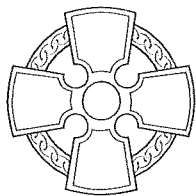


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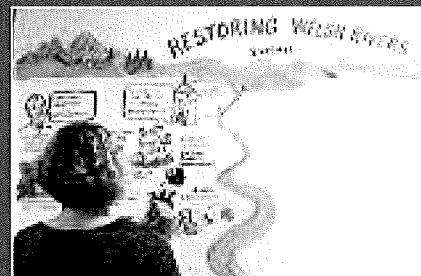


THE CHURCH  
IN WALES

THE REPRESENTATIVE BODY OF THE CHURCH IN WALES

Annual Report and Accounts

# 2024



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#### Front cover photographs:

- top left:* Bishop David consecrated as the youngest ever bishop in the Church in Wales in Bangor Cathedral in May.
- top middle:* Bishop Dorrien enthroned as the 130<sup>th</sup> Bishop of St Davids in the Cathedral in February.
- top right:* The Restoring Welsh Rivers Summit, was hosted by the Archbishop in Cardiff in November.
- bottom left:* A farm church in the diocese of Monmouth in June – complete with a special baptism in the churchyard with a milk churn font!
- bottom middle:* The bishops of the Church in Wales at Bishop David's consecration in Bangor Cathedral in May.
- bottom right:* More than 200 people filled St Mary's Church, Abergavenny for the first Monmouth diocesan celebration service in May.

## Chair's Introduction



2024 marked the start of a new triennium for the Representative Body. This marked some new beginnings, for Dean Nigel Williams who was appointed Deputy Chair of the Representative Body – and therefore became Chair of the Finance Committee – and Richard Anning who was appointed as Chair of the Investment Committee. I have full confidence that these appointments can only build on what has been achieved to date. The RB also welcomed several new trustees and I, as always, am very grateful for the time and service they, and those who serve on the RB's committees, are willing to give to our Church. Personally, I am honoured to have been reappointed as Chair of the Representative Body and am very grateful for the support shown again by my colleagues. It is therefore with gratitude that I present this annual report of the Representative Body. The Church in Wales, in this past year, has navigated a landscape

marked by significant global and local changes and we have witnessed significant milestones, strategic advancements, and a renewed commitment to our mission and values.

In my remarks for last year's annual report, I celebrated the inauguration of the Church Growth Fund: a commitment of £100 million from capital reserves to develop innovative approaches for sharing the transformative message of Jesus Christ throughout communities in Wales. Since then, sixteen applications have been approved by the Church Growth Fund Allocation Group, covering an inspiringly wide array of approaches – for projects big and small in their conception – to foster church growth. Alongside this, a further £3.7 million has been distributed to the dioceses through the Structural Resilience Fund, a strategic initiative to develop the long-term stability and strength of the Church's infrastructure. I continue to celebrate the Church's commitment to its mission.

The Representative Body's investment strategy remains the cornerstone of its financial stability, and this year has been no exception. Investments are managed prudently to fulfil the Representative Body's commitments to the Structural Resilience Fund, the Church Growth Fund, the provision of funding to the dioceses as well as operational expenditure.

I extend my heartfelt thanks to the clergy, lay leaders, volunteers, and congregants of the Church in Wales whose dedication and faith the Representative Body's supports. Your support is instrumental in advancing the mission of the Church in Wales.

To close, I will reiterate my commitment conveyed in last year's annual report: the Representative Body exists to serve, support, and resource the six dioceses and mission and ministry areas of the Church in Wales. We uphold this commitment as we embrace the challenges ahead, confident in the promise of growth and the flourishing of our province in the years to come.

**Professor Medwin Hughes**  
**Chair of the Representative Body**

## Trustees' Report

### Objectives and Activities

The Representative Body's key objectives, purposes and main activities 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.

## 2024 Objectives

*The Representative Body's key objectives in 2024 were 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.

## On-going Objectives

*The Representative Body's on-going objectives continue to be:*

- **Maintaining diocesan support**  
Maintaining financial support for dioceses through the Partnership Funding and other provisions.
- **Financial stability**  
Ensuring the financial stability of the clergy and staff pension schemes.
- **Fund performance**  
Generating investment returns that exceed agreed benchmarks.
- **Safeguarding**  
Continuing to strengthen the church's capacity in safeguarding as we seek to be a safe church

The Representative Body's achievements towards the above objectives can be found within the achievements and performance section of the report.

## Public Benefit

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 to 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.

Achievements and Performance

To ensure the Representative Body's uses its resources in the best way to achieve its aims and objectives its operations are supported by four staff activity groups:

- 1. Mission and Strategy
- 2. St Padarn's Institute
- 3. Legal, Safeguarding and Data Protection
- 4. Operations

The achievements and activities of each staff activity group during 2024 have been summarised below:

Mission and Strategy

- † Published a digital lectionary and produced an online Advent course.
- † Thoroughly revised and implemented an updated Provincial Discernment Panel process and finalised a new clergy wellbeing programme
- † Produced guidance on a range of theological issues such as the use and misuse of spiritual authority and same sex unions.
- † Developed plans for a collective energy purchasing scheme for the Church in Wales.
- † Substantially increased the amount of material published via the website and on social media channels, including films to support the Church Growth Fund, the Restoring Welsh Rivers Summit, and St David's Day celebrations. All material is now produced bilingually across all platforms.
- † In 2024, the Church in Wales website had a total of 691,738 page views. Over the year, 364 pages were created or updated, a 58% increase from the 230 pages added or updated in 2023.
- † Completed an accessibility audit and published the first accessibility statement on the website. The Church in Wales website was also added to the Silktide Index, an index that evaluates the web accessibility of organisations and assigns them a score based on their level of compliance with the globally-recognised standard for web accessibility, Web Content Accessibility Guidelines (WCAG). Updates to the website, based on this feedback, are planned for 2025.
- † The Church in Wales social media team is now active on: Facebook, Instagram, Bluesky, X, YouTube, and LinkedIn. Reach and engagement continue to grow, with an increase in Facebook reach of 193,000, and an increase in Instagram engagement by 1,600. Video production capabilities have grown and reels and longer videos are regularly posted which reach thousands of people across all platforms.

## St Padarn's Institute

- † Reorganisation of staffing to invest more in worship as foundational to the institute's life, and formation as a key priority for the Church.
- † First steps in a project to diversify assessments across all our academic programmes to increase accessibility, support the growing numbers (34%) of learners with identified disabilities, and respond to the challenge of generative AI.
- † Launching the 'Whole World Project' – a three-year focus on ethnicity and disability across our curriculum.
- † The beginning of a capital investment programme on the Llandaff site to ensure the facilities are fit for purpose.
- † Commission and design phase of new Continuing Ministerial Development package for 'ministers with enhanced responsibilities'.
- † Modest increase in numbers enrolling on Theology for Life (BTh) and Master's programmes.

## Legal, Safeguarding and Data Protection

- † Safeguarding staff were responsible for managing or advising on 421 casework concerns and requests referred to them (an increase from 247 in 2023).
- † 125 Safeguarding training courses and 19 data protection training courses were provided, in-person across Wales and online, to volunteers, clergy and lay staff as well as canon law training to ordinands and clergy new to the Church in Wales.
- † Permission from the Charity Commission was obtained to revise the terms of over 300 Chancel Trusts, allowing £2.5 million of trust funds to be used for wider church fabric purposes.
- † A range of confidential advice was given to the Representative Body, Bench of Bishops and Governing Body committees on matters including property, employment, charity, canon and pension law.

## Operations

- † Governance structures and processes for the Church Growth Fund were devised and implemented and the first grants were made.
- † Following a national consultation, the provincial HR service has been extended to dioceses and clergy.
- † The membership application, which allows the real-time recording of church attendance figures, was rolled out across the province.
- † A national consultation on property strategy was begun and a restructure of the department to meet contemporary demands was initiated.
- † A new InfoNet database system was delivered on schedule.
- † At the beginning of the new triennial period of membership, a trustee training day took place which marked the first time all trustees had been together since March 2020.



## Other Achievements

- † The Restoring Welsh Rivers Summit, hosted by the Archbishop, at which more than 90 people from across the UK, including scientists, farmers, environmentalists and water industry representatives, came together to discuss the challenges facing watercourses in Wales and to look at ways of improving water quality.
- † The facilitation of a Diocesan Learning Community with over 70 guests in attendance. The event focused on the highs and lows of Mission Area life across the province, with sessions focused on different themes.
- † Fraud prevention workshops were provided to departments throughout the Representative Body as well as to the bishops' offices.

## Support for Dioceses

During 2024 the Representative Body continued to provide a comprehensive portfolio of services, advice and financial support to the wider Church in Wales.

### Examples of services and advice provided during the year were:

#### Human Resources

The team provided support in relation to clergy office holders and Representative Body employees. A thorough review of policies and procedures is underway to ensure that they are compliant with recent legislative changes and are fit for purpose. Work is underway, with others, to focus on training and development opportunities for clergy and staff.

#### Property Services

The team provided 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

The team provided advice to ministry areas and parishes in connection with approximately 1,890 trusts.

#### Safeguarding

The team provided training as required to mission areas and parishes, conducted the DBS checks and dealt with the high volume of casework across the province.

#### Finance Services

The team administered the payment of stipends, managed the administration of the Common Investment Fund, the Clergy Pension Scheme and the Staff Defined Benefit Scheme. The team also processed significant volumes of purchase invoices, prepared monthly management accounts and assisted with queries.

#### IT Services

The team provides computer services to staff in diocesan offices, the provincial office, St Padarn's and bishops' offices. Church in Wales e-mail addresses are provided for clergy in all dioceses with this work remaining ongoing in 2025.

#### Governance Services

The team provided the provision of secretariat support to the Governing Body, the Standing Committee, the Representative Body, and their sub-committees, and to the Bench of Bishops.



Financial Support

The Representative Body provided the following financial assistance to the dioceses in 2024:

Funding Type	Funding Provided
Partnership Funding	£2.5m
Structural Resilience Fund	£3.7m
Evangelism Fund	£1.2m
Church Growth Fund	£1.0m

Partnership Funding

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

Structural Resilience Fund

A strategic ten-year funding initiative totaling £37 million aimed at ensuring the long-term stability and strength of the Church’s infrastructure (see Note 18 for further details).

Evangelism Fund

Established in 2018 by the Representative Body to provide major funding for dioceses to enact their strategies on evangelism and church growth. The Evangelism Fund has now been replaced by the Church Growth Fund.

Church Growth Fund

Launched in October 2023 with £100 million of capital reserves being set aside to invest in evangelism over the next 10 years.

The Representative Body has committed significant sums of money over a 10-year period and this commitment may affect the long-term ability of the charity’s investment portfolio to generate income.

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. It is a condition of all Tier 2 grants (£10,000 or more) that a Project Manager be employed. 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.

## Investments

### Policy and Objectives

Section 20 of Chapter III of the Constitution gives the Representative Body the power to invest all monies it holds in trust for the Church in Wales, which gives wide ranging authority for investment.

The objectives of the Representative Body's investments 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 in Wales's Ethical Investment Policy.

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.

## Fund Managers

Sarasin & Partners LLP 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 of the charity.

### Investment Performance

#### Stock Exchange

- £ Investments increased by 9% to £739.1m.
- £ The total return of the investments was 8.2% compared to the ARC comparator of 10.3%.
- £ The annualised returns outperformed the comparator over 3 years.

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.

### Investment Properties

- £ The Representative Body holds 9 investment properties as well as units in 1 Property Unit Trust.
- £ The 9 properties are independently valued at each year end.
- £ The investment property portfolio increased by 4% to £60.2 million
- £ The property portfolio is measured against the MSCI Monthly Index.
- £ The investment property portfolio equaled or outperformed the MSCI Monthly Index over all periods.

## Ethical Investment Policy

The Church in Wales has had an Ethical Investment Policy for many years, with the current policy statement being adopted by the Governing Body in April 2021.

This policy provides the Representative Body with an investment framework that is both ethical and consistent with the furtherance of its aims and objectives. 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 its investments as an ethical means of contributing to the cost of ministry and mission in the province.

The Ethical Investment Policy can be viewed via the link:

<https://www.churchinwales.org.uk/en/publications/administration-and-business/ethical-investment-policy>

The Representative Body 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.

Ethical investing, including ESG items, are discussed by the Investment Committee at each meeting.

## Financial Review

### Results

The Representative Body operational results for the year were:

	2024	2023
General fund income	£21.3m	£23.0m
General fund expenditure	(£24.2m)	(£21.8m)
<b>Net operational (deficit) / surplus</b>	<b>(£2.9m)</b>	<b>£1.2m</b>

The overall results of the Representative Body for the year were:

	2024	2023
Net operational (deficit) / surplus	(£2.9m)	£1.2m
Investment gains	£64.7m	£46.5m
Clergy pension provision movement	£4.9m	(£12.5m)
Revaluation of fixed assets	(£7.5m)	(£1.0m)
Actuarial gain on pension scheme	£2.7m	£0.4m
<b>Net movement in general funds (before transfers)</b>	<b>£61.9m</b>	<b>£34.6m</b>

### Financial Summary

Over 96% of the Representative Body's income is generated through its investments.

The income generated by these investments is used to fund the Partnership Funding to dioceses, training through St Padarn's Institute, the ministries of the seven bishops and the operations of the provincial office. As noted above the Representative Body is running an income and expenditure deficit and its expenditure has for many years exceeded its income, but this is offset by the capital gains of the investment portfolio. The Representative Body is aware that commitment to structural expenditure which progressively erodes its capital base will reduce its income and ability to fund the ministry and mission of the whole church in years to come.

## Pension Schemes

### Defined Benefit Pension Scheme

The charity operates a defined benefit pension scheme which closed to new entrants on 31<sup>st</sup> March 2017. A full actuarial valuation of the scheme was carried out on 31<sup>st</sup> March 2024. The table below summarises the results of the last 3 valuations:

	2024	2021	2018
Actuarial valuation	£2.89m	(£2.71m)	(£3.16m)
Employer contribution rate	18%	26%	22%

### Clergy Pension Scheme

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

The Clergy Pension Scheme 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 Scheme is reviewed every three years and the last actuarial valuation that took place as at 31<sup>st</sup> December 2022. The next actuarial valuation is due to take place at 31<sup>st</sup> December 2025.

The table below summarises the results of the last 3 valuations:

	2022	2019	2016
Market Value of the Representative Body's General Funds	£733m	£719m	£607m
Value of Past Service Liability	(£140.4m)	(£196.2m)	(£187.8m)
Liability as a proportion of General Fund	19.2%	27.3%	30.9%
Employer's Current Service Contributions	26.8%	36.5%	38.8%

## Reserves Policy

Reserves provide financial stability and allow the Representative Body to continue operating through fluctuations in income, unexpected costs, and broader economic uncertainty.

The primary purposes of holding reserves are to:

- Provide a buffer against short-term income volatility, particularly due to the market fluctuation of the investment portfolio.

**Reserves Policy *continued***

- Ensure operational continuity during periods of financial challenge.
- Invest in strategic opportunities aligned with the Representative Body's aims and objectives.
- Uphold the Representative Body's duty of stewardship over the resources entrusted to it.

The Representative Body holds a substantial portion of its reserves in stock exchange-listed investments. While these provide potential for growth and income generation, they are inherently subject to market volatility and may fluctuate significantly in value over short periods.

The Representative Body has agreed that unrestricted free reserves (excluding fixed assets, designated funds and endowment funds) should be maintained at a level sufficient to:

- Cover a minimum of 12 months of core operational costs.
- Withstand a 25% downturn in investment values without compromising the charity's ability to meet ongoing commitments.
- Enable the Representative Body to respond to strategic or emergency needs in line with its objectives.

**Target free reserves level**

Based on the above principles the Representative Body's target reserve policy is calculated to be:

	2024	2023
Target reserves level	£361m	£345m

The target free reserves level will be reviewed annually in light of changing risks, commitments, and financial forecasts.

**Reserves of the charity**

The Representative Bodys reserves at the year-end consist of:

	2024	2023
Endowment funds	£5m	£5m
Designated funds	£391m	£364m
Pension reserve	£4m	£1m
Free reserves	£527m	£498m
<b>Total reserves</b>	<b>£927m</b>	<b>£868m</b>

## Reserves Policy *continued*

At the year-end, the Representative Body held free reserves in excess of the target level. The Representative Body's income is primarily generated through investments held on the stock exchange, and the majority of its reserves are also invested in listed securities. The value of these reserves can fluctuate with market conditions, and the current excess reflects favourable market performance rather than a significant change in underlying financial activity.

The trustees regularly review the reserves policy to ensure it remains appropriate in light of the investment strategy and long-term objectives. The current level of reserves provides a necessary buffer against market volatility and ensures the Representative Body can maintain its activities and respond flexibly to emerging needs within the Church in Wales.

### Fund Purposes

The **Endowment Fund** represents the value of the former St Michael's College site which is used as a theological college and is known as St Padarn's Institute.

The **Designated Funds** are general funds earmarked for an agreed purpose. All designated funds are reviewed annually by the Finance Committee and returned to general funds if the purpose of their designation is no longer required.

33% of the total designed funds comprises the value placed on charity's fixed assets and non-investment properties. These are not income-generating assets and reflect the working plant of the Church. The remaining balance is specifically earmarked for future costs.

The **Pension Reserve** represents the value placed on the staff defined benefit pension scheme by the actuary.

The **Free Reserves (General Funds)** make up the balance of the funds and are the 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's operations. The Representative Body aims to achieve a 5.5% total return, although this may not be sustainable in the future. 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.

## Risk Management

The Representative Body has an extensive risk register which is overseen by the Audit and Risk Committee along with regular reviews by all risk owners, the Chief Executive and the Chief Operating Officer. It is formally reviewed annually by the Representative Body.

The 2024 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.

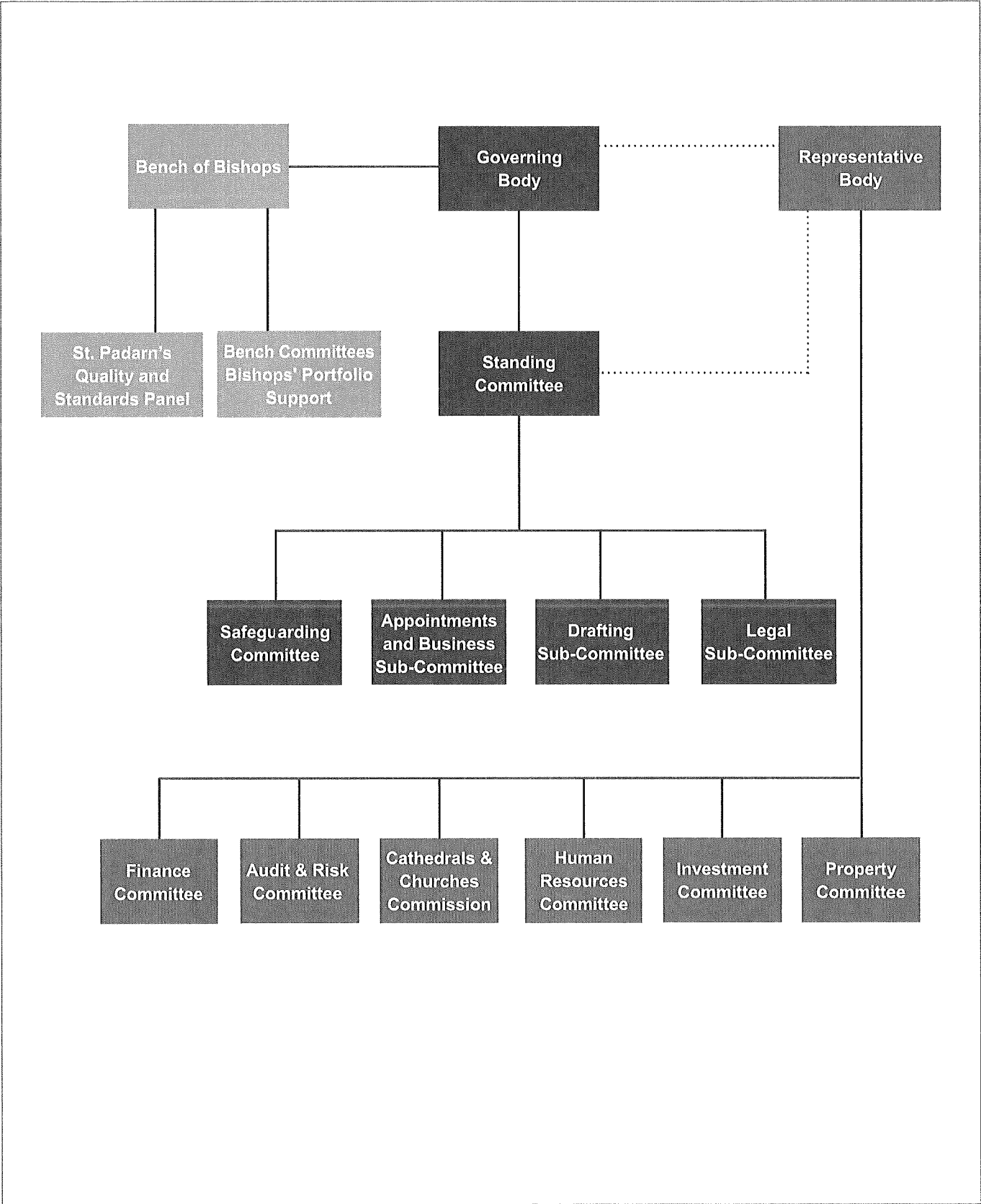
The 2024 risk register has identified the following as the seven most significant risks and the plans and strategies for managing the highlighted risks:



Risk Management *continued*

Risk	Mitigation and Strategies
<b>Unauthorised network access</b>	<ul style="list-style-type: none"> <li>• Firewall and security procedures in place at all sites</li> <li>• Deployment of DarkTrace network protection</li> <li>• Annual penetration testing</li> <li>• Two-factor authentication to access network.</li> </ul>
<b>Failure by any part of the Church in Wales to follow the Safeguarding Policy</b>	<ul style="list-style-type: none"> <li>• Safeguarding policy in place</li> <li>• Training provided for all clergy, lay ministers and volunteers</li> <li>• Dedicated safeguarding case working and trainers</li> <li>• Provincial Safeguarding Panel.</li> </ul>
<b>Increasing number of redundant churches</b>	<ul style="list-style-type: none"> <li>• Dedicated staff members to manage redundant church buildings</li> <li>• Grants provided to assist with repairs to avoid closures</li> <li>• Property department offers support and guidance</li> <li>• Regular meetings with diocesan teams to horizon scan.</li> </ul>
<b>Financial instability or insolvency of a DBF or cathedral</b>	<ul style="list-style-type: none"> <li>• Partnership funding and structural resilience funding provided with a 10-year agreement</li> <li>• Annual accounts and management accounts submitted by each diocese</li> <li>• Regular communication and dialogue with each diocese</li> <li>• Regular meetings between the DBF Chairs and the Chair of the RB.</li> </ul>
<b>Unplanned reduction of the charity's assets</b>	<ul style="list-style-type: none"> <li>• Investment performance reviewed quarterly by the Investment Committee and regularly by the Chief Executive and the Director of Finance</li> <li>• Diversified investment policy in place</li> <li>• Stock Exchange portfolio is managed by two fund management firms, with the property portfolio including a mix of property from different sectors, whose performance is measured relative to a respected benchmark</li> <li>• Robust cash flow forecast and reporting tool in place to ensure money is only withdrawn from portfolios when required.</li> </ul>
<b>Computer viral attack</b>	<ul style="list-style-type: none"> <li>• DarkTrace network protection system offers cutting edge AI driven network and viral protection</li> <li>• Password management protocols supersede recommended IT security audit standards</li> <li>• Annual penetration testing</li> <li>• Training provided to all staff at regular intervals.</li> </ul>
<b>Governance structure of the Church in Wales no longer appropriate for the needs of the organisation</b>	<ul style="list-style-type: none"> <li>• Interconnected membership of main structural bodies with consistent staff presence and support</li> <li>• Quarterly meeting of Representative Body and DBF Chairs and secretaries.</li> <li>• Governance Development Group formed</li> <li>• Bench developing proposals for a priorities statement.</li> </ul>

Governance Structure



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## Plans for Future Periods

### 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.

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

### Church Growth Fund

The Representative Body remains committed to supporting dioceses as part of its long-term mission. Looking ahead, the Representative Body will continue to provide this support through the £100 million Church Growth Fund. This investment will enable innovative projects and sustainable growth, ensuring the Church can continue to serve communities effectively and faithfully in the future.

### 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 working together as members of the Bench of Bishops; 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 closer together the strategic work of the Standing Committee (which includes the bishops) with the asset management role of the Representative Body explored.

During 2025 both the finance and property teams will implement their restructuring plans.

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## Structure, Governance and Management

### Governing document

The Representative Body was incorporated by Royal Charter on 24<sup>th</sup> April 1919 and registered with the Charity Commission on 11<sup>th</sup> July 2011. The charity 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 to maximise the support which can be given to the mission of the Church in parishes throughout the province.

### Recruitment and appointment of trustees

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.

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

## Structure, Governance and Management *continued*

- 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.

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 license from a diocesan bishop in the Church in Wales who is not retired nor has reached the age of 70.
- Any lay communicant over 18 and under 75 years of age who either:
  - Resides or has resided for a period of 12 months in a Church in Wales parish; or,
  - Whose name appears in the electoral register 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.

### Trustee 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.

During 2024 a trustee induction day was held which was well received by both new trustees and those who had been trustees for some time.

### Committees

The Representative Body has six committees – Investment, Property, Human Resources, Audit and Risk, Finance and the Cathedrals and Churches Commission – each with specific terms of reference and functions delegated by the Representative Body and reviewed every three years. Each committee is made up of RB trustees as well as external members with the relevant specialist skill set

### 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.

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## Structure, Governance and Management *continued*

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### **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.

## Structure, Governance and Management *continued*

### Organisational structure and decision making

The organisational structure of the charity comprises the following:

#### Executive Leadership Team

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

#### Senior Leadership Team

- Chief Executive
- Chief Operating Officer
- Director of Finance
- Director of Property Services
- Director of IT
- Governance Manager
- HR Manager

#### Other departments

- Safeguarding
- Data protection

The trustees delegate day to day management and decision making to the Chief Executive who is supported by the Executive Leadership Team.

### Arrangements for setting the pay and remuneration of the charity's key management personnel

The salary structure of the charity is one that is based on a spinal system that has been in use since 2008. Each band contains six spinal points and employees annually progress through a pay band until they reach the top of the scale. At that point, pay is only increased in line with the cost-of-living increase proposed on an annual basis by the Human Resources Committee and agreed either as presented or in amended form by the Representative Body. On appointment of a new role, the role is benchmarked against market data and an employee is subsequently recruited at a grade and band in line with the market findings.

The Chief Executive's remuneration is reviewed and considered by a Remuneration Group which is convened by the Chair of the Representative Body. The remuneration is benchmarked using market data.

The pay structure is under active review and will be subject to an external benchmarking process facilitated by a specialist agency reporting into a nominated trustee.

Reference and Administrative Details

Charity name	The Representative Body of the Church in Wales
Known as	The Representative Body <i>or</i> the RB
Charity registration number	1142813
Principal office	2 Callaghan Square, Cardiff, CF10 5BT
Website	<a href="http://www.churchinwales.org.uk">www.churchinwales.org.uk</a>

Representative Body Membership

Chair	Professor M Hughes
Deputy Chair	The Very Reverend N H Williams

Ex Officio Membership

Archbishop of Wales	The Most Reverend A T G John, Archbishop of Wales
Chair of Standing Committee	Mr T Llewelyn
Chair of St Asaph Diocesan Board of Finance	Mrs S Allin
Chair of Bangor Diocesan Board of Finance	The Venerable J C Harvey resigned 1 <sup>st</sup> January 2025 Dr H J Parry-Smith appointed 1 <sup>st</sup> January 2025
Chair of St Davids Diocesan Board of Finance	Mrs H Evans
Chair of Llandaff Diocesan Board of Finance	Mr M A Lawley
Chair of Monmouth Diocesan Board of Finance	Mr P E Lea resigned 17 <sup>th</sup> September 2024 Mr I S Loynd appointed 17 <sup>th</sup> September 2024
Chair of Swansea and Brecon Diocesan Board of Finance	Mr J Brown resigned 4 <sup>th</sup> May 2025 (since vacant)



Reference and Administrative Details *continued*

Elected Membership

<b>St Asaph</b> The Very Reverend N H Williams, Dean of St Asaph Mr P R Williams
<b>Bangor</b> The Reverend M J Beecroft Dr H J Parry-Smith became <i>ex officio</i> from 1 <sup>st</sup> January 2025 (since vacant)
<b>St Davids</b> The Venerable P Mackness, Archdeacon of St Davids Mrs J A P Hayward
<b>Llandaff</b> The Venerable R E A Green, Archdeacon of Llandaff Dr H Payne
<b>Monmouth</b> The Venerable I K Rees, Archdeacon of Monmouth Miss N C Gibbons
<b>Swansea and Brecon</b> The Reverend Dr A Morgan

Nominated Membership

Professor M Hughes Mr C Clarke Mr P D Kennedy Mr T O S Lloyd OBE, DL, FSA
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Co-opted Membership

Mrs J Heard Mr R Anning
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Key Management Personnel

<b>Chief Executive</b> <b>Chief Operating Officer</b> <b>General Counsel and Head of Legal Services</b> <b>Director of Mission and Strategy</b> <b>Principal of St Padarn's Institute</b>	Canon S J Lloyd Mr L Hughes Mr M Chinery Dr G Davies The Reverend Canon Professor J Duff
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Reference and Administrative Details *continued*

**Advisors**

<b>Auditors</b>	HaysMac LLP 10 Queen Street Place London EC4R 1AG
<b>Bankers</b>	Lloyds Bank Plc 4 <sup>th</sup> Floor, St William House Tresillian Terrace Cardiff CF10 5BH
<b>Investment Property Advisors</b>	Cluttons LLP Yarnwicke 119-121 Cannon Street London EC4N 5AT
<b>Investment Advisors</b>	<div>Newton Investment Management BNY Mellon Financial Centre 160 Queen Victoria Street London EC4V 4LA</div> <div>Sarasin &amp; Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU</div>
<b>Actuaries</b>	<div>Quantum Advisory Cypress House Pascal Close St Mellons Cardiff CF3 0LW</div> <div>Atkin &amp; Co. Nelson House Central Boulevard Blythe Valley Park Solihull B90 8BG</div>

## Statement of Trustees Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 Nigel Williams – Deputy Chair**

24<sup>th</sup> June 2025



## 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<sup>st</sup> December 2024 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<sup>st</sup> December 2024 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

## **Independent Auditors' Report *continued***

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.

## Independent Auditors' Report *continued*

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](http://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.

Yn eiddo'r RBC

**HaysMac LLP**  
**Statutory Auditor**  
**10 Queen Street Place**  
**London**  
**EC4R 1AG**

Date: 8 August 2025

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

# Statement of Financial Activities

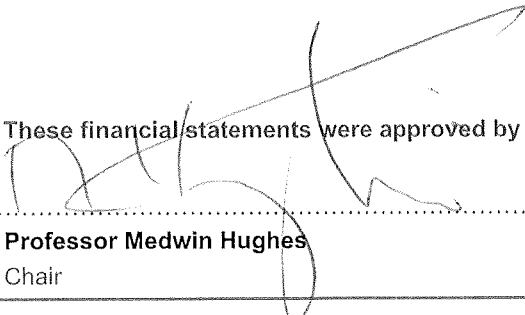

for the year ending 31<sup>st</sup> December 2024

	Note	2024 Unrestricted Funds £000	2024 Designated Funds £000	2024 Endowment Funds £000	2024 Total Funds £000	2023 Total Funds £000
<b>Income from:</b>						
Donations and legacies	2	-	1	-	1	327
Charitable activities income	3	571	257	-	828	1,251
Investment income	4	20,753	414	-	21,167	22,643
<b>Total Income</b>		<b>21,324</b>	<b>672</b>	<b>-</b>	<b>21,996</b>	<b>24,221</b>
<b>Expenditure on:</b>						
Raising funds	5	3,279	-	-	3,279	3,397
Charitable activities	6	20,920	4,440	-	25,360	22,121
<b>Total expenditure before clergy pension provision movement</b>		<b>24,199</b>	<b>4,440</b>	<b>-</b>	<b>28,639</b>	<b>25,518</b>
Clergy pension provision movement		(4,984)	-	-	(4,984)	12,390
<b>Total expenditure after clergy pension provision movement</b>		<b>19,215</b>	<b>4,440</b>	<b>-</b>	<b>23,655</b>	<b>37,908</b>
<b>Net income / (expenditure) before investment gains</b>		<b>2,109</b>	<b>(3,768)</b>	<b>-</b>	<b>(1,659)</b>	<b>(13,687)</b>
Net gains on investments		64,657	844	-	65,501	47,321
<b>Net income/ (expenditure)</b>		<b>66,766</b>	<b>(2,924)</b>	<b>-</b>	<b>63,842</b>	<b>33,634</b>
<b>Transfers between funds</b>	18	(29,167)	29,167	-	-	-
<b>Other recognised gains / (losses):</b>						
Gains / (losses) on revaluation of fixed assets for the charity's own use		(7,529)	-	130	(7,399)	3,736
Actuarial gain on defined benefit pension schemes	21	2,695	-	-	2,695	390
<b>Net movement in funds</b>		<b>32,765</b>	<b>26,243</b>	<b>130</b>	<b>59,138</b>	<b>37,760</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	19	498,644	364,335	5,070	868,049	830,289
<b>Total funds carried forward</b>	19	<b>531,409</b>	<b>390,578</b>	<b>5,200</b>	<b>927,187</b>	<b>868,049</b>
The statement of financial activities includes all gains and losses recognised in the year.						
All income and expenditure derive from continuing activities.						



# Balance Sheet

as at 31<sup>st</sup> December 2024

	Note	2024 £000	2023 £000
<b>Fixed assets</b>			
Tangible assets	11	120	100
Investments	12	799,285	738,738
Non-investment properties	13	241,585	246,531
<b>Total fixed assets</b>		<b>1,040,990</b>	<b>985,369</b>
<b>Current assets</b>			
Debtors	14	16,740	16,373
Cash at bank and in hand		8,584	17,894
<b>Total current assets</b>		<b>25,324</b>	<b>34,267</b>
Creditors: amounts falling due within one year	15	(6,508)	(5,114)
<b>Net current assets</b>		<b>18,816</b>	<b>29,153</b>
<b>Creditors: amounts falling due after one year</b>			
Provision for liabilities	22	(137,100)	(147,500)
<b>Net assets excluding defined benefit surplus</b>		<b>922,706</b>	<b>867,022</b>
Defined benefit staff pension scheme	21	4,481	1,027
<b>Total net assets</b>		<b>927,187</b>	<b>868,049</b>
<b>Funds of the charity</b>			
Endowment funds	17	5,200	5,070
<i>Unrestricted funds</i>			
Designated funds	18	390,578	364,335
General unrestricted funds	19	526,928	497,617
Pension reserve	19	4,481	1,027
		921,987	862,979
		<b>927,187</b>	<b>868,049</b>
These financial statements were approved by the trustees on 24 <sup>th</sup> June 2025.			
 <b>Professor Medwin Hughes</b> Chair		 <b>The Very Reverend Nigel Williams</b> Deputy Chair	

# Cash Flow Statement

for the year ending 31<sup>st</sup> December 2024

	Note	2024 £000	2023 £000
<b>Cash generated from operations</b>			
Surplus		59,138	37,760
<i>Adjustments for:</i>			
Investment income recognised in the statement of financial activities	4	(21,167)	(22,643)
(Gains) on investments	12	(31,170)	(4,729)
(Gains) / losses on fixed assets	13	2,692	(1,244)
Depreciation of tangible fixed assets	11	19	12
<i>Movements in working capital:</i>			
Increase in debtors	14	(242)	(960)
Increase in creditors	15	1,282	373
Increase / (decrease) in deferred income	16	112	(230)
Movement in clergy pension provision	22	(10,400)	7,100
Movement on staff defined pension asset	21	(3,454)	(1,154)
<b>Net cash provided by operating activities</b>		<b>(3,190)</b>	<b>14,285</b>
<b>Statement of Cash flows</b>			
Cash flows from operating activities			
Cash generated from operations		(3,190)	14,285
<b>Cashflows from investing activities</b>			
Investment income received	4	21,167	22,643
Purchase of non-investment property	13	(4,475)	(7,929)
Proceeds from the sale of non-investment property		6,729	245
Proceeds from the sale of investment property		-	4,741
Proceeds from the sale of property unit trusts		-	23
Purchase of stock exchange investments	12	(246,629)	(201,711)
Proceeds from the disposal of stock exchange investments		217,250	177,977
Purchase of fixed assets	11	(39)	
<b>Net cash used in investing activities</b>		<b>(5,997)</b>	<b>(4,011)</b>
<b>Cashflows from financing activities</b>			
Loan advances		(268)	(167)
Loan repayments		145	201
<b>Net cash used in financing activities</b>		<b>(123)</b>	<b>34</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9,310)</b>	<b>10,308</b>
Cash and cash equivalents at beginning of year		17,894	7,586
<b>Cash and cash equivalents at end of the year</b>		<b>8,584</b>	<b>17,894</b>
<b>Analysis of changes in net funds</b>			
The charity had no debt during the current or previous year.			

# Notes to the Accounts

## Note 1 Accounting Policies

### Charity information

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

### Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Charities Act 2011 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view.

This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to certain financial instruments at fair value.

**The principal accounting policies adopted are set out below.**

### Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

The purposes and uses of the designated funds are set out in the notes to the financial statements.

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

### Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected.

If the amount is not known, the legacy is treated as a contingent asset.

Income from property and course income is recognised in the period to which the income relates. Any rent and course income received in advance is deferred and subsequently released in the period to which it relates.

Stock exchange income is recognised on the date the charity's right to receive payment is established.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

### Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

#### Resources expended *continued* ...

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

#### Foreign currency

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date.

Gains and losses arising on translation in the period are included in profit or loss.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements - over the life of the lease

Motor vehicles - 20% straight line

All other fixed assets are not capitalised due to their immaterial nature.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

#### Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 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.

#### Fixed asset investments

Stock exchange investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date.

Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Investment properties are initially measured at cost and subsequently revalued fair value at each reporting date with any changes in fair value being recognised in the Statement of Financial Activities.

Property unit trusts are initially measured and cost and subsequently revalued at each year end based on net asset value per unit.

#### Non-investment properties

The charity has included non-investment properties in the Balance Sheet at a valuation using the methodology set out below:

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

The charity's property database confirms that their assets include 6 cathedrals, 1,228 churches and 1,220 churchyards at the year end.

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 the year end 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 21% 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.

Church Halls are valued based on the desktop valuation of a representative 20% sample of these properties which has then been extrapolated to reflect the total valuation of the portfolio.

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

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

## Loans

The charity has the following loans contained in the financial statements:

- Clergy housing loans (interest bearing) – interest is charged at one half of the Bank of England base rate. The rate is reviewed in April each year when current rates and their impact on borrowers are considered.
- Clergy housing loans (equity linked) – no interest is charged.
- Housing and cathedral loans – interest is charged at 3%.
- Curate house loans – no interest is charged.
- Ministry area loans – interest is charged at 2% below Bank of England base rate, subject to a minimum rate of 2%.

## Financial instruments

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

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Basic financial assets

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

### Derecognition of financial assets

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

### Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers.

Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### Derecognition of financial liabilities

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

## Taxation

As a registered charity, the charity is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

## Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## Retirement benefits

### Defined contribution scheme

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### Defined benefit scheme

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost.

The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) for the year.

### **Defined benefit scheme continued**

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly.

Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

### **Pensions of Clergy and Surviving Spouses and Civil Partners**

The Representative Body operates a pension scheme providing defined benefits based on years of service.

The assets of the scheme are held within the stock exchange investment portfolio of the charity.

The scheme is an unfunded scheme and is accounted for as a provision at the year end in line with the year end actuarial valuation.

### **Leases**

Rentals payable under operating leases are charged to expenditure on a straight line basis over the term of the relevant lease.

### **Critical accounting estimates and judgements**

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

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

### **Key sources of estimation uncertainty**

#### **Retirement benefit scheme**

As set out in notes, the charity operates a defined benefit pension scheme for all qualifying employees. The accounting cost of these benefits and the present value of the pension liabilities involved judgements about uncertain events including such factors as the life expectancy of members, the salary progression of current employees, price inflation and the discount rate used to calculate the net present value of the future pension payments. Estimates are used for all of these factors in determining the pension costs and liabilities incorporated in the financial statements. The assumptions reflect historical experience and judgement regarding future expectations and external actuarial specialists are also used to assist the exercise.

#### **Clergy pension provision**

As set out in the note the Representative Body operates a pension scheme for its clergy providing defined benefits based on years of service.

The accounting cost of these benefits and the present value of the pension liabilities involved judgements about uncertain events including such factors as price inflation the life expectancy of members, the salary progression of current employees, and the discount rate used to calculate the net present value of the future pension payments. Estimates are used for all of these factors in determining the pension costs and liabilities incorporated in the financial statements. The assumptions reflect historical experience and judgement regarding future expectations and external actuarial specialists are also used to assist the exercise.

#### **Valuation of non investment properties**

The charity holds non-investment properties which are used for charitable purposes. These properties are not revalued annually on an individual basis due to the scale and geographical dispersion of the portfolio. Instead, a representative sample comprising approximately 20% of the properties is revalued each year by qualified external valuers.

The results of this sample are then extrapolated to estimate the value of the remaining properties in the portfolio. This approach introduces estimation uncertainty, particularly in relation to changes in local property markets, condition of individual assets, and the appropriateness of the sample selected. Management reviews the valuation methodology and sample selection annually to ensure that the extrapolated results provide a reasonable approximation of fair value across the entire portfolio.

Note 2 Donations and Legacies	2024			2023		
	Unrestricted Funds £000	Designated Funds £000	Total Funds £000	Unrestricted Funds £000	Designated Funds £000	Total Funds £000
Donations	-	1	1	1	-	1
Legacies	-	-	-	326	-	326
<b>Total</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>327</b>	<b>-</b>	<b>327</b>

Note 3 Charitable Activities Income	2024			2023		
	Unrestricted Funds £000	Designated Funds £000	Total Funds £000	Unrestricted Funds £000	Designated Funds £000	Total Funds £000
Course income	265	-	265	236	-	236
Grants	137	-	137	159	-	159
Property income	-	257	257	-	834	834
Sundry	169	-	169	22	-	22
<b>Total</b>	<b>571</b>	<b>257</b>	<b>828</b>	<b>417</b>	<b>834</b>	<b>1,251</b>

Note 4 Investment Income	2024			2023		
	Unrestricted Funds £000	Designated Funds £000	Total Funds £000	Unrestricted Funds £000	Designated Funds £000	Total Funds £000
Interest	599	-	599	608	-	608
Property	3,625	-	3,625	4,018	-	4,018
Stock exchange	16,529	414	16,943	17,626	391	18,017
<b>Total</b>	<b>20,753</b>	<b>414</b>	<b>21,167</b>	<b>22,252</b>	<b>391</b>	<b>22,643</b>

Note 5 Expenditure on Raising Funds	2024			2023		
	Unrestricted Funds £000	Designated Funds £000	Total Funds £000	Unrestricted Funds £000	Designated Funds £000	Total Funds £000
<i>Investment management:</i>						
property	430	-	430	621	-	621
stock exchange	2,422	-	2,422	2,266	-	2,266
Property repairs and maintenance	275	-	275	171	-	171
Support costs	152	-	152	339	-	339
<b>Total</b>	<b>3,279</b>	<b>-</b>	<b>3,279</b>	<b>3,397</b>	<b>-</b>	<b>3,397</b>



Note 6 Expenditure on Charitable Activities	2024			2023		
	Unrestricted Funds £000	Designated Funds £000	Total Funds £000	Unrestricted Funds £000	Designated Funds £000	Total Funds £000
<b>Support for ministry</b>						
Bishops	1,204	-	1,204	1,120	-	1,120
Communications	213	-	213	155	-	155
Clergy pension contributions	2,968	-	2,968	2,815	-	2,815
<i>Clergy property</i>						
Brecon Deanery costs	1,000	-	1,000	-	-	-
Diocesan inspector costs	493	-	493	469	-	469
Episcopal residencies	33	-	33	105	-	105
Sundry property costs	-	-	-	53	-	53
Ministry training - St Padarn's Institute	3,322	-	3,322	2,731	-	2,731
Mission and ministry	514	-	514	316	-	316
Safeguarding	393	-	393	379	-	379
Sundry clergy benefits	2	-	2	3	5	8
Support costs	1,468	-	1,468	800	-	800
<b>Total</b>	<b>11,610</b>	<b>-</b>	<b>11,610</b>	<b>8,946</b>	<b>5</b>	<b>8,951</b>
<b>Support for dioceses and parishes</b>						
Church Growth Fund	-	1,017	1,017	-	1,165	1,165
Emergency Aid Fund	-	715	715	-	332	332
Evangelism Fund	-	1,161	1,161	-	1,542	1,542
Partnership Funding	2,335	-	2,335	2,673	-	2,673
Repairs and extensions to churches	-	280	280	-	185	185
Structural Resilience Fund	3,700	-	3,700	3,594	101	3,695
Support costs	1,861	68	1,929	1,478	-	1,478
<b>Total</b>	<b>7,896</b>	<b>3,241</b>	<b>11,137</b>	<b>7,745</b>	<b>3,325</b>	<b>11,070</b>
<b>Other church property</b>						
Redundant churches	-	663	663	-	71	71
Church sales regulations	-	345	345	-	118	118
Climate change fund	55	71	126	-	26	26
Other property costs	30	-	30	47	-	47
Support costs	831	-	831	958	-	958
<b>Total</b>	<b>916</b>	<b>1,079</b>	<b>1,995</b>	<b>1,005</b>	<b>215</b>	<b>1,220</b>
<b>Other financial support</b>						
Cathedrals funding	4	110	114	321	84	405
Grants to Anglican and ecumenical bodies	178	-	178	173	-	173
Other support	83	10	93	75	68	143
Provincial court and tribunals	11	-	11	4	-	4
Support costs	222	-	222	155	-	155
<b>Total</b>	<b>498</b>	<b>120</b>	<b>618</b>	<b>728</b>	<b>152</b>	<b>880</b>
<b>Total charitable activities expenditure</b>	<b>20,920</b>	<b>4,440</b>	<b>25,360</b>	<b>18,424</b>	<b>3,697</b>	<b>22,121</b>

Note 7 Support Costs	2024			2023		
	Support costs	Governance costs	Total costs	Support costs	Governance costs	Total costs
	£000	£000	£000	£000	£000	£000
Audit fees	-	48	48	-	53	53
Defined benefit pension scheme current service costs	285	-	285	323	-	323
Depreciation	19	-	19	11	-	11
IT costs, software and subscriptions	535	-	535	339	-	339
Legal and professional fees	106	-	106	55	-	55
Meeting expenses	6	161	167	9	28	37
Office and premises expenses	756	-	756	623	-	623
Other staff costs	124	-	124	96	11	107
Staff costs	2,315	169	2,484	1,862	229	2,091
Sundry	17	-	17	54	-	54
Travel and subsistence	50	2	52	36	-	36
Trustees expenses	-	5	5	-	1	1
Trustee training	-	4	4	-	-	-
<b>Total</b>	<b>4,213</b>	<b>389</b>	<b>4,602</b>	<b>3,408</b>	<b>322</b>	<b>3,730</b>

<i>Analysed between:</i>						
Raising funds	152	-	152	339	-	339
Support for ministry	1,468	-	1,468	800	-	800
Support for dioceses for parishes	1,669	260	1,929	1,263	215	1,478
Other church property	831	-	831	958	-	958
Other financial support	93	129	222	48	107	155
<b>Total</b>	<b>4,213</b>	<b>389</b>	<b>4,602</b>	<b>3,408</b>	<b>322</b>	<b>3,730</b>

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

Unrestricted	4,534	3,629
Designated	68	101
<b>Total</b>	<b>4,602</b>	<b>3,730</b>

## Note 8

### Trustees Expenses and Remuneration

No trustee received remuneration during the current or prior year in relation to their role as trustee.

1 trustee (2023: 1) received remuneration from the charity in connection with their office.

The Most Reverend A T G John who is an *ex officio* member of the charity received benefits (including salary, employers pension contributions and benefits in kind) totaling £73,811 (2023: £71,312).

Trustee Chris Clarke is a director of Chris Clarke Surveyors Ltd of which the company received £1,140 (2023: £1,020) in fees in relation to the valuation of 3 properties.

15 (2023: 8) trustees were reimbursed for travel, subsistence and accommodation expenses incurred totaling £4,993 (2023: £863).

**Note 9****Employees****Number of employees**

The average monthly number of employees during the year was: 116 (2023: 125).

Employment costs	2024 £000	2023 £000
Wages and salaries	4,888	4,221
Social security costs	528	467
Pension costs	341	235
FRS 102 defined benefit pension costs	285	355
<b>Total</b>	<b>6,042</b>	<b>5,278</b>

**Key management personnel**

During the year the key management personnel of the charity of which there were 5 (2023: 5) received total benefits (including gross salary, benefits in kind, employer's National Insurance contributions and employer's pension contributions) totaling £670,071 (2023:£522,633).

Employees earning > £60,000	2024	2023
The number of employees who received benefits (gross salary and benefits in kind) over £60,000 were:		
£60,000-£70,000	11	3
£70,001-£80,000	1	1
£80,001- £90,000	3	4
£90,001- £100,000	1	-
£120,001- £130,000	-	1
£150,001- £160,000	1	-

**Note 10****Realised and Unrealised Gains**

	2024 £000	2023 £000
Realised	34,045	19,692
Unrealised	24,058	31,365
<b>Total</b>	<b>58,103</b>	<b>51,057</b>

<b>Note 11</b>			
<b>Tangible Fixed Assets</b>	<b>Leasehold Improvements £000</b>	<b>Motor Vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 <sup>st</sup> January 2024	172	-	172
Additions	-	39	39
<b>At 31<sup>st</sup> December 2024</b>	<b>172</b>	<b>39</b>	<b>211</b>
<b>Depreciation</b>			
At 1 <sup>st</sup> January 2024	72	-	72
Depreciation charged in the year	11	8	19
<b>At 31<sup>st</sup> December 2024</b>	<b>83</b>	<b>8</b>	<b>91</b>
<b>Carrying amount</b>			
At 31 <sup>st</sup> December 2024	89	31	120
At 31 <sup>st</sup> December 2023	<b>100</b>	<b>-</b>	<b>100</b>

<b>Note 12</b>	<b>Investment Properties £000</b>	<b>Property Unit Trusts £000</b>	<b>Listed Investments £000</b>	<b>Cash in Portfolio £000</b>	<b>Other Investments £000</b>	<b>Total £000</b>
<b>Fixed Asset Investments</b>						
At 1 <sup>st</sup> January 2024	47,850	10,062	673,729	7,072	25	738,738
Additions	-	-	246,629	-	-	246,629
Disposals	-	-	(217,252)	-	-	(217,252)
Revaluation	1,700	563	29,376	-	-	31,639
Net movement in cash	-	-	-	(469)	-	(469)
<b>At 31<sup>st</sup> December 2024</b>	<b>49,550</b>	<b>10,625</b>	<b>732,482</b>	<b>6,603</b>	<b>25</b>	<b>799,285</b>
<b>Historical cost</b>	<b>33,203</b>	<b>7,613</b>	<b>581,135</b>	<b>6,603</b>	<b>25</b>	<b>628,579</b>

**Investment properties**

Investment properties were valued by Colliers at 31<sup>st</sup> December 2024 in accordance with the RICS valuation – Professional Standards 2014 and FRS 102.

<b>Note 13</b>	<b>2024 £000</b>	<b>2023 £000</b>
<b>Non Investment Properties</b>		
Brought forward	246,531	237,603
Additions	4,475	7,929
Disposals	(6,729)	(245)
Revaluation	(2,692)	1,244
<b>Carried forward</b>	<b>241,585</b>	<b>246,531</b>
The above consists of:		
Parsonages, bishops' houses and sundry provincial property	200,908	207,549
Church halls	14,870	13,852
Glebe	20,607	20,060
Operational properties	5,200	5,070
<b>Total</b>	<b>241,585</b>	<b>246,531</b>

<b>Note 14</b>	<b>2024</b>	<b>2023</b>
<b>Debtors and Loans</b>	<b>£000</b>	<b>£000</b>
Accrued income	2,040	2,158
Loans	8,053	7,929
Other debtors	5,698	5,219
Prepayments	949	1,067
<b>Total</b>	<b>16,740</b>	<b>16,373</b>
<b>Loan balances due &gt; 1 year</b>	<b>8,022</b>	<b>7,922</b>

<b>Note 15</b>	<b>2024</b>	<b>2023</b>
<b>Creditors: Amounts Faling Due Within One Year</b>	<b>£000</b>	<b>£000</b>
Accruals	532	267
Amounts owed to special trusts	1,828	1,445
Creditors	2,051	1,742
Deferred income (note 16)	540	428
Other creditors	750	96
Other taxation and social security	807	1,136
<b>Total</b>	<b>6,508</b>	<b>5,114</b>

<b>Note 16</b>	<b>2024</b>			<b>2023</b>		
<b>Deferred Income</b>	<b>Course Income</b>	<b>Rents</b>	<b>Total</b>	<b>Course Income</b>	<b>Rents</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance brought forward	6	422	428	7	651	658
Income received	271	3,731	4,002	235	3,789	4,024
Income released	(265)	(3,625)	(3,890)	(236)	(4,018)	(4,254)
<b>Balanced carried forward</b>	<b>12</b>	<b>528</b>	<b>540</b>	<b>6</b>	<b>422</b>	<b>428</b>

Deferred income relates to course income and rental income received in advance and which relates to future financial periods.

<b>Note 17</b>	<b>1<sup>st</sup> January</b>	<b>Gains</b>	<b>31<sup>st</sup> December</b>	<b>Gains</b>	<b>31<sup>st</sup> December</b>
<b>Endowment Funds</b>	<b>2023</b>	<b>£000</b>	<b>2023</b>	<b>£000</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
St Michael's College	4,840	230	5,070	130	5,200
<b>Total</b>	<b>4,840</b>	<b>230</b>	<b>5,070</b>	<b>130</b>	<b>5,200</b>

St Michael's college is held for the operation of an educational institution.

Note 18 Designated Funds	1 <sup>st</sup> January					31 <sup>st</sup> December
	2024 £000	Income £000	Expenditure £000	Transfers £000	Gains £000	2024 £000
<b>Capital</b>						
Church repairs capital reserve	15,427	86	-	-	844	16,357
Diocesan parsonage improvement fund	(411)	-	-	411	-	-
Pension equalisation reserve	115,201	-	-	(115,201)	-	-
Property reserve	43,906	-	-	(43,906)	-	-
Revaluation reserve	162,977	-	-	(162,977)	-	-
Tangible fixed assets	-	-	-	120	-	120
Non investment properties	-	-	-	236,385	-	236,385
<b>Revenue</b>						
Cathedrals funding quinquennial inspections	13	-	-	-	-	13
Cathedrals funding key building repairs	1,483	-	(110)	-	-	1,373
Cathedrals funding project development	158	-	-	-	-	158
Church Growth Fund	11,935	-	(1,017)	84,719	-	95,637
Church sales regulations	3,408	78	(345)	-	-	3,141
Climate change fund	524	-	(72)	548	-	1,000
Communication of good news fund	100	-	-	-	-	100
Dilapidation reserve	-	-	-	300	-	300
Emergency aid	371	72	(714)	300	-	29
Evangelism Fund	8,213	-	(1,161)	(162)	-	6,890
Overseas fund	19	19	(10)	-	-	28
Overseas students	1	-	-	-	-	1
Partnership Funding	-	-	-	81	-	81
Provincial priorities fund	327	1	-	-	-	328
Redundant churches	(57)	21	(663)	699	-	-
Repairs and extensions to churches	656	395	(280)	-	-	771
COVID fund	84	-	(68)	-	-	16
Structural Resilience Fund	-	-	-	27,750	-	27,750
Website development	-	-	-	100	-	100
<b>Total</b>	<b>364,335</b>	<b>672</b>	<b>(4,440)</b>	<b>29,167</b>	<b>844</b>	<b>390,578</b>

Note 18 Designated Funds (Prior Year)	1 <sup>st</sup> January					31 <sup>st</sup> December
	2023	Income	Expenditure	Transfers	Gains	2023
	£000	£000	£000	£000	£000	£000
<b>Capital</b>						
Church repairs capital reserve	14,598	16	-	-	813	15,427
Diocesan parsonage improvement fund	3,733	3,970	(8,114)	-	-	(411)
Pension equalisation reserve	115,081	125	(5)	-	-	115,201
Property reserve	37,182	-	-	-	6,724	43,906
Revaluation reserve	161,024	-	-	-	1,953	162,977
<b>Revenue</b>						
Cathedrals funding quinquennial inspections	17	-	(4)	-	-	13
Cathedrals funding key building repairs	1,500	-	(17)	-	-	1,483
Cathedrals funding project development	221	-	(63)	-	-	158
Church Growth Fund	-	-	(1,165)	13,100	-	11,935
Church sales regulations	2,905	621	(118)	-	-	3,408
Climate change fund	550	-	(26)	-	-	524
Communication of good news fund	-	-	-	100	-	100
Emergency aid	401	52	(332)	250	-	371
Evangelism Fund	12,755	-	(1,542)	(3,000)	-	8,213
Overseas fund	69	18	(68)	-	-	19
Overseas students	1	-	-	-	-	1
Provincial priorities fund	-	-	-	327	-	327
Redundant Churches	(130)	144	(71)	-	-	(57)
Repairs and Extensions to Churches	467	374	(185)	-	-	656
COVID Fund	185	-	(101)	-	-	84
Transformation Fund	24	-	-	(24)	-	-
<b>Total</b>	<b>350,583</b>	<b>5,320</b>	<b>(11,811)</b>	<b>10,753</b>	<b>9,490</b>	<b>364,335</b>

<b>Capital</b>	
<b>Church repairs capital reserve</b>	Capital fund for church repairs and relates to the value of investments held within our Common Investment Fund.
<b>Diocesan parsonage improvement fund</b>	Funds for the purchases, sales and improvements of parsonages. A transfer has been made at the year end from general funds due to the balance being in deficit at the end of 2024.
<b>Pension equalisation reserve</b>	Funds to meet future clergy pension liabilities, this fund has been released to general funds in 2024 due to the liability being shown on the Balance Sheet.
<b>Property reserve</b>	Funds relating to unrealised gains on general property held, this fund has been released to general funds in 2024 and has been replaced by the tangible fixed assets and non investment properties fund below.
<b>Revaluation reserve</b>	Funds relating to unrealised gains on parsonages, church halls and sundry property, this fund has been released to general funds in 2024 and has been replaced by the tangible fixed assets and non investment properties fund below.
<b>Tangible fixed assets</b>	Fund relates to the net book value of the charity's fixed assets.
<b>Non-investment properties</b>	Fund relates to the valuation of the charity's non investment properties.
<b>Revenue</b>	
<b>Cathedrals funding quinquennial inspections</b>	Funds available for quinquennial inspections.
<b>Cathedrals funding key building repairs</b>	Funds available for key building repairs.
<b>Cathedrals funding project development</b>	Funds available for project development.
<b>Church Growth Fund</b>	The charity made a £100m pledge to fund church growth projects over a 10 year period, the fund relates to amounts available for distribution and draw down.
<b>Church sales regulations</b>	Funds available from the sale of churches.
<b>Climate change fund</b>	Funds available to support the climate change work of the charity.
<b>Communication of good news fund</b>	Funds available to support the communication activities of the Archbishop.
<b>Dilapidation reserve</b>	Funds designated regarding dilapidation costs.
<b>Emergency aid</b>	Funds available for building emergencies.
<b>Evangelism Fund</b>	Funds available for dioceses to act on evangelism and church growth.
<b>Overseas fund</b>	Funds available for overseas aid.
<b>Overseas students</b>	Funds available for overseas students.
<b>Partnership Funding</b>	Fund relates to the 2024 partnership funding element not claimed by Bangor Diocesan Board of Finance. This fund will be expended during 2025.
<b>Provincial priorities fund</b>	Funds available for projects in support of the Church in Wales priorities statement.
<b>Redundant churches</b>	Funds available to support costs arising in the maintenance of redundant churches. A transfer has been made at the year end from general funds due to the balance being in deficit at the end of 2024.
<b>Repairs and extensions to churches</b>	Funds available to parishes regarding repairs to church buildings.
<b>COVID fund</b>	Funds available for provincial projects. This fund will be fully expended during 2025.
<b>Structural Resilience Fund</b>	Funds remaining to be distributed until funding period ends in June 2032.
<b>Website development</b>	Funds available for website development which is due to take place during 2025/26.



Note 19 Analysis of Net Assets Between Funds	2024			
	Unrestricted	Designated	Endowment	Total Funds
	£000	£000	£000	£000
Tangible assets	-	120	-	120
Investments	645,212	154,073	-	799,285
Non investment properties	-	236,385	5,200	241,585
Current assets	18,816	-	-	18,816
Defined benefit pension scheme	4,481	-	-	4,481
Clergy pension scheme	(137,100)	-	-	(137,100)
<b>Total</b>	<b>531,409</b>	<b>390,578</b>	<b>5,200</b>	<b>927,187</b>
	2023			
	Unrestricted	Designated	Endowment	Total Funds
	£000	£000	£000	£000
Tangible assets	100	-	-	100
Investments	516,428	222,310	-	738,738
Non investment properties	99,436	142,025	5,070	246,531
Current assets	29,153	-	-	29,153
Defined benefit pension scheme	1,027	-	-	1,027
Clergy pension scheme	(147,500)	-	-	(147,500)
<b>Total</b>	<b>498,644</b>	<b>364,335</b>	<b>5,070</b>	<b>868,049</b>

**Note 20****Defined Contribution Pension Scheme**

The charity operates a defined contribution pension scheme for all qualifying employees.

The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £252,962 (2023: £191,943). Amounts outstanding at the year end totaled: £14,226 (2023: £nil).

**Note 21****Defined Benefit Pension Scheme**

The charity 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<sup>st</sup> 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<sup>st</sup> March 2024 by Atkin Pensions and the next valuation of the Scheme is due as at 31<sup>st</sup> March 2027.

The results of the 2024 valuation have been updated by an independent qualifying actuary Atkin Pensions to 31<sup>st</sup> December 2024 allowing for cashflows in and out of the Scheme and changes to the assumptions over the period.

<b>Note 21 continued</b>		
<b>Defined Benefit Pension Scheme</b>	<b>2024 £000</b>	<b>2023 £000</b>
Retirement benefit obligations	4,481	1,027
<b>Total</b>	<b>4,481</b>	<b>1,027</b>

<b>Key assumptions</b>	<b>2024</b>	<b>2023</b>
Discount rate	5.55%	4.65%
Inflation assumption RPI	2.95%	3.00%
Revaluation in deferment	3.05%	3.20%
Salary increases	2.55%	2.75%
<b>Mortality assumptions</b>		
<b>The assumed life expectations on retirement at age 65 are:</b>		
Retiring today: Males	21.7	21.8
Retiring today: Females	24.1	24.2
Retiring in 20 years: Males	22.9	23.0
Retiring in 20 years: Females	25.6	25.6
<b>Amounts recognised in the profit and loss account:</b>	<b>£000</b>	<b>£000</b>
Current service cost	285	323
Net interest on defined benefit liability	(64)	(12)
Expenses	62	50
<b>Total costs</b>	<b>283</b>	<b>361</b>
Amounts taken to other comprehensive income:		
Experience gains and (losses) on scheme liabilities	148	(173)
Demographic assumptions gains and (losses) on scheme liabilities	70	(90)
Financial assumptions gains and (losses) on scheme liabilities	2,540	(203)
Experience gains and (losses) on scheme assets	(63)	856
<b>Total</b>	<b>2,695</b>	<b>390</b>
The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:		
Present value of defined benefit obligations	(16,447)	(18,769)
Fair value of assets	20,928	19,796
<b>Surplus in scheme</b>	<b>4,481</b>	<b>1,027</b>
<b>Movements in the year of defined benefit assets:</b>		
Assets brought forward	19,796	17,351
Interest income	927	816
Actuarial gain / (loss) on assets	(63)	856
Benefits paid	(831)	(434)
Expenses paid	(62)	(50)
Contributions by the employer	1,042	1,125
Contributions by scheme members	119	132
<b>Assets carried forward</b>	<b>20,928</b>	<b>19,796</b>
<b>Changes in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	18,769	17,478
Interest costs	863	804
Actuarial (gain)	(2,758)	466
Benefits paid	(831)	(434)
Current service cost	285	323
Contributions	119	132
<b>Closing defined benefit obligation</b>	<b>16,447</b>	<b>18,769</b>

The fair value of plan assets at the reporting period end was as follows:		
Equity instruments	50%	61%
Bonds	48%	37%
Property	0%	0%
Cash	2%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>

**Note 22****Clergy Pension Provision**

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<sup>st</sup> 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.

The key financial assumptions used for the full actuarial valuation at 31<sup>st</sup> December 2024 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<sup>st</sup> December 2025.

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Retirement benefit obligations	147,500	140,400
Current service contributions	2,968	2,581
Other current service contributions	120	(113)
Income allocated	3,415	3,783
Pension payments to retired clergy	(5,574)	(5,181)
Pension payments to surviving spouses and civil partners	(1,562)	(1,519)
Gratuity payments of retired clergy	(1,246)	(1,383)
Transfer payments	(14)	(3)
Administrative expenses	(108)	(126)
Movement in provision	(8,399)	9,061
<b>Balance carried forward</b>	<b>137,100</b>	<b>147,500</b>

<b>Key assumptions</b>	<b>2024</b>	<b>2023</b>
Discount rate	5.3%	4.5%
Inflation assumption RPI	3.3%	3.3%
Inflation assumption CPI	2.6%	2.6%
Stipend increases	3.1%	3.1%
Pension increases - stipend linked	3.1%	3.1%
Pension increases - RPI up to 5% per annum,	3.2%	3.2%
Deferred revaluation	3.2%	3.2%
<i>Post retirement morality assumptions</i>		
The assumed life expectations on retirement at age 65 are:		
<i>Retiring today: Males</i>	21.5	21.4
<i>Retiring today: Females</i>	23.9	23.8
<i>Retiring in 20 years: Males</i>	22.5	22.4
<i>Retiring in 20 years: Females</i>	25.0	25.0

**Note 23****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<sup>st</sup> December 2024 was £67,064,154 (2023: £63,444,475) and was invested in stock exchange securities and the Church in Wales Common Investment Fund. The income on these funds was £2,265,623 (2023: £2,202,841) and was wholly distributed to beneficiaries.

**Note 24****Custodian Trustee**

The Representative Body is the custodian trustee of 9 parsonages.

**Note 25****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 six Diocesan Boards of Finance received the following funding:	2024 £000	2023 £000
Partnership Funding	2,335	2,674
Structural Resilience Fund	3,700	3,594
Evangelism Fund	1,161	1,542
Church Growth Fund	968	1,165
At the year-end they also had loans outstanding of:		
Clergy Retirement Housing Loan Scheme	1,532	1,165

**Note 26****Operating Leases**

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

	2024 £000	2023 £000
Within one year	499	362
Between two to five years	739	1,237
<b>Total</b>	<b>1,238</b>	<b>1,599</b>

**Note 27****Commitments**

At 31<sup>st</sup> December 2024 the Representative Body has budgeted to provide the six diocese the following funding:

	2024 £000	2023 £000
Partnership funding	2,621	2,500
Structural resilience funding	3,700	3,700
Evangelism funding	6,890	8,051
Church growth funding	23,125	11,935
<b>Total</b>	<b>36,336</b>	<b>26,186</b>

Note 28 Prior Year Statement of Financial Activities	2023	2023	2023	2023	2022
	Unrestricted	Designated	Endowment	Total	Total
	Funds	Funds	Funds	Funds	Funds
	£000	£000	£000	£000	£000
<b>Income from:</b>					
Donations and legacies	327	-	-	327	19
Charitable activities income	417	834	-	1,251	1,050
Investment Income	22,252	391	-	22,643	20,961
<b>Total income</b>	<b>22,996</b>	<b>1,225</b>	<b>-</b>	<b>24,221</b>	<b>22,030</b>
<b>Expenditure on:</b>					
Raising funds	3,397	-	-	3,397	3,281
Charitable activities	18,424	3,697	-	22,121	19,553
<b>Total expenditure before clergy pension provision movement</b>	<b>21,821</b>	<b>3,697</b>	<b>-</b>	<b>25,518</b>	<b>22,834</b>
Clergy pension provision movement	12,515	(125)	-	12,390	(73,088)
<b>Total expenditure after clergy pension provision movement</b>	<b>34,336</b>	<b>3,572</b>	<b>-</b>	<b>37,908</b>	<b>(50,254)</b>
<b>Net (expenditure) / income before investment (losses) / gains</b>	<b>(11,340)</b>	<b>(2,347)</b>	<b>-</b>	<b>(13,687)</b>	<b>72,284</b>
Net gains / (losses) on investments	46,508	813	-	47,321	(88,061)
<b>Net income / (expenditure)</b>	<b>35,168</b>	<b>(1,534)</b>	<b>-</b>	<b>33,634</b>	<b>(15,777)</b>
Transfers between funds	(10,753)	10,753	-	-	-
<b>Other recognised gains /(losses):</b>					
Gains and losses on revaluation of fixed assets for the charity's own use	(1,027)	4,533	230	3,736	4,162
Actuarial gain on defined benefit pension schemes	390	-	-	390	8,495
Write down of the holding valuation of churches	-	-	-	-	(73,715)
<b>Net movement in funds</b>	<b>23,778</b>	<b>13,752</b>	<b>230</b>	<b>37,760</b>	<b>(76,835)</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	474,866	350,583	4,840	830,289	907,124
<b>Total funds carried forward</b>	<b>498,644</b>	<b>364,335</b>	<b>5,070</b>	<b>868,049</b>	<b>830,289</b>
The statement of financial activities includes all gains and losses recognised in the year.					
All income and expenditure derive from continuing activities.					