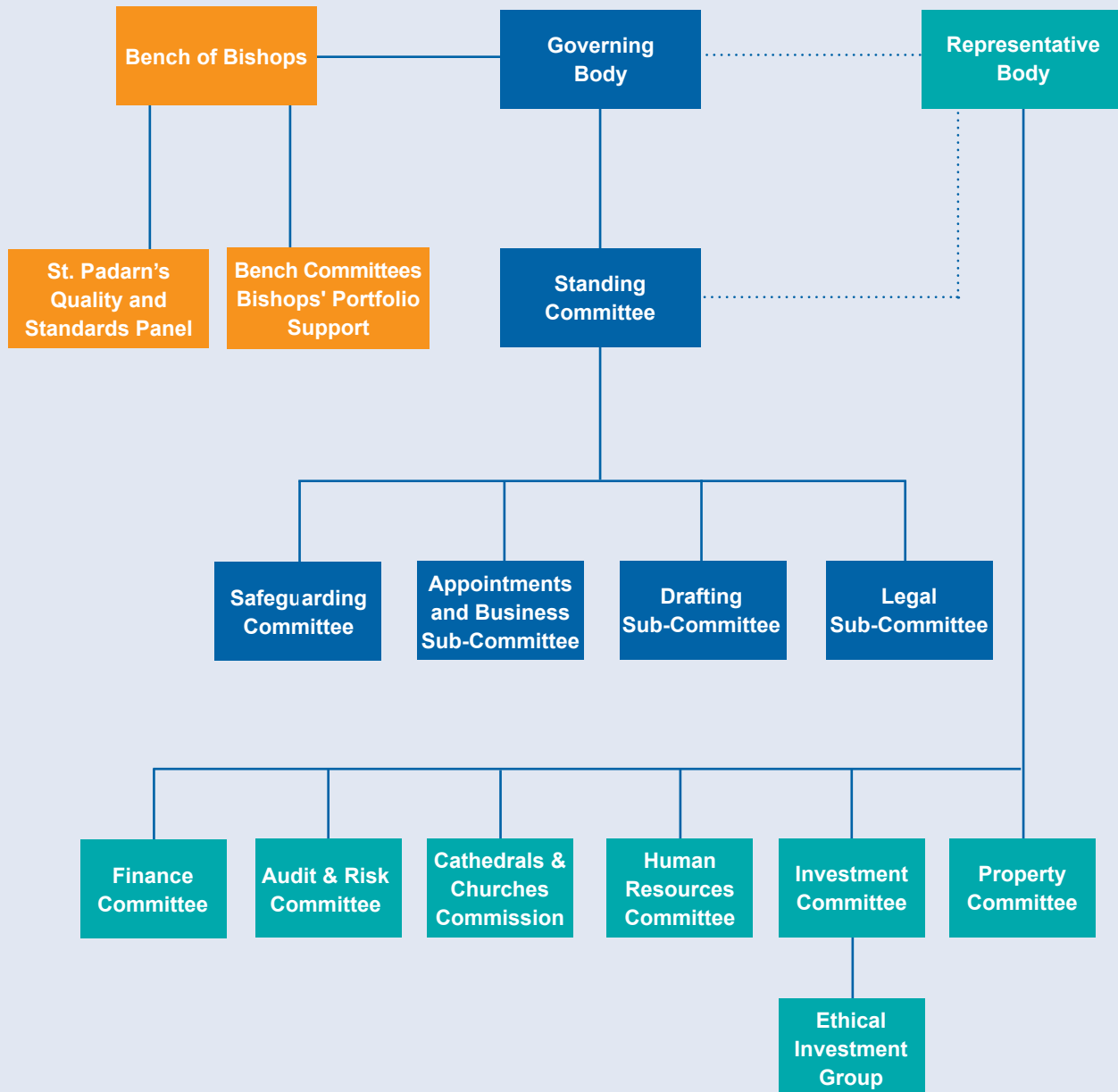
Representative Body members are likely to serve the Church in Wales in other ways and some, in particular clergy members, receive remuneration in these other roles. The Representative Body operates

a conflicts of interest policy to ensure that members' other interests – either personal or on behalf of other organisations within the Church – do not exercise an inappropriate influence on the Representative Body's own decision making. A register of members' interests is maintained and updated regularly, and members are given the opportunity at the beginning of each meeting to declare any potential conflicts with items under consideration.

Fundraising

The Representative Body does not actively fundraise but donations are gratefully received. No complaints have been received in respect of fundraising.

THE PROVINCIAL STRUCTURE



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Annual 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 period.

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 judgments 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 business.

The trustees are responsible for keeping proper 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 trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Representative Body.

Professor Medwin Hughes, Chair

The Very Reverend N H Williams, Deputy Chair

27 June 2024

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Trustees of the Representative Body of the Church in Wales

Opinion

We have audited the financial statements of the Representative Body of the Church in Wales for the year ended 31 December 2023 which comprise the Statement of Financial Activities, Balance Sheet, 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, 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 charity's affairs as at 31 December 2023 and of the charity's net movement in funds 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 Charities Act 2011.

Basis for opinion

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. 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report and the Chair's Introduction. 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.

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:

- adequate accounting records have not been kept by the charity; or
- sufficient accounting records have not been kept; or
- the charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement, the trustees 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the charity and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to charity law applicable in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and key accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 Auditor's 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's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Haysmacintyre LLP
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Statement of Financial Activities

For the year ending 31 December 2023

	Notes	General Funds 2023 £000	Designated Funds 2023 £000	Endowment Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Income from:						
Donations and Legacies		326	-	-	326	19
Charitable Activities		-	834	-	834	796
Investments	2	22,171	391	-	22,562	20,961
Other		263	-	-	263	254
		22,760	1,225	-	23,985	22,030
Expenditure on:						
Raising Funds	3	3,397	-	-	3,397	3,281
Charitable Activities						
Support for Ministry	4	12,241	5	-	12,246	14,234
Support for Dioceses and Parishes	5	7,745	3,325	-	11,070	7,972
Other Church Property	6	1,005	215	-	1,220	1,191
Other Financial Support	7	728	152	-	880	776
Communication	8	252	-	-	252	285
Expenditure before clergy pension provision movement		25,368	3,697	-	29,065	27,739
Clergy pension provision movement		8,732	(125)	-	8,607	(77,993)
Expenditure after clergy pension movement		34,100	3,572	-	37,672	(50,254)
Net (Deficit) / Surplus before Investment Gains		(11,340)	(2,347)		(13,687)	72,284
Net Gains / (Losses) on Investments		46,508	813	-	47,321	(88,061)
Net Surplus / (Deficit) After Net Gains/(Losses) on Investments		35,168	(1,534)	-	33,634	(15,777)
Transfers between funds:		(10,753)	10,753	-	-	-
Other Recognised Gains / (Losses):						
(Losses) / gains on revaluation of fixed assets		(1,027)	4,533	230	3,736	4,162
Write down of the holding valuation of Churches		-	-	-	-	(73,715)
Actuarial gain on Staff Pension Scheme		390	-	-	390	8,495
Net Movement in Funds		23,778	13,752	230	37,760	(76,835)
Reconciliation of Funds:						
Total Funds brought forward		474,866	350,583	4,840	830,289	907,124
Total Funds carried forward		498,644	364,335	5,070	868,049	830,289

The statement of financial activities incorporates the statement of comprehensive income.

All activities are continuing.

There is no material difference between the net expenditure before investment gains stated above and their historical cost equivalent.

A fund by fund analysis for both the current and prior year is shown in the notes to the accounts.

Balance Sheet

As at 31 December 2023

		31 December 2023		31 December 2022	
	Note	£000	£000	£000	£000
Fixed Assets					
Non-Investment Properties	12	246,531		237,603	
Tangible Assets	13	100		112	
			246,631		237,715
Investments					
Investment Properties	14	47,850		52,885	
Property Unit Trusts	15	10,062		9,925	
Stock Exchange Securities	16	673,729		623,123	
Funds held by Investment Managers		7,072		29,081	
Money Market Deposits and Loans	17	24,257		14,091	
			762,970		729,105
Current Assets					
Debtors	18	8,444		7,484	
Cash at Bank and in Hand		1,591		1,483	
		10,035		8,967	
Current Liabilities					
Creditors: amounts falling due within one year	19	(5,114)		(4,971)	
Net Current Assets			4,921		3,996
Total Assets Less Current Liabilities			1,014,522		970,816
Long Term Liabilities					
Clergy Pension Provision	20	(147,500)		(140,400)	
Net Assets excluding Staff Pension Surplus / (Liability)			867,022		830,416
Defined Benefit Staff Pension Surplus / (Liability)	11	1,027		(127)	
Net Assets including Staff Pension Surplus / (Liability)			868,049		830,289
Capital and Reserves					
General Funds		497,617		474,993	
Pension Reserve		1,027		(127)	
			498,644		474,866
Designated Funds	21	364,335		350,583	
Endowment Funds	22	5,070		4,840	
Total Funds			868,049		830,289

The financial statements on pages 20 to 36 were approved by the Representative Body on 27 June 2024.

Professor Medwin Hughes, Chair

The Very Reverend N H Williams, Deputy Chair

Cash Flow Statement

For the year ending 31 December 2023

	31 December 2023 £000	31 December 2022 £000
Reconciliation of net income to net cash provided by operating activities:		
Net Movement in Funds	37,760	(76,835)
Adjustment for:		
Depreciation of tangible assets	12	11
Income from investments	(22,562)	(20,961)
(Gains) / losses / on investments	(47,321)	88,061
(Gains) / losses on fixed assets	(1,244)	68,155
Add:		
Movement in debtors	(960)	(477)
Movement in creditors	143	467
Movement on clergy pension provision	7,100	(77,600)
Movement on staff pension liability	(1,154)	(8,659)
Net cash provided by operating activities	(28,226)	(27,838)
Statement of cash flows		
Cash flows from operating activities		
Net cash used in operating activities	(28,226)	(27,838)
Cash flows from investing activities		
Income from investments	22,562	20,961
Non-investment properties: additions	(7,929)	(2,560)
Non-investment properties: sale proceeds	1,477	2,545
Investment properties: additions	-	(3)
Investment properties: sale proceeds	2,656	-
Property unit trusts: sale proceeds	32	-
Stock exchange securities: additions	(201,711)	(275,543)
Stock exchange securities: sale proceeds	199,295	283,197
Other sale proceeds	109	274
Movement in funds held by investment managers	22,009	(9,203)
Movement in money market deposits and loans	(10,166)	8,577
Net cash provided by investing activities	28,334	28,245
Change in cash and cash equivalents	108	407
Cash and cash equivalents at 1 January	1,483	1,076
Cash and cash equivalents at 31 December	1,591	1,483

Analysis of changes in net funds

The charity had no debt during the year.

Notes to the Accounts

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2015): Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice.

The Representative Body of the Church in Wales is incorporated under Royal Charter and its registered address is 2 Callaghan Square, Cardiff, CF10 5BT.

The Representative Body of the Church in Wales constitutes a public benefit entity as defined by FRS 102.

1. Accounting Policies

The Representative Body of the Church in Wales (the Representative Body) holds all property and investments vested in it in trust for the use of the Archbishop, Bishops, Clergy and Laity of the Church in Wales.

The Representative Body is a registered charity, under the Charities Act 2011. The accounts have been prepared in pounds sterling rounded to the nearest thousand.

The principal accounting policies are set out below and have been applied consistently.

a. Basis of Accounting

The financial statements have been prepared in accordance with the historical cost convention as modified by the annual revaluation of stock exchange securities, investment properties, property unit trusts and non-investment properties.

b. Income

Rental income and interest on short term loans and deposits is accrued. Interest and dividends on stock exchange securities and proceeds from the sale of parsonages are credited on the date of receipt.

c. Expenditure

Expenditure is recognised when a liability is incurred. Costs of raising funds are those costs incurred in managing the investments.

d. Investments

Investment Properties:

Investment properties are valued individually at open market value in accordance with the Statement of Asset Valuation Practice and Guidance Notes of the Royal Institution of Chartered Surveyors.

Property Unit Trusts:

Property unit trusts are stated at market values based on net asset value per unit at 31 December 2023.

Stock Exchange Securities:

Stock exchange securities are stated at market values based on bid price at 31 December 2023. Securities denominated in foreign currency are converted into sterling at rates of exchange ruling at the balance sheet date. Investments sold are marked to market value at the date of sale. Consequently, the Statement of Financial Activities treats all movements as changes in the values of the investment portfolio.

e. Non-Investment Properties

The Representative Body has included non-investment properties in the Balance Sheet at a valuation using the methodology set out below.

The Representative Body does not value the cathedrals and churches it owns, as cost information is not available and any conventional valuation techniques lacks sufficient reliability due to the unique and historically significant nature of the buildings.

The Representative Body's Property Database confirms that assets include 6 Cathedrals, 1,373 Churches and 1,213 Churchyards at 31 December 2023. These buildings are carefully managed and maintained to preserve them for the future. Works are controlled through the Church's Faculty System which ensures that all maintenance and repair works are properly considered. Many of these assets are also open for public view outside of worship times. Such assets are not marketed but are occasionally sold.

The following asset classes were valued by Savills (UK) Limited as at 31 December 2023 and the basis of the valuation is set out below:

Parsonages, Bishops' Houses and Sundry Provincial Property have been valued by the desktop valuation of a representative 19% sample of these properties and these results have been extrapolated to reflect the total valuation of the portfolio. There are also a number Sundry Property buildings and plots which are not straightforward to value. The valuation of these assets has been increased by 4.8% which is the average increase from the representative sample of Parsonage houses which are owned by the Representative Body.

Church Halls are valued based on the desktop valuation of a representative 19% sample of these properties which has then been extrapolated to reflect the total valuation of the portfolio.

Accounting Policies Continued

The St Michael's College site is valued at open market value (existing use) based on a professional valuation.

Glebe has been valued based on the desktop valuation of a representative 19% sample of the portfolio which has then been extrapolated to reflect the total value of the portfolio. The valuations were carried out by Cooke & Arkwright Limited and Jones Peckover Limited.

Depreciation of Other Tangible Assets

Assets or groups of related assets are written down to zero in the year of purchase. Leasehold improvements are depreciated over the life of the lease. Investment and non-investment properties are shown at market value and not depreciated. In the opinion of the Representative Body, the remaining useful economic life and residual values of these properties is such that depreciation is immaterial.

f. Heritage Assets

A number of former church sites or ruins are owned. They are not saleable assets and are retained accordingly. No value has been included for them in the accounts.

g. Foreign Currency Conversion

Foreign currencies are converted into sterling at the rate of exchange ruling at the date of the balance sheet except for purchases and sales of securities and remittances during the year which were converted at the actual rate prevailing.

h. Designated and Endowment Funds

Designated Funds represent monies made available by the Representative Body out of General Funds for the specific purpose designated when the fund is established. Endowment Funds are those held for specific purposes.

i. Pensions of Clergy and Surviving Spouses and Civil Partners

The Representative Body operates a pension scheme providing defined benefits based on years of service and the allocation to the Clergy Pension Provision is calculated every three years by a qualified actuary and is shown as a charge in the Statement of Financial Activities so as to spread the pension cost over the normal expected service lives of the clergy in such a way that the charge is a substantially level percentage of current and expected future pensionable payroll.

The scheme is accounted for under FRS 102 and an annual actuarial valuation is obtained. Any excess or shortfall between the actuarial liabilities and the Clergy Pension Provision is transferred to or from the Pension Equalisation Fund, a Designated Fund, such that the balance on the Clergy Pension Provision at the balance sheet date is based on the most up to date actuarial information.

j. Staff Retirement Benefit Scheme

A separate defined benefit pension scheme is operated for the staff of the Representative Body. Contributions to the scheme are charged to the Statement of Financial Activities on the basis of spreading the costs over the employees' working lives.

The scheme is accounted for under FRS 102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a separate fund entitled 'Pension Reserve' which is deducted from General Funds in the Balance Sheet.

Details of the Staff Retirement Benefit Scheme are given in note 11 to the financial statements.

k. Taxation Status

The Representative Body benefits from corporation tax exemptions available to charitable bodies. On the basis that its activities fell within its charitable purposes and its funds are applied for these purposes, no provision for corporation tax is made.

l. Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value. The recognition criteria for each class of financial instruments is as follows:

Financial instrument	Measurement criteria (initial and subsequent)
Cash:	Cash held, then on amortised cost
Debtors and loans:	Settlement amount or amount advanced then at amortised cost
Creditors:	Settlement amount after trade discounts then at amortised cost
Bank deposits:	Cash amount of deposit then at amortised cost
Investments:	Transaction cost then at fair value (market value of quoted investments)

m. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the charity's accounting policies, which are described in this note, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

The most significant areas of judgement relate to the valuation of properties. The policies adopted in respect of the valuation of properties are set out in note 1(e).

2 Investment Income

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Gross income from property	4,018	-	-	4,018	3,714	-	-	3,714
Income from stock exchange securities	17,545	391	-	17,936	16,851	289	-	17,140
Interest from money market deposits and loans	608	-	-	608	107	-	-	107
	22,171	391	-	22,562	20,672	289	-	20,961

3 Raising Funds

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Stock Exchange Advisers	2,266	-	-	2,266	2,288	-	-	2,288
Investment Property Advisers	621	-	-	621	436	-	-	436
Sundry Property	171	-	-	171	253	-	-	253
Support Costs	339	-	-	339	304	-	-	304
	3,397	-	-	3,397	3,281	-	-	3,281

Stock exchange advisers' costs are calculated as a percentage of the underlying market value of the investments.

4 Support for Ministry

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Clergy Pension Provision	3,783	-	-	3,783	4,905	-	-	4,905
Clergy Pension Contributions - Current	2,815	-	-	2,815	3,603	-	-	3,603
Ministry Training - St Padarn's Institute	2,495	-	-	2,495	2,441	-	-	2,441
Bishops	1,120	-	-	1,120	1,281	-	-	1,281
Clergy Property								
Diocesan Inspectors' Costs	469	-	-	469	491	-	-	491
Episcopal Residences	105	-	-	105	144	-	-	144
Sundry Property Costs	53	-	-	53	67	-	-	67
Safeguarding	379	-	-	379	358	-	-	358
Mission and Ministry	316	-	-	316	176	-	-	176
Sundry Clergy Benefits	3	5	-	8	115	37	-	152
Support Costs	703	-	-	703	616	-	-	616
	12,241	5	-	12,246	14,197	37	-	14,234

5 Support for Dioceses and Parishes

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Partnership Funding	2,673	-	-	2,673	2,567	-	-	2,567
Structural Resilience Fund	3,594	101	-	3,695	1,584	79	-	1,663
Church Growth Fund	-	1,165	-	1,165	-	-	-	-
Repairs and Extensions to Churches	-	185	-	185	-	304	-	304
Emergency Aid	-	332	-	332	-	240	-	240
Evangelism Fund	-	1,542	-	1,542	-	1,107	-	1,107
Support Costs	1,478	-	-	1,478	2,091	-	-	2,091
	7,745	3,325	-	11,070	6,242	1,730	-	7,972

6 Other Church Property

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Redundant Churches	-	71	-	71	-	162	-	162
Church Sales Regulations	-	118	-	118	-	396	-	396
Climate Change Fund	-	26	-	26	-	48	-	48
Other Property Costs	47	-	-	47	2	-	-	2
Support Costs	958	-	-	958	583	-	-	583
	1,005	215	-	1,220	585	606	-	1,191

7 Other Financial Support

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
DACs and Cathedrals and Churches Commission	-	-	-	-	51	-	-	51
Cathedrals Funding	321	84	-	405	318	21	-	339
Grants to Anglican and Ecumenical Bodies	173	-	-	173	156	-	-	156
Provincial Court and Tribunals	4	-	-	4	10	-	-	10
Other Support	75	68	-	143	87	-	-	87
Support Costs	155	-	-	155	133	-	-	133
	728	152	-	880	755	21	-	776

8 Communications

	General	Designated	Endowment	Total	General	Designated	Endowment	Total
	Funds 2023 £000				Funds 2022 £000			
Communications	155	-	-	155	175	-	-	175
Support Costs	97	-	-	97	110	-	-	110
	252	-	-	252	285	-	-	285

9 Support Costs

	Raising Funds	Support for Ministry	Support for Dioceses and Parishes	Other Church Property	Other Financial Support	Communications	Total 2023
Funds 2023 £000							
Chief Executive's Office	-	59	84	18	18	47	226
Governance	-	-	162	42	70	-	274
Human Resources	-	-	96	-	-	-	96
Office Services	75	141	258	197	19	20	710
Finance	247	175	222	78	39	-	761
Property	-	81	167	473	-	-	721
Legal	-	72	111	52	5	11	251
Information Technology	17	175	378	98	4	19	691
	339	703	1,478	958	155	97	3,730
	Raising Funds	Support for Ministry	Support for Dioceses and Parishes	Other Church Property	Other Financial Support	Communications	Total 2022
Funds 2022 £000							
Chief Executive's Office	-	61	88	19	19	50	237
Human Resources	-	5	742	-	4	-	751
Office Services	43	78	273	80	19	13	506
Finance	247	178	198	77	39	-	739
Property	-	82	175	249	-	-	506
Legal	-	45	189	89	46	11	380
Information Technology	14	167	426	69	6	36	718
	304	616	2,091	583	133	110	3,837

The above figures include audit fees of £39,600 (2022: £36,545).

The total expenditure for Human Resources of £196,000 includes an accounting adjustment under FRS 102, section 28, for the Staff Retirement Benefit Scheme of -£764,000 (2022: - £164,000).

Basis of Allocation

Support costs have been allocated on the basis of an estimated percentage allocation of staff time spent over each charitable activity.

10 Staff Numbers and Remuneration**Staff Costs**

	Total 2023 £000	Total 2022 £000
Salaries	4,221	3,757
National Insurance Contributions	467	418
	4,688	4,175
Current Service Pensions Costs (Defined Benefit Scheme)	1,119	1,097
FRS 102 Pension Scheme Adjustment	(764)	(264)
Defined Contribution Pension Costs	192	150
Unfunded Pension Costs	43	23
	5,278	5,181

The numbers of staff whose employee benefits* fell in the following bands were:

	Total 2023 Number	Total 2022 Number
£60,001 to £70,000	3	1
£70,001 to £80,000	1	4
£80,001 to £90,000	4	2
£120,001 to £130,000	1	1

*Employee benefits include gross salaries and allowances but do not include employers' pension costs.

The key management personnel consists of five staff members, as set out on page 40 of this report. The total amount of their employee benefits was £467,826 (2022: 7 members, £691,625).

Trustees

No Trustee received any remuneration for the services they provided as a Trustee.

Three (2022: eight) Trustees had expenses paid or were reimbursed for expenses in the year. This covered their expenses incurred in performing their duties as Trustees. The payments were for travel, subsistence and accommodation costs and totalled £1,944 (2022: £863).

One Trustee received remuneration from the Representative Body in connection with their office. This was the Most Reverend A T G John who is an Ex Officio Member of the Representative Body. His total remuneration was £54,328 (2022: £51,740) and pension contributions of £14,560 (2022: £18,885). A car was provided for the performance of his duties for which the cash benefit was £780 (2022: £687).

11 Staff Defined Benefit Pension Scheme

The Representative Body operates a defined benefit pension scheme arrangement called 'The Representative Body of the Church in Wales Staff Retirement Benefit Scheme' (the Scheme). The Scheme provides benefits based on final salary and length of service on retirement, leaving service or death. The Scheme closed to new members on 31 March 2017.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out every three years to determine whether the Statutory Funding Objective is met. As part of the process the Employer must agree with the trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective and contributions to pay for future accrual of benefits.

A full actuarial valuation of the Scheme was carried out as at 31 March 2021 and the next valuation of the Scheme is due as at 31 March 2024. The results of the 2021 valuation have been updated by an independent qualifying actuary to 31 December 2023 allowing for cashflows in and out of the Scheme and changes to the assumptions over the period.

	2023 £000	2022 £000
Amounts recognised in the Balance Sheet		
Fair value of assets	19,796	17,351
Present value of funded obligations	(18,769)	(17,478)
Deficit in Scheme	1,027	(127)
Net defined benefit surplus / (deficit)	1,027	(127)
Amounts recognised in the Statement of Financial Activities		
Current service cost	323	721
Administration cost	50	48
Net interest cost	(12)	172
Past Service Costs	-	-
Total	361	941
Remeasurements over the year		
(Gain) / Loss on Scheme assets in excess of interest	(856)	2,889
Losses / (gains) from changes to assumptions	203	(11,730)
Experience losses on liabilities	173	703
Losses / (gains) from changes to demographic assumptions	90	(357)
Total remeasurements	(390)	(8,495)
Reconciliation of assets and Defined Benefit Obligation:		
The change in the assets over the year was:		
Fair value of assets at the beginning of the year	17,351	19,132
Interest on assets	816	390
Employer contributions	1,125	1,105
Contributions by Scheme participants	132	131
Benefits paid	(434)	(470)
Administration costs	(50)	(48)
Return on plan assets less interest	856	(2,889)
Fair value of assets at the end of the year	19,796	17,351

11 Staff Defined Benefits Scheme *continued*

	2023 £000	2022 £000
The change in the defined benefit obligation over the year was:		
Defined benefit obligation at the beginning of the year	17,478	27,918
Current service cost	323	721
Contributions by Scheme participants	132	131
Past service costs	-	-
Interest cost	804	562
Benefits paid	(434)	(470)
Experience loss on liabilities	173	703
Changes to demographic assumptions	90	(357)
Changes to financial assumptions	203	(11,730)
Defined benefit obligation at the end of the year	18,769	17,478

Assets

The majority of the assets are invested with EdenTree Investment Management, with the remainder including some small AVC contracts invested with OneFamily and cash at bank. The actual return on the Scheme's assets (net of expenses) over the year to the review date was a loss of £2,499,000. The assets do not include any investment in the Employer.

Actuarial Assumptions

The principal assumptions used to calculate the Scheme's liabilities include:

	2023	2022
Discount Rate	4.65%	4.60%
Inflation assumption (RPI)	3.10%	3.35%
Salary increases	2.75%	2.65%
Revaluation of deferred benefits before retirement:		
GMP	Fixed	Fixed
Non-GMP	3.20%	3.25%
Pension increases after retirement:		
RPI min 0% max 5%	3.00%	3.20%
RPI min 5% max 10%	5.10%	5.15%
Proportion married at retirement or earlier death	80.0%	80.0%
Post retirement mortality assumption:	95% of the S3PA tables, CMI 2022 with 1.25% per annum long-term trend.	95% of the S3PA tables, CMI 2021 model allowing for 25% of the data from 2020 and 2021 with 1.25% per annum long term trend.

12 Non-investment Properties

	2023 £000	2022 £000
At 1 January	237,603	305,743
Additions	7,929	2,560
Disposals	(245)	(2,545)
Net increase / (decrease) on revaluation	1,244	(68,155)
At 31 December	246,531	237,603
Comprising:		
Parsonage, bishops' houses and sundry provincial property	207,549	197,259
Church Halls	13,852	15,013
Glebe	20,060	20,491
Operational properties	5,070	4,840
	246,531	237,603

13 Tangible Assets**Office Equipment
£000****Cost**

At 1 January	172
Additions	-
Disposals	-
At 31 December	172

Accumulated Depreciation

At 1 January	60
Charge for the Year	12
At 31 December	72

Net Book Value

31 December 2023	100
31 December 2022	112

14 Investment Properties**2023
£000****2022
£000**

At 1 January	52,885	63,825
Additions	-	3
Disposals	(4,741)	-
Net decrease on revaluation	(294)	(10,943)
At 31 December	47,850	52,885

Investment properties were valued by Cushman & Wakefield at 31 December 2023 at £47,850,000 (2022: £52,885,000) in accordance with the RICS valuation – Professional Standards 2014 and FRS 102.

15 Property Unit Trusts**2023
£000****2022
£000**

At 1 January	9,925	9,823
Disposals	(23)	-
Net increase on revaluation	160	102
At 31 December	10,062	9,925

16 Stock Exchange Securities**2023
£000****2022
£000**

At 1 January	623,123	708,272
Additions	201,711	275,543
Disposals	(177,977)	(249,505)
Net increase / (decrease) on revaluation	26,872	(111,187)
At 31 December	673,729	623,123
Historical cost at 31 December	554,114	530,381
Unrealised investment gains at 31 December	119,614	92,742
Investment gains calculated on historic basis	21,318	33,692
Listed in UK	229,086	227,470
Listed overseas	444,643	395,653
	673,729	623,123

17 Money Market Deposits and Loans

	2023 £000	2022 £000
At 1 January	14,091	22,667
Advances	14,749	6,221
Repayments	(4,583)	(14,797)
At 31 December	24,257	14,091
Comprising:		
Money Market Deposits	16,303	6,103
Clergy Housing Loans	7,778	7,808
Diocesan Loans	89	91
Curates House Loans	62	64
Churches' Mutual Credit Union	25	25
	24,257	14,091
Of the loan balances noted above the following is due in more than 1 year:		
Clergy Housing Loans	7,778	7,808
Diocesan Loans	82	84
Curates House Loans	62	64
	7,922	7,956

18 Debtors

	2023 £000	2022 £000
Prepayments	1,067	201
Other debtors	5,219	5,544
Accrued income	2,158	1,739
	8,444	7,484

19 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Taxation and National Insurance Contributions	506	447
Rents received in advance	342	285
Amounts owed to special trusts	1,445	1,425
Other creditors	981	1,163
Accruals	1,840	1,651
	5,114	4,971

20 Clergy Pension Provision

	31 December 2023		31 December 2022	
	£000	£000	£000	£000
Balance at 1 January		140,400		218,000
Current service contributions	2,922		3,762	
Past service cost allocations to maintain funding level of last triennial valuation	12,515		(15,513)	
Actuarial movement	(125)		(57,575)	
		15,312		(69,326)
Less:				
Pension payments to retired clergy	(5,181)		(4,974)	
Pension payments to surviving spouses and civil partners	(1,519)		(1,477)	
Gratuity payments of retired clergy	(1,383)		(1,291)	
Transfer Payments	(3)		(454)	
Administrative expenses	(126)		(78)	
		(8,212)		(8,274)
Balance at 31 December		147,500		140,400

The Clergy Pension Provision was established in accordance with the advice of our actuaries, to meet liabilities for clergy and surviving spouses and civil partners' pensions and gratuities. The actuarial valuation and basis of annual provision is reviewed every three years.

At the date of the last triennial actuarial valuation at 31 December 2022 undertaken by Quantum Advisory, the liability of the Representative Body for past service on the current funding basis was assessed using a discount rate of 4.8% at £140.4 million, which represented 19.2% (previously 27.3%) of total funds at that date. Based upon this valuation, the annual transfer from General Funds from 1 January 2023 has comprised 19.2% of both total income and net investment gains and losses (reflecting income on the liability for past service) and 26.8% (previously 36.5%) of total stipends being the contribution for continuing service. The provision has been adjusted to the liabilities and the balance transferred to the Pension Equalisation Fund.

The key financial assumptions used for the full actuarial valuation at 31 December 2023 and the interim valuation for 2022 are set out below. The next full actuarial valuation of the Scheme is due to take place at 31 December 2025.

	31 December	
	2023	2022
Financial assumptions (nominal % pa)		
Discount rate	4.5%	4.8%
Inflation - RPI	3.3%	3.4%
Inflation - CPI	2.6%	2.7%
Stipend increases	3.1%	3.2%
Pension increases - Stipend Linked	3.1%	3.2%
Pension increases - RPI up to 5% p.a.	3.2%	3.3%
Deferred revaluation	3.2%	3.3%
Post retirement mortality (life expectancy, in years)		
Current pensioners age 65 – males	21.4	21.2
Current pensioners age 65 – females	23.8	23.6
Future pensioners age 65 (currently age 45) – males	22.4	22.1
Future pensioners age 65 (currently age 45) – females	25.0	24.7

21 Designated Funds	Balance 1 January 2023 £000	Income £000	Expenditure £000	Transfers In / (Out) £000	Gains £000	Balance 31 December 2023 £000
Revaluation Reserve	161,024	-	-	-	1,953	162,977
Property Reserve	37,182	-	-	-	6,724	43,906
Church Repairs Capital Reserve	14,598	16	-	-	813	15,427
Church Sales Regulations	2,905	621	118	-	-	3,408
Pension Equalisation Fund	115,081	125	5	-	-	115,201
Evangelism Fund	12,755	-	1,542	(3,000)	-	8,213
Church Growth Fund	-	-	1,165	13,100	-	11,935
Climate Change Fund	550	-	26	-	-	524
Diocesan Parsonage Improvement Fund	3,733	3,970	8,114	-	-	(411)
Transformation Fund	24	-	-	(24)	-	-
Repairs and Extensions to Churches	467	374	185	-	-	656
Redundant Churches	(130)	144	71	-	-	(57)
Emergency Aid	401	52	332	250	-	371
Cathedrals Funding Quinquennial Inspections	17	-	4	-	-	13
Cathedrals Funding Key Building Repairs	1,500	-	17	-	-	1,483
Cathedrals Funding Project Development	221	-	63	-	-	158
Communication of Good News Fund	-	-	-	100	-	100
Provincial Priorities Fund	-	-	-	327	-	327
Structural Resilience Fund	185	-	101	-	-	84
Overseas Fund	69	18	68	-	-	19
Overseas Students	1	-	-	-	-	1
	350,583	5,320	11,811	10,753	9,490	364,335

Designated Funds (Prior Year)	Balance 1 January 2022 £000	Income £000	Expenditure £000	Transfers In £000	Gains / (Losses) £000	Balance 31 December 2022 £000
Revaluation Reserve	243,743	-	-	-	(82,719)	161,024
Property Reserve	34,636	-	-	-	2,546	37,182
Church Repairs Capital Reserve	16,110	29	-	-	(1,541)	14,598
Church Sales Regulations	2,881	420	396	-	-	2,905
Pension Equalisation Fund	57,344	57,774	37	-	-	115,081
Evangelism Fund	7,862	-	1,107	6,000	-	12,755
Climate Change Fund	598	-	48	-	-	550
Diocesan Parsonage Improvement Fund	5,161	2,333	3,761	-	-	3,733
Transformation Fund	24	-	-	-	-	24
Repairs and Extensions to Churches	495	276	304	-	-	467
Redundant Churches	(44)	76	162	-	-	(130)
Emergency Aid	340	101	240	200	-	401
Cathedrals Funding Quinquennial Inspections	25	-	8	-	-	17
Cathedrals Funding Key Building Repairs	-	-	-	1,500	-	1,500
Cathedrals Funding Project Development	-	-	13	234	-	221
Structural Resilience Fund	-	-	79	264	-	185
Overseas Fund	56	13	-	-	-	69
Overseas Students	1	-	-	-	-	1
	369,232	61,022	6,155	8,198	(81,714)	350,583

Revaluation Reserve (Unrealised gains on parsonages, church halls and sundry property)

Property Reserve (Property improvements and acquisitions)

Church Repairs Capital Reserve (Capital fund for church repairs)

Church Sales Regulations (Funds available from the sale of churches)

Pension Equalisation Fund (Funds to meet future clergy pension liabilities)

Evangelism Fund (Funds available for dioceses to act on evangelism and church growth)

Church Growth Fund (Funds available for church growth initiatives)

Climate Change Fund (Funds available to support the climate change work of the Church in Wales)

Diocesan Parsonage Improvement Fund (Funds available for parsonage improvements and acquisitions)

Transformation Fund (Funds for diocesan and national projects - now closed)

Repairs and Extensions to Churches (Funds available to parishes)

Redundant Churches (Funds available to support costs arising in the maintenance of redundant churches)

Emergency Aid (Funds available for emergencies)

Cathedrals Funding (Funds available for Quinquennial Inspections)

Cathedrals Funding (Funds available for Key Building Repairs)

Cathedrals Funding (Funds available for Project Development)

Communication of Good News Fund (Funds to support the communication activities of the Archbishop)

Provincial Priorities Fund (Funds for projects in support of the Church in Wales priorities statement)

Structural Resilience Fund (Funds available for Provincial Projects)

Overseas Fund (Funds available at Bishops discretion for overseas aid)

Overseas Students (Funds available for overseas students)

22 Endowment Fund

	Balance 1 January 2023 £000	Gains £000	Balance 31 December 2023 £000
St Michael's College	4,840	230	5,070
(Fund held for the operation of an educational institution)			
	Balance 1 January 2022 £000	Gains £000	Balance 31 December 2022 £000
St Michael's College	4,550	290	4,840
Endowment Fund (Prior Year)			

23 Funds Held on Behalf of Others**Special Trusts**

The Representative Body is the Trustee of the Church in Wales Common Investment Fund. The unit holders in the Common Investment Fund are individual funds held on behalf of beneficiaries, where the Representative Body is the managing or custodian trustee of the funds. The aggregate value of these special trusts at 31 December 2023 was £63,444,000 (2022: £60,078,000) and was invested in stock exchange securities and the Church in Wales Common Investment Fund. The income on these funds was £2,203,000 (2022: £1,701,000) and was wholly distributed to beneficiaries.

Custodian Trustee

The Representative Body is the custodian trustee of 9 parsonages.

24 Related Party Transactions

Due to the nature of the Representative Body's operations and its membership being drawn from a wide range of clerical and lay members, it is inevitable that transactions will take place with organisations in which a member of the Representative Body may have an interest.

The most significant transactions are as follows:

- The Archbishop and some stipendiary clergy are members of and in receipt of payment from the Representative Body. Payments to bishops and stipendiary clergy are based on the clergy stipends set out in the Constitution.
- The six Diocesan Boards of Finance received Partnership Funding totalling £2,673,523 (2022: £2,566,876). Additional support was also provided to the dioceses in 2023 from the Structural Resilience Fund which totalled £3,593,557 (2022: £1,584,000). As at 31 December 2023 the dioceses also had outstanding loans totalling £1,658,000 (2022: £1,801,000) which have been advanced under the Clergy Retirement Housing Loan Scheme.

25 Charitable and Capital Commitments

At 31 December 2023 the Representative Body has budgeted to provide £2.5 million to the dioceses in respect of Partnership Funding in 2024. In addition, dioceses will receive funding from the Structural Resilience Fund in 2024, of up to £3.7 million in total.

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £000	2022 £000
Within one year	362	362
Between two to five years	1,237	1,599
Total	1,599	1,961

26 Stock Exchange Securities

31 December 2023
Market Value

£000

%

Fixed Interest

British Government Bonds	38,605	5.7
UK Bonds	43,510	6.5
Overseas Bonds	15,121	2.2
Total Fixed Interest	97,236	14.4

Equities

Communication Services	23,675	3.5
Consumer Goods and Services	87,308	13.0
Energy (Renewables)	21,023	3.1
Financials	106,106	15.7
Health Care	85,376	12.7
Industrials	80,069	11.9
Materials	24,626	3.7
Property and REITs	17,455	2.6
Technology	103,073	15.3
Utilities	14,149	2.1

Total Equities

Total Equities	562,860	83.6
Alternative Assets	13,633	2.0
	673,729	100.0

Top Twenty Holdings as at 31 December 2023

£000

£000

Microsoft Corp	23,141	Otis Worldwide Corp	8,351
Alphabet Inc	22,903	Merck & Co. Inc	8,138
Relx Plc	15,692	Colgate - Palmolive Co	7,967
Accenture Plc	12,513	American Tower Corp	7,587
Mastercard Inc	12,422	Linde Plc	7,195
Medtronic Plc	12,402	Amgen Inc	6,931
AIA Group Ltd	12,338	Eli Lilly & Co	6,879
Apple Inc NPV	12,106	Informa Plc	6,780
CME Group Inc	11,959	Universal Music Group NV	6,723
Amazon.Com Inc	9,865	2.75% Treasury Stock 2024	6,472

Ten Year Review - General Funds

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income										
Stock Exchange Investments	17,545	16,851	15,287	14,054	17,008	15,750	15,795	14,385	13,983	13,281
Property Income	4,018	3,714	3,460	3,202	3,670	3,560	3,565	3,480	3,408	3,513
Other Income	1,197	380	784	493	433	357	327	308	323	293
Total Gross Income	22,760	20,945	19,531	17,749	21,111	19,667	19,687	18,173	17,714	17,087
Investment Managers' Costs	(3,058)	(2,977)	(2,771)	(2,537)	(2,732)	(2,365)	(2,349)	(2,177)	(1,896)	(2,019)
Total Net Income	19,702	17,968	16,760	15,212	18,379	17,302	17,338	15,996	15,818	15,068
Less: Allocation to Clergy Pension Provision	(3,783)	(4,905)	(4,575)	(4,153)	(5,679)	(5,346)	(5,357)	(4,975)	(4,919)	(4,686)
Net Income after allocation to Clergy Pension Provision	15,919	13,063	12,185	11,059	12,700	11,956	11,981	11,021	10,899	10,382
Expenditure										
Ministry Training	2,495	2,441	1,988	1,989	2,217	1,975	710	620	709	612
Bishops	1,120	1,281	942	918	990	939	967	926	873	839
Clergy Pension Contributions - current	2,815	3,603	1,792	-	-	-	-	-	-	-
Clergy Property	522	559	454	451	520	543	564	511	511	496
Mission and Ministry	316	176	207	199	245	180	189	256	320	341
Safeguarding	379	358	292	153	182	169	197	209	185	132
Sundry Clergy Benefits	3	115	3	18	4	4	5	4	6	5
Support for Dioceses	6,267	4,151	10,725	12,403	6,158	6,158	6,293	6,293	6,293	6,793
Other Church Property and Financial Support	1,378	2,965	1,298	709	599	484	481	488	423	375
Communications	155	175	192	188	201	189	86	47	46	40
Provincial Services	4,494	4,001	3,459	3,746	3,654	3,365	3,107	2,645	2,441	2,324
Church Growth, Evangelism & Transformation Funds	10,100	6,000	-	-	-	10,000	1,000	1,000	1,000	500
Total Expenditure	30,044	25,825	21,352	20,774	14,770	24,006	13,599	12,999	12,807	12,457
Deficit	(14,125)	(12,762)	(9,167)	(9,715)	(2,070)	(12,050)	(1,618)	(1,978)	(1,908)	(2,075)
Reconciliation to the Statement of Financial Activities:										
Net operational deficit	(2,608)	(4,400)	(8,532)	(9,415)	(1,683)	(2,576)	(1,978)	(2,026)	(2,115)	(1,419)
Transfers between Funds	(10,753)	(8,198)	(753)	(310)	(200)	(10,100)	(100)	(100)	(100)	(600)
FRS 102 Pension Scheme Adjustment	(764)	(164)	118	10	(187)	626	461	137	342	(55)
Capital Gifts and Legacies	-	-	-	-	-	-	(1)	11	(35)	(1)
Deficit as shown above	(14,125)	(12,762)	(9,167)	(9,715)	(2,070)	(12,050)	(1,618)	(1,978)	(1,908)	(2,075)

REFERENCE AND ADMINISTRATIVE INFORMATION

Representative Body Membership

Chair and Deputy Chair

Professor M Hughes
Chair

The Very Reverend N H Williams (*from 21 March 2024*)
Deputy Chair

Mrs H M Wiseman (*to 31 December 2023*)
Deputy Chair

Ex Officio Membership

The Most Reverend A T G John
Archbishop of Wales

Mr T Llewelyn
Chair of Standing Committee

Mrs S Allin
Chair, St Asaph Diocesan Board of Finance

The Venerable J C Harvey
Chair, Bangor Diocesan Board of Finance

Mrs H Evans
Chair, St Davids Diocesan Board of Finance

Mr M A Lawley
Chair, Llandaff Diocesan Board of Finance

Mr P E Lea
Chair, Monmouth Diocesan Board of Finance

Mr J Brown
Chair, Swansea and Brecon Diocesan Board of Finance
(*from 15 November 2023*)

Elected Membership

St Asaph

The Very Reverend N H Williams,
Dean of St Asaph

Mrs H M Wiseman (*to 31 December 2023*)

Mr P R Williams (*from 1 January 2024*)

Bangor

The Reverend M J Beecroft

Dr H J Parry-Smith

St Davids

The Venerable P Mackness,
Archdeacon of St Davids

Mrs J A P Hayward

Llandaff

The Venerable R E A Green,
Archdeacon of Llandaff (*from 1 January 2024*)

The Venerable M Komor,
Archdeacon of Margam (*to 31 December 2023*)

Mr G I Moses (*to 31 December 2023*)

Dr H Payne (*from 1 January 2024*)

Monmouth

The Venerable I K Rees,
Archdeacon of Monmouth (*from 1 January 2024*)

Miss P R Brown (*to 31 December 2023*)

Miss N C Gibbons (*from 1 January 2024*)

Swansea and Brecon

The Venerable A N Jevons,
Archdeacon of Brecon (*to 31 December 2023*)

The Reverend Dr A Morgan (*from 1 January 2024*)

Mr J M Watson (*to 23 March 2023*)

Nominated Membership

Professor M Hughes
Mr C Clarke (*from 12 May 2023*)
Mr R Davies (*to 26 June 2023*)
Mr P D Kennedy
Mr T O S Lloyd OBE, DL, FSA

Co-opted Membership

Mrs J Heard
Mr R Anning (*from 21 March 2024*)

Committee Membership

(*denotes non-RB member)

Investment Committee

Mr G I Moses (*Chair*) (to 31 December 2023)
Mr R Anning (*Chair*) (from 21 March 2024)
Mr G Davies*
Mr J G Davies*
Professor M Hughes
Mr J Fox*
Mr J Minett*
Mr D G Myrddin-Evans*
The Venerable I K Rees

Audit and Risk Committee

Mrs J Heard (*Chair*)
The Very Reverend N H Williams (to 21 March 2024)
Mr V Jones*
Mr T Llewelyn (from 21 March 2024)
Mrs R Nelson*
Mr D Richards*
Sir P Silk*

Finance Committee

Mrs H M Wiseman (*Chair*)
(to 31 December 2023)
The Very Reverend N H Williams (*Chair*)
(from 21 March 2024)
The Most Reverend A T G John
The Venerable P R Mackness
Mrs H Evans (from 21 March 2024)
Professor M Hughes
Mr M A Lawley
Dr H Payne (from 21 March 2024)

Property Committee

Mr R Davies (*Chair*) (to 26 June 2023)
Mr C Clarke (*Chair*) (from 26 June 2023)
The Venerable R E A Green (from 21 March 2024)
The Venerable A N Jevons (to 31 December 2023)
The Venerable M Komor (to 31 December 2023)
The Venerable P R Mackness
The Venerable I K Rees (from 21 March 2024)
The Venerable N H Williams
The Reverend M J Beecroft
The Reverend Dr A Morgan (from 21 March 2024)
Ms M Gerrard*
Mr J E Jones* (to 31 December 2023)
Mr D Penwarden* (from 21 March 2024)
Mr D A Williams* (to 31 December 2023)

Human Resources Committee

Mr P D Kennedy (*Chair*)
The Right Reverend G K Cameron*
The Venerable R H E Davies*
The Reverend Canon J W Davies*
Mrs H Evans
Mrs J A P Hayward (from 26 June 2023)
Mr J M Watson (to 23 March 2023)
Mrs H M Wiseman (to 31 December 2023)

Cathedrals and Churches Commission

Mr T O S Lloyd OBE, DL, FSA (*Chair*)
The Right Reverend J W Evans*
Mr J Orbach*
Mr R J Silvester*
Mr P Welford*

Key Management Posts

Chief Executive
Chief Operating Officer
General Counsel and Head of Legal Services
Director of Mission and Strategy
Principal of St Padarn's Institute

Advisers

Independent Auditors:

Haysmacintyre LLP
10 Queen Street Place
London
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Bankers:

Lloyds Bank Plc
4th Floor, St William House
Tresillian Terrace
Cardiff
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Investment Property Advisers:

Cluttons LLP
Yarnwicke
119-121 Cannon Street
London
EC4N 5AT

Investment Advisers:

Newton Investment Management
BNY Mellon Financial Centre
160 Queen Victoria Street
London
EC4V 4LA

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
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EC4M 8BU

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