


BWRDD CYLLID ESGOBAETH TYDDEWI



ST DAVIDS DIOCESAN BOARD OF FINANCE

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Growing Hope

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

REPORT AND FINANCIAL STATEMENTS
For the Year Ended 31 December 2023

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THE ST DAVIDS DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

For the Year Ended 31 December 2023

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective from 1 January 2019)

The Trustees, who are also Directors for the purposes of company law, present their annual report, together with the audited financial statements, for the year ended 31 December 2023.

The directors/Trustees are one and the same and in signing as Trustees they are also signing the directors report sections in their capacity as directors.

This combined report satisfies the legal requirements for:

- Directors Report of a charitable company and
- Trustees Annual Report under the Charities Act 2011.

OBJECTIVES AND ACTIVITIES

The principal activity of the charity is to promote, aid and assist the objectives, work and business of the Church in Wales generally in the Diocese of St Davids.

The key objectives of St Davids Diocesan Board of Finance's (the Board) are:

- To ensure that there is sufficient revenue to maintain the level of Mission and Ministry for the Diocese
- To manage the Diocesan Portfolio of investments so as to achieve a balance between income and capital growth, without taking undue risk
- To manage the property owned by and vested in the Board
- To enable an efficient, professional and administrative service across a range of administrative functions including:
 - management of trusts and other funds held by the Board
 - organisation of Board Meetings and Diocesan Committees
 - maintenance of databases, management information and legislative compliance
 - provision of advice and support on a range of issues

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For 2023 the main objectives were:

- **Fund Performance** – To make an asset return in accordance with the % agreed with the Board's Investment Advisers and which compared favourably against agreed benchmarks.
- **Reserves** – To maintain the agreed level of reserves in the Unrestricted General Fund.
- **Financial Stability** – To continue to ensure financial stability and enable the cost of Ministry to the Diocese.
- **Diocesan Strategy** – To liaise with the Bishop and his senior staff, to assist with the implementation of the Diocesan Strategy which will respond to the current financial, economic and ministerial challenges being faced by the Church and meet the needs of the Diocese.

The short-term objectives of the Board are as stated above.

In the long term, the Board is mindful of ensuring that the ministerial and structural changes proposed in the Diocesan Strategy reflect current thinking.

PUBLIC BENEFIT

The Trustees are aware of their responsibilities in ensuring that the Board delivers identifiable benefits to the public in accordance with established objectives and permitted activities. They have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning their future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set. An amount has been committed towards funding projects associated with Social Responsibility in the wider community.

GRANT MAKING POLICIES

All grants made are agreed by the Board.

ACHIEVEMENTS AND PERFORMANCE

- **INVESTMENT PERFORMANCE**

- **Diocesan Portfolio Performance**

Markets began the year on an upwards trajectory. The sudden collapse of Silicon Valley Bank (SVB) in the US, however, shook global markets and sent equities around the world plummeting. Two more regional US banks followed, and the Swiss National Bank forced Credit Suisse to merge with UBS. The setbacks highlighted the growing stress in the financial sector caused by rapid interest rate rises over the prior year.

Much of 2023 was dominated by concerns over high inflation, rising interest rates, and weakening economic growth, all of which helped rattle market nerves throughout the summer months. The fixed income market also witnessed a significant downturn, marked by long-term US government bond yields reaching levels not witnessed in 15 years or more. The surge in bond yields triggered market turbulence, impacting everything from real estate to equities.

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Markets bounced back strongly towards the end of the year, however, driven by belief the key central banks had stopped raising interest rates. The Fed and the UK central bank both voted to kept interest rates on hold from September onwards, providing investors with confidence that the cycle of rate increases had come to an end. Gains were further compounded on the news of lower-than-expected inflation on both sides of the Atlantic.

The stock market rally continued in December, with the S&P 500 hitting a high for the year. Returns through the year were unusually concentrated, however, with the majority of companies underperforming the benchmark, and just a few mega-cap US technology companies driving equity markets, bolstered mainly by a burst of optimism about breakthroughs in AI technology following the popularity of OpenAI's ChatGPT software.

UK equities ended the year up just 7.9%, although the lack of technology exposure meant they lagged overseas equities, which were up 16.0%. Fixed interest investments also produced positive returns, with UK government bonds up 3.7%. The St David's Diocesan Board of Finance portfolio, which combines a range of asset classes, produced a total return of 6.30%. At the end of the year the portfolio was worth £5,621,977 with a further £32,869 of cash held in a separately identifiable account.

➤ **Investment Property**

The investment property has been valued independently by a professional valuer at the open market value of the freehold land and buildings for investment purposes and it exceeds the historical cost by £1,634,672. If sold, there is no known taxation liability.

➤ **Restricted Freehold Property**

The restricted freehold properties include one leased property and four former schools. The leased properties were valued in 2016 by an independent valuer, while the other four properties were valued by Directors/Trustees.

• **SUPPORTING THE MINISTRY**

Clergy Stipend Levels	2023	2022
	£	£
Assistant Curate	23,089	21,990
Incumbent and Vicar in Rectorial Benefice	27,164	25,870
Rector of Rectorial Benefice	28,522	27,164
Residentiary Canon	31,239	29,751
Archdeacon	41,561	39,581
Dean	42,104	40,099

The Board received a grant towards the Cost of Ministry from the Representative Body.

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Up to 31 December 2006, the Representative Body funded the total costs of clergy pensions, thereafter the cost of current clergy pension contributions has been met by the Board. Halfway through 2021 there had been a change of policy where the pension costs for the last two quarters of 2021 were netted off against the block grant received from the RB. The Representative Body carried out a clergy pension review in 2020, which resulted in a reduced contribution of 36.5% from 38.8% of stipends. The Board continues to meet the costs of ministerial training in conjunction with the Representative Body.

The number of stipendiary clergy posts within the Diocese at 31 December 2023 was 78.

The Board received the following support from the Representative Body:

- Administration of payment of Council Tax on Parsonages
- IT Support
- Administration of Stipends
- Advice on statutory duties e.g., Rent Smart Wales, Data Protection
- Safeguarding

FINANCIAL REVIEW

• **OVERALL FINANCIAL POSITION**

The results for the year are shown on pages 21 to 23 in the Statement of Financial Activities. The excess of income over expenditure in respect of Unrestricted General Funds amounted to £285,476 which after adjustment for realised gains/(losses), the decrease to market value and transfers, resulted in a deficit of £122,598.

The Board received a grant from the Representative Body towards various purposes amounting to £400,000 (2022: £368,070). The Board also received £598,926 Structural Resilience Funding from the Representative Body.

The other principal source of funding was Ministry Share amounting to £3,582,054.

• **RESERVES POLICY**

The Trustees regularly review the reserves of the Board as a matter of policy. Reviews encompass the nature of the income and expenditure stream; the need to match variable income with fixed commitments; and the nature of the reserves.

Unrestricted General Reserves

The Board has concluded that its reserves should be a minimum six months of Unrestricted General Fund expenditure to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The total Unrestricted General Funds have decreased from £5,549,897 to £5,427,300. These reserves include an Investment Property Reserve Fund amounting to £1,678,765. The reserves held equates to more ten months reserves.

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Designated Funds

The Trustees may, with the approval of the Board, designate additional unrestricted reserves to be retained for an agreed purpose where this is considered to be prudent. The designated reserves are reviewed on an annual basis and returned to the Unrestricted General Funds in the event that there is no justification for their retention. A description of each fund together with its intended use is set out in Note 25. At the 31 December 2023, the total Designated Funds were £2,232,234 (2022: £2,186,109).

Restricted and Endowment Funds

As set out in Notes 23 and 24 the Board holds and administers several Restricted and Endowment Funds. At 31 December 2023, Restricted Income Funds amounted to £2,189,785 (2022: £2,188,134) and Restricted Capital Permanent Endowment Funds amounted to £2,888,574 (2022: £2,830,052). None of these funds are available for the general purposes of the Board.

• **PRINCIPAL RISKS AND UNCERTAINTIES**

The Trustees are responsible for the identification, mitigation and/or management of risk. To achieve this, a register of all risks identified is maintained and, alongside it, a management and mitigation strategy formed. This is reviewed regularly by the Trustees with the responsibility for delivery of the mitigation strategies identified by it, delegated to the Diocesan Secretary.

The Risk Register has identified four areas where the risk of either failure to act or the impact of the events is considered 'high'. These areas and associated mitigation strategies are:

Under Collection of Ministry Share

- Arrears are reported quarterly and monitored by the Ministry Share Committee which reports to the Board. In addition, arrears are brought to the attention of the Archdeacons and the Stewardship & Support Officer (SASO).
- The Diocesan Stewardship and Support Officer with the involvement of the Archdeacons, contacts a Parish to discuss arrears or concerns regarding the payment of Ministry Share and assists in reviewing the accounts and procedures and draws up a recommendation report.
- A provision is made in the accounts for overdue Ministry Share which has a significant risk of proving uncollectable.
- The covid pandemic and rising cost of living has caused an increase in the number of churches now in arrears on their ministry share contributions.
- The level of provision has been increased in the 2023 accounts from £897,187 to £1,515,143 to accommodate the reduction in donations by parishes.
- For Ministry Share arrears see debtor note 20.

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Under-Performance of Return on Investments

- Ongoing monitoring by the Board's Investment Adviser (Rathbones).
- Investment Sub Committee meets twice a year with the Board's Investment Adviser to discuss the Portfolio's performance.

Non-Payment and/or Reduction of the Block Grant by the Representative Body

- Ensure that the conditions of the Block Grant are complied with.
- Regular liaison and discussion with the Representative Body regarding any proposed changes.
- The Chairman and the Diocesan Secretary to monitor.

Data Protection

- Appointment of a designated employee.
- Regular liaison with the Board's legal advisers.

• INVESTMENT POLICY

The Diocesan Portfolio is managed on a discretionary management basis by Rathbones. The objective is to place importance on total return rather than a specific return on income or capital appreciation in isolation.

Investment Objectives

The Board seeks to produce the best financial return without taking undue risk. The investment objective is to balance income and capital returns.

The assets should be managed to at least maintain the real capital value, whilst generating a sustainable level of investment income to support St Davids Diocesan Board of Finance activities. Where possible, the value of the assets should be enhanced as to at least keep pace with inflation over the longer term.

The Board adopts a total return approach to investment, generating the investment return from income and capital gains or losses. It is expected that if in any one year the total return is insufficient to meet the budgeted expenditure, in the long term the real value of the Board investments will still be maintained in accordance with the above investment objective.

Rathbones had changed the benchmark against which performance is measured to a bespoke benchmark from the FTSE to the WMA balanced index; due to its volatility.

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Risk

The overall investment direction is to maximise the return consistent with the risks that the Board is willing to accept. The Board recognizes that risk (i.e. the potential for variability of asset values) and the potential of loss in purchasing power (due to inflation) are present to some degree with all types of investment vehicles.

The Board has accepted a medium degree of risk.

The Trustees will tolerate volatility of the capital value, as long as the Board is able to meet its short-term expenditure commitments.

The portfolio is diversified so as to provide reasonable assurance that no single class of investment will have a disproportionate impact on the total portfolio. Assets classes could include cash, bonds, equity, property, private equity, commodities and any other asset that is deemed suitable, bearing in mind the ethical restrictions. Bonds and equities must be quoted on a recognised investment exchange and unit trusts and open-ended investment companies authorised under the Financial Services and Markets Act 2000.

In order to meet its objective, the Board has determined the following range of asset splits:

Cash	0% - 7%
Fixed Interest	15% - 35%
Equities	53% - 80%

Within the equity allocation, overseas holdings are permitted up to 50%.

Asset mix may be changed from time to time, strategically or tactically, based on the economic and securities markets outlook, as well as income requirements and the Chairman and Vice Chairmen of the Board of Finance may, if considered appropriate, alter the above range of asset split to react to market forces. The overall risk level of the assets in terms of potential for price fluctuations should not be extreme.

The Investment Sub-Committee is responsible for identifying and monitoring suitable investment managers on a regular quinquennial basis. The basis of the investment managers remuneration will be that detailed at the time of their being appointed investment managers. The advisors understand that reasonable notice should be provided to the Trustees in the event of the investment managers amending its fee and commission regime.

The base currency of the investment portfolio is Sterling.

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For the Year Ended 31 December 2023

Liquidity Requirements

Investment funds are generally not disinvested, their aim is to provide income and capital growth. Money that is likely to be required at short notice is held by the investment advisers and not included in the main portfolio. The Portfolio should not hold any significant amounts in cash unless requested for a specific project.

Monies can only be incorporated into the main portfolio on 1 of January, 1 of April, 1 of July and 1 of October in any one year.

Income that has accrued in each month is to be transferred to St Davids Diocesan Board of Finance Legacies bank account within 30 days of the respective month end.

Time Horizon

The Board is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability.

The Board has adopted a long-term investment time horizon.

Ethical Investment

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

The Church in Wales wishes to have an investment policy that is ethical and consistent with the furtherance of its aims and objectives. The Board believe that it is entirely appropriate and possible

to operate such a policy alongside the requirement to achieve the best returns from investments, and to use investments as an ethical means of contributing to the cost of ministry and mission in the Province.

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

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

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TRUSTEES' REPORT

For the Year Ended 31 December 2023

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

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

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

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

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

The Diocese of St Davids fully concurs with the policy of the Church in Wales as referred to above.

It is Board policy to not normally or knowingly to invest in any company:

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

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Management, Reporting and Monitoring

The Board has appointed a professional investment management firm to manage the assets on a discretionary basis in line with this policy. They are required to comply with all applicable laws, rules and regulations.

The investment manager provides custody of assets. They are required to produce quarterly valuation and performance reports encompassing the following:

- A list of all investments held, together with their respective book costs, current market value and estimated income and yield.
- A performance analysis for the period covered by the report (quarterly).
- A Transaction Schedule detailing both purchases and sales.
- Details of any non-market transactions and rights issues, capitalisations or other corporate actions.
- A detailed review of the market environment for the period including specific comment on the individual holdings in the portfolio and any other economic considerations that are relevant.

The Board's Investment Sub Committee is responsible for agreeing strategy and monitoring the investment assets. The Sub Committee meets six times a year to authorise any withdrawals and incorporations and to review the Portfolio, including an analysis of return, risk and asset allocation. Performance will be monitored against agreed benchmark (Rathbones bespoke benchmark).

The investment manager is required to be present at two of the Investment Sub Committee's meetings. In addition to complying with the specific requirements detailed in the investment policy statement the investment manager must pay heed to the general power of investment embodied in Section 3 of The Trustees Act 2000. All investments should be suitable and overall constitute a degree of diversification as required by Section 4 of the Trustees Act 2000.

The Investment Sub-Committee is to report formally to the Board's Executive Committee.

PLANS FOR FUTURE PERIODS

The Board is considering the following short to medium term issues:

- **Charities Act 2011**

The Board is aware of the implications of this legislation on individual parishes and, in conjunction with the Representative Body of the Church in Wales, is advising and assisting parishes. Currently only those parishes with an income in excess of £100,000 have had to register. Parishes with an income below £100,000 continue to be excepted and do not need to register with the Charity Commission and this temporary exemption has been extended until 31 March 2031.

- **Land Registration**

Any land identified as being held by the Board will be registered with the Land Registry as a matter of policy. The Board continues to proactively identify the basis on which it holds the land/property e.g. as custodian Trustee, whether it is subject to a reverter or owned by the Board.

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- **Ministry Share**

To endeavour to contain the increases of Ministry Share to ensure that it is sustainable and collectable and to monitor the level of arrears.

- **Diocesan Strategy**

The Bishop of St Davids and the Board work together to create and implement a strategy for the Diocese which will respond to the current financial and economic challenges being faced by the Church and meet the needs of the Diocese.

- **Data Protection**

The Board continues working to identify and ensure that within the Diocese, all information/data held is in compliance with the Data Protection Act and General Data Protection Regulation.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board is a registered charity and a company limited by guarantee.

- **MEMBERSHIP – COMPOSITION**

Members of the company are appointed for a three-year term. Following adoption of the revised Articles of Association, the membership of the Board consists of:

- The Bishop
- Chairman (Appointed by the Bishop)
- Eight Ex-Officio Members (the Dean, Archdeacons, Chair of Parsonage Board, Diocesan Director of Education & Diocesan Registrar)
- Six Nominated Lay members (two from each Archdeaconry)
- Three Elected Lay members (one from each Archdeaconry)
- Three Nominated Clerical Members (one from each geographical Archdeaconry)
- Four Co-Opted Members (of which only one can be a cleric)

- **MEMBERSHIP – INDUCTION AND TRAINING**

The Board has provided training for its members appropriate to their duties both as Charity Trustees and as members of one of the Diocesan Committees and is developing a programme of continuing professional development.

- **COMMITTEES**

The St Davids Diocesan Board of Finance has the following Committees.

- **Executive Committee**

The Executive Committee is responsible for the management of the Diocesan finances and assets.

- **Parsonage Board**

The Parsonage Board is responsible for the maintenance of all parsonages, their upkeep and repair and for buying and selling parsonages, as appropriate.

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➤ **Endowed Schools Committee**

The Endowed Schools Committee is a statutory committee and is responsible for providing financial support towards repairs and renovation projects in church schools, the direction of new projects and the management/disposal of redundant school properties.

➤ **Investment Sub-Committee**

The Investment Sub-Committee, with advice from the Board's Investment Advisers, is authorised to take all decisions necessary to manage the investments of the Board within the strategy and policies of the Board.

➤ **Ministry Share Appeals Committee**

The Ministry Share Appeals Committee is responsible for administering the "Appeals Procedure" for Ministry Share Allocation. The Committee may, at its discretion, where historic Ministry Share arrears exist, but not as a result of former appeals to the Committee or submission of incorrect statistics returned, entertain a submission to consider the historic circumstances that have given rise to the arrears.

➤ **Human Resources Sub-Committee**

The Human Resources Sub-Committee is responsible for developing policies and procedures for lay staff, in line with the current legislation and good practice. Its remit covers the consideration of staffing levels at the Diocesan Office and the salaries of lay staff.

➤ **Audit and Risk Committee**

The Audit Committee is responsible for reviewing the internal controls of the Board and reporting to the Executive Committee any matters which have been raised by/discussed with the Board's Auditors following completion of the annual audit. The Committee also regularly reviews the Board's Risk Register, as well as matters relating to compliance and governance.

➤ **Property Sub-Committee**

The Property Sub-Committee is responsible for the management of the Board's investment properties, properties held as custodian Trustee and overseeing the strategic planning of the property portfolio.

➤ **Finance Committee**

The newly formed Finance Committee is responsible for monitoring the current budget and planning for future budgets and expenditure. It looks at both the quantitative and qualitative impact of aspects of Diocesan Life – it also plans for long term budgetary requirements. It is also responsible for monitoring the current levels of arrears in Ministry Share and looking at ways these can be recovered. The committee actively engages with churches through the Local Ministry Area, Stewardship and Support Officer and the relevant Archdeacon. It also looks at how the Diocesan Board of Finance applies theology to its financial practices and priorities looking at areas such as stewardship and giving. The group also looks at how the Board then communicates with the wider Diocese ensuring clarity of message, consistency of language and the channels of communication that best suit the local churches and their officers.

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➤ **Grants Committee**

The Grants committee oversees the Local Ministry Area Initiative Fund Grants, in line with the Diocesan Strategy for Growth, as well as small grants relating to Children and Youth work.

➤ **Crisis Management Committee (CMC)**

The Crisis Management Committee was set up in order to provide the Board with the ability to make quick decisions as a result of the Global Pandemic and deliver business continuity. It comprises the Bishop, Chair, Archdeacons and the Chairs of all Board Committees. The CMC has been given delegated powers but reports to the full Board, its terms of reference are renewed every 6 months. Initially the CMC met fortnightly but hasn't met in 2023.

➤ **Centres of Mission Financial Oversight Committee (COMFOC)**

This committee was created to look at the financial impact of the Diocesan Evangelism Bid on the Board through its financial commitments. It provides audit and scrutiny reporting to the Audit & Risk Committee and the full Board.

All committee remits were reviewed and revised in 2021.

REFERENCE AND ADMINISTRATIVE DETAILS

Name	The St Davids Diocesan Board of Finance
Company Registration No	242794
Charity Registration No	231239
Registered Office	Diocesan Office Abergwili Carmarthen SA31 2JG
Telephone Number	01267 236145

• **TRUSTEES / DIRECTORS**

The Trustees/Directors of the Executive Committee of the Board who served in the year to which this report relates are:

➤ Mrs H A L Evans	Chairman
➤ Mr N Roberts	Vice Chairman
➤ Mr T J Llewelyn	Vice Chairman
➤ The Right Reverend Dr J S Penberthy The Bishop of St Davids	President (Resigned 31/07/23)
➤ The Right Reverend D P Davies The Bishop of St Davids	President (Appointed 29/11/23)

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Ex-Officio

The Very Reverend Dr S C Rowland Jones	
The Venerable D P Davies	(Resigned 29/11/23)
The Venerable R H E Davies	
The Venerable P R Mackness	
The Venerable M A Farah	
Mr N Roberts	Chairman of the Parsonage Board
Mr A B C Davies	Diocesan Registrar
Revd J R Cecil	Diocesan Director of Education

➤ **Directors**

Mr N J Evans	
Mr D G Jones	(Resigned 18/06/23)
Mrs J A P Hayward	
Mr D W J Thomas	(Resigned 18/07/23)
Revd Canon Dr M A R Hill	
Revd R W Maskell	
Revd S A Brett	(Appointed 18/07/23)
Mrs M Hughes	(Appointed 18/07/23)
Professor A G Henley	(Appointed 07/11/23)
Mr I D Evans	(Appointed 07/11/23)
Mr P M Hughes	(Appointed 07/11/23)

OTHER OFFICERS

➤ **Diocesan Secretary**

Mr H N Llewellyn

Solicitors	Carreg Law Limited 2 King Street Llandeilo SA19 6AA
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Bankers	Lloyds Bank plc 43 King Street Carmarthen SA31 1BW
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Investment Advisers	Rathbones 1 Curzon Street London W1J 5FB
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Auditors	Clay Shaw Butler 24 Lammas Street Carmarthen SA31 3AL
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THE ST DAVIDS DIOCESAN BOARD OF FINANCE

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For the Year Ended 31 December 2023

KEY MANAGEMENT PERSONNEL

The key management personnel of the Board at the year-end were Mr H N Llewellyn (Diocesan Secretary), Mrs N M Evans (Finance Manager) and Miss E R O'Connor (Admin and Property Manager).

The remuneration of the key management personnel is set in line with the Pay and Grading structure adopted in 2012.

The relationship between the Board and related parties is detailed in Note 35 to the accounts.

RISK MANAGEMENT / RISK REGISTER

The Board has a risk register which identifies the major risks to which the Board is exposed; the scope of the risk; and identifies the systems and procedures which have been established to manage and mitigate those risks. This is currently under review.

The Board considers that the principal risks are the non-collection of Ministry Share; any variance in the agreed level of the Representative Body grant and a potential under-performance of the return on investments.

FUNDS HELD

The Board also holds investments and land and buildings as Custodian Trustee. The Board has commenced work to identify all those assets held as Custodian Trustee.

The Trustees have identified the risks associated with each type of asset and have put in place a series of control measures which safeguard the assets. These controls are regularly tested and updated or amended accordingly when considered necessary.

PERMANENT ENDOWMENT INVESTED ON TOTAL RETURN BASIS

Details of this Fund are included in Note 23 to the accounts.

TRADING COMPANY

St Davids Diocesan Board of Finance has passed a resolution to set up a trading company – St Davids Diocesan Board of Finance (Property) Limited. All Trustees (directors) of the St Davids Diocesan Board of Finance are directors of the trading company, the Property Committee will act as a management committee. The matter of drawing up a lease for the properties concerned is currently with the Board's Solicitors.

COVID-19 PANDEMIC

St Davids Diocesan Board of Finance is now working in a 'post-COVID' environment in which e.g. difficulties of staff retention and recruitment; cost of living and fuel cost increases, have created a very different working environment both directly for the Board and the churches of the Diocese. As forecast in the last Trustees Report there continues to be both short and long term operational and financial difficulties never before experienced.

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TRUSTEES' REPORT

For the Year Ended 31 December 2023

The pandemic and its consequences has had direct and indirect effects on Financial Management and Operations , including:

- Lack of staffing resilience and continued hybrid working.
- Concern at the expectations for the Investment Markets given the potential knock-on effect on investment income and the level of reserves available to the Board.
- Reduced Ministry Share receipts as churches and their congregations sustain increases in costs .
- The Board continues to operate effectively through its committees with meetings being a mix of in-person, hybrid and Zoom.

If the event of :

- Income from Churches reducing or ceasing,
- No additional 'central' funds being received e.g. through the Representative Body of the Church in Wales funds for Structural Resilience and Church Growth,or
- Investment income dropping or reserves not being accessed, the Board can remain solvent for a period of 6 months.

PROPERTY DAMAGE

On the 10th October 2022, Manorbier School had caught fire. All Children, teaching personnel and contractors were evacuated safely from the site. The fire also spread to the Schoolhouse. The tenants were not at home at the time of the incident. The Schoolhouse sustained significant damage and the property is considered structurally unsafe. The tenants are residing in temporary accommodation. Negotiations are ongoing with Insurance providers (loss adjusters) and the County Council. It is unclear at this time whether the property will be able to be reinstated.

MANAGING FINANCIAL IMPACT GOING FORWARD

- The Board was extremely fortunate to have received substantial support from the Representative Body of the Church in Wales (RB) in form of Structural Resilience Grants and.
- A more forensic review of expenditure to identify areas of savings had been carried out.
- Identifying to what extent should Reserves be used.
- As part of its ongoing financial planning and budgeting the Board is constantly exploring ways to create new and alternative income generation sources.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT

For the Year Ended 31 December 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of St. Davids Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the directors' report) and the financial statements in accordance with 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).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

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

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's auditors are unaware: and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Clay Shaw Butler, Chartered Accountants, have indicated that they are willing to be re-appointed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



HAZEL EVANS – CHAIRMAN

Date:

18th July 2024

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE ST DAVIDS DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of The St Davids Diocesan Board of Finance (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 charitable company'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 Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Extent to which the audit was considered capable of detecting irregularities, including fraud
We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, FRS 102 Charity SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Charity's ability to operate or to avoid a material penalty. These included compliance with Health and Safety Legislation, Employment Legislation and Data protection laws (including General Data Protection Regulation (GDPR))

Audit response to risks identified

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud.

Our procedures to respond to risks identified included the following:

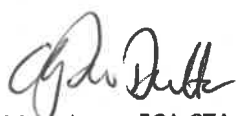
- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- carrying out walkthrough, transaction testing or proof in total on all material income and expenditure streams;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and the senior management team;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws, regulations, and potential fraud risks to all engagement team members and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Mr Mark Jones FCA CTA (Senior Statutory Auditor)
for and on behalf of Clay Shaw Butler Limited
Statutory Auditors and Chartered Accountants
24 Lammas Street
Carmarthen
Carmarthenshire
SA31 3AL

Date:18/7/2024.....

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 December 2023

	Note	Unrestricted		Restricted		Total
		General Funds	Designated Funds	Income Funds	Capital Permanent Endowment Funds	Funds
		2023 £	2023 £	2023 £	2023 £	2023 £
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	4,603,480	5,795	384,663	-	4,993,938
Charitable Activities	4	27,130	-	-	-	27,130
Investments	5	137,599	57,334	268,680	61,780	525,393
Other Sources	6	14,103	1,233	48,153	-	63,489
TOTAL		4,782,312	64,362	701,496	61,780	5,609,950

		2022 £	2022 £	2022 £	2022 £	2022 £
INCOME AND ENDOWMENTS FROM:						
Donations and Legacies	3	4,245,127	2,269	350,638	48	4,598,082
Charitable Activities	4	28,967	-	-	-	28,967
Investments	5	144,317	73,919	266,868	78,171	563,275
Other Sources	6	11,799	-	23,927	-	35,726
TOTAL		4,430,210	76,188	641,433	78,219	5,226,050

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 December 2023

	Note	Unrestricted		Restricted		Total
		General Funds	Designated Funds	Income Funds	Capital Permanent Endowment Funds	Funds
		2023 £	2023 £	2023 £	2023 £	2023 £
EXPENDITURE ON:						
Raising Funds	7	6,468	9,446	1,870	16,544	34,328
Charitable Activities						
Support for Ministry	8	3,368,868	53,034	997,515	-	4,419,417
Support for Parishes	9	779,414	57,330	47,779	-	884,523
Church Property	10	93,244	-	77,158	-	170,402
Other Financial Support	11	201,840	-	-	-	201,840
Communication	12	47,001	-	-	-	47,001
Other	13	-	720	564	229,296	230,580
TOTAL		4,496,835	120,530	1,124,886	245,840	5,988,091

		2022 £	2022 £	2022 £	2022 £	2022 £
EXPENDITURE ON:						
Raising Funds	7	6,722	9,817	1,713	20,392	38,644
Charitable Activities						
Support for Ministry	8	3,228,535	50,277	898,135	-	4,176,947
Support for Parishes	9	1,102,137	47,109	18,589	-	1,167,835
Church Property	10	101,039	-	94,394	-	195,433
Other Financial Support	11	163,568	-	-	-	163,568
Communication	12	44,956	-	-	-	44,956
Other	13	-	140	-	1,187,711	1,187,851
TOTAL		4,646,957	107,343	1,012,831	1,208,103	6,975,234

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended 31 December 2023

	Note	Unrestricted		Restricted		Total
		General Funds	Designated Funds	Income Funds	Capital Permanent Endowment Funds 2023	Funds
		2023 £	2023 £	2023 £	2023 £	2023 £
NET INCOME /(EXPENDITURE) BEFORE INVESTMENT GAINS		285,477	(56,168)	(423,390)	(184,060)	(378,141)
NET (LOSSES) ON INVESTMENTS	18	42,586	62,191	3,775	253,289	361,841
NET INCOME/(EXPENDITURE)		328,063	6,023	(419,615)	69,229	(16,300)
TRANSFERS BETWEEN FUNDS	24/25	(450,660)	40,101	421,266	(10,707)	-
NET MOVEMENT IN FUNDS		(122,597)	46,124	1,651	58,522	(16,300)
Total Funds Brought Forward		5,549,897	2,186,109	2,188,134	2,830,052	12,754,192
TOTAL FUNDS CARRIED FORWARD		<u>5,427,300</u>	<u>2,232,233</u>	<u>2,189,785</u>	<u>2,888,574</u>	<u>12,737,892</u>

		2022 £	2022 £	2022 £	2022 £	2022 £
NET INCOME /(EXPENDITURE) BEFORE INVESTMENT GAINS		(216,747)	(31,155)	(371,398)	(1,129,884)	(1,749,184)
NET GAINS ON INVESTMENTS	18	(111,733)	(163,171)	(9,938)	(381,169)	(666,011)
NET INCOME/(EXPENDITURE)		(328,480)	(194,326)	(381,336)	(1,511,053)	(2,415,195)
TRANSFERS BETWEEN FUNDS	24/25	(356,563)	(26,009)	392,768	(10,196)	-
NET MOVEMENT IN FUNDS		(685,043)	(220,335)	11,432	(1,521,249)	(2,415,195)
Total Funds Brought Forward		6,234,940	2,406,444	2,176,702	4,351,301	15,169,387
TOTAL FUNDS CARRIED FORWARD		<u>5,549,897</u>	<u>2,186,109</u>	<u>2,188,134</u>	<u>2,830,052</u>	<u>12,754,192</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

SUMMARY OF INCOME AND EXPENDITURE ACCOUNT AND
STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 December 2023

	2023 £	2022 £
Gross Income (per SOFA)	5,609,950	5,226,050
Expenditure (per SOFA)	<u>(5,988,091)</u>	<u>(6,975,234)</u>
Operating (Deficit)/Surplus For the Year	(378,141)	(1,749,184)
Realised Gains on Investments		
Realised gains/losses on Investments	(32,610)	177,201
Realised gains on investment properties	-	-
Realised gains on fixed assets	-	-
	<u>(32,610)</u>	<u>177,201</u>
	(410,751)	(1,571,983)
Unrealised Gains on Investments		
Revaluation (Loss)/Gain on Investment Property	-	-
Unrealised Gains/(Losses) on Investments	394,451	(843,212)
Revaluation (Loss) on Fixed Assets	-	-
Valuation of Properties Introduced	-	-
	<u>394,451</u>	<u>(843,212)</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u><u>(16,300)</u></u>	<u><u>(2,415,195)</u></u>

None of the charity's activities were acquired or discontinued during the above two financial years.

A statement of financial activities is shown on pages 21 to 23 to the financial statements.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

BALANCE SHEET AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £ Restated	2022 £ Restated
<u>FIXED ASSETS</u>					
Tangible Assets	17	221,342		229,419	
Investments	18	8,003,806		7,849,441	
Long term debtors	19	271,641		271,324	
			8,496,789		8,350,184
<u>CURRENT ASSETS</u>					
Debtors	20	375,267		327,943	
Cash at Bank and in Hand		5,408,751		6,001,684	
		5,784,018		6,329,627	
CREDITORS: Due Within One Year	21	(1,276,640)		(1,659,344)	
NET CURRENT ASSETS			4,507,378		4,670,283
TOTAL ASSETS LESS CURRENT LIABILITIES			13,004,167		13,020,467
CREDITORS: Due More Than One Year	22		(266,275)		(266,275)
NET ASSETS			12,737,892		12,754,192
<u>FUNDS</u>					
Restricted Capital Endowment Funds	23		2,888,574		2,830,052
Restricted Income Funds	24		2,189,785		2,188,134
Designated Funds	25		2,232,233		2,186,109
Unrestricted Funds	26				
Investment Property Reserve Fund		1,678,765		1,678,765	
General Funds		3,748,535		3,871,132	
			5,427,300		5,549,897
			12,737,892		12,754,192

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

BALANCE SHEET AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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

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

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

The financial statements were approved by the Trustees on

HAZEL EVANS
(CHAIRMAN)

 18/7/2024

NIGEL ROBERTS
(DIRECTOR)

 18/7/24.

Company Registration Number 00242794

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

CASHFLOW STATEMENT
For the Year Ended 31 December 2023

Notes	£	2023 £	£	2022 £
28				
Net Cash provided by/(used in) operating activities		(804,607)		(1,802,165)
Cash flows from investing activities:				
Dividends, interest and rents from investments	525,393		563,275	
Purchase of property, plant and equipment	-		(10,116)	
Proceeds from the sale of fixed assets	-		-	
Proceeds from the sale of investments	443,235		2,333,917	
Purchase of investments	(616,004)		(1,376,621)	
Net Cash provided by/(used in) investing activities		352,624		1,510,455
Cashflows from financing activities:				
Receipt of endowment		0		48
Change in cash and cash equivalents in the reporting period		(451,983)		(291,662)
Cash and cash equivalents at the beginning of the reporting period	28	6,027,917		6,319,579
Cash and cash equivalents at the end of the reporting period		<u>5,575,934</u>		<u>6,027,917</u>

The notes on pages 28 to 56 form part of the financial statements

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

1 Accounting policies

Charity information

The charity is a private company limited by guarantee incorporated in England and Wales. The registered office is Diocesan Office, Abergwili, Carmarthen, Carmarthenshire, SA31 2JG.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The charity is a Public Entity as defined by FRS 102.

The accounts 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 with the exception of freehold properties, which are included at their fair value, and fixed asset investments, which are included at their fair value at the Balance Sheet date.

The principle accounting policies are as follows.

Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

INCOME

All income is included in the SOFA when the charity is legally entitled to the income, ultimate receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Ministry Share

Ministry Share is recognised as income in the year in which it is receivable.

Legacies

Legacies are accounted for when received or, if before receipt, there is sufficient evidence to provide the necessary certainty that the legacy will be received and the value can be measured with sufficient reliability.

Grants Receivable

The charity receives grants from the Welsh Government towards the building costs of church schools and from the Representative Body of the Church in Wales towards the management costs of the Board of Finance. Grants are recognised in full in the SOFA in the year in which they are receivable.

Investment Income

Dividends and interest are accounted for as and when they are receivable.

EXPENDITURE

All expenditure is included on an accruals basis recognising when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA with the exception of support costs which comprise management and administration costs. These have been apportioned over charitable activity expenditure on the basis of costs for each category

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 December 2023

prior to the inclusion of support costs. The charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Land and Buildings

Freehold property is included at its revalued amount as the Trustees are of the opinion that this gives an accurate reflection of its fair value, as it is the Trustees' policy to ensure these properties are fully maintained.

No depreciation is provided on freehold property, as the Trustees are of the opinion that these buildings are maintained in such a state of repair that their residual value is at least equal to their fair value. As a result, the corresponding depreciation charge would not be material and therefore is not charged in the SOFA.

Leasehold premises are amortised over the term of the lease.

Reverters

Where on the disposal of properties held by the charity as custodian Trustee, reverters exist, the proceeds of disposal, net of all costs and taxation, are remitted to the revertee. Investigation into the reverter status is made as and when such properties are returned to the custodian Trustee.

Heritage Assets

The Board holds land and buildings as custodian Trustee and derives no financial benefit from these assets unless or until disposed of. Other properties held by the Board, which consist of church and school properties, are classified by the Trustees as heritage assets under the terms of SORP FRS 102.

Following the publication of SORP FRS 102 – section 18 – Heritage Assets, the Executive Committee of the St Davids Diocesan Board of Finance has reconsidered the nature of its heritage assets.

Many of these properties were acquired without cost as a result of bequests or transfers and the Executive Committee does not consider it practical or appropriate to attribute any value to them in view of the significant costs involved in the reconstruction or analysis of past accounting records and the onerous nature of the valuations compared with the additional benefit derived by users of the accounts.

Expenditure which, in the Executive Committee's view, is required to prevent deterioration of these assets is recognised in the Statement of Financial Activities when it is incurred.

Office Furniture and Equipment

Office furniture and equipment is stated at cost less depreciation. Depreciation is provided at a rate calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives at 10% - 33⅓% straight line.

From 1 January 2010 it has been agreed that office furniture and equipment costing less than £1,000 will be written off in the year of purchase.

INVESTMENTS

Marketable investments are shown at fair value (that is their middle market value) at the balance sheet date. The net surplus or deficit on revaluation during the year is pro-rated to the specific fund, based on the number of units, as a percentage of the total units to which the investment relates.

Investment Properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS **For the Year Ended 31 December 2023**

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.

PENSIONS

The Charity operates a defined contribution scheme for its employees.

The funds of the defined contribution scheme are held in funds separate to those of the charity in independently administered funds. The pension cost charge represents the amounts payable by the charity to the funds in respect of the year.

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 service are received. Termination benefits are recognised immediately as an expense when St Davids Diocesan Board of Finance is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

BAD DEBTS

A provision is made for debtor balances if amounts are deemed irrecoverable. Ministry share arrears not settled post year end are provided for in full.

TAXATION

The Company is a registered charity and, as such, is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

OPERATING LEASES

Rentals applicable to operating leases where substantially all the benefits and risk of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the period of the lease.

FUND ACCOUNTING

Funds held by the charity are:

Unrestricted General Funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated Funds – these are funds which have been transferred from the Unrestricted General Funds to be used in accordance with the charitable objects at the discretion of the Trustees.

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

Restricted Capital Permanent Endowment Funds – these are funds which have been entailed over many years and relate in the main to funds held on behalf of parishes. Investment returns are released to the parishes, where applicable. When returns are not released, they are retained by the Board within this Fund. Any capital gains or losses arising on the investments form part of that fund. Investment management charges relating to the fund are charged against the fund.

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

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2023

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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

Prior Period Adjustment

There were no prior period adjustments.

2 Critical accounting estimates and judgements

In the application of charity's accounting policies, 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.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
3	2023	2023	2023	2023	2023
	£	£	£	£	£
Ministry Share	3,582,054	-	-	-	3,582,054
RB: Block Grant	400,000	-	-	-	400,000
RB: Structural Resilience Funding	598,926	-	-	-	598,926
RB : Improvement Fund	-	-	236,034	-	236,034
RB : Evangelism Fund Grant	-	-	120,822	-	120,822
Grants	-	5,777	27,727	-	33,504
Church Repair Grant	-	-	-	-	-
Legacies	-	-	-	-	-
Donations	22,500	18	80	-	22,598
	4,603,480	5,795	384,663	-	4,993,938

3	2022	2022	2022	2022	2022
	£	£	£	£	£
Ministry Share	3,582,054	-	-	-	3,582,054
RB: Block Grant	368,070	-	-	-	368,070
RB: Additional Support	264,000	-	-	-	264,000
RB : Improvement Fund	-	-	192,398	-	192,398
RB : Evangelism Fund Grant	-	-	90,328	-	90,328
Grants	8,333	1,378	3,000	-	12,711
Church Repair Grant	-	-	62,500	-	62,500
Legacies	-	-	1,155	48	1,203
Donations	22,670	891	1,257	-	24,818
	4,245,127	2,269	350,638	48	4,598,082

4	2023	2023	2023	2023	2023
	£	£	£	£	£
Chaplaincy Fees	24,138	-	-	-	24,138
Fees	2,992	-	-	-	2,992
	27,130	-	-	-	27,130

4	2022	2022	2022	2022	2022
	£	£	£	£	£
Chaplaincy Fees	23,625	-	-	-	23,625
Fees	5,342	-	-	-	5,342
	28,967	-	-	-	28,967

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes

	Unrestricted		Restricted		Total
	General	Designated	Income	Capital	Funds
	Funds	Fund	Funds	Endowment	
				Funds	
5 Investments	2023	2023	2023	2023	2023
	£	£	£	£	£
Rents Received	107,514	-	31,032	-	138,546
RB Common Investment Fund		-	-	-	-
DBF Common Investment Fund	23,490	38,617	2,081	61,780	125,968
Rents Received: Parsonage Board	-	-	162,623	-	162,623
Interest	6,595	2,317	72,944	-	81,856
Realisation of Trusts	-	16,400	-	-	16,400
	137,599	57,334	268,680	61,780	525,393
5 Investments	2022	2022	2022	2022	2022
	£	£	£	£	£
Rents Received	116,965	-	18,935	-	135,900
RB Common Investment Fund	99	-	-	-	99
DBF Common Investment Fund	25,523	37,545	2,329	78,171	143,568
Rents Received: Parsonage Board	-	-	211,510	-	211,510
Interest	1,730	524	34,094	-	36,348
Realisation of Trusts	-	35,850	-	-	35,850
	144,317	73,919	266,868	78,171	563,275
6 Other Sources	2023	2023	2023	2023	2023
	£	£	£	£	£
Contribution:Housing Association	6,913	-	-	-	6,913
Proceeds from the sale of assets	-	-	-	-	-
Administration Fee: Sale of Property	6,644	-	10,492	-	17,136
Marriage Licences	240	-	-	-	240
Sundry Income	306	1,233	37,661	-	39,200
	14,103	1,233	48,153	-	63,489
6 Other Sources	2022	2022	2022	2022	2022
	£	£	£	£	£
Contribution:Housing Association	6,584	-	-	-	6,584
Proceeds from the sale of assets	-	-	-	-	-
Administration Fee: Sale of Property	5,000	-	11,500	-	16,500
Marriage Licences	-	-	-	-	-
Church Repair Grant	-	-	-	-	-
Sundry Income	215	-	12,427	-	12,642
	11,799	-	23,927	-	35,726

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
	2023 £	2023 £	2023 £	2023 £	2023 £
7 Raising Funds	6,468	9,446	1,870	16,544	34,328
7 Raising Funds	2022 £	2022 £	2022 £	2022 £	2022 £
	6,722	9,817	1,713	20,392	38,644
8 Support for Ministry	2023 £	2023 £	2023 £	2023 £	2023 £
Stipends, Fees & Pensions:					
Stipends	2,438,175	46,040	-	-	2,484,215
Pension-Employers Contribution		-	-	-	-
Vacancy Fees	5,564	-	-	-	5,564
Sundry	-	-	-	-	-
Property:					
Council Tax	179,830	-	-	-	179,830
Parsonage Board	-	-	868,828	-	868,828
Insurance on Parsonages	26,766	-	-	-	26,766
Sundry	8,844	-	-	-	8,844
Evangelism Bid - Centre of Mission	17,397	-	128,687	-	146,084
Clergy Expenses:					
Clergy/Chaplains Expenses	28,897	-	-	-	28,897
Removal/Disturbance Allowance	87,342	-	-	-	87,342
Archdeacons and Area Deans	18,272	6,994	-	-	25,266
Recruitment Costs	331	-	-	-	331
Training					
Ordinands/NSM	10,006	-	-	-	10,006
Lay Training	1,506	-	-	-	1,506
CMD/Vocations Advisers	10,666	-	-	-	10,666
Spiritual Directors	-	-	-	-	-
Support Costs (Direct)	5,123	-	-	-	5,123
Support Cost Allocation	530,149	-	-	-	530,149
	3,368,868	53,034	997,515	-	4,419,417

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Income Funds	Restricted Capital Endowment Funds	Total Funds
	General Funds	Designated Fund			
8 Support for Ministry	2022	2022	2022	2022	2022
	£	£	£	£	£
Stipends, Fees & Pensions:					
Stipends	2,312,958	44,019	-	-	2,356,977
Pension-Employers Contribution		-	-	-	-
Vacancy Fees	10,461	-	-	-	10,461
Sundry	-	-	-	-	-
Property:					
Council Tax	175,199	-	-	-	175,199
Parsonage Board	-	-	788,532	-	788,532
Insurance on Parsonages	23,480	-	-	-	23,480
Sundry	5,622	-	-	-	5,622
Evangelism Bid - Centre of Mission	10,246	-	109,603	-	119,849
Clergy Expenses:					
Clergy/Chaplains Expenses	24,455	-	-	-	24,455
Removal/Disturbance Allowance	55,488	-	-	-	55,488
Archdeacons and Area Deans	15,869	6,258	-	-	22,127
Recruitment Costs	4,209	-	-	-	4,209
Training:					
Ordinands/NSM	19,151	-	-	-	19,151
Lay Training	2,855	-	-	-	2,855
CMD/Vocations Advisers	11,657	-	-	-	11,657
Spiritual Directors	-	-	-	-	-
Support Costs (Direct)	6,725	-	-	-	6,725
Support Cost Allocation	550,160	-	-	-	550,160
	3,228,535	50,277	898,135	-	4,176,947

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
9 Support for Parishes	2023	2023	2023	2023	2023
	£	£	£	£	£
Sector Ministry Costs	6,758	-	-	-	6,758
Safeguarding	-	-	-	-	-
Local Ministry Area Initiative Grants	-	8,906	-	-	8,906
Grants to Parishes	-	20,324	47,779	-	68,103
Legal and Professional Fees	16,386	-	-	-	16,386
Diocesan Strategy	-	20,936	-	-	20,936
Children and Youth	-	7,164	-	-	7,164
Funding and Parish Support	649,196	-	-	-	649,196
Support costs (Direct)	960	-	-	-	960
Support cost allocation	106,114	-	-	-	106,114
	779,414	57,330	47,779	-	884,523

9 Support for Parishes	2022	2022	2022	2022	2022
	£	£	£	£	£
Sector Ministry Costs	4,117	-	-	-	4,117
Safeguarding	-	-	-	-	-
Local Ministry Area Initiative Grants	-	18,105	-	-	18,105
Grants to Parishes	-	5,295	18,589	-	23,884
Legal and Professional Fees	2,997	-	-	-	2,997
Diocesan Strategy	-	19,842	-	-	19,842
Children and Youth	-	3,867	-	-	3,867
Funding and Parish Support	1,048,529	-	-	-	1,048,529
Support costs (Direct)	1,362	-	-	-	1,362
Support cost allocation	45,132	-	-	-	45,132
	1,102,137	47,109	18,589	-	1,167,835

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
10 Church Property	2023	2023	2023	2023	2022
	£	£	£	£	£
Custodian Expenses	-	-	-	-	-
Quinquennial Inspections	-	-	-	-	-
Diocesan Advisory Committee	20,434	-	-	-	20,434
Investment Property:		-	-	-	
Maintenance Expenses	31,103	-	-	-	31,103
Insurance Premiums	9,374	-	-	-	9,374
Legal & Professional Fees	11,799	-	-	-	11,799
Other Buildings: Repairs/Insurance	-	-	-	-	-
Church Schools (Open and Closed)	-	-	54,768	-	54,768
3-16 VA School in St Davids	-	-	22,390	-	22,390
Support Costs (Direct)	79	-	-	-	79
Support cost allocation	20,455	-	-	-	20,455
	93,244	-	77,158	-	170,402

10 Church Property	2022	2022	2022	2022	2022
	£	£	£	£	£
Custodian Expenses	731	-	-	-	731
Quinquennial Inspections	-	-	-	-	-
Diocesan Advisory Committee	19,479	-	-	-	19,479
Investment Property:		-	-	-	
Maintenance Expenses	30,323	-	-	-	30,323
Insurance Premiums	4,108	-	-	-	4,108
Legal & Professional Fees	20,508	-	-	-	20,508
Other Buildings: Repairs/Insurance	-	-	-	-	-
Church Schools (Open and Closed)	-	-	27,793	-	27,793
3-16 VA School in St Davids	-	-	66,601	-	66,601
Support Costs (Direct)	124	-	-	-	124
Support cost allocation	25,766	-	-	-	25,766
	101,039	-	94,394	-	195,433

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
11 Other Financial Support	2023	2023	2023	2023	2023
	£	£	£	£	£
Grants: Church in Wales Bodies	151,159	-	-	-	151,159
Grants: Anglican/Ecumenical/Other	-	-	-	-	-
Other Grants	26,000	-	-	-	26,000
Support Costs (Direct)	500	-	-	-	500
Support cost allocation	24,181	-	-	-	24,181
	201,840	-	-	-	201,840
11 Other Financial Support	2022	2022	2022	2022	2022
	£	£	£	£	£
Grants: Church in Wales Bodies	106,055	-	-	-	106,055
Grants: Anglican/Ecumenical/Other	-	-	-	-	-
Other Grants	35,500	-	-	-	35,500
Support Costs (Direct)	500	-	-	-	500
Support cost allocation	21,513	-	-	-	21,513
	163,568	-	-	-	163,568
12 Communication	2023	2023	2023	2023	2023
	£	£	£	£	£
Newsletters/Diocesan Publications	12,922	-	-	-	12,922
Year Book	-	-	-	-	-
Pembrokeshire Show	251	-	-	-	251
Support Costs (Direct)	32,030	-	-	-	32,030
Support cost allocation	1,798	-	-	-	1,798
	47,001	-	-	-	47,001
12 Communication	2022	2022	2022	2022	2022
	£	£	£	£	£
Newsletters/Diocesan Publications	12,596	-	-	-	12,596
Year Book	-	-	-	-	-
Pembrokeshire Show	4,667	-	-	-	4,667
Support Costs (Direct)	25,069	-	-	-	25,069
Support cost allocation	2,624	-	-	-	2,624
	44,956	-	-	-	44,956

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

Notes	Unrestricted		Restricted		Total Funds
	General Funds	Designated Fund	Income Funds	Capital Endowment Funds	
13 Other	2023	2023	2023	2023	2023
	£	£	£	£	£
Payment of Trust Income	-	-	-	28,209	28,209
Realisation of Trust Capital	-	-	-	46,747	46,747
Payment of Legacies	-	-	-	154,340	154,340
Bank charges	-	720	564	-	1,284
	<u>-</u>	<u>720</u>	<u>564</u>	<u>229,296</u>	<u>230,580</u>

13 Other	2022	2022	2022	2022	2022
	£	£	£	£	£
Payment of Trust Income	-	-	-	89,985	89,985
Realisation of Trust Capital	-	-	-	-	-
Payment of Legacies	-	-	-	1,097,726	1,097,726
	-	140	-	-	140
	<u>-</u>	<u>140</u>	<u>-</u>	<u>1,187,711</u>	<u>1,187,851</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

14 FUNDING AND PARISH SUPPORT	2023	2022
	£	£
Prompt Payment Discount	-	-
Increase in Unpaid Ministry Share Provision	-	824,369
Ministry Share not requested	31,242	224,159
Ministry Share Write Off	-	-
	<u>31,242</u>	<u>1,048,528</u>
15 SUPPORT COSTS	2023	2022
	£	£
Salaries and Related Payments	444,613	451,153
Travelling Expenses	3,615	2,734
Expenses Staff Members	6,035	5,871
Office Cleaning	3,974	1,604
Heating and Lighting	12,300	6,282
Telephone	12,996	7,488
Printing, Stationery and Office Sundries	9,840	2,523
Postage	2,385	1,542
Ground Rent of Offices	18,000	18,000
Water Rates	1,394	1,289
Office Security	-	-
Insurances (including Trustees Indemnity Insurance)	10,859	10,253
Depreciation	20,397	14,316
Repairs and Renewals	11,015	13,869
Legal and Professional	13,235	13,542
Audit Fee	20,760	15,594
Training Courses	5,274	1,851
Bank Charges and Interest	2,152	1,320
Miscellaneous	-	-
Room Hire	-	-
Diocesan and Archdeacons Registrars Expenses	28,196	26,910
Computer Software and Support	13,228	6,064
Office Equipment	5,046	4,871
Grantfinder	1,449	1,356
Governing Body Meeting Expenses	24,049	25,931
Translation Fees	1,297	121
Diocesan Conference	8,328	8,848
Other Sundry Expenses	2,261	1,845
Medical Fees	-	18
Contribution to Support Costs from Restricted Funds	(85,655)	(81,577)
	<u>597,043</u>	<u>563,618</u>
Governance costs included within the above support costs	<u>81,333</u>	<u>77,283</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

16 MINISTRY SHARE RECEIVABLE

	Opening Balance 1 January 2023 £	Ministry Share 2023 £	Paid 2023 £	Closing Balance 31 December 2023 £	Ministry Share 2022 £
ST DAVIDS ARCHDEACONRY					
Cathedral	(3,163)	41,656	(38,493)	-	41,917
South West Pembrokeshire	(4,535)	173,358	(154,300)	14,523	163,385
Narberth & Tenby	51,912	294,786	(237,113)	109,585	286,763
Roose	92,501	274,041	(175,445)	191,097	269,527
Greater Dewisland	153,148	178,150	(79,991)	251,307	188,457
Daugleddau	46,242	170,996	(110,883)	106,355	173,503
East Landsker	78,054	115,672	(43,079)	150,647	109,696
TOTAL	414,159	1,248,659	(839,304)	823,514	1,233,248
CARDIGAN ARCHDEACONRY					
Bro Teifi	77,083	232,221	(165,997)	143,307	219,793
Bro Aeron Mydr	17,525	66,148	(49,870)	33,803	68,480
Glyn Aeron [Bro Aeron (Coastal)]	26,468	108,936	(77,610)	57,794	108,024
Bro Wyre	16,153	61,139	(39,582)	37,710	60,080
Aberystwyth	59,784	253,482	(298,322)	14,944	258,618
Bro Padarn	10,630	138,076	(115,571)	33,135	139,495
Lampeter	27,469	158,272	(123,110)	62,631	147,077
Emlyn (Dyffryn Teifi)	30,689	117,936	(81,269)	67,356	114,487
TOTAL	265,801	1,136,210	(951,331)	450,680	1,116,054
CARMARTHEN ARCHDEACONRY					
Bro Dyfri	2,464	130,570	(115,402)	17,632	126,541
Bro Aman	64,788	126,274	(167,367)	23,695	128,914
Bro Lliedi	54,094	180,258	(103,267)	131,085	176,367
Bro Gwendraeth	8,975	101,430	(75,506)	34,899	101,860
Bro Glannau Tywyn	8,430	129,450	(122,965)	14,915	129,705
Bro Cydweli	49,432	145,140	(95,476)	99,096	136,032
Bro Dinefwr	6,370	120,483	(112,800)	14,053	116,887
Bro Caerfyrddin	11,213	158,216	(111,186)	58,243	160,549
Bro Sancler	10,878	105,364	(87,718)	28,524	103,442
TOTAL	216,644	1,197,185	(991,687)	422,142	1,180,297
ARCHDEACONRY TOTALS					
ST DAVIDS ARCHDEACONRY	414,159	1,248,659	(839,304)	823,514	1,233,248
CARDIGAN ARCHDEACONRY	265,801	1,136,210	(951,331)	450,680	1,116,054
CARMARTHEN ARCHDEACONRY	216,644	1,197,185	(991,687)	422,142	1,180,297
DIOCESAN TOTAL	896,604	3,582,054	(2,782,322)	1,696,336	3,529,599

Opening and closing balances include amounts received in advance. Paid amounts represent cash received and discounts allowed.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

16 MINISTRY SHARE RECEIVABLE (Cont'd)

	Opening Balance 1 January 2022 £	Ministry Share 2022 £	Paid 2022 £	Closing Balance 31 December 2022 £	Ministry Share 2021 £
ST DAVIDS ARCHDEACONRY					
Cathedral	-	41,917	(45,080)	(3,163)	44,449
South West Pembrokeshire	12,512	163,385	(180,432)	(4,535)	174,443
Narberth & Tenby	30,386	286,763	(265,237)	51,912	302,759
Roose	30,857	269,527	(207,883)	92,501	311,145
Greater Dewisland	60,859	188,457	(96,168)	153,148	163,594
Daugleddau	15,189	173,503	(142,450)	46,242	161,185
East Landsker	44,433	109,696	(76,075)	78,054	102,371
TOTAL	194,236	1,233,248	(1,013,325)	414,159	1,259,946
CARDIGAN ARCHDEACONRY					
Bro Teifi	57,535	219,793	(200,245)	77,083	230,687
Bro Aeron Mydr	7,339	68,480	(58,294)	17,525	65,416
Glyn Aeron [Bro Aeron (Coastal)]	2,211	108,024	(83,767)	26,468	107,349
Bro Wyre	3,603	60,080	(47,530)	16,153	45,288
Aberystwyth	5,129	258,618	(203,963)	59,784	257,471
Bro Padarn	6,954	139,495	(135,819)	10,630	135,864
Lampeter	12,333	147,077	(131,941)	27,469	144,251
Emlyn (Dyffryn Teifi)	15,726	114,487	(99,524)	30,689	112,380
TOTAL	110,830	1,116,054	(961,083)	265,801	1,098,706
CARMARTHEN ARCHDEACONRY					
Bro Dyfri	2,848	126,541	(126,925)	2,464	131,671
Bro Aman	32,371	128,914	(96,497)	64,788	119,929
Bro Lliedi	13,645	176,367	(135,918)	54,094	176,120
Bro Gwendraeth	8,459	101,860	(101,344)	8,975	98,124
Bro Glannau Tywyn	9,589	129,705	(130,864)	8,430	132,509
Bro Cydweli	36,740	136,032	(123,340)	49,432	123,284
Bro Dinefwr	(4,704)	116,887	(105,813)	6,370	108,187
Bro Caerfyrddin	11,845	160,549	(161,181)	11,213	159,347
Bro Sancler	9,059	103,442	(101,623)	10,878	103,995
TOTAL	119,852	1,180,297	(1,083,505)	216,644	1,153,166
ARCHDEACONRY TOTALS					
ST DAVIDS ARCHDEACONRY	194,236	1,233,248	(1,013,325)	414,159	1,259,946
CARDIGAN ARCHDEACONRY	110,830	1,116,054	(961,083)	265,801	1,098,706
CARMARTHEN ARCHDEACONRY	119,852	1,180,297	(1,083,505)	216,644	1,153,166
DIOCESAN TOTAL	424,918	3,529,599	(3,057,913)	896,604	3,511,818

Opening and closing balances include amounts received in advance. Paid amounts represent cash received and discounts allowed.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

17 TANGIBLE ASSETS

	Freehold Property Restricted	Leasehold Premises (More Than 50 Years)	Office Equipment/ Furniture & Fittings Restated	Total Restated
	£	£	£	£
FAIR VALUE				
At 1 January 2023	164,500	101,534	7,069	273,103
Additions	-	-	-	-
Disposals	-	(4,874)	-	(4,874)
At 31 December 2023	<u>164,500</u>	<u>96,660</u>	<u>7,069</u>	<u>268,229</u>
DEPRECIATION				
At 1 January 2023	-	41,122	2,562	43,684
Charge for Year	-	1,146	2,057	3,203
Charge on Disposals	-	-	-	-
At 31 December 2023	<u>-</u>	<u>42,268</u>	<u>4,619</u>	<u>46,887</u>
FAIR VALUE				
At 31 December 2023	<u>164,500</u>	<u>54,392</u>	<u>2,450</u>	<u>221,342</u>
At 1 January 2023	<u>164,500</u>	<u>60,412</u>	<u>4,507</u>	<u>229,419</u>

No depreciation is provided on freehold property as the Trustees are of the opinion that these buildings are maintained in such a state of repair that their residual value is at least equal to their fair value. As a result the corresponding depreciation charge would not be material and therefore is not charged to the SOFA.

A valuation of the freehold property was undertaken at 31 December 2017, in accordance with the requirements of FRS102 and the fair value was adjusted to reflect the valuations.

Fair Value is Represented by:

	Freehold Property Unrestricted	Freehold Property Restricted	Leasehold Premises (More Than 50 Years)	Office Equipment/ Furniture & Fittings	Total
	£	£	£	£	£
Cost/Valuation	-	164,500	96,660	7,069	268,229
	<u>-</u>	<u>164,500</u>	<u>96,660</u>	<u>7,069</u>	<u>268,229</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

17 TANGIBLE ASSETS (Cont'd)

FREEHOLD PROPERTY VALUATION

Numerous properties are registered with the Land Registry in the name of the Board. Exact ownership of some of these properties and any trustee status has, to date, been investigated on a case-by-case basis, with the Charity Commission and/or the Welsh Government.

In 2014 the Board awarded a contract to seek to ascertain the ownership of those properties with the intention of including those identified as being owned by the Board in its financial accounts. This work was completed in 2016. There is still additional work to be undertaken to ascertain the ownership of several properties. No value has been placed on properties which are either subject to a reverter or where it has not been possible to ascertain its status.

The freehold property relates to properties owned by the Endowed Schools Fund and includes one property which is leased and four former schools which are either used as church halls or a Community Association.

The leased property was valued at 31 December 2016 by an independent valuer, while the other four properties have been valued by Directors/Trustees.

LEASEHOLD PREMISES

The leasehold was taken out on 10 September 1973 for a period of 99 years and any improvements are written off over the unexpired period of the lease.

Following the renovation works on the Diocesan Office, which were completed late 2011, a new lease was to be re-drafted.

HERITAGE ASSETS

The Board holds land and buildings as Custodian Trustee which the Charities SORP 2015 (FRS 102) classed as inalienable assets.

The land and buildings are primarily used as schools and church halls. Due to the nature of the assets the Trustees of the Board are of the opinion that they fall within the scope of heritage assets given in the Charities SORP 2015 (FRS 102).

The age of the buildings vary significantly but the Board became Custodian Trustee of the majority of the properties between 1944 and 1947.

18 INVESTMENTS

	2023		2022	
	Market Value £	Cost £	Market Value £	Cost £
Restricted Capital Endowment Fund	2,604,074	2,305,679	2,568,446	2,798,101
Restricted Income Funds:				
Diocesan Ordinands Fund	52,410	47,378	50,721	49,302
Endowed Schools Fund	46,913	42,408	45,400	44,130
	99,323	89,786	96,121	93,432
Designated Funds:				
M H Jones Olszwelski	1,636,336	1,479,217	1,583,590	1,539,286
Unrestricted General Fund	1,120,495	1,012,907	1,084,377	1,054,040
	5,460,228	4,887,589	5,332,534	5,484,859

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

18 INVESTMENTS (Cont'd)

The above investments can also be analysed as follows:

	2023	2022
Listed Investments	4,365,027	4,572,766
Government Securities and Fixed Interest	928,018	733,535
Cash Held on Deposit	167,183	26,233
	<u>5,460,228</u>	<u>5,332,534</u>

	2023	2022		
	Fair Value	Cost	Fair Value	Cost
	Restated	Restated	Restated	Restated
	£	£	£	£
Investment Properties - Unrestricted Funds	<u>2,516,907</u>	<u>882,235</u>	<u>2,516,907</u>	<u>882,235</u>

	Investments	Investment Properties	Total Investments
	£	£	£
		Restated	Restated
At 1 January	5,332,534	2,516,907	7,849,441
Additions	570,082	45,922	616,004
Disposals	(443,235)	-	(443,235)
Realisation of Trust Capital	(201,086)		(201,086)
Realised Gains/(losses)	(32,609)		(32,609)
Unrealised Gains/(Losses)	288,212	-	288,212
Cash movement	140,950	-	140,950
Equilibrium Adjustment	(194,619)	(19,252)	(213,871)
At 31 December	<u>5,460,228</u>	<u>2,543,577</u>	<u>8,003,806</u>

The freehold investment properties of the Board have been valued at fair value for investment purposes at £2,516,907 by a qualified independent valuer at 31 December 2017 and show a surplus of £1,678,765 over the cost. Four of the investment properties are leased. The land pertaining to two other properties are also leased.

Two properties valued at £195,000 are included in the accounts for 2017 having been identified as being owned by the Board, in 2017.

The conversion of the farmhouse, one of the Board's investment properties, into two holiday lets was completed in September 2016 and are now actively being marketed.

Realised gains or losses arising from disposal of investments are included in the SOFA under the relevant funds.

The market value of investments has been taken at 31 December 2023 and includes all monies on deposit at cost.

In accordance with the Charities SORP 2019 the figures in the accounts are the market value of the investments.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

19 LONG TERM DEBTORS

	2023	2022
	£	£
Loans	271,641	271,324
	<u>271,641</u>	<u>271,324</u>

LOANS AS AT 31 DECEMBER 2023

	Balance 1 January 2023 £	Advance 2023 £	Interest 2023 £	Repaid 2023 £	Balance 31 December 2023 £
Diocesan Loans:					
Retired Clergy 1.5% Housing Loans	5,049	-	317	-	5,366
	<u>5,049</u>	<u>-</u>	<u>317</u>	<u>-</u>	<u>5,366</u>
Provincial Housing Loans:					
Equity Linked	266,275	-	-	-	266,275
	<u>266,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,275</u>
Totals	<u>271,324</u>	<u>-</u>	<u>317</u>	<u>-</u>	<u>271,641</u>

Provincial and Clergy Housing Loans are repayable on death or sale of property.

20 DEBTORS

	2023	2022
	£	£
Ministry Share Receivable from Churches (Less Provision)	184,374	144,161
Sundry Debtors and Prepayments	190,893	183,782
	<u>375,267</u>	<u>327,943</u>

	Total	2023	2022	2021	2020
	£	£	£	£	£
Ministry Share Receivable at 31/12/23	1,696,336	915,805	512,799	169,468	98,264
Less Provision	<u>(1,515,143)</u>				
Total receivable remaining	<u>181,193</u>				

21 CREDITORS DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade Creditors	22,950	55,249
Restricted Trade Creditors	55,031	73,293
Accruals	208,800	193,880
Restricted Accruals	-	10,636
Deferred Income	136,764	-
Other Creditors	458,185	549,502
Other Taxes and Social Security	5426	9,607
Ministry Share Received in Advance	3,180	144,748
Rents in Advance	4,636	-
Restricted Funds Creditors	381,666	622,429
	<u>1,276,638</u>	<u>1,659,344</u>
Deferred Income (Ministry Share Received in Advance)		
Brought forward	144,748	22,714
Received in the year	3,582,054	3,582,054
Released	<u>(3,723,622)</u>	<u>(3,460,020)</u>
Carried Forward	<u>3,180</u>	<u>144,748</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the Year Ended 31 December 2023

22 CREDITORS DUE MORE THAN ONE YEAR

2023

2022

£

£

Due to the Representative Body of The Church in Wales

266,275

266,275

Provincial Housing Loans are repayable on death or sale of property.

Amounts due to the Representative Body of The Church in Wales have no specific repayment terms. However, repayment is immediate on death or sale of property.

23 RESTRICTED CAPITAL PERMANENT ENDOWMENT FUND

2023

2022

£

£

Balance as at 1 January

2,830,052

4,351,301

(Deficit)/Surplus for the Year

(194,765)

(1,140,080)

Net Gain/(Loss) on Investments

253,287

(381,169)

Balance as at 31 December

2,888,574

2,830,052

Represented by:

Capital

2,305,679

2,798,101

Income

284,500

261,604

Unrealised Profit (Market Value less Cost)

298,395

(229,655)

2,888,574

2,830,052

Endowment funds have been entailed over many years and relate in the main to funds held on behalf of parishes.

Investment returns are released to the parishes, where applicable. When returns are not released, they are retained by the Board within this Fund.

The Trustees have reference to legal advice provided by Carreg Law, solicitors; one of the Board's legal advisers.

2023

2022

£

£

At 1 January

2,830,052

4,351,301

Capital Introduced

-

48

Trust Income Received

125,782

149,074

Payment of Trust Income to Parishes etc.

(92,210)

(160,887)

Capital Withdrawn

(201,086)

(1,097,726)

Realised Gains

(16,195)

89,282

Unrealised Gains/ (Losses)

269,482

(470,451)

Investment Managers and Administration Fees

(27,251)

(30,589)

2,888,574

2,830,052

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

24 RESTRICTED INCOME FUNDS

The Restricted Income Funds are restricted funds and are used for the following purposes:

Diocesan Ordinands Fund - For training for the Ministry in the Church in Wales

Diocesan Endowed Schools Fund - For the erection, construction and/or repairs to Church Schools in the Diocese

Spirituality Fund - For specific missionary purposes including the payment for retreat and quiet days

Community Project Fund - For financing community projects including the building of community centres

Parsonage Board Fund - For the repair, maintenance and refurbishment of parsonages. Financed by the Diocesan Board of Finance and the Representative Body of the Church in Wales

Church Insurance Contingency Fund - Additional contributions from parishes to provide a working fund to ensure the block insurance is paid on time

Church Repair Grants - For church repair and improvement grants.

Evangelism Fund - For three sub-projects in different areas to engage with people who have not been baptised to a living Christian faith. Mostly funded from The Representative Body evangelism fund grant.

	1 January 2023 £	Income £	Transfers £	Expenditure £	31 December 2023 £
Diocesan Ordinands Fund	55,095	3,170	-	(303)	57,962
Diocesan Endowed Schools Fund	686,151	81,873	(37,474)	(79,099)	651,451
Spirituality Fund	109,211	3,000	-	-	112,211
Community Project Fund	5,568	-	-	-	5,568
Parsonage Board Fund	925,046	475,189	458,740	(868,828)	990,147
Church Insurance Contingency Fund	58,009	-	-	(1,424)	56,585
Church Repair Grant (Limited)	162,794	-	-	(46,356)	116,438
Church Repair Grant (Unlimited)	72,000	-	-	-	72,000
Evangelism Fund	114,261	142,039	-	(128,877)	127,423
	<u>2,188,135</u>	<u>705,271</u>	<u>421,266</u>	<u>(1,124,887)</u>	<u>2,189,785</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the Year Ended 31 December 2022

24 RESTRICTED INCOME FUNDS (cont.)

	1 January 2022 £	Movement in Resources			31 December 2022 £
		Income £	Transfers £	Expenditure £	
Diocesan Ordinands Fund	59,316	1,320	-	(5,541)	55,095
Diocesan Endowed Schools Fund	790,632	31,713	(35,690)	(100,504)	686,151
Spirituality Fund	106,211	3,000	-	-	109,211
Community Project Fund	5,568	-	-	-	5,568
Parsonage Board Fund	834,191	257,376	429,613	(596,134)	925,046
Church Insurance Contingency Fund	58,808	-	-	(799)	58,009
Church Repair Grant (Limited)	118,084	62,500	-	(17,790)	162,794
Church Repair Grant (unlimited)	72,000	-	-	-	72,000
Evangelism Fund	131,892	91,972	-	(109,604)	114,260
	<u>2,176,702</u>	<u>447,881</u>	<u>393,923</u>	<u>(830,372)</u>	<u>2,188,134</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the Year Ended 31 December 2023

25 DESIGNATED FUNDS

The designated funds are used for the following:

Redundant Churches Fund - To assist with the financial consequences of church closure.

Strategy for Ministry Fund - For new Mission and Ministry in the Diocese.

Penlan Farm Fund - For Renovation/Restoration work.

M H Jones-Olszewski Fund - A memorial fund for the maintenance of mission and ministry.

Children & Youth Mission Work Fund - To fund Children and Youth Mission and Outreach initiatives.

Pensions & Assistance Fund - To provide additional grants to Widows, Orphans and Dependents.

Safeguarding Fund - To assist with costs incurred in the event of an investigation.

Fundraising - Chairman's fundraising fund.

	1 January 2023	Movement in Resources			31 December 2023
	£	Income £	Transfers £	Expenditure £	£
Redundant Churches Fund	22,587	-	-	-	22,587
Bishop's Strategy for Ministry Fund	83,799	-	35,041	(500)	118,340
Forth Archdeconry Fund	84,934	-	15,066	(53,276)	46,724
LMA Support and Development	71,158	-	-	(21,176)	49,982
Grants Fund	57,676	5,777	35,041	(9,146)	89,348
Penlan Farm Fund	52,222	-	-	-	52,222
M H Jones-Olszewski Fund	1,673,607	98,790	(25,000)	(19,235)	1,728,162
Children & Youth Mission Work Fund	96,058	1,233	3,942	(17,199)	84,034
Pensions & Assistance Fund	3,254	20,736	(23,990)	-	-
Safeguarding Fund	40,764	-	-	-	40,764
Fundraising	52	18	-	-	70
	<u>2,186,111</u>	<u>126,554</u>	<u>40,100</u>	<u>(120,532)</u>	<u>2,232,233</u>

	1 January 2022	Movement in Resources			31 December 2022
	£	Income £	Transfers £	Expenditure £	£
Redundant Churches Fund	22,587	-	-	-	22,587
Bishop's Strategy for Ministry Fund	354,710	-	(270,911)	-	83,799
Forth Archdeconry Fund	-	-	135,251	(50,317)	84,934
LMA Support and Development	-	-	91,059	(19,903)	71,156
Grants Fund	-	1,377	74,442	(18,144)	57,675
Penlan Farm Fund	52,222	-	-	-	52,222
M H Jones-Olszewski Fund	1,840,425	38,070	(30,000)	(174,888)	1,673,607
Children & Youth Mission Work Fund	92,440	880	10,000	(7,262)	96,058
Pensions & Assistance Fund	3,255	35,850	(35,850)	-	3,255
Safeguarding Fund	40,765	-	-	-	40,765
Fundraising	40	11	-	-	51
	<u>2,406,444</u>	<u>76,188</u>	<u>(26,009)</u>	<u>(270,514)</u>	<u>2,186,109</u>

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

26 <u>GENERAL PURPOSES FUND</u>	2023 £	2022 £
Balance as at 1 January	5,549,897	6,234,940
Surplus/(Deficit) for the Year (after transfers)	(165,183)	(573,310)
Net (Loss)/Gain on Investments	42,586	(111,733)
Properties Introduced	-	-
Balance as at 31 December	5,427,300	5,549,897

27 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Restricted Capital Endowment Funds £	Total Funds £
Fund Balances at 31 December 2023 are represented by:					
Tangible Fixed Assets	56,842	-	164,500	-	221,342
Investment Assets	3,664,073	1,636,336	99,323	2,604,074	8,003,806
Long Term Debtors	-	-	-	-	-
Net Current Assets	1,972,660	595,897	1,925,962	284,500	4,779,019
Long Term Liabilities	(266,275)	-	-	-	(266,275)
	5,427,300	2,232,233	2,189,785	2,888,574	12,737,892

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Restricted Capital Endowment Funds £	Total Funds £
Fund Balances at 31 December 2022 are represented by:					
Tangible Fixed Assets	64,919	-	164,500	-	229,419
Investment Assets	3,601,284	1,583,590	96,121	2,568,446	7,849,441
Long Term Debtors	271,324	-	-	-	271,324
Net Current Assets	1,878,645	602,519	1,927,513	261,606	4,670,283
Long Term Liabilities	(266,275)	-	-	-	(266,275)
	5,549,897	2,186,109	2,188,134	2,830,052	12,754,192

THE ST DAVIDS DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the Year Ended 31 December 2023

28 RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES BEFORE UNREALISED GAINS

	2023	2022
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	(16,300)	(2,415,195)
<i>Adjustments for:</i>		
Depreciation charges	3,203	5,393
Realised (gains)/losses on investments	428,039	666,011
Transfers to investment properties		14,707
Dividends, interest and rents from investments	(525,393)	(563,275)
Loss/(profit) on the sale of fixed assets	4,871	-
(Increase)/decrease in debtors	(47,641)	299,296
Increase/(decrease) in creditors	(382,706)	190,946
Donations received for Endowment Fund Assets	(268,680)	(48)
Net Cash provided by/(used in) operating activities	(804,607)	(1,802,165)
Analysis of cash and cash equivalents		
Cash in hand	5,408,751	6,001,684
Short Term investments	-	-
Cash held within investments	167,183	26,233
Total Cash and Cash Equivalents	5,575,934	6,027,917

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

29 TRUSTEES AND EMPLOYEES

Payments amounting, in total, to £2,650 (2022: £4,790) were made to 8 (2022: 6) Trustees during the year for travelling expenses when attending Board Meetings or other Diocesan matters.

No payments were made to Trustees in respect of their duties as Trustees of the Board. However, payments were made to 8 (2022: 8) Trustees for other duties amounting to £12,713 (2022: £18,849). Payments of £28,013 (2022: £26,910) were paid to the Diocesan Registrar.

The amount outstanding to trustees at the year end was £2,719 (2022: £16,428)

	2023 £	2022 £
EMPLOYEES:		
Staff Costs		
Gross Wages and Salaries	434,930	436,357
Redundancy costs	-	-
Employers NI	42,415	44,041
Other Pension Costs	58,041	60,044
	<u>535,386</u>	<u>540,442</u>
	2023	2022
The number of employees whose total employee benefits (excluding employers pension costs) purposes was as follows:		
£60,000 - £70,000	<u>2</u>	<u>1</u>
	2023 £	2022 £
The remuneration for Key Management personnel was	<u>219,111</u>	<u>208,019</u>
Average number of persons employed:		
Head Count	<u>14</u>	<u>15</u>
Full Time Equivalent	<u>9</u>	<u>15</u>

30 PENSION COSTS

Defined Contribution Scheme:

The pension cost charge for the year is £58,041 (2022: £60,044). Unpaid contributions to the scheme at 31 December 2023 amounted to £4,575 (2022 £4,094).

31 AUDITORS REMUNERATION

The auditors remuneration as auditors amounted to £13,140 (2022: £15,594)

32 TAXATION

The company is a registered charity and as such is not subject to United Kingdom taxation.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

33 CAPITAL AND OTHER COMMITMENTS

Capital Commitments

The Board has decided that it will not now consider purchasing the Diocesan Office from the Representative Body of the Church in Wales . An accrual in respect of the ground rent due has been provided in the accounts.

Other Commitments

At the Balance Sheet date the Board had contracted for the following expenditure:

- The Board has agreed for additional legal work to be undertaken in relation to the Trusts and to obtain the basis on which they are held by the Board. The cost of this work will be billed at the usual hourly rate.

At the Balance Sheet date the Board had authorised but not contracted for the following expenditure:

- The Board has agreed to pay a contribution of £8,333 to the Emergency Aid Fund held by the Representative Body of the Church in Wales. This Fund is used to help Parishes meet the cost of emergency repairs to churchyard walls etc. where there are no other funding sources available.
- The Board has agreed to provide grants amounting to £7,900, from the Grant Fund to facilitate the formation of and projects in Local Ministry Areas.
- The Board has agreed to provide grants amounting to £64,103, from the church repair fund to facilitate repairs and improvements to churches.
- The Board has also agreed to fund the following commitments from the M H Jones-Olszwelski Designated Fund:
 - > A grant of £10,000 to the church at Saron, where the deceased used to worship, for the erection of a commemorative plaque and necessary alterations. The balance of this grant, amounting to £144, is anticipated to be paid out in 2024.
 - > £100,000 to be given to St Davids Diocesan Housing Association for renovation works. These properties are currently used to house retired clergy. During 2015, £98,215 of this grant was requested leaving the balance of £1,785 to be claimed in future years.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

33 CAPITAL AND OTHER COMMITMENTS (Cont'd)

Other Commitments (Cont'd)

- > Grants in respect of Social Responsibility projects, amounting to £301,350, were awarded during 2015. At the Balance Sheet date £282,836 had been paid out. The remaining grants awarded £18,514, are scheduled to be released in 2024/25.

The Parsonage Board Fund had commitments of £261,782 at the Balance Sheet date relating to repair work of which £54,536 will be reclaimed from the Representative Body of the Church in Wales.

The Diocesan Board of Finance are engaged in property litigation given their legal status as custodian trustee of a held on trust for a Church.

The litigation is against both (a) a tenant of a property of the DBF (which is held on trust for the Church) and (b) a neighbouring property. The litigation relates to a right of way dispute, boundary discrepancy and potential breach(es) of lease. Given a judgement in court, it is estimated the DBF will be liable for the legal fees of both the defendants in the litigation estimated at £29,496. These amounts have not been provided for in the accounts.

These amounts have not been provided for in the accounts.

34 CONTINGENT LIABILITIES

A potential claim has been lodged for £50,000 in respect of the sales proceeds from Burrows Field, St Davids. The proceeds of sale have been transferred into the Penlan Farm Designated Fund and ring fenced.

35 RELATED PARTY TRANSACTIONS

The St Davids Diocesan Housing Association

The Board agreed in 2014 to grant £100,000 from the M H Jones-Olszweski Designated Fund to the Housing Association towards renovation works to be undertaken to its properties during 2015. The properties are currently used to house retired clergy. £98,215 of the grant has been utilised with the balance due to be spent in 2024/25.

The Housing Association pays ground rent to the Representative Body amounting to £11,472 per annum.

The following Directors are also Directors of the St Davids Diocesan Housing Association: Mr N C P Griffin, Bishop of St Davids, Ven Dr M Hill, Ven P R Mackness and Ven RHE Davies.

The Representative Body of the Church In Wales

The following Directors are also Directors of the Representative Body of the Church in Wales: Mr T Llewellyn, Mrs H Evans, Ven P R Mackness and Mrs J Hayward. The amount of £425,112 was outstanding to the RB as at 31 December 23.

The Church Army

The following Director is also Director of the Church army: The Rt Reverend J S Penberthy Bishop of St Davids. The amount of £4,360 was outstanding to the Church Army at year end.

36 ULTIMATE CONTROLLING PARTY

There is no individual controlling party as the charity is managed by a Board of Trustees as detailed on pages 12 and 13.

THE ST DAVIDS DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
For the Year Ended 31 December 2023

37 OPERATING LEASE COMMITMENT

	2023	2022
	£	£
Within One Year	3,382	7,538
Between two and five years	-	3,382
	<u>3,382</u>	<u>10,920</u>

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