

THE LLANDAFF DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 242452

Details

Status Registered

Legal form Charitable company

Company number [00488549](#)

Registered 1965-05-20

Register [View on the Charity Commission register](#)

Contact

Address Llandaff Diocesan Board Of Finance
The Court
Coychurch
Bridgend
CF35 5EH

Phone 01656868868

Email diocese.llandaff@churchinwales.org.uk

Website llandaff.churchinwales.org.uk

Activities

Objects: 2.1 The Objects of the Charity are for the public benefit to promote, aid, further and assist wholly charitable objects and work of The Church in Wales (wherever carried out but in particular in the ecclesiastical area known as the Diocese of Llandaff).

Activities: FINANCING THE PROVISION OF PAROCHIAL CLERGY WITHIN THE DIOCESE OF LLANDAFF, PART OF THE CHURCH IN WALES, AND OTHER PURPOSES WITHIN THE MISSION AND MINISTRY OF THE CHURCH IN WALES IN THE DIOCESE OF LLANDAFF

Classification

- **How:** Provides Human Resources, Provides Services
- **What:** Accommodation/housing, Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** THE PRINCIPALITY OF WALES, THE COUNTY OF MONMOUTH ANDDIOCESE OF LLANDAFF
- Bridgend
- Caerphilly
- Cardiff
- Merthyr Tydfil
- Neath Port Talbot
- Newport City
- Powys
- Rhondda Cynon Taff
- Torfaen
- Vale Of Glamorgan

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£7,089,163	£8,125,441	£24,810,419	30
2023-12-31	£7,170,987	£7,966,449	£25,307,469	26
2022-12-31	£6,515,937	£7,456,462	£25,559,541	22
2021-12-31	£8,214,600	£8,228,431	£27,175,735	13
2020-12-31	£8,734,178	£9,074,405	£26,536,950	13

Trustees

Name	Role	Appointed
Michael Anthony Lawley	Chair	2015-09-22
Anna Cory		2016-08-17
Christian Salisbury		2026-03-03
David Julian Luke		2026-02-01
Dr Elizabeth Heather Payne		2026-02-01
Rev Richard Gratton		2026-01-31
Rev Robert John McDonald		2026-01-31
Revd Canon Michael David GABLE		2024-11-15
Rhys Evans		2026-02-01
The Right Reverend Mary Kathleen Rose Stallard		2023-04-19
The Venerable Roderick Ernest Alexander Green		2021-09-05
Venerable Anne-Marie Louise Renshaw		2025-09-21
Venerable Mark Richard Preece		2024-01-07

Accounts

REGISTERED COMPANY NUMBER: 00488549 (England and Wales)
REGISTERED CHARITY NUMBER: 242452

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2024**

FOR

LLANDAFF DIOCESAN BOARD OF FINANCE

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

LLANDAFF DIOCESAN BOARD OF FINANCE

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FOR THE YEAR ENDED 31 DECEMBER 2024**

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LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2024. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Faith Matters". Our shared aims are: Telling a joyful story, Growing the kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Ministry Areas within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. During 2024 the DBF implemented a new process in place of the old Fairer Share system based on church attendance, and asked Ministry Areas to pledge contributions to a Common Fund to cover the costs of the ministry of the church together, distributing funds throughout the diocese and from year to year.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES

Key Events of 2024

Diocesan Vision and Evangelism Fund

In her address to Diocesan Conference in 2023, Bishop Mary simplified the strapline of the Diocesan Vision to Faith Matters, and focused our attention across the Diocese on these four drivers of the Diocesan vision being: Prayer-Engagement-Learning-Mission, as symbolised by the four legs of the Majestas in Llandaff Cathedral, and delivered through considering the pathway of faith, from engagement, through invitation and welcome, to nurture.

Throughout 2024 the Bishop's Council and diocesan staff continued to provide support and advice to Ministry Areas. This year has been a year of settling into new ways of working and many Ministry areas are beginning to live into the opportunities that this new method of working provides.

Colleges have continued to meet to strengthen Ministry Areas, to support those in key roles and enable them to share their experiences, challenges and solutions. These colleges have continued to give feedback and suggest ideas or support that the diocese can most helpfully provide. The Bishop convened Colleges of Ministry Area Leaders and Vicars, the DBF Chair convened the College of Ministry Area Lay Chairs, and the Director of Finance, HR and Administration convened the College of Ministry Area Treasurers. These proved helpful in providing support on practical and conceptual matters as well as guiding Ministry Areas in developing their own strategic plans.

The Archdeacons' visitations focused on evangelism this year and steered our MACs to consider how they would develop their own mission plans. Significantly, there have been more applications to the DBF Mission Grant fund than in recent years as MACs identify opportunities to reach out into their local communities in a variety of ways. Slowly, we are beginning to see signs of new growth shoots as more and more Ministry areas focus on their outward facing ministries afresh.

Mission

Citizen Church:

The church has experienced a very challenging time in 2024. In March 2024 the then Vicar Rev Ryan Forey resigned his position. The Associate Vicar, the Revd Mark Simpson, was invited by the Bishop of Llandaff to become Acting Vicar. Revd Mark Simpson was licensed by the Bishop as Vicar of St Teilo's on 17th September 2024. Both Rev Simpson and the PCC have remained committed to the vision statement of the church: to play our part in the evangelisation of the nation, the revitalisation of the church and the transformation of society.

Students continued to be a major focus of outreach and ministry, especially in the Cathays and Pontypridd locations. Students can be linked with mentors within the church, to serve as volunteers on various teams, to lead or join weekly small groups, or to consider baptism. Children and youth provision has expanded to include Pontypridd, and the Youth work has continued to thrive. Alpha remains foundational to their activities as a church, with courses running in Cathays, Pontypridd and Senghenydd and both HMPs Cardiff and Parc in Bridgend throughout the year. Discipleship groups met regularly across multiple locations in homes and other spaces, with a successful programme of Summer Groups, meeting over a short period during the summer. The internship programme continued, giving interns a breadth of experience across the church's activity. Interns were enrolled on the Church in Wales Apprenticeship in Christian Ministry at St Padarn's, which gives them a Level 4 qualification. Currently 7 members of the congregation are exploring ordination.

Prison services are held regularly in HMP Cardiff and HMP Parc, at the invitation of the chaplaincy teams. SPEAR has continued to run in 2024, in partnership with Resurgo, building to a cohort of 10 by the end of the year. SPEAR helps young people facing barriers to employment to develop the mindset and skills needed to get into work. Citizen Coffee continued in the Cathays location, as a social enterprise offering barista training to refugees and asylum seekers, in partnership with other local charities and social enterprises. It is a key place of welcome for many people.

Despite a challenging year there is a regular congregation of 400+ across all the services and sites per week and special events attract 500+ people.

Young Faith Matters:

Currently the YFM team regularly engages with 8 secondary schools. Engagement varies from school to school but includes the delivery of the Flourish Programme in three schools and Christian Unions, Youth Alpha and discipleship courses in others. The challenge remains in the majority of MAs in how to make strong connections between the churches and the schools. Similarly, although some areas of the Diocese are confident to engage with Primary Schools many are not. The YFM team run Flourish in 15 Primary Schools with up to 6 cohorts being run across a year in a single school. This is proving to be very popular with schools as it addresses the mental health and wellbeing agendas amongst children. Church in Wales School staff, clergy and our team all facilitate sessions in other settings as well.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES

Like other Churches, and Anglican dioceses across Wales, Llandaff Diocese continues to be challenged by little provision for young people. Cardiff has a number of Youth Groups run by the churches with other provisions located in Penarth, Port Talbot and Aberdare. This relies heavily upon a good volunteer base and although there is a willingness in some areas to start such provision this is limited by capacity. The team have had requests for assistance to run their clubs even in well established areas.

The YFM team frequently work in partnership with like minded organisations. Message Wales facilitates a regular youth gathering which has been well attended by members of CinW youth groups from Cardiff. A band night in Pontypridd attracted young people from Aberdare and the Pontypridd area. The YFM team have supported our churches in being part of this.

Over 100 schools are visited regularly with over 12700 young people involved with faith activities including Flourish. Over this year they have seen over 1200 young people and children engaging in church activities with 75 young leaders which are developing mainly in the South of the Diocese. The Experience 'approach' e.g. Experience Christmas, Easter, Pentecost etc has proved very popular. Churches are gaining confidence to deliver these themselves which enables the team to work alongside churches that are less confident. Encouraged by the team volunteers are now learning to take the chance to invite participants to special services, targeted at young people.

Growth Enablers:

The Growth Enablers have engaged with every Ministry area this year. Relationships have been key to this engagement, gaining trust, firstly leading and then empowering others through coaching, modelling and supporting. There has been an emphasis on pathways and what's next which has been helpful for MAs to move away from one off events. We have throughout the year led and facilitated over 15 courses (with more planned) such as

- Alpha
- The Bible course
- The Romans Course
- Everybody Welcome
- Taking the plunge

In some areas these courses have had over 20 people a session, with demand for two sessions a week, and we have empowered churches with coaching to deliver further sessions themselves. Through specific support 9 churches across the Diocese have reported an increase in attendance at worship services.

Outreach and Social Justice:

Ruth Young our outreach worker has worked on pre-school activities. She has worked with Rev Lizzie Tremble to develop resources to help those setting up a baby and toddler. A month of prayer was launched for toddler groups, plus a weekly blog post about the work baby and toddler groups do, as well as highlighting resources. The month ended with a zoom gathering to pray for baby and toddler groups with 5 different churches and groups represented. Churches were supported in setting up baby and toddler groups and a mailing list was created to send out termly info and resources and to encourage them to share faith through their groups. Ruth also took on responsibility for Christians Against Poverty and Restored across the diocese, liaising with organisations and with clergy in these key partnerships addressing issues of social justice. During the year we bade farewell to Christoph Auckland, our Outreach and Social Justice lead, to answer the call to ordained ministry, and in early 2025 Ruth started a full time role with East Cardiff Ministry Area in Monmouth diocese. Although sad to see them go we wish them all the best and many blessings, and we are sure our paths will cross again.

The Diocese partners with the Church Army 'Centre for Mission' which currently has a trainee pioneer evangelist and a lead evangelist focused at St John's in Cardiff City centre on their Good Company initiative and the Grace Café for those who find themselves on the fringes of society. This demands a huge commitment and the support from volunteers from the Cathedral and St John's helps enormously. This missional endeavour has created space for these people to engage with regular services and a recent Christingle service enabled many unchurched to access church in a comfortable way.

The leads for each of these teams are members of our 'Integrated Mission team', along with the Head of Communication, our Lead Children's adviser and our Head of Education. Rev Canon Tim Jones, Director of Ministry and Discipleship is also a part of this team to ensure that the connection between mission and ministry is secure. This team reviews the deployment of resources across the Diocese ensuring that there is a good understanding of what is being delivered and how cross-pollination can take place effectively. The Integrated Mission team focuses on the strategy, reinforced by the Archdeacon's visitations of engage, invite, welcome, nurture.

There are many challenges ahead as MAs consider what they will prioritise in their Evangelism plans. Hopefully a renewed focus on being more intentionally missional as God's church will reap further fruit as, based on a foundation of prayer, we tell the joyful story, build our capacity for good and grow the kingdom of God together.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

OBJECTIVES AND ACTIVITIES

Ministry & Discipleship

Within the Ministry Team a central event of 2024 was the departure of Canon Ryan Green, the Diocesan Director of Ordinands and Canon Theologian at the Cathedral. Ryan left in November in order to explore his own vocation to Benedictine monastic life with the Community of the Resurrection in West Yorkshire. Ryan had not quite been in post for two years, but did a great deal in that time to restructure the diocesan vocations programme following the inevitable disruption of the vocations pipeline caused by the pandemic. Over 2024 there were 10 ordinations to the priesthood, and 8 ordinations to the diaconate, most of them at Petertide. Six new Llandaff ordinands began their period of formation at St Padarn's, bringing the total number of Llandaff ordinands to 10, eight of whom are training for stipendiary ministry. In preparation for Ryan's departure, Bishop Mary invited the Revd Rhys Jenkins to act as Assistant DDO then Interim DDO. Rhys will continue in that role until Canon Ian Hodges, currently Ministry Area Leader of the Pedair Afon MA and Area Dean of Bridgend Deanery, takes up his new appointment as DDO early in March 2025: we are grateful indeed for the calm wisdom that Rhys has brought to the role. There are currently about a dozen enquirers actively exploring the possibility of a call to ordained ministry. Gratitude is also owed to Dr Julie Davies in her role as Ministry Development Officer. The transition into ordained life can be challenging, and much of Julie's time in 2024 has been taken up with the care of Newly Licensed Ministers.

The five-yearly Clergy School took place in May 2024: most stipendiary clergy, many self-supporting clergy, and several other diocesan staff in various ministry roles spent four days in York. The theme was the Ascension, and the School was addressed by several excellent ministry practitioners and theologians: Ian McIntosh, David Moffatt, Michael Leyden, and Simon Oliver. For much of our worship together we were hosted by Bishop Glyn Webster at St Mary's Bishophill Junior. We were very well cared for by two visiting chaplains, Frankie Ward and Peter Powell. The weather was kind, and we generally enjoyed a good and useful week together.

There were other significant visiting theologians to the diocese in 2024. Jessica Martin explored Eucharistic theology; Jordan Hillebert explored the nature and purpose of prayer, and its relationship to Scripture; and Sharon Dirckx explored apologetics in the context of the advent of Artificial Intelligence. These were all generally well attended and appreciated.

Given the investment of time and resources in Clergy School, there was only one gathering of the College of Clergy in 2024. This concentrated on Clergy Wellbeing, which remains a significant focus of Bishop Mary's agenda. The Ministry team took on responsibility for the administration of the Ministry Development Review programme in the autumn of 2024. In this we are grateful for the assistance of Bernie Bettison, of the diocesan admin team.

The Llandaff Retired Clergy Association has been ably led for some years by the Revd Bernard Lewis Jones. Bernard stepped back from this role in the Spring, and has been succeeded by the newly-retired Archdeacon Mike Komor. The RLCA produces a good regular newsletter, arranges social events, and has advocated in 2024 for a smoother process for using and reimbursing retired clergy to cover services in Ministry Areas across the diocese.

In July the Festival of Prayer took place, again at St Teilo's Church in Wales High School in Cardiff. There were several speakers of note: Rowan Williams, John Bell, Anne Spalding, Trystan Hughes, Debbie Orriss, Darren Middleton, Aidan Hart and Jeff Hankins. Attendances at the Festival of Prayer have never quite reached the pre-pandemic levels. A steering group has decided to experiment with holding the Festival of Prayer at a different time of year: July makes it very difficult for students to participate. The aim is therefore to hold the next Festival of Prayer in the spring of 2026.

After some 20 years of dedicated service, the Revd Roy Saunders stepped back from preparing the regular diocesan prayer intentions. Only then was it quite realized what a significant regular task this had been, and how much time and effort had been given by Roy over the years, for which the diocese owes him a debt of gratitude. The significant ministry of revising and preparing a regular prayer calendar has been picked up by the Revd Ceri John.

Although we are unable to appoint someone to the anticipated Lay Ministry Development Officer post, the development of lay ministry will be a significant priority for 2025. Although there was some good work done to train and commission people as Pastoral Visitors and Lay Worship Leaders, much more needs to be done to promote and strengthen licensed lay ministry, particularly Readers. I am grateful indeed to Penny Williams, Duncan Ballard, Iwan Russell-Jones and Amanda Russell-Jones for all of their efforts in support of the development of Reader ministry.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRATEGIC REPORT

Financial position

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 83% of its unrestricted expenditure in 2024. Conscious of the need to keep demands on Ministry Areas to that which is perceived as affordable by those Ministry Areas, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2024 from its reserves. As in previous years the Board intended to use its reserves to fund the Diocesan Vision while the requirement for ministry covered by Common Fund is likely to rise year on year. We gratefully benefited from continued financial support from the Representative Body in Partnership Funding towards core costs, and Structural Resilience Funding to provide support across the diocese.

Total incoming resources of £7.09 million included: approximately £1.1 million received from the Representative Body; £4.6 million collected by Fairer Share and £0.6 million grants received for investment in new and improved church school buildings. Total resources expended were £8.1 million and included £4.84 million for support of the ministry, £1.1 million in support of Ministry Areas, £1.3 million on church property including church schools and £0.1 million in grants.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

Investment policy and objectives

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages, oil & gas, or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 13). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRATEGIC REPORT

Financial review

Reserves policy

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2024 is £24.8 million. This total includes £14.7 million of restricted and endowment income. The Board therefore holds £10 million of unrestricted reserves.

The unrestricted reserves include designated reserves of £2 million and fixed asset value of £0.34 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years from 2020-2025.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to cover housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School, which was held in May 2024. The next Clergy School is due to be held in 2027.
- Ministry Area Transition Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required to facilitate the transformation from parishes to Ministry Areas.
- School: These funds are set aside to held schools fund future projects
- St Mary's Briton Ferry

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2024 is £8.66 million which represents 12 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the expected reduction in the Representative Body block grant. This was restructured during 2023, and from 2024 was delivered in two parts, as Partnership Funding (£170,000 per diocese) and Structural Resilience Funding (allocated by formula considering diocesan population, church buildings, schools and deprivation). These will be reviewed in 2027.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

Future plans

The Board will continue to undertake its main functions as described in the objectives and activities. Ministry Areas continue to grow together and develop greater senses of working as teams to deliver effective ministry and mission in their areas. The Board continues to deploy clergy as appointed by the Bishop and agreed by Archdeacons and senior staff to care for congregations in the Ministry Areas (MAs) and reach out to new members, and to provide appropriate housing, and funding to the Representative Body to cover their stipends. A continuous review of requirements for clergy is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the needs and opportunities for the training of new ordinands.

Diocesan Vision and Rebuilding the Church for the Future

The Diocese remains committed to its Vision, Faith Matters. During 2024 the DBF recruited an accountant to support the Ministry Area Finance Advisory Officer in providing support to MAs on their accounts. The Board intends to appoint a further book-keeper in this team, as the support is proving useful and popular, as well as a Stewardship and Fundraising Officer to help MAs with their generosity plans and stewardship. During 2024 we recruited two buildings surveyors and a Grants and Funding adviser who joined the DAC Secretary to form , and also to recruit a joint Property team working across the Dioceses of Monmouth and Llandaff to help MAs care for their church buildings.

2025 will be the final year of the current Vision budget and Evangelism Fund grant (from the Representative Body of the Church in Wales) so in 2024-5 the Board undertook a review of the activities and impact of the projects implemented in that budget, including church planting in Citizen Church, as well as initiatives facilitated by the YFM Engagement Workers, Mission Enablers, Outreach Workers, and Communications to help Ministry Areas in evangelism and mission, and in service to the community. . This will inform the future direction of the diocesan Vision, along with discussions at Diocesan Conference, Archdeacon's Visitations and Deanery Conferences, developing plans that are reflective of local needs, desires and capacity. From those consultations we will develop projects and workstreams, applying to the Church Growth Fund of the Representative Body of the Church in Wales as appropriate, to work further towards our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff because Faith Matters.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeaconries of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities and are provided with Charity Commission guidance including "CC3: The Essential Trustee" and Church in Wales publications about the structure and governance of the Church. They may also avail themselves of the opportunity to visit the diocesan offices for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board which are reviewed annually. Any decisions required outside of existing policies are made by reference to the Board Chair and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The policy was reviewed and agreed by the Board in November 2023.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was reviewed and agreed in November 2023. The only trustees with the ability to approve financial transactions within this framework are the Chair of the Board and the Chair of the Property Group in her capacity as Chair of the Llandaff Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and regular meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Key management remuneration

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day to day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities and finances of the diocese. During 2024 they were considered to be the Diocesan Secretary and Director of Finance, HR and Administration.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face,
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise.

The Board allocates the risks to its Committees who have responsibility for reviewing the risks, assessing the controls in place and amending them as appropriate in their sphere of operation. Committees also agree on actions to mitigate the risk and allocate actions to individual risk holders. The risk holder is also responsible for reporting back to the Committee on the current status of the risk.

The Board reviews the overall register (of risks as raised to it by the Committees) and undertakes a detailed review of any key risks as deemed necessary.

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers and giving - diocesan officers have been appointed in key areas of mission, discipleship, vocations, financial support and stewardship (planned) to assist Ministry Areas into growth, while the Bishop and Archdeacons seek to recruit quality clergy to lead Ministry Areas into growth. It is hoped that as MAs decide their contribution to Common Fund after considering their budgets, they are less likely to default. A continuing programme of Archdeacons Visitations in autumn 2024 focused on evangelism and mission, in order to continue building for growth in attendance, finances and impact.
- Safeguarding, including allegations, cases, and historic cases with corresponding financial claims. This is mitigated by adhering to the Provincial Safeguarding Policy and Procedures, and seeking the support of the excellent Provincial Safeguarding Team. We have insurance cover, and encourage the use of MyChurchPeople to track DBS checks and safeguarding training which is regularly rolled out, and provide support to Ministry Areas through regular meetings of the College of Safeguarding Officers.

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00488549 (England and Wales)

Registered Charity number

242452

Registered office

The Diocesan Office
The Old Rectory The Court
Coychurch
Bridgend
CF35 5EH

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees

Llandaff Diocesan Board of Finance: Trustees and Directors

Reverend Mary Kathleen Rose Stallard
The Venerable Mark Richard Preece (appointed 7 January 2024)
The Venerable Rod Green
The Venerable Michael Komor (resigned 7 January 2024)
Mrs Marie Brousseau-Navarro (resigned 19 March 2024)
Ms Anna Cory
The Reverend Martyn Hywel Evans (resigned 4 August 2024)
Mr Martyn Haydn Evans
The Reverend Simon Freeman
The Reverend Michael Gable
Mr Gareth Jones (resigned 23 March 2025)
Mrs Jane Jones (resigned 30 September 2024)
Mr Michael Lawley
Mrs Catherine Biles (nee Nightingale)
Mrs Jenna Shiells (resigned 1 April 2025)
Ms Catrin Walters

Company Secretary

Mr James Laing

Key management personnel

The Secretary to the Board	Mr J Laing
Diocesan Director of Finance, HR and Administration	Miss M Henry

Auditors

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Solicitors

Berry Smith
Haywood House, Dumfries Place,
Cardiff CF10 3GA

Advisers

Principal Bankers

National Westminster
Canton, Cardiff (B) Branch,
277 Cowbridge Road East, Cardiff CF5 1WX

Stockbrokers

Rathbones Investment Management
10 Queen Square, Bristol BS1 4NT

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Funds held as custodian trustee

Below are the various trusts for which the Board acts as a custodian trustee:

Name of Trust	Nature of investments held
Aberdare - land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Parish and the Educational Endowment Fund is under review by the Charity Commission. The value of the deposit at 31st December 2024 was £554,742. The appropriate proceeds will be added to the Schools Fund at a date once a decision is reached.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Llandaff Diocesan Board Of Finance for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

LLANDAFF DIOCESAN BOARD OF FINANCE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2024**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
M A Lawley - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Llandaff Diocesan Board Of Finance (the 'charitable company') for the year ended 31 December 2024 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 2024 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

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, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- 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 related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
- Management override of controls; and
- obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- 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 reviewing correspondence with HMRC; and
- 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 and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE**

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.

Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date:

LLANDAFF DIOCESAN BOARD OF FINANCE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	5,813,311	637,527	-	6,450,838	6,649,536
Charitable activities	4					
Charitable activities		39,556	160,272	-	199,828	148,864
Investment income	3	264,424	167,914	6,159	438,497	372,587
Total		<u>6,117,291</u>	<u>965,713</u>	<u>6,159</u>	<u>7,089,163</u>	<u>7,170,987</u>
EXPENDITURE ON						
Raising funds	5	26,893	10,330	14,215	51,438	53,102
Charitable activities	6					
Charitable activities		5,995,885	2,078,118	-	8,074,003	7,913,347
Total		<u>6,022,778</u>	<u>2,088,448</u>	<u>14,215</u>	<u>8,125,441</u>	<u>7,966,449</u>
Net gains/(losses) on investments		480,616	68,413	(9,801)	539,228	543,390
NET INCOME/(EXPENDITURE)		575,129	(1,054,322)	(17,857)	(497,050)	(252,072)
Transfers between funds	20	(779,672)	779,672	-	-	-
Net movement in funds		(204,543)	(274,650)	(17,857)	(497,050)	(252,072)
RECONCILIATION OF FUNDS						
Total funds brought forward		10,155,265	14,944,114	208,090	25,307,469	25,559,541
TOTAL FUNDS CARRIED FORWARD		<u>9,950,722</u>	<u>14,669,464</u>	<u>190,233</u>	<u>24,810,419</u>	<u>25,307,469</u>

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

**BALANCE SHEET
31 DECEMBER 2024**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2024 Total funds £	2023 Total funds £
FIXED ASSETS						
Tangible assets	12	344,986	13,169,881	-	13,514,867	14,024,108
Investments						
Investments	13	8,224,543	117,343	173,847	8,515,733	8,451,624
Investment property	14	275,000	325,000	-	600,000	480,000
		<u>8,844,529</u>	<u>13,612,224</u>	<u>173,847</u>	<u>22,630,600</u>	<u>22,955,732</u>
CURRENT ASSETS						
Debtors: amounts falling due within one year	15	443,198	111,869	-	555,067	411,293
Debtors: amounts falling due after more than one year	15	880,763	-	-	880,763	923,303
Cash at bank		<u>1,162,714</u>	<u>1,208,891</u>	<u>16,386</u>	<u>2,387,991</u>	<u>2,672,248</u>
		<u>2,486,675</u>	<u>1,320,760</u>	<u>16,386</u>	<u>3,823,821</u>	<u>4,006,844</u>
CREDITORS						
Amounts falling due within one year	16	(1,038,082)	(263,520)	-	(1,301,602)	(1,282,707)
		<u>1,448,593</u>	<u>1,057,240</u>	<u>16,386</u>	<u>2,522,219</u>	<u>2,724,137</u>
NET CURRENT ASSETS						
		<u>1,448,593</u>	<u>1,057,240</u>	<u>16,386</u>	<u>2,522,219</u>	<u>2,724,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,293,122	14,669,464	190,233	25,152,819	25,679,869
CREDITORS						
Amounts falling due after more than one year	17	(342,400)	-	-	(342,400)	(372,400)
		<u>9,950,722</u>	<u>14,669,464</u>	<u>190,233</u>	<u>24,810,419</u>	<u>25,307,469</u>
NET ASSETS						
		<u>9,950,722</u>	<u>14,669,464</u>	<u>190,233</u>	<u>24,810,419</u>	<u>25,307,469</u>
FUNDS	20					
Unrestricted funds					9,950,722	10,155,265
Restricted funds					14,669,464	14,944,114
Endowment funds					<u>190,233</u>	<u>208,090</u>
TOTAL FUNDS					<u>24,810,419</u>	<u>25,307,469</u>

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

.....
M A Lawley - Trustee

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	(636,652)	125,211
Net cash (used in)/provided by operating activities		(636,652)	125,211
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(4,818)
Purchase of fixed asset investments		(2,110,375)	(3,485,438)
Sale of fixed asset investments		2,144,273	2,298,410
Sale of investment property		-	543,390
Revaluation of investment properties		(120,000)	-
Interest received		438,497	372,587
Repayment of investment loans		-	(22,500)
Net cash provided by/(used in) investing activities		352,395	(298,369)
Cash flows from financing activities			
Loan repayments in year		-	(92,455)
Net cash provided by/(used in) financing activities		-	(92,455)
Change in cash and cash equivalents in the reporting period		(284,257)	(265,613)
Cash and cash equivalents at the beginning of the reporting period		2,672,248	2,937,861
Cash and cash equivalents at the end of the reporting period		2,387,991	2,672,248

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(497,050)	(252,072)
Adjustments for:		
Depreciation charges	509,241	511,187
Gain on investments	(98,007)	(543,390)
Interest received	(438,497)	(372,587)
(Increase)/decrease in debtors	(131,234)	529,131
Increase in creditors	18,895	252,942
Net cash (used in)/provided by operations	<u>(636,652)</u>	<u>125,211</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.24 £	Cash flow £	At 31.12.24 £
Net cash			
Cash at bank	2,672,248	(284,257)	2,387,991
	<u>2,672,248</u>	<u>(284,257)</u>	<u>2,387,991</u>
Debt			
Debts falling due after 1 year	(372,400)	30,000	(342,400)
	<u>(372,400)</u>	<u>30,000</u>	<u>(342,400)</u>
Total	<u>2,299,848</u>	<u>(254,257)</u>	<u>2,045,591</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Income

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

Cash donations (including those raised through volunteer fundraising) are recognised when income has been received. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Gift Aid income on donations is accrued when there is a valid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Tangible fixed assets

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

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

Office premises	2.5% per annum on cost
Land	No depreciation
Fixtures and fittings	10% and 25% per annum on cost
School buildings	2% per annum on cost

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Investment property

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.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Taxation

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

Fund accounting

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

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

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

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

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Financial instruments

The company 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 company's balance sheet when the company 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.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

1. ACCOUNTING POLICIES - continued

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 business 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 company's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

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

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

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total	Total
	2024	2024	2024	2023
	£	£	£	£
Donations and gifts	5,813,311	637,527	6,450,838	6,649,536
Donations and gifts				
Fairer share	4,606,089	-	4,606,089	4,400,832
RB Block grant	358,621	-	358,621	495,215
Other grants	693,280	615,823	1,309,103	1,716,811
Ministry Area and school contributions	-	149	149	462
Donations and external grants	155,321	21,555	176,876	53,869
	5,813,311	637,527	6,450,838	6,649,536

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Total
	2024	2024	2024	2024	2023
	£	£	£	£	£
Rental income	20,000	116,368	-	136,368	135,882
Income from listed investments	204,425	2,694	6,159	213,278	211,559
Interest receivable	39,999	45,852	-	88,851	25,147
	264,424	167,914	6,159	438,497	372,588

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

4. INCOME FROM CHARITABLE ACTIVITIES

	Support for ministry 2024 £	Support for Ministry Area 2024 £	Church property 2024 £	Total 2024 £	Total 2023 £
Stipend secondment	-	-	-	-	3,643
Staff recharges	36,556	36,247	-	72,803	34,521
Schools receipts	-	18,686	-	18,686	17,715
Performance related grants	9,100	-	-	9,100	10,070
Schools contributions to insurances	-	-	99,239	99,239	82,075
Licence income	-	-	-	-	840
	<u>45,656</u>	<u>54,933</u>	<u>99,239</u>	<u>199,828</u>	<u>148,864</u>
Analysis by fund					
Unrestricted funds	39,556	-	-	39,556	6,643
Restricted funds	6,100	54,933	99,239	160,272	141,381
	<u>45,656</u>	<u>54,933</u>	<u>99,239</u>	<u>199,828</u>	<u>148,864</u>
Performance related grants					
Grants for work on parsonages	3,000	6,100	-	9,100	10,070
	<u>3,000</u>	<u>6,100</u>	<u>-</u>	<u>9,100</u>	<u>10,070</u>

5. RAISING FUNDS

Raising donations and legacies

	2024 £	2023 £
Investment management	<u>51,438</u>	<u>53,102</u>

6. CHARITABLE ACTIVITIES COSTS

	2024 £	2023 £
Support for ministry	4,786,588	4,377,184
Support for ministry area	1,340,409	874,936
Support for other church property	1,282,426	994,073
Grants and other financial support	127,787	1,090,492
Communications and publications	81,542	182,128
	<u>7,618,752</u>	<u>7,518,813</u>
Share of support costs (see note 9)	393,231	324,878
Share of governance costs (see note 9)	62,020	69,656
	<u>8,074,003</u>	<u>7,913,347</u>
Analysis by fund		
Unrestricted funds	5,995,885	5,211,956
Restricted funds	2,078,118	2,701,391
	<u>8,074,003</u>	<u>7,913,347</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. SUPPORT COSTS

	Support costs £	Governance costs £	2024 £	2023 £
Staff costs	269,819	-	269,819	227,885
General office costs	123,412	-	123,412	96,993
Audit fees	-	24,700	24,700	12,000
Legal and professional fees	-	1,089	1,089	1,775
Diocesan conference costs	-	7,791	7,791	7,587
Meeting and other sundry costs	-	3,240	3,240	24,294
Diocesan register	-	25,200	25,200	24,000
	<u>393,231</u>	<u>62,020</u>	<u>455,251</u>	<u>394,534</u>
Analysed between charitable activities	<u>393,231</u>	<u>62,020</u>	<u>455,251</u>	<u>394,534</u>

8. NET INCOME/(EXPENDITURE)

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

	2024 £	2023 £
Auditors' remuneration	24,700	12,000
Depreciation - owned assets	<u>509,241</u>	<u>511,187</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2024 nor for the year ended 31 December 2023.

Trustees' expenses

During the year, expenses totalling £13,724 were paid to two trustees (2023: £5,911).

10. STAFF COSTS

The average monthly number of employees during the year was:

	2024	2023
	<u>30</u>	<u>26</u>
Employment costs	2024 £	2023 £
Wages and salaries	978,528	800,348
Social security costs	96,785	70,915
Other pension costs	104,054	62,517
	<u>1,179,367</u>	<u>933,780</u>

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2024 they were considered to be the Diocesan Secretary, the Directors of Finance, Education and Communication, the Project Manager and Senior Buildings Inspector. In the prior year it was only the Secretary and Director of Finance.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £154,947 (2023: £139,562).

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

10. STAFF COSTS - continued

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024	2023
£70,000 to £79,999	<u>1</u>	<u>1</u>

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	5,520,626	1,128,910	-	6,649,536
Charitable activities				
Charitable activities	7,483	141,381	-	148,864
Investment income	247,033	118,406	7,148	372,587
Total	<u>5,775,142</u>	<u>1,388,697</u>	<u>7,148</u>	<u>7,170,987</u>
EXPENDITURE ON				
Raising funds	46,743	5,485	874	53,102
Charitable activities				
Charitable activities	5,211,956	2,701,391	-	7,913,347
Total	<u>5,258,699</u>	<u>2,706,876</u>	<u>874</u>	<u>7,966,449</u>
Net gains/(losses) on investments	537,453	6,197	(260)	543,390
NET INCOME/(EXPENDITURE)	1,053,896	(1,311,982)	6,014	(252,072)
Transfers between funds	(985,521)	992,669	(7,148)	-
Net movement in funds	68,375	(319,313)	(1,134)	(252,072)
RECONCILIATION OF FUNDS				
Total funds brought forward	10,086,890	15,263,427	209,224	25,559,541
TOTAL FUNDS CARRIED FORWARD	<u>10,155,265</u>	<u>14,944,114</u>	<u>208,090</u>	<u>25,307,469</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Land £	School buildings £	Fixtures and fittings £	Totals £
COST					
At 1 January 2024 and 31 December 2024	633,871	61,757	24,586,148	36,237	25,318,013
DEPRECIATION					
At 1 January 2024	276,164	-	10,986,301	31,440	11,293,905
Charge for year	15,726	-	491,723	1,792	509,241
At 31 December 2024	291,890	-	11,478,024	33,232	11,803,146
NET BOOK VALUE					
At 31 December 2024	341,981	61,757	13,108,124	3,005	13,514,867
At 31 December 2023	357,707	61,757	13,599,847	4,797	14,024,108

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2024	8,451,624
Additions	2,110,375
Disposals	(2,024,273)
Revaluations	(21,993)
At 31 December 2024	8,515,733
NET BOOK VALUE	
At 31 December 2024	8,515,733
At 31 December 2023	8,451,624

There were no investment assets outside the UK.

Cost or valuation at 31 December 2024 is represented by:

	Listed investments £
Valuation in 2024	8,515,733

The original cost of the above investments at 31 December 2024 was £6,250,440 (2023: £6,086,067). The above investments are valued at mid-market valuation on 31 December 2024. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2024	480,000
Revaluation	<u>120,000</u>
At 31 December 2024	<u>600,000</u>
NET BOOK VALUE	
At 31 December 2024	<u>600,000</u>
At 31 December 2023	<u><u>480,000</u></u>

The property of Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes. The property had a professional valuation in 2018 by Cooke & Arkwright. The property on Cowbridge Road was transferred to the Board at historic depreciated cost in 2017. In 2024 a review of the valuation was carried out and it was agreed that the valuation of both properties should be increased by 25% to closer reflect the rise on the house price index Wales over this period. The current valuations are considered to be reasonably stated.

Fair value at 31 December 2024 is represented by:

	£
Valuation in 2024	<u><u>600,000</u></u>

15. DEBTORS

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	437,768	287,979
Other debtors	5,430	24,790
Prepayments and accrued income	<u>111,869</u>	<u>98,524</u>
	<u>555,067</u>	<u>411,293</u>
Amounts falling due after more than one year:		
Retired clergy loans	<u>880,763</u>	<u>923,303</u>
Aggregate amounts	<u><u>1,435,830</u></u>	<u><u>1,334,596</u></u>

Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	835,537	742,008
Other creditors	319,545	508,963
Accruals and deferred income	146,520	31,736
	<u>1,301,602</u>	<u>1,282,707</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£	£
Other loans (see note 18)	<u>342,400</u>	<u>372,400</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2024	2023
	£	£
Amounts falling due between two and five years:		
Retired clergy loans	<u>342,400</u>	<u>372,400</u>

Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2024	2023
	£	£
Within one year	4,433	1,948
Between one and five years	<u>3,409</u>	<u>5,357</u>
	<u>7,842</u>	<u>7,305</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS

	At 1.1.24 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	7,784,777	1,178,676	(1,035,485)	7,927,968
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	1,951,240	(535,908)	-	1,415,332
Designated fund - Clergy School	19,000	(45,614)	86,614	60,000
Designated fund - Covid Support Fund	265,876	(22,025)	-	243,851
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
Designated fund - School Buildings fund	-	-	50,000	50,000
Designated fund - St Mary's Briton Ferry	-	-	119,199	119,199
	<u>10,155,265</u>	<u>575,129</u>	<u>(779,672)</u>	<u>9,950,722</u>
Restricted funds				
Retired clergy	69,006	-	-	69,006
Parsonage board	-	(779,425)	779,425	-
External grants	13,958,890	(491,723)	-	13,467,167
Accumulated funds	425,404	92,281	-	517,685
Sundry trusts	58,707	4,514	-	63,221
Landscapes/Journeys in Faith	10	(257)	247	-
Community Development	365,819	96,862	-	462,681
RB Evangelism fund	(5,604)	23,883	-	18,279
W.O.D.S.	71,882	(457)	-	71,425
	<u>14,944,114</u>	<u>(1,054,322)</u>	<u>779,672</u>	<u>14,669,464</u>
Endowment funds				
Restricted clergy fund	121,323	(14,699)	-	106,624
Miss DJN Evans Trust	42,092	(5,533)	-	36,559
Anonymous fund	44,675	2,375	-	47,050
	<u>208,090</u>	<u>(17,857)</u>	<u>-</u>	<u>190,233</u>
TOTAL FUNDS	<u>25,307,469</u>	<u>(497,050)</u>	<u>-</u>	<u>24,810,419</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	6,114,291	(5,416,231)	480,616	1,178,676
Designated fund - Vision Funding	-	(535,908)	-	(535,908)
Designated fund - Clergy School	3,000	(48,614)	-	(45,614)
Designated fund - Covid Support Fund	-	(22,025)	-	(22,025)
	<u>6,117,291</u>	<u>(6,022,778)</u>	<u>480,616</u>	<u>575,129</u>
Restricted funds				
Parsonage board	56,312	(835,737)	-	(779,425)
External grants	-	(491,723)	-	(491,723)
Accumulated funds	400,654	(308,373)	-	92,281
Sundry trusts	1,481	(380)	3,413	4,514
Landscapes/Journeys in Faith	-	(257)	-	(257)
Church Improvement fund	9,375	(9,375)	-	-
Community Development	42,805	(10,943)	65,000	96,862
RB Evangelism fund	452,013	(428,130)	-	23,883
W.O.D.S.	3,073	(3,530)	-	(457)
	<u>965,713</u>	<u>(2,088,448)</u>	<u>68,413</u>	<u>(1,054,322)</u>
Endowment funds				
Restricted clergy fund	4,474	(10,327)	(8,846)	(14,699)
Miss DJN Evans Trust	1,685	(3,888)	(3,330)	(5,533)
Anonymous fund	-	-	2,375	2,375
	<u>6,159</u>	<u>(14,215)</u>	<u>(9,801)</u>	<u>(17,857)</u>
TOTAL FUNDS	<u><u>7,089,163</u></u>	<u><u>(8,125,441)</u></u>	<u><u>539,228</u></u>	<u><u>(497,050)</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	7,015,327	1,754,971	(985,521)	7,784,777
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,534,176	(582,936)	-	1,951,240
Designated fund - Clergy School	46,000	(27,000)	-	19,000
Designated fund - Covid Support Fund	357,015	(91,139)	-	265,876
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,086,890	1,053,896	(985,521)	10,155,265
Restricted funds				
Retired clergy	63,467	-	5,539	69,006
Parsonage board	(141,343)	(741,921)	883,264	-
External grants	14,550,523	(591,633)	-	13,958,890
Accumulated funds	358,720	66,684	-	425,404
Sundry trusts	60,656	(1,949)	-	58,707
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	(48,309)	(50,557)	98,866	-
Community Development	343,257	22,562	-	365,819
RB Evangelism fund	9,672	(15,276)	-	(5,604)
W.O.D.S.	66,774	108	5,000	71,882
	15,263,427	(1,311,982)	992,669	14,944,114
Endowment funds				
Restricted clergy fund	125,279	1,583	(5,539)	121,323
Miss DJN Evans Trust	41,629	2,072	(1,609)	42,092
Anonymous fund	42,316	2,359	-	44,675
	209,224	6,014	(7,148)	208,090
TOTAL FUNDS	25,559,541	(252,072)	-	25,307,469

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,773,809	(4,556,291)	537,453	1,754,971
Designated fund - Vision Funding	-	(582,936)	-	(582,936)
Designated fund - Clergy School	3,000	(30,000)	-	(27,000)
Designated fund - Covid Support Fund	(1,667)	(89,472)	-	(91,139)
	<u>5,775,142</u>	<u>(5,258,699)</u>	<u>537,453</u>	<u>1,053,896</u>
Restricted funds				
Parsonage board	61,954	(803,875)	-	(741,921)
External grants	-	(591,633)	-	(591,633)
Accumulated funds	179,613	(112,929)	-	66,684
Sundry trusts	1,374	(7,840)	4,517	(1,949)
Church Improvement fund	42,500	(93,057)	-	(50,557)
Community Development	25,836	(3,274)	-	22,562
RB Evangelism fund	1,075,329	(1,090,605)	-	(15,276)
W.O.D.S.	2,091	(3,663)	1,680	108
	<u>1,388,697</u>	<u>(2,706,876)</u>	<u>6,197</u>	<u>(1,311,982)</u>
Endowment funds				
Restricted clergy fund	5,539	(635)	(3,321)	1,583
Miss DJN Evans Trust	1,609	(239)	702	2,072
Anonymous fund	-	-	2,359	2,359
	<u>7,148</u>	<u>(874)</u>	<u>(260)</u>	<u>6,014</u>
TOTAL FUNDS	<u><u>7,170,987</u></u>	<u><u>(7,966,449)</u></u>	<u><u>543,390</u></u>	<u><u>(252,072)</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

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

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.24 £
Unrestricted funds				
General fund	7,015,327	2,933,647	(2,021,006)	7,927,968
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,534,176	(1,118,844)	-	1,415,332
Designated fund - Clergy School	46,000	(72,614)	86,614	60,000
Designated fund - Covid Support Fund	357,015	(113,164)	-	243,851
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
Designated fund - School Buildings fund	-	-	50,000	50,000
Designated fund - St Mary's Briton Ferry	-	-	119,199	119,199
	10,086,890	1,629,025	(1,765,193)	9,950,722
Restricted funds				
Retired clergy	63,467	-	5,539	69,006
Parsonage board	(141,343)	(1,521,346)	1,662,689	-
External grants	14,550,523	(1,083,356)	-	13,467,167
Accumulated funds	358,720	158,965	-	517,685
Sundry trusts	60,656	2,565	-	63,221
Landscapes/Journeys in Faith	10	(257)	247	-
Church Improvement fund	(48,309)	(50,557)	98,866	-
Community Development	343,257	119,424	-	462,681
RB Evangelism fund	9,672	8,607	-	18,279
W.O.D.S.	66,774	(349)	5,000	71,425
	15,263,427	(2,366,304)	1,772,341	14,669,464
Endowment funds				
Restricted clergy fund	125,279	(13,116)	(5,539)	106,624
Miss DJN Evans Trust	41,629	(3,461)	(1,609)	36,559
Anonymous fund	42,316	4,734	-	47,050
	209,224	(11,843)	(7,148)	190,233
TOTAL FUNDS	25,559,541	(749,122)	-	24,810,419

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,888,100	(9,972,522)	1,018,069	2,933,647
Designated fund - Vision Funding	-	(1,118,844)	-	(1,118,844)
Designated fund - Clergy School	6,000	(78,614)	-	(72,614)
Designated fund - Covid Support Fund	(1,667)	(111,497)	-	(113,164)
	<u>11,892,433</u>	<u>(11,281,477)</u>	<u>1,018,069</u>	<u>1,629,025</u>
Restricted funds				
Parsonage board	118,266	(1,639,612)	-	(1,521,346)
External grants	-	(1,083,356)	-	(1,083,356)
Accumulated funds	580,267	(421,302)	-	158,965
Sundry trusts	2,855	(8,220)	7,930	2,565
Landscapes/Journeys in Faith	-	(257)	-	(257)
Church Improvement fund	51,875	(102,432)	-	(50,557)
Community Development	68,641	(14,217)	65,000	119,424
RB Evangelism fund	1,527,342	(1,518,735)	-	8,607
W.O.D.S.	5,164	(7,193)	1,680	(349)
	<u>2,354,410</u>	<u>(4,795,324)</u>	<u>74,610</u>	<u>(2,366,304)</u>
Endowment funds				
Restricted clergy fund	10,013	(10,962)	(12,167)	(13,116)
Miss DJN Evans Trust	3,294	(4,127)	(2,628)	(3,461)
Anonymous fund	-	-	4,734	4,734
	<u>13,307</u>	<u>(15,089)</u>	<u>(10,061)</u>	<u>(11,843)</u>
TOTAL FUNDS	<u>14,260,150</u>	<u>(16,091,890)</u>	<u>1,082,618</u>	<u>(749,122)</u>

Designated funds

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

Transformation Fund

These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund

These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School

Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2027.

Covid-19 Support Fund

These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support

These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.

School Buildings Fund

These funds have been set aside for unexpected or emergency capital works to school buildings.

St Mary's Briton Ferry

Proceeds from Hall sale to DBF, allocated 50% to a property or mission project in Afon Nedd Ministry Area, and 50% to a project anywhere in the diocese in line with the vision of growth.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2024

20. MOVEMENT IN FUNDS - continued

Restricted funds

The purposes of the restricted funds shown in the following analyses are as follows:

Retired clergy fund

This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.

Parsonage Board fund

This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.

Schools funds

This fund is held in two parts:

- Grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
- Accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.

Widows', Orphans' and Dependents' Society (W.O.D.S.)

Monies are held to provide financial assistance to the widows and dependents of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.

Sundry trusts

These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.

Bishop's Mission and General Fund

Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.

Transformation Fund (Representative Body Grant)

The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.

Community Development Fund

The assets of the Llandaff Diocesan Board For Social Responsibility were transferred to Llandaff Diocesan Board of Finance early 2017 and are to be used for the same charitable purposes focusing on community development projects within parishes.

Community Mental Health Chaplaincy

This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilized in 2018.

Landscapes/Journeys in Faith

This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales and will engage with parishes on a diocesan level.

Church Improvement Fund

The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to parishes in the form of grants by the Diocesan Advisory Committee.

Restricted Donations

This fund represents donations received to the diocese for special campaigns which are utilized for the purposes stated within the campaign.

RB Evangelism Fund

The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith initiatives and Citizen Church.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

20. MOVEMENT IN FUNDS - continued

Transfers between funds

The following fund transfers have been made in the year

Designated funds

Clergy School	£86,614 has been transferred from the general fund for the next clergy school
School Buildings Fund	£50,000 has been transferred from the general fund in anticipation of future projects on schools
St Mary's Briton Ferry	£119,199 has been transferred from the general fund to be used to support Ministry Areas

Restricted funds

Parsonage Board	£779,425 has been transferred from the general fund to cover the parsonage board costs in the year
Landscapes/Journeys in Faith	£257 has been transferred from the general fund due to a small overspend in the year

21. RELATED PARTY DISCLOSURES

During the year the following related party transactions took place

- Reverend Mary Stallard, Michael Lawley, Michael Komer and Mark Preece are trustees of The Llangasty Retreat House Trust. During the year payments of £13,350 were made to them. The is also an outstanding loan debtor of £163,125.
- Roderick Green and Michael Lawley are both trustees of the Representative Body of the Church in Wales. During the year there was income of £987,681 and expenditure of £2,569,442. At the year end there is an outstanding debtor balance of £91,759 and an outstanding creditor balance of £657,446.
- Reverend Michael Gable is a trustee of the Port Talbot Ministry Area Council. During the year there was income of £194,172 and expenditure of £2,740. At the year end there was an outstanding debtor of £144,360.
- Mark Preece is a trustee of the Dean and Chapter of Llandaff Cathedral. During the year there was income of £21,229. At the year end there was an outstanding debtor balance of £15,817.
- Anna Cory is a trustee of East Vale Ministry Area. During the year there was income of £84,331 and expenditure of £21,902. There is an outstanding creditor balance of £1,023 at the year end.

LLANDAFF DIOCESAN BOARD OF FINANCE
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	6,450,838	6,649,536
Investment income		
Rents received	136,368	135,809
Deposit account interest	88,851	25,219
Curr asset inv income	213,278	211,559
	438,497	372,587
Charitable activities		
Grants	199,828	148,864
Total incoming resources	7,089,163	7,170,987
EXPENDITURE		
Raising donations and legacies		
Investment management	51,438	53,102
Charitable activities		
Stipend fees and pensions	3,352,092	3,094,881
Property costs	1,186,723	1,092,023
Clergy expenses	167,516	145,891
Training	80,257	44,389
Support for ministry areas	1,340,409	874,936
Parsonages	9,776	29,936
Property costs - churches	320,085	311,264
Church schools	952,565	652,873
Grants to CIW	124,287	1,079,498
Grants to others	3,500	10,994
Communication	81,542	182,128
	7,618,752	7,518,813
Support costs		
Support costs		
Wages	269,819	227,885
Auditors' remuneration	24,700	12,000
Sundries	1,235	-
Legal fees	1,089	1,775
General office costs	122,177	96,993
Diocesan conference expenses	7,791	7,587
Diocesan registrar	25,200	24,000
Meetings and other sundry cost	3,240	24,294
	455,251	394,534
Total resources expended	8,125,441	7,966,449
Net expenditure before gains and losses	(1,036,278)	(795,462)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	120,000	-
Carried forward	(916,278)	(795,462)

This page does not form part of the statutory financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Realised recognised gains and losses		
Brought forward	(916,278)	(795,462)
Realised gains/losses investments	419,228	543,390
Net expenditure	<u>(497,050)</u>	<u>(252,072)</u>

Accounts

Report and Financial Statements Adroddiad a Datganiad o Gyfrifon

For the year ending 31st December 2023

Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2023



Esgobaeth Llandaf
Diocese of Llandaff

Mae Ffydd Yn Cyfrif | Faith Matters

Faith Matters
Mae Ffydd yn Cyfrif

Llandaff Diocesan Board of Finance
Bwrdd Cyllid Esgobaeth Llandaf

Llandaff Diocesan Board of Finance is a company
limited by guarantee and not having a share capital.
Registered in England and Wales No. 488549 Registered charity No. 242452

LLANDAFF DIOCESAN BOARD OF FINANCE

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Faith Matters". Our shared aims are: Telling a joyful story, Growing the kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Ministry Areas within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. During 2023 the DBF announced an intention to change Fairer Share and entered into a consultation into how funds raised in the Ministry Areas could be distributed more fairly and transparently, in order to fund the ministry of the church together, distributing funds throughout the diocese and from year to year. This was named Common Fund and further rolled out during 2024.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Common Fund increases to a minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings. The Board plays no part in the determination of the amount of such capital expenditure but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

OBJECTIVES AND ACTIVITIES

Key Events of 2023

Mission

Although the Diocesan Vision strap-line has changed from 'Where Faith Matters' to 'Faith Matters' the focus of attention on being outward looking as the church has not. The Young Faith Matters (YFM) agenda attracted funding from the Church in Wales's Evangelism Fund (awarded in 2020 and drawn down over 5 years), and a significant contribution from the DBF. The Evangelism Fund enabled us to establish Citizen Church in Cardiff and employ 5 YFM engagement workers. The diocesan match funding enabled us to employ Growth Enablers and a lead for Social Justice and Outreach. During 2023, we have also partnered with Monmouth Diocese and the Southeast Wales Deaf Association to employ a Deaf Community Outreach worker who has already launched two more accessible services in Cardiff and Newport.

Citizen Church (citizenchurch.org.uk/, [instagram.com/citizenchurchuk/](https://www.instagram.com/citizenchurchuk/), [facebook.com/Citizen-Church-Cardiff-114774650297239/](https://www.facebook.com/Citizen-Church-Cardiff-114774650297239/), [youtube.com/channel/UC542JrqBD9npZ6N7G0fld5Q](https://www.youtube.com/channel/UC542JrqBD9npZ6N7G0fld5Q)):

Citizen Church has continued to thrive over this period securing a new Curate in the summer of 2023 to support the work over the three sites. Towards the end of 2023 it became apparent that the pace of growth had outstripped the structures and processes of Citizen Church, so the Representative Body of the Church in Wales and the Bishop, Diocese and Board of Finance of Llandaff provided extra support to Dominic Jewel (COO) in terms of cashflow and human resources to strengthen the governance and management infrastructure. Citizen also saw some changes in staff and clergy in early 2024.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FORTHEYEARENDED31DECEMBER2023

OBJECTIVES AND ACTIVITIES

Meanwhile the work continues on the ground. Opportunities to reach out are constantly programmed as well as using Citizen Coffee, special events and regular parent and toddler groups to provide access points so that people can belong before they believe. Intentional invites to Alpha from all of these types of activities resulted in Alpha being run across all three sites during the year. Many found faith either for the first time or came back to faith, some of whom then declared their faith through Baptism.

Social justice and outreach are key elements within the vision of Citizen Church. Slowly, relationships have been developing within the community of Senghenydd and often children and young people attend the services without their parents. Clearly this has needed to be managed carefully. However, the result of this relationship building has been attendance at special events topping 150. Re-engaging a community is a long-term strategy and slowly the church is growing in regular attendance to around 40.

Citizen has continued its regular work in the two prisons in the Diocese. Close partnership working with such organisations as the Salvation Army, Embrace and Oasis has enabled staff and lay people to offer support and help to many others.

The Pontypridd Campus has become well established over this period. Their Curate Amber Baker has done amazingly well in developing a worship community which includes a more traditional eucharist at 8:45 each Sunday which has regular attendees as well as around 150 who attend the service later in the morning. Relationships with the Pontypridd MA have also been very strong.

YFM engagement workers:

Two of the YFM team left their posts during 2023. Amelia Walters secured a job with Flourish and Philip Burman secured a place to train for the priesthood. Fortunately, we were able to employ Rowena Roper and Caitlin Sandry who have continued on with the superb work started by Amelia and Philip. The team have worked across the Ministry Areas (MAs) with 10,985 people involved with faith including Flourish. Flourish has continued to be very impactful across the Diocese both in Church schools and in Community schools. This success has bred its own challenges in that the demand for training, and schools reaching out for support is much greater than the capacity available from the YFM team, the school staff, lay and clergy that we have been able to train.

The team have focused on establishing activities that the MAs can take over and run themselves. It has become very apparent throughout the year that the greatest problem for MAs suffering from the 'missing generation', is that the parents of the young people and children are just not there as volunteers. All MAs have struggled with recruiting people to support this vital work. However, some activities have been very successful such as Experience Christmas, Easter and Pentecost. Across the Diocese this has helped to maintain a focus on sustainability and enabling the MAs to deliver these projects themselves, but with some YFM involvement. Nevertheless, Youth Alpha has been run in secondary schools and MAs are finding renewed confidence to explore how they can reach out to the families of their communities in new ways such as in East Vale MA. Unfortunately, in too many cases it remains the situation that the MAs are too dependent on the YFM team to keep them going.

Two significant partnerships have been maintained:

Diocesan Youth groups attended Message Wales' prayer night event with over 300 young people. Message Wales also used Citizen Church as a venue for their LIFT event, a worship and word night for those young people who are already Christians. This was a positive, relationship building event. The Message bus which has been used across the Diocese by YFM and the Growth Enablers can be impactful so long as the Church is ready to launch a regular Youth focused event to invite the young people to.

The Flourish Project (developed by Christians addressing mental health and wellbeing issues in schools) has continued to run widely across the Diocese too as mentioned above. 10 Flourish projects (8 week courses) have been delivered by the YFM Team alone in schools. The Diocese ran a Flourish training cohort in November with 8 teachers and 3 Diocesan clergy/ youth workers being trained to deliver Flourish but this is still insufficient. As noted above, this course is having a profound impact across many of our schools. There are already many stories of transformed lives and a growing demand for courses to be run in lots of schools.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

The DBF funding has allowed us to employ 3 people as Growth Enablers, supporting churches who are endeavouring to grow their congregations. These people have been in post since June 2022 and have visited every ministry area. Several projects have started because of these visits such as the LLanharan Flock in the LLan MA featured at Conference. During this year it became apparent that gradually as MAs were managing to feel more secure about their administrative structures and the 'modus operandi' of the MA, support has been sought from this team. Useful support and advice on developing nurture across the MA as well as new forms of worship communities have been explored.

Our Social Justice and Outreach Lead, Christoph Auckland, has worked closely with a number of MAs supporting such activities as CAP. The excellent toolkits on issues such as the Cost of Living Crisis, Ukraine appeal, or Domestic abuse (available on the website) have been used widely. During the year we were also able to employ a part-time outreach worker who had significant experience working with young children and families to support this work. A number of MAs have used this support to re-engage with young families particularly after the Covid years.

The Diocese also partners with the Church Army 'Centre for Mission'. The 'lead evangelist' Andy Settle retired during this year and so a new appointment needed to be made. We were able to offer the post to Hannah Seal who had already worked in our Diocese and during the latter part of the year we worked with the Church Army to reimagine what it could look like in Llandaff. Consequently, towards the end of this year the Centre of Mission relocated to St John's Church in central Cardiff. It still has a trainee pioneer evangelist and a lead evangelist.

The Leads for each of these teams are members of our 'Integrated Mission Team', which was established towards the end of the year and includes our Head of Education, Rebecca Morteo, our Diocesan lead children's advisor, Rev Dr Angela Cooper and Nicola Bennett the Diocesan Head of Communications. The Rev Canon Tim Jones, Director of Ministry and Discipleship is also a part of this team to ensure that the connection between mission and ministry is secure. This team continually reviews the deployment of resources across the Diocese.

The Integrated Mission Team has used the framework mentioned last year called the 'spheres of society' or, increasingly, 'spheres of influence'. Each sphere sees itself as having a unique purpose and set of characteristics that set it apart, but the general concept is gaining traction as the conversation around reforming society seeks a simple way to look at the complexity of social issues. Nobody sits within a single sphere: everyone is a mix of many of them. But most people tend to be devoted to some more than others. The spheres are family, celebration, media, education, religion, economics and government. As the Integrated Mission Team has used this it has mapped the following trajectory over it as a way of assessing how effective our delivery is. The well researched trajectory drawn from different academic studies identifies the need for the church to: engage, invite, welcome and nurture. It became quickly apparent that we have quite a lot of engagement across the Diocese but that we were less strong on the other three elements. This has given a steer for the Diocesan conference theme this year as we begin to address this.

Archdeacons' visitations took place once again this year. The settling period for MAs became more apparent as many MAs expressed more confidence and ideas as to how they wished to move forward in their MAs. This will continue to grow over time, but it is reassuring to see how many of the projects identified last year have continued to grow and thrive. Indeed, other new projects have been birthed and the increasing number of applications to the Mission Fund grants has been heartening. The thinking outlined above from the Integrated Mission Team has also influenced the way that we are asking people to frame their applications. MAs need to be able to clearly demonstrate the 'pathways' (engage, invite, welcome, nurture) that create opportunities for people to explore faith at many levels.

It continues to be an exciting time for us all as we continue our focus on being more intentionally missional as God's church. As part of the Anglican communion, we endorse the five Marks of Mission: The mission of the Church is the mission of Christ. As a Diocese we have historically demonstrated some very good work on Marks 3 -5, however we recognise the need to refocus on Marks 1 and 2 particularly focused, but not exclusively, on the younger generations.

LLANDAFF DIOCESAN BOARD OF FINANCE
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Ministry & Discipleship

The serious collapse in vocations to ordained ministry which has been a feature of post-pandemic Church across the world has been particularly acute in the Church in Wales. Early in 2023 Ryan Green began his ministry as Llandaff Diocesan Director of Ordinands, and Canon Theologian of Llandaff Cathedral. He moved quickly to generate vocational activity and momentum, drawing together a Fellowship of Vocations meeting at the Cathedral with a range of guest speakers. The work done fostering vocations to ordained ministry over 2023 led to a very large number of candidates being assessed by diocesan and provincial discernment panels in 2024 (13) compared with 2023 (2). Although there is much work yet to be done, it has been clearly established that purposeful vocations engagement yields fruit.

The DDO has undertaken the vocations development ministry in close partnership with Dr Julie Davies, the Ministry Development Officer. Julie has a wealth of experience regarding vocations discernment and ministry training, which she has brought to her role with great effect. Much of her work over 2023 was with Newly Licensed Ministers, most of whom had received their pre-ordination / licensing training under pandemic restrictions. Julie has worked well to anticipate and meet the extra training needs that would be encountered. She oversees the supervision and monitoring of some 20-24 curates each year.

Much attention was paid to issues of clergy welfare and well-being over the course of the year. This ranged from bespoke personal mentoring and encouragement, to work with Ministry Area teams still seeking to navigate the challenges of the new ministry structures following the transition to Ministry Areas. In the summer of 2023, a third Clergy Survey was undertaken. Although there is much work still to be done, the survey provided quantifiable evidence that clergy morale had generally showed very significant improvement over the year since the summer of 2022.

Sponsored by the Clergy Support Trust, the Church in Wales piloted a Clergy Family Support weekend in September 2023, providing an 'outward bound' style weekend for a dozen early secondary-school age children from clergy households. This sought to counter the sense of social isolation that many such young adults report later in life. Led by Rachel Bunting (Swansea & Brecon Diocese) most of the staff (and half of the children) were from the Diocese of Llandaff, and the event took place within the diocese. It was tremendously successful: the pilot is to be repeated and expanded for 2024 and beyond.

It was, however, perhaps a little too 'outward-bound' for the elderly: on the first evening the Llandaff Diocesan Director of Ministry was injured and went to hospital, beginning six weeks of sick leave. Ryan Green and Julie Davies stepped in to pick up much of the workload over that period, including some vital initial planning for the 2024 Clergy School.

The Reader ministry in the Diocese faced a difficult year. Colin Finney, the Diocesan Warden of Readers, continued to receive treatment for cancer. Colin's cheerful wisdom was always available, even when his treatment was challenging or indeed exhausting. Penny Williams served extremely well as Deputy Warden of Readers, keeping a keen eye on things. Sadly, Colin died in May 2024.

For various reasons we did not appoint a Lay Ministry Officer, originally planned for early summer 2023. The 2023 provincial relaunch of the three-principle commissioned lay ministries (Worship Leader, Pastoral Visitor, and Catechist) was therefore somewhat subdued in the Llandaff Diocese. Debbie Orriss CA, one of the diocesan Growth Enabler team, did sterling work in organizing the training for the Lay Visitor programme, from the autumn of 2023 well into 2024.

There were several theological events organized by the Ministry Team. The four Convocations saw days led by Mark Simpson, Rupert Shortt, Julia Mourant and Helen Johnson. The Very Revd Richard Peers, Dean of Llandaff, led a Lent Quiet Day for ministers (lay and ordained) at Llandaff Cathedral, and the Revd Mark Greenaway-Robbins led a remarkable Advent day retreat at Ewenny Abbey.

Charitable activities

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for Ministry Areas, church property, grants and other financial support and communication. In 2023, the total cost of the Board's unrestricted charitable activities was £5.2 million compared with a budget of approximately £7.2 million and was mainly funded by grants from the Representative Body and by means of the Fairer Share from Ministry Areas.

Approximately 76% of the Board's unrestricted income came through Fairer Share in 2023 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of ministry.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Financial review

Financial position

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 83% of its unrestricted expenditure in 2023. Conscious of the need to keep demands on Ministry Areas to that which is perceived as affordable by those Ministry Areas, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2022 from its reserves. As in previous years the Board intended to use its reserves to fund the Diocesan Vision so the Fairer Share requirement is likely to rise year on year. In 2022 we used reserves to continue to employ existing staff for the delivery of the Vision and additional Vision posts whose employment had been delayed due to the Covid pandemic. We gratefully benefited from continued financial support from the Representative Body to cover costs of clergy stipends and contributions to the Parsonage Board Improvement Fund during 2022. The DBF disbursed these funds to the Ministry Areas as direct grants in proportion to the Ministry Areas' Fairer Share contributions.

Total incoming resources of £7.17 million included: approximately £0.5 million received from the Representative Body; £4.4 million collected by Fairer Share and £1.7 million grants received for investment in new and improved church school buildings. Total resources expended were £7.97 million and included £4.4 million for support of the ministry, £0.87 million in support of Ministry Areas, £1 million on church property including church schools and £1.09 million in grants.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

Investment policy and objectives

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages, oil & gas, or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 13). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Financial review

Reserves policy and going concern

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2023 is £25.3 million. This total includes £15.2 million of restricted and endowment income. The Board therefore holds £10.1 million of unrestricted reserves.

The unrestricted reserves include designated reserves of £2.4 million and fixed asset value of £0.362 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years from 2020-2025.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to cover housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School, which was held in May 2024. The next Clergy School is due to be held in 2027.
- Ministry Area Transition Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required to facilitate the transformation from parishes to Ministry Areas.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2023 is £7.3 million which represents 12 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the expected reduction in the Representative Body block grant. This was restructured during 2023, and from 2024 was delivered in two parts, as Partnership Funding (£170,000 per diocese) and Structural Resilience Funding (allocated by formula considering diocesan population, church buildings, schools and deprivation). These will be reviewed in 2027.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Future plans

The Board will continue to undertake its main functions as described in the objectives and activities. Ministry Areas continue to grow together and develop greater senses of working as teams to deliver effective ministry and mission in their areas. The Board continues to deploy clergy as appointed by the Bishop and agreed by Archdeacons and senior staff to care for congregations in the Ministry Areas (MAs) and reach out to new members, and to provide appropriate housing, and funding to the Representative Body to cover their stipends. A continuous review of requirements for clergy is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the needs and opportunities for the training of new ordinands.

In the Diocesan Conference in September 2023, the Diocesan Secretary outlined a revised process for raising and distributing funds to pay for clerical ministry, which had been mentioned in the Diocesan Conference in September 2022 and discussed in meetings of senior staff, clergy and lay leaders throughout the diocese during 2023. It was further discussed at Archdeacons Visitations in October & November 2023, and following Diocesan Conference Standing Committee approval it was rolled out in consultation with Ministry Area Councils (MACs) in April & July 2024. The new process informed MAs of what it costs to deploy each cleric including stipend, on-costs, training, recruitment, welfare and property, which totals £55,000 per cleric. MACs then had the opportunity to consider how much they could reasonably pledge towards the costs of ministry led by clergy, taking into account the numbers of clergy, church and other buildings, size of the MA in geography and population, church attendance, social deprivation and the MA's own financial circumstances. When all the pledges have been received this will inform the diocesan budget, to be submitted for final approval by the Board and confirmed at Diocesan Conference in September 2024.

Diocesan Vision and Rebuilding the Church for the Future

The Diocese remains committed to its Vision, adjusted by our new Bishop to Faith Matters. During 2023 the DBF recruited a Ministry Area Finance Advisory Officer to support the financial management of Ministry Areas, and in 2024 intends to recruit book-keepers or financial administrators to work closely with MAs on their accounts. The Board intends to appoint a Stewardship and Fundraising Officer to help MAs with their generosity plans and stewardship, and also to recruit a joint Property team working across the Dioceses of Monmouth and Llandaff to help MAs care for their church buildings. As well as the current Diocesan Advisory Committee (DAC) secretary, this will include a Senior and Junior Church Buildings Surveyor to undertake Quinquennial inspections and advise MAs on works required to maintain and improve their church buildings and halls, and a Grants & Fundraising Officer to help MAs raise the funds needed for these works.

2025 will be the final year of the current Vision budget and Evangelism Fund grant (from the Representative Body of the Church in Wales) so in 2024 the Board will review the activities and impact of the projects implemented in that budget, including church planting in Citizen Church, as well as initiatives facilitated by the YFM Engagement Workers, Mission Enablers, Outreach Workers, and Communications to help Ministry Areas in evangelism and mission, and in service to the community.. This will inform the future direction of the diocesan Vision, along with discussions at Diocesan Conference and in deaneries at the autumn Archdeacon's Visitations, developing plans that are reflective of local needs, desires and capacity. From those consultations we will develop projects and workstreams, applying to the Church Growth Fund of the Representative Body of the Church in Wales as appropriate, to work further towards our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff because Faith Matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeaconries of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities and are provided with Charity Commission guidance including "CC3: The Essential Trustee" and Church in Wales publications about the structure and governance of the Church. They may also avail themselves of the opportunity to visit the diocesan offices for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board which are reviewed annually. Any decisions required outside of existing policies are made by reference to the Board Chair and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The policy was reviewed and agreed by the Board in November 2023.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was reviewed and agreed in November 2023. The only trustees with the ability to approve financial transactions within this framework are the Chair of the Board and the Chair of the Property Group in her capacity as Chair of the Llandaff Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual Ministry Areas, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Key management remuneration

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day-to-day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities and finances of the diocese. During 2023 they were considered to be the Diocesan Secretary and Director of Finance, HR and Administration.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face,
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise.

The Board allocates the risks to its Committees who have responsibility for reviewing the risks, assessing the controls in place and amending them as appropriate in their sphere of operation. Committees also agree on actions to mitigate the risk and allocate actions to individual risk holders. The risk holder is also responsible for reporting back to the Committee on the current status of the risk.

The Board reviews the overall register (of risks as raised to it by the Committees) and undertakes a detailed review of any key risks as deemed necessary.

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers and giving - diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship (planned) to assist Ministry Areas into growth. A continuing programme of Archdeacons Visitations in autumn 2023 provided support for Ministry Areas in development of their development plans, building plans and generosity plans, in order to continue building for growth in attendance, finances and impact.
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant Fairer Share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of fairer share default levels, regular discussions with provincial staff of the Representative Body of the Church in Wales, and investment diversification and management.

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00488549 (England and Wales)

Registered Charity number

242452

Registered office

The Diocesan Office
The Old Rectory The Court
Coychurch
Bridgend
CF35 5EH

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees

Llandaff Diocesan Board of Finance: Trustees and Directors

The Right Reverend June Osborne (resigned 31 December 2022)

The Venerable Rod Green

The Venerable Michael Komar (resigned 7 January 2024)

Mrs Marie Brousseau-Navarro (resigned 19 March 2024)

Ms Anna Cory

The Reverend Martyn Hywel Evans

Mr Martyn Haydn Evans

The Reverend Simon Freeman

The Reverend Michael Gable

Mr Gareth Jones

Mrs Jane Jones

Mr Michael Lawley

Mrs Catherine Nightingale

Mrs Jenna Shiells

Ms Catrin Walters

The Right Reverend Mary Stallard (appointed 19 April 2023)

The Venerable Mark Preece (appointed 7 January 2024)

Company Secretary

Mr James Laing

Key management personnel

The Secretary to the Board

Diocesan Director of Finance, HR and Administration

Mr James Laing

Miss Mair Henry

Auditors

Bevan Buckland LLP

Chartered Accountants

And Statutory Auditors

Ground Floor Cardigan House

Castle Court

Swansea Enterprise Park

Swansea

SA? 9LA

Solicitors

Berry Smith

Haywood House, Dumfries Place,

Cardiff CF10 3GA

Advisers

Principal Bankers

National Westminster

Canton, Cardiff (B) Branch,

277 Cowbridge Road East, Cardiff CFS 1WX

Stockbrokers

Rathbones Investment Management

10 Queen Square, Bristol BS1 4NT

LLANDAFF DIOCESAN BOARD OF FINANCE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Funds held as custodian trustee

Below are the various trusts for which the Board acts as a custodian trustee:

Name of Trust	Nature of investments held
Aberdare - land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Ministry Area and the Educational Endowment Fund is under review by the Charity Commission. The value of the deposit at 31st December 2023 was £527,705. The appropriate proceeds will be added to the Schools Fund at a date once a decision is reached.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Llandaff Diocesan Board Of Finance for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

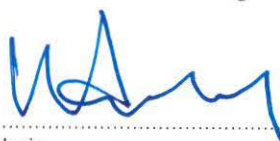
In so far as the trustees are aware:

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

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:



M A Lawley – Chair



Right Revd Mary Stallard, Trustee



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Llandaff 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.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

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.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

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, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- 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 related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
- Management override of controls; and
- obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE**

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- 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 reviewing correspondence with HMRC; and
- 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 and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance 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_



Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: en/o /U) -----L-L-----

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	5,520,626	1,128,910	-	6,649,536	5,705,444
Charitable activities	4					
Charitable activities		7,483	141,381	-	148,864	413,949
Investment income	3	247,033	118,406	7,148	372,587	396,544
Total		<u>5,775,142</u>	<u>1,388,697</u>	<u>7,148</u>	<u>7,170,987</u>	<u>6,515,937</u>
EXPENDITURE ON						
Raising funds	5	46,743	5,485	874	53,102	52,493
Charitable activities	6					
Charitable activities		5,211,956	2,701,391	-	7,913,347	7,403,969
Total		<u>5,258,699</u>	<u>2,706,876</u>	<u>874</u>	<u>7,966,449</u>	<u>7,456,462</u>
Net gains/(losses) on investments		537,453	6,197	(260)	543,390	(675,669)
NET INCOME/(EXPENDITURE)		1,053,896	(1,311,982)	6,014	(252,072)	(1,616,194)
Transfers between funds	20	(985,521)	992,669	(7,148)	-	-
Net movement in funds		68,375	(319,313)	(1,134)	(252,072)	(1,616,194)
RECONCILIATION OF FUNDS						
Total funds brought forward		10,086,890	15,263,427	209,224	25,559,541	27,175,735
TOTAL FUNDS CARRIED FORWARD		<u>10,155,265</u>	<u>14,944,114</u>	<u>208,090</u>	<u>25,307,469</u>	<u>25,559,541</u>

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

**BALANCE SHEET
31 DECEMBER 2023**

	Notes	Un restricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	12	362,504	13,661,604	-	14,024,108	14,530,477
Investments						
Investments	13	8,151,467	114,134	186,023	8,451,624	7,264,596
Investment property	14	<u>220,000</u>	<u>260,000</u>	<u>-</u>	<u>480,000</u>	<u>480,000</u>
		8,733,971	14,035,738	186,023	22,955,732	22,275,073
CURRENT ASSETS						
Debtors: amounts falling due within one year	15	296,756	114,537	-	411,293	661,049
Debtors: amounts falling due after more than one year	15	923,303	-	-	923,303	1,180,178
Cash at bank		<u>1,010,206</u>	<u>1,639,975</u>	<u>22,067</u>	<u>2,672,248</u>	<u>2,937,861</u>
		2,230,265	1,754,512	22,067	4,006,844	4,779,088
CREDITORS						
Amounts falling due within one year	16	<u>(436,571)</u>	<u>(846,136)</u>	<u>-</u>	<u>(1,282,707)</u>	<u>(1,029,765)</u>
NET CURRENT ASSETS		<u>1,793,694</u>	<u>908,376</u>	<u>22,067</u>	<u>2,724,137</u>	<u>3,749,323</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,527,665	14,944,114	208,090	25,679,869	26,024,396
CREDITORS						
Amounts falling due after more than one year	17	<u>(372,400)</u>	<u>-</u>	<u>-</u>	<u>(372,400)</u>	<u>(464,855)</u>
NET ASSETS		<u>10,155,265</u>	<u>14,944,114</u>	<u>208,090</u>	<u>25,307,469</u>	<u>25,559,541</u>
FUNDS	20					
Unrestricted funds					10,155,265	10,086,890
Restricted funds					14,944,114	15,263,427
Endowment funds					<u>208,090</u>	<u>209,224</u>
TOTAL FUNDS					<u>25,307,469</u>	<u>25,559,541</u>

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

MA Lawley- Chair

Right Revd Mary Stallard, Trustee

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

**CASH FLOW STATEMENT
FORTHEYEARENDED31DECEMBER2023**

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>125,211</u>	<u>(1,094,327)</u>
Net cash provided by/(used in) operating activities		<u>125,211</u>	<u>(1,094,327)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,818)	-
Purchase of fixed asset investments		(3,485,438)	(385,107)
Sale of fixed asset investments		2,841,800	554,552
Interest received		372,587	396,544
Repayment of investment loans		<u>(22,500)</u>	<u>(49,137)</u>
Net cash (used in)/provided by investing activities		<u>(298,369)</u>	<u>516,852</u>
Cash flows from financing activities			
Loan repayments in year		<u>(92,455)</u>	<u>(60,000)</u>
Net cash used in financing activities		<u>(92,455)</u>	<u>(60,000)</u>
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(265,613)	(637,475)
Cash and cash equivalents at the beginning of the reporting period		<u>2,937,861</u>	<u>3,575,336</u>
Cash and cash equivalents at the end of the reporting period		<u>2,672,248</u>	<u>2,937,861</u>

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

1 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(252,072)	(1,616,194)
Adjustments for:		
Depreciation charges	511,187	511,191
(Gain)/losses on investments	(543,390)	675,669
Interest received	(372,587)	(396,544)
Decrease/(increase) in debtors	529,131	(321,077)
Increase in creditors	252,942	52,628
Net cash provided by/(used in) operations	125,211	(1,094,327)

2 ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	2,937,861	(265,613)	2,672,248
	2,937,861	(265,613)	2,672,248
Debt			
Debts falling due after 1 year	(464,855)	92,455	(372,400)
	(464,855)	92,455	(372,400)
Total	2,473,006	(173,158)	2,299,848

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

Income

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

Cash donations (including those raised through volunteer fundraising) are recognised when income has been received. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Gift Aid income on donations is accrued when there is a valid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Tangible fixed assets

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

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - continued

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

Tangible fixed assets

Office premises	2.5% per annum on cost
Land	No depreciation
Fixtures and fittings	10% and 25% per annum on cost
School buildings	2% per annum on cost

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

Investment property

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.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Taxation

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

Fund accounting

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

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

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

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

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

1 ACCOUNTING POLICIES - continued

Financial instruments

The company 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 company's balance sheet when the company 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

1 ACCOUNTING POLICIES - continued

business 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 company's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

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

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

2 DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	<u>5,520,626</u>	<u>1,128,910</u>	<u>6,649,536</u>	<u>5,705,444</u>
Donations and gifts				
Fairer Share	4,383,179	-	4,400,832	4,286,624
RB Block grant	495,215	-	495,215	495,271
Other grants	598,982	1,117,829	1,716,811	859,815
Ministry Area and school contributions	375	87	462	384
Donations and external grants	<u>42,875</u>	<u>10,994</u>	<u>53,869</u>	<u>63,350</u>
	<u>5,520,626</u>	<u>1,128,910</u>	<u>6,649,536</u>	<u>5,705,444</u>

3 INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Rental income	20,000	115,882	-	135,882	186,671
Income from listed investments	201,887	2,524	7,148	211,559	199,119
Interest receivable	<u>25,147</u>	<u>-</u>	<u>-</u>	<u>25,147</u>	<u>10,754</u>
	<u>247,034</u>	<u>118,406</u>	<u>7,148</u>	<u>372,588</u>	<u>396,544</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

4 INCOME FROM CHARITABLE ACTIVITIES

	Support for ministry 2023 £	Support for Ministry Areas 2023 £	Church property 2023 £	Total 2023 £	Total 2022 £
Stipend secondment	3,643	-	-	3,643	18,554
Staff recharges	-	34,521	-	34,521	35,553
Schools receipts	-	17,715	-	17,715	18,435
Performance related grants	10,070	-	-	10,070	269,672
Schools contributions to insurances	-	-	82,075	82,075	71,735
Licence income	-	840	-	-	-
	<u>13,713</u>	<u>53,076</u>	<u>82,075</u>	<u>148,864</u>	<u>413,949</u>
Analysis by fund					
Unrestricted funds	6,643	840	-	6,643	248,902
Restricted funds	<u>7,070</u>	<u>52,236</u>	<u>82,075</u>	<u>141,381</u>	<u>165,047</u>
	<u>13,713</u>	<u>53,076</u>	<u>82,075</u>	<u>148,864</u>	<u>413,949</u>
Performance related grants					
Grants for work on parsonages	10,070	-	-	10,070	9,019
Grants for schools capital projects	-	-	-	-	260,653
	<u>10,070</u>	<u>-</u>	<u>-</u>	<u>10,070</u>	<u>269,672</u>

5 RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Investment management	<u>53,102</u>	<u>52,493</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Support for ministry	4,377,184	4,307,089
Support for Ministry Areas	874,936	840,309
Support for other church property	994,073	1,296,320
Grants and other financial support	1,090,492	536,861
Communications and publications	<u>182,128</u>	<u>80,963</u>
	7,518,813	7,061,542
Share of support costs (see note 9)	324,878	231,565
Share of governance costs (see note 9)	<u>69,656</u>	<u>110,862</u>
	<u>7,913,347</u>	<u>7,403,969</u>
Analysis by fund		
Unrestricted funds	5,211,956	4,874,212
Restricted funds	<u>2,701,391</u>	<u>5,529,757</u>
	<u>7,913,347</u>	<u>7,403,969</u>

7. SUPPORT COSTS

	Support costs £	Governance costs £	2023 £	2022 £
Staff costs	227,885	-	227,885	182,646
General office costs	96,993	-	96,993	75,024
Audit fees	-	12,000	12,000	6,930
Legal and professional fees	-	1,775	1,775	20,288
Diocesan conference costs	-	7,587	7,587	7,444
Meeting and other sundry costs	-	24,294	24,294	26,215
Diocesan Registrar	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>23,880</u>
	<u>324,878</u>	<u>69,656</u>	<u>394,534</u>	<u>342,427</u>
Analysed between charitable activities	<u>324,878</u>	<u>69,656</u>	<u>394,534</u>	<u>342,427</u>

8. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	12,000	6,930
Depreciation - owned assets	<u>511,187</u>	<u>511,191</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

During the year, expenses totalling £5,911 were paid to two trustees (2022: Nil).

10. STAFF COSTS

The average monthly number of employees during the year was:

	2023	2022
	<u>26</u>	<u>22</u>

	2023 £	2022 £
Employment costs		
Wages and salaries	800,348	652,828
Social security costs	70,915	66,006
Other pension costs	<u>62,517</u>	<u>43,924</u>
	<u>933,780</u>	<u>762,758</u>

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2023 they were considered to be the Diocesan Secretary and Accountant.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £139,562 (2022: £119,305).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
£70,000 to £79,999	<u>1</u>	<u>1</u>

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	5,105,802	599,642	-	5,705,444
Charitable activities				
Charitable activities	248,902	165,047	-	413,949
Investment income	<u>219,230</u>	<u>171,736</u>	<u>5,578</u>	<u>396,544</u>
Total	<u>5,573,934</u>	<u>936,425</u>	<u>5,578</u>	<u>6,515,937</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS -continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds Å	Restricted funds Å	Endowment funds Å	Total funds Å
EXPENDITURE ON				
Raising funds	51,221	360	912	52,493
Charitable activities	4,874,213	2,529,756	-	7,403,969
Total	<u>4,925,434</u>	<u>2,530,116</u>	<u>912</u>	<u>7,456,462</u>
Net gains/(losses) on investments	(655,002)	(9,006)	(11,661)	(675,669)
NET INCOME/(EXPENDITURE)	(6,502)	(1,602,697)	(6,995)	(1,616,194)
Transfers between funds	(667,695)	673,199	(5,504)	-
Net movement in funds	(674,197)	(929,498)	(12,499)	(1,616,194)
RECONCILIATION OF FUNDS				
Total funds brought forward	10,761,087	16,192,925	221,723	27,175,735
TOTAL FUNDS CARRIED FORWARD	<u>10,086,890</u>	<u>15,263,427</u>	<u>209,224</u>	<u>25,559,541</u>

12. TANGIBLE FIXED ASSETS

	Freehold property Å	Land Å	School buildings Å	Fixtures and fittings Å	Totals Å
COST					
At 1 January 2023	629,053	61,757	24,586,148	36,237	25,313,195
Additions	4,818	-	-	-	4,818
At 31 December 2023	<u>633,871</u>	<u>61,757</u>	<u>24,586,148</u>	<u>36,237</u>	<u>25,318,013</u>
DEPRECIATION					
At 1 January 2023	260,436	-	10,494,578	27,704	10,782,718
Charge for year	15,728	-	491,723	3,736	511,187
At 31 December 2023	<u>276,164</u>	<u>-</u>	<u>10,986,301</u>	<u>31,440</u>	<u>11,293,905</u>
NET BOOK VALUE					
At 31 December 2023	<u>357,707</u>	<u>61,757</u>	<u>13,599,847</u>	<u>4,797</u>	<u>14,024,108</u>
At 31 December 2022	<u>368,617</u>	<u>61,757</u>	<u>14,091,570</u>	<u>8,533</u>	<u>14,530,477</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. FIXED ASSET INVESTMENTS

	Listed investments €
MARKET VALUE	
At 1 January 2023	7,264,596
Additions	3,485,438
Disposals	(2,841,800)
Revaluations	<u>543,390</u>
At 31 December 2023	<u>8,451,624</u>
NET BOOK VALUE	
At 31 December 2023	<u>8,451,624</u>
At 31 December 2022	<u>7,264,596</u>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2023 is represented by:

	Listed investments €
Valuation	<u>8,451,624</u>

The original cost of the above investments at 31 December 2023 was €6,463,085 (2022: €6,086,067). The above investments are valued at mid-market valuation on 31 December 2023. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

14. INVESTMENT PROPERTY

	€
FAIR VALUE	
At 1 January 2023 and 31 December 2023	<u>480,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>480,000</u>
At 31 December 2022	<u>480,000</u>

The property of Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property on Cowbridge Road was transferred to the Board at historic depreciated cost in 2017 and revalued in 2018. The current valuations are considered to be reasonably stated.

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS -continued
FOR THE YEAR ENDED 31 DECEMBER 2023

15. DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	287,979	20,505
Other debtors	24,790	640,544
Prepayments and accrued income	98,524	-
	<u>411,293</u>	<u>661,049</u>
Amounts falling due after more than one year:		
Other loans	<u>923,303</u>	<u>1,180,178</u>
Aggregate amounts	<u>1,334,596</u>	<u>1,841,227</u>

Loans from The Representative Body Of The Church in Wales

The loans to the Ministry Areas and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the Ministry Areas and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to Ministry Areas and retired clergy, shown above.

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	742,008	16,605
Other creditors	508,963	997,160
Accruals and deferred income	31,736	16,000
	<u>1,282,707</u>	<u>1,029,765</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Other loans (see note 18)	<u>372,400</u>	<u>464,855</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due between two and five years:		
Retired clergy loans	<u>372,400</u>	<u>464,855</u>

Loans from The Representative Body Of The Church in Wales

The loans to the Ministry Areas and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the Ministry Areas and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to Ministry Areas and retired clergy, shown above.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. LOANS - continued

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	<u>-</u>	<u>15</u>

20. MOVEMENT IN FUNDS

	At 1.1.23 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	7,015,327	1,754,971	(985,521)	7,784,777
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,534,176	(582,936)	-	1,951,240
Designated fund - Clergy School	46,000	(27,000)	-	19,000
Designated fund - Covid Support Fund	357,015	(91,139)	-	265,876
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,086,890	1,053,896	(985,521)	10,155,265
Restricted funds				
Retired clergy	63,467	-	5,539	69,006
Parsonage board	(141,343)	(741,921)	883,264	-
External grants	14,550,523	(591,633)	-	13,958,890
Accumulated funds	358,720	66,684	-	425,404
Sundry trusts	60,656	(1,949)	-	58,707
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	(48,309)	(50,557)	98,866	-
Community Development	343,257	22,562	-	365,819
RB Evangelism fund	9,672	(15,276)	-	(5,604)
W.O.D.S.	66,774	108	5,000	71,882
	15,263,427	(1,311,982)	992,669	14,944,114
Endowment funds				
Restricted clergy fund	125,279	1,583	(5,539)	121,323
Miss DJN Evans Trust	41,629	2,072	(1,609)	42,092
Anonymous fund	42,316	2,359	-	44,675
	209,224	6,014	(7,148)	208,090
TOTAL FUNDS	<u>25,559,541</u>	<u>(252,072)</u>	<u>-</u>	<u>25,307,469</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS £continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,773,809	(4,556,291)	537,453	1,754,971
Designated fund - Vision Funding	-	(582,936)	-	(582,936)
Designated fund - Clergy School	3,000	(30,000)	-	(27,000)
Designated fund - Covid Support Fund	<u>(1,667)</u>	<u>(89,472)</u>	<u>-</u>	<u>(91,139)</u>
	5,775,142	(5,258,699)	537,453	1,053,896
Restricted funds				
Parsonage board	61,954	(803,875)	-	(741,921)
External grants	-	(591,633)	-	(591,633)
Accumulated funds	179,613	(112,929)	-	66,684
Sundry trusts	1,374	(7,840)	4,517	(1,949)
Church Improvement fund	42,500	(93,057)	-	(50,557)
Community Development	25,836	(3,274)	-	22,562
RB Evangelism fund	1,075,329	(1,090,605)	-	(15,276)
W.O.D.S.	<u>2,091</u>	<u>(3,663)</u>	<u>1,680</u>	<u>108</u>
	1,388,697	(2,706,876)	6,197	(1,311,982)
Endowment funds				
Restricted clergy fund	5,539	(635)	(3,321)	1,583
Miss DJN Evans Trust	1,609	(239)	702	2,072
Anonymous fund	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>2,359</u>
	<u>7,148</u>	<u>(874)</u>	<u>(260)</u>	<u>6,014</u>
TOTAL FUNDS	<u><u>7,170,987</u></u>	<u><u>(7,966,449)</u></u>	<u><u>543,390</u></u>	<u><u>(252,072)</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	6,912,011	771,011	(667,695)	7,015,327
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,834,972	(300,796)	-	2,534,176
Designated fund - Clergy School	43,000	3,000	-	46,000
Designated fund - Covid Support Fund	836,732	(479,717)	-	357,015
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,761,087	(6,502)	(667,695)	10,086,890
Restricted funds				
Retired clergy	59,468	-	3,999	63,467
Parsonage board	17,644	(823,187)	664,200	(141,343)
External grants	15,196,859	(646,336)	-	14,550,523
Accumulated funds	414,948	(56,228)	-	358,720
Sundry trusts	72,827	(12,171)	-	60,656
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	24,081	(72,390)	-	(48,309)
Community Development	321,383	21,874	-	343,257
RB Evangelism fund	8,165	1,507	-	9,672
W.O.D.S.	77,540	(15,766)	5,000	66,774
	16,192,925	(1,602,697)	673,199	15,263,427
Endowment funds				
Restricted clergy fund	130,756	(1,478)	(3,999)	125,279
Miss DJN Evans Trust	43,689	(555)	(1,505)	41,629
Anonymous fund	47,278	(4,962)	-	42,316
	221,723	(6,995)	(5,504)	209,224
TOTAL FUNDS	27,175,735	(1,616,194)	-	25,559,541

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,570,934	(4,144,921)	(655,002)	771,011
Designated fund - Vision Funding	-	(300,796)	-	(300,796)
Designated fund - Clergy School	3,000	-	-	3,000
Designated fund - Covid Support Fund	-	(479,717)	-	(479,717)
	5,573,934	(4,925,434)	(655,002)	{6,502}
Restricted funds				
Parsonage board	102,586	(925,773)	-	(823,187)
External grants	87,292	(733,628)	-	(646,336)
Accumulated funds	125,737	(181,965)	-	(56,228)
Sundry trusts	1,448	(8,147)	(5,472)	(12,171)
Church Improvement fund	42,500	(114,890)	-	(72,390)
Community Development	33,276	(11,402)	-	21,874
RB Evangelism fund	542,632	(541,125)	-	1,507
W.O.D.S.	954	(13,186)	(3,534)	(15,766)
	936,425	(2,530,116)	(9,006)	(1,602,697)
Endowment funds				
Restricted clergy fund	4,052	(663)	(4,867)	(1,478)
Miss DJN Evans Trust	1,526	(249)	(1,832)	(555)
Anonymous fund	-	-	(4,962)	(4,962)
	5,578	(912)	(11,661)	(6,995)
TOTAL FUNDS	<u>6,515,937</u>	<u>(7,456,462)</u>	<u>(675,669)</u>	<u>(1,616,194)</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FORTHEYEARENDED31DECEMBER2023

20. MOVEMENT N FUNDS - continued

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

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	6,912,011	2,525,982	(1,653,216)	7,784,777
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,834,972	(883,732)	-	1,951,240
Designated fund - Clergy School	43,000	(24,000)	-	19,000
Designated fund - Covid Support Fund	836,732	(570,856)	-	265,876
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,761,087	1,047,394	(1,653,216)	10,155,265
Restricted funds				
Retired clergy	59,468	-	9,538	69,006
Parsonage board	17,644	(1,565,108)	1,547,464	-
External grants	15,196,859	(1,237,969)	-	13,958,890
Accumulated funds	414,948	10,456	-	425,404
Sundry trusts	72,827	(14,120)	-	58,707
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	24,081	(122,947)	98,866	-
Community Development	321,383	44,436	-	365,819
RB Evangelism fund	8,165	(13,769)	-	(5,604)
W.O.D.S.	77,540	(15,658)	10,000	71,882
	16,192,925	(2,914,679)	1,665,868	14,944,114
Endowment funds				
Restricted clergy fund	130,756	105	(9,538)	121,323
Miss DJN Evans Trust	43,689	1,517	(3,114)	42,092
Anonymous fund	47,278	(2,603)	-	44,675
	221,723	(981)	(12,652)	208,090
TOTAL FUNDS	<u>27,175,735</u>	<u>(1,868,266)</u>	<u>-</u>	<u>25,307,469</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,344,743	(8,701,212)	(117,549)	2,525,982
Designated fund - Vision Funding	-	(883,732)	-	(883,732)
Designated fund - Clergy School	6,000	(30,000)	-	(24,000)
Designated fund - Covid Support Fund	<u>(1,667)</u>	<u>(569,189)</u>	<u>-</u>	<u>(570,856)</u>
	11,349,076	(10,184,133)	(117,549)	1,047,394
Restricted funds				
Parsonage board	164,540	(1,729,648)	-	(1,565,108)
External grants	87,292	(1,325,261)	-	(1,237,969)
Accumulated funds	305,350	(294,894)	-	10,456
Sundry trusts	2,822	(15,987)	(955)	(14,120)
Church Improvement fund	85,000	(207,947)	-	(122,947)
Community Development	59,112	(14,676)	-	44,436
RB Evangelism fund	1,617,961	(1,631,730)	-	(13,769)
W.O.D.S.	<u>3,045</u>	<u>(16,849)</u>	<u>(1,854)</u>	<u>(15,658)</u>
	2,325,122	(5,236,992)	(2,809)	(2,914,679)
Endowment funds				
Restricted clergy fund	9,591	(1,298)	(8,188)	105
Miss DJN Evans Trust	3,135	(488)	(1,130)	1,517
Anonymous fund	<u>-</u>	<u>-</u>	<u>(2,603)</u>	<u>(2,603)</u>
	<u>12,726</u>	<u>(1,786)</u>	<u>(11,921)</u>	<u>(981)</u>
TOTAL FUNDS	<u><u>13,686,924</u></u>	<u><u>(15,422,911)</u></u>	<u><u>(132,279)</u></u>	<u><u>(1,868,266)</u></u>

Designated funds

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

Transformation Fund

These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund

These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School

Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.

Covid-19 Support Fund

These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support

These funds are set aside by the Diocesan Board of Finance to run a new project to assist Ministry Areas with housing costs of newly ordained stipendiary curates.

An adjustment has been made to the prior year's designated fund balances

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

	Previously stated balance at 31.12.2022 £	Adjustment £	Restated balance at 31.12.2022 £
General	6,237,814	777,513	7,015,327
Designated Fund - Transformation Funds (DBF)	18,272	-	18,272
Designated Fund - Vision Funding	2,834,972	(300,796)	2,534,176
Designated Fund - Clergy School	43,000	3,000	46,000
Designated Fund - Covid Support Fund	836,732	(479,717)	357,015
Designated Fund - Curate Housing Pilot	116,100	-	116,100
	<u>10,086,890</u>		<u>10,086,890</u>

Restricted funds

The purposes of the restricted funds shown in the following analyses are as follows:

Retired clergy fund

This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.

Parsonage Board fund

This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.

Schools funds

This fund is held in two parts:

- Grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools: and
- Accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.

Widows', Orphans' and Dependents' Society (W.O.D.S.)

Monies are held to provide financial assistance to the widows and dependents of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.

Sundry trusts

These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.

Bishop's Mission and General Fund

Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.

Transformation Fund (Representative Body Grant)

The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.

Community Development Fund

The assets of the Llandaff Diocesan Board For Social Responsibility were transferred to Llandaff Diocesan Board of Finance early 2017 and are to be used for the same charitable purposes focusing on community development projects within Ministry Areas.

Community Mental Health Chaplaincy

This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilized in 2018.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

Landscapes/Journeys in Faith

This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales and will engage with Ministry Areas on a diocesan level.

Church Improvement Fund

The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to Ministry Areas in the form of grants by the Diocesan Advisory Committee.

Restricted Donations

This fund represents donations received to the diocese for special campaigns which are utilized for the purposes stated within the campaign.

RB Evangelism Fund

The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith initiatives and Citizen Church.

21. RELATED PARTY DISCLOSURES

During the year the following related party transactions took place

- Reverend Mary Stallard and Michael Lawley are both trustees of The Llangasty Retreat House Trust. During the year payments of £13,695 were made to them. The is also an outstanding loan debtor of £163,125.
- Roderick Green, Michael Lawley and Michael Komor are trustees of the Representative Body of the Church in Wales. During the year there was income of £1,216,774 and expenditure of £2,372,620. At the year-end there is an outstanding debtor balance of £146,566 and an outstanding creditor balance of £612,750.
- Reverend Michael Gable is a trustee of the Port Talbot Ministry Area Council. During the year there was income of £218,802 and expenditure of £12,150. At the year-end there was an outstanding debtor of £69,191.
- Reverend Martyn Evans is a trustee of Llynfi and Upper Afan Valleys Ministry Area. During the year there was income of £87,166 and expenditure of £10,326. At the year-end there was an outstanding debtor balance of £49,584.
- Anna Cory is a trustee of East Vale Ministry Area. During the year there was income of £70,326 and expenditure of £7,236.

LLANDAFF DIOCESAN BOARD OF FINANCE

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	6,649,536	5,705,444
Investment income		
Rents received	135,809	186,671
Deposit account interest	25,219	10,755
Current asset investment income	<u>211,559</u>	<u>199,118</u>
	372,587	396,544
Charitable activities		
Grants	<u>148,864</u>	<u>413,949</u>
Total incoming resources	7,170,987	6,515,937
EXPENDITURE		
Raising donations and legacies		
Investment management	53,102	52,493
Charitable activities		
Stipend fees and pensions	3,094,881	2,844,545
Property costs	1,092,023	1,051,521
Clergy expenses	145,891	170,722
Training	44,389	82,316
Support for Ministry Areas	874,936	998,294
Parsonages	29,936	15,102
Property costs - churches	311,264	290,675
Church schools	652,873	990,744
Grants to Church in Wales	1,079,498	497,320
Grants to others	10,994	39,541
Communication	<u>182,128</u>	<u>80,963</u>
	7,518,813	7,061,743
Support costs		
Support costs		
Wages	227,885	182,445
Auditors' remuneration	12,000	6,930
Legal fees	1,775	20,288
General office costs	96,993	75,024
Diocesan conference expenses	7,587	7,444
Diocesan registrar	24,000	23,880
Meetings and other sundry cost	<u>24,294</u>	<u>26,215</u>
	<u>394,534</u>	<u>342,226</u>
Total resources expended	<u>7,966,449</u>	<u>7,456,462</u>
Net expenditure before gains and losses	(795,462)	(940,525)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>543,390</u>	<u>(675,669)</u>
Net expenditure	<u>(252,072)</u>	<u>(1,616,194)</u>

This page does not form part of the statutory financial statements

Accounts

Charity registration number 242452

Company registration number 488549 (England and Wales)

**LLANDAFF DIOCESAN BOARD OF FINANCE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

LLANDAFF DIOCESAN BOARD OF FINANCE

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LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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 1 January 2019).

Objectives and activities

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff.

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Where Faith Matters". Our shared aims are: Telling a joyful story, Growing the Kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Parishes within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. Fairer Share is a vehicle for allocating to Parishes the projected unfunded costs from year to year.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Fairer Share increases to a minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings. The Board plays no part in the determination of the amount of such capital expenditure but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Achievements and performance

KEY EVENTS OF 2022

Diocesan Vision and Evangelism Fund

Key to delivering the forward-looking vision of the diocese, *Where Faith Matters*, the Diocesan Conference agreed in October 2020 at the recommendation of its Standing Committee, to restructure the diocese's 106 parishes into 29 Ministry Areas, in accordance with the Church in Wales transformations agenda to which the Diocese committed following the 2012 Harries Report. 11 of these Ministry Areas had already been established, and the others were all established by 1 January 2022, bringing together churches and parishes under teams of clergy. This would enable greater collaboration, calling out of complementary skills and giftings, diversity and choice of theological emphasis, ecclesiology or liturgical style within each Ministry Area, and the opportunity to explore more ambitious outreach projects together. This is hoped to lead to growth in numbers, strategic use of assets and resources (human, financial and property), and greater financial resilience.

Throughout 2022 the Bishop's Leadership Team and diocesan staff continued to provide support and advice to Ministry Areas following the process of formation of Ministry Areas.

Newly formed Colleges continued to meet to strengthen the leaders of the new Ministry Areas and enable them to share their experiences, challenges and solutions. These are not decision making bodies, but informal fora in which the members can come together in a mutually supportive environment, build relationships of peer networks, raise any matter that is important to them, and suggest ideas or support that the diocese can most helpfully provide. The Bishop convened Colleges of Ministry Area Leaders and Vicars, the DBF Chair convened the College of Ministry Area Lay Chairs, and the Director of Finance, HR and Administration convened the College of Ministry Area Treasurers. These proved helpful in providing support on practical as well as conceptual matters as well as guiding Ministry Areas in developing their own strategic plans.

Mission

The Diocesan Vision clearly focuses attention on being outward looking as the church. As part of this vision, the Young Faith Matters (YFM) agenda attracted funding from the Church in Wales's Evangelism Fund (awarded in 2020 and drawn down over 5 years), and a significant contribution from the DBF. The Evangelism Fund has enabled us to establish the successful Citizen Church in Cardiff, and our 5 YFM engagement workers. The diocesan match funding and other mission work has included developing and delivering the Flourish wellbeing programme, partnerships with YWAM and Message Wales, and helping Ministry Areas engage with young people at school and through Experience Christmas and Easter.

Citizen Church

(citizenchurch.org.uk/, [instagram.com/citizenchurchuk/](https://www.instagram.com/citizenchurchuk/), [facebook.com/Citizen-Church-Cardiff-114774650297239/](https://www.facebook.com/Citizen-Church-Cardiff-114774650297239/), [youtube.com/channel/UC542JrqBD9npZ6N7G0fId5Q](https://www.youtube.com/channel/UC542JrqBD9npZ6N7G0fId5Q)):

In December 2022 Citizen Church had a congregation of 700 including the plant in St Peter's Senghenydd (with St Mary's Pontypridd due to open February 2023).

Opportunities to reach out are constantly programmed as well as using Citizen Coffee and Bridge the Gap (football ministry) to provide access points so that people can belong before they believe. Intentional invites to Alpha resulted in 355 people attending over the course of the year. Many found faith either for the first time or came back to faith.

Social justice and outreach are key elements within the vision of Citizen Church. This is not only evidenced through the pattern of church growth outlined above but also through the delivery of 3 services per month in local prisons. 2 of these take place in Parc Prison, Bridgend with an average attendance of 30, and 1 in Cardiff prison with an average attendance of 50 inmates. Close partnership working with such organisations as the Salvation Army, Embrace and Oasis has enabled staff and lay people to offer support and help to many others, with 5 refugees being trained as baristas on the coffee van in Cathays.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

YFM engagement workers:

The team have been engaged with over 50% of the Ministry Areas (MAs) identifying innovative methods of connecting with 6,800 young people and trying to equip the MAs to deliver these methods themselves. Re-establishing or making new school connections on behalf of MAs, as well as focusing efforts on delivering Experience Easter and Christmas across the Diocese has helped to maintain a focus on sustainability and enabling the MAs to deliver these projects themselves, but with YFM involvement. However, the lack of volunteers across all MAs has curtailed progress. Nonetheless, Youth Alpha has been run in 2 MAs, one where the MA leader in Abercynon South MA and his wife ran it in St John's High School Aberdare for the first time, where over 25 young people attended regularly. Similarly, youth groups have been established but currently the MAs are too dependent on the YFM team to keep them going independently.

Two significant partnerships have been established during this period. Message Wales, based in Dinas Powys, runs the Message bus which has been used across the Diocese. The Flourish Project (developed by Christians addressing mental health and wellbeing issues in schools) has run widely across the Diocese too, connecting with 97 young people. 32 Clergy, teachers, and lay people have been trained alongside the YFM team and are delivering the course which is having a profound impact across many of our schools. There are already many stories of transformed lives and a growing demand for courses to be run in lots of schools.

The DBF funding has allowed us to employ 3 people as growth enablers, supporting churches who are endeavouring to grow their congregations. These people have been in post since June 2022 and have visited every ministry area. Several projects have started because of these visits such as in St Mary's Brackla. We also have a lead outreach worker who has developed excellent toolkits on issues such as the Cost of Living Crisis, Ukraine appeal, or Domestic abuse (available on the website) and is working closely with several MAs developing outreach projects. The Diocese also partners with the Church Army 'Centre for Mission' which currently has a trainee pioneer evangelist and a lead evangelist. They work across the Diocese complementing the work of the YFM team and the Growth enablers, whilst continuing to support established projects in the Neath Port Talbot Deanery.

The leads for each of these teams are members of our 'Integrated Mission team', which was established towards the end of the year and includes our education lead, Rebecca Morteo and our Diocesan lead children's advisor, Rev Dr Angela Cooper. The Rev Canon Tim Jones, Director of Ministry and Discipleship is also a part of this team to ensure that the connection between mission and ministry is secure. This team reviews the deployment of resources across the Diocese.

The Integrated Mission team is also developing a framework which will provide a method of assessing how well our mission strategy is addressing the different elements of our society. These can be called the 'spheres of society' or, increasingly, 'spheres of influence'. Each sphere sees itself as having a unique purpose and set of characteristics that set it apart, but the general concept is gaining traction as the conversation around reforming society seeks a simple way to look at the complexity of social issues. Nobody sits within a single sphere: everyone is a mix of many of them. But most people tend to be devoted to some more than others. The spheres are family, celebration, media, education, religion, economics and government. As we seek to reach out as a Diocese, driven by our Diocesan Vision *Where Faith Matters* the team will continually reflect on how we are impacting each of these 'spheres'.

Last autumn saw our first archdeacons' visitations for some years, with a new missional and strategic focus. Working with every ministry area in the diocese we offered support and guidance on creating vision for the future. As an outcome of this each ministry area has developed a development plan. Each of these plans are submitted to the Archdeacons and a six-month follow-up meeting will take place. The outcome of these plans enables us to be strategic about the way in which we deploy our teams effectively to provide the most appropriate support to Ministry Areas in their mission. It is encouraging to note how there is a sense within the diocese that people have been given permission to try new things. As well as Citizen Church, Urban Crofters missional community has pioneered new ways of reaching out to people, particularly through music and the arts. 'Margam Calling' is a new endeavour where the ministry area has created a monthly service, which is focused on welcoming people back to church and indeed those unchurched. St Marks Gabalfa in Cardiff continues to lead the way in using explicit pathways from social outreach such as their food market as an intentional entry point for people to explore and engage with faith, to name but a few.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

It is an exciting time for us all as we begin to renew our focus on being more intentionally missional as God's church. As part of the Anglican communion, we endorse the five Marks of Mission: The mission of the Church is the mission of Christ. As a Diocese we have historically demonstrated some very good work on Marks 3 -5, however we recognise the need to refocus on Marks 1 and 2 particularly focused, but not exclusively, on the younger generations.

Ministry & Discipleship

Given the anxieties that spilled into the public domain at the start of 2022, a dominant theme in the work of the Director of Ministry & Discipleship concerned the need to review policies and practices regarding clergy welfare; much was learned from two wide-ranging clergy surveys which were conducted about 6 months apart, at the start and middle of 2022. One aspect of this was the decision that 2022 would be an intentional 'fallow' year: in the aftermath of the restructuring into Ministry Areas during a global pandemic, further initiatives for clergy were reduced to a minimum. Efforts were made to streamline and simplify the diocesan calendar, and to publicise the 2023 calendar well in advance wherever possible.

The year began with the departure of the Director of Ordinands (DDO), Revd David Morris, to become the Director of Ministry in the Diocese of Bangor. The DDO responsibilities were valiantly carried by the Revd Andrew James for most of the year, through a fairly turbulent period in terms of vocations, until the appointment at the end of the year of the Revd Dr Ryan Green as DDO and Canon Theologian. Dr Julie Davies continued as interim Newly Licensed Ministers (NLM) and Lay Training Officer for much of the year, until her eventual permanent appointment as a Ministry Development Officer. It has proved difficult to recruit to the remaining vacancy for a Ministry Development Officer, and the team remains somewhat under strength.

The Mission Support Team meetings, which had started in the autumn of 2021, divided in the summer of 2022 into the Ministry Development Team and the Integrated Mission Team, with the creation of the Director of Mission post as the number of staff grew. Central to this was the appointment in the summer of Angela Clarke, Debbie Orriss (Church Army), Laura Ames and Joe Engle as Growth Enablers (Joe, moving to the UK from the USA with his Welsh wife and daughter, was delayed significantly by the disruption of visa processing caused by the Russian invasion of Ukraine). A major highlight of 2022 was the Ministries Fair held at Margam Abbey in mid-May, under the leadership of the Revd Peter Lewis. It was an excellent day, showcasing the wide variety of ministries undertaken by the Church or by Christian organizations across south Wales, culminating in the renewal of the diocesan partner relationship with the Lutheran Diocese of Uppsala in Sweden. A visit to Uppsala in March was of particular interest to the Ministry Team: Uppsala reorganized into a Ministry Area structure in 2009 and has developed a well-embedded programme investing in the training and on-going support of Ministry Area leaders. It is hoped that this is another area in which our diocesan partnership will prove to be inspiring and fruitful: we are indebted to Canon Martyn Davies and the partnership team for the work that they do.

Financial review

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for ministry areas, church property, grants and other financial support and communication. In 2022, the total cost of the Board's unrestricted charitable activities was £4.9 million and was mainly funded by grants from the Representative Body and by means of the Fairer Share from ministry areas.

Approximately 76.9% of the Board's unrestricted income came through Fairer Share in 2022 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of parish life.

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 57.9% of its expenditure in 2022. Conscious of the need to keep demands on ministry areas to that which is perceived as affordable by those parishes, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2022 from its reserves. As in previous years the Board intended to use its reserves to fund the Diocesan Vision so the Ministry Area Share requirement is likely to rise year on year.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

In 2022 we used reserves to continue to employ existing staff for the delivery of the Vision and additional Vision posts whose employment had been delayed due to the Covid pandemic. We gratefully benefited from continued financial support from the Representative Body to cover costs of clergy stipends and contributions to the Parsonage Board Improvement Fund during 2022. The DBF disbursed these funds to the parishes as direct grants in proportion to the ministry areas' Fairer Share contributions.

Total incoming resources of £6.515 million included: approximately £1.36 million received from the Representative Body; £4.286 million collected by Ministry Area Share and £0.19 million grants received for investment in new and improved church school buildings. Total resources expended were £7.456 million and included £4.31 million for support of the ministry, £0.84 million in support of parishes, £1.29 million on church property including church schools and £0.54 million in grants.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face,
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise.

The Board has in place a Risk Committee whose role it is to:

- Provide scrutiny of the identified key risks on the register.
- Allocate the risks to other committees/individuals who have responsibility for reviewing the risk, assessing the controls in place and amending them as appropriate. The risk holder is also responsible for reporting back to the Committee on the current status of the risk.
- Monitor the responses of the risk holders and provide a report on those findings (key areas of risk and mitigation) to the Board annually.
- Undertake a detailed review of key risks each year, as identified by the Board.

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers and giving – diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship (planned) to assist parishes into growth. A programme of Archdeacons Visitations in autumn 2022 provided support for Ministry Areas in development of their own strategic plans, and in delivery of the Diocesan Vision including growth and generosity.
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant parish share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of fairer share default levels, and investment diversification and management.
- Although the ongoing impact of specific Covid-19 and related restrictions continued to be felt in terms of reduced attendance, it was less acute and addressed under the first bullet above. Likewise the rising cost of living posed an increasing risk to revenue towards the end of 2022, mitigated by an increase in "Structural Resilience Funding" from the Representative Body.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

A complete overhaul of the register was undertaken based on Charity Commission Guidance CC26 by the Risk Committee at its January 2021 meeting. A heat map of risks has been introduced and integration with new committee structures was undertaken throughout 2022.

Investment powers and policies

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages, oil & gas, or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 15). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

Reserves policy and going concern

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2022 is £25.560 million. This total includes £15.473 million of restricted and endowment income. The Board therefore holds £10.087 million of unrestricted reserves.

The unrestricted reserves include designated reserves of £3.85 million and fixed asset value of £0.59 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2024.
- Covid-19 Support Fund: These funds were set aside to provide support through the lockdowns and as a result of the Covid-19 pandemic, and were spent during 2022.
- Ministry Area Transition Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required to facilitate the transformation from parishes to Ministry Areas.

Therefore, the level of free reserves (excluding fixed assets and revaluation reserve) holding at the 31st December 2022 is £5.641 million, which represents 14 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the known future reduction in the Representative Body block grant.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects and the nature of those grants are indicated in note 11. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

Plans for future periods

The Board will continue to undertake its main functions as described in the objectives and activities. Fairer share for 2023 was increased by 5%, reflecting the same rise in stipends and salaries. As expenditure also follows closely in line with clergy numbers, a continuous review of requirements in that area is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the opportunities for the training of new ordinands. The Board's projections for the next five years suggest increases in Fairer Share will be necessary although a proposed new formula to better align Fairer Share with actual costs of ministry is being developed. This will bring the Fairer Share income closer to the support for ministry costs and allow the Board's reserves to be used to fund central administration and the growth and transformation initiatives of the Diocesan Vision.

Diocesan Vision and Rebuilding the Church for the Future

The Diocese remains committed to its Vision, *Where Faith Matters*. During 2022 the organisational restructuring into Ministry Areas, which had been previously completed, gave the opportunity for collaboration and setting the diocese up with the platforms to implement the Vision of loving our neighbours and bringing the good news of Jesus to people in their suffering and in their joy.

As part of the delivery of the Vision, funded by the budget previously approved by the DBF, the recruitment of Mission Enablers and Outreach Workers in 2022, alongside the YFM Engagement Workers, will help Ministry Areas in future evangelism and mission, and in service to the community. Centrally we will support these roles with a Ministry Area Finance Advisory Officer and a Stewardship and Fundraising Officer, as part of the Finance Team led by our Director of Finance, HR and Administration, Mair Henry. This will be supported by the further establishment of systems and structures of evaluation and accountability to ensure we continue to make progress in the right direction.

Finally, we are working on transparency and local involvement in diocesan decision-making structures and processes in, for example, committees and the Deaneries, to ensure that the diocesan Vision and plans are reflective of local needs, desires and capacity, and hold fast to our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff *Where Faith Matters*.

Structure, governance and management

Governing Document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

Structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop;
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeaconries of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF; and
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities and are provided with Charity Commission guidance including "CC3: *The Essential Trustee*" and Church in Wales publications about the structure and governance of the Church. They may also avail themselves of the opportunity to meet with diocesan officers for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board, which are reviewed annually. Any decisions required outside of existing policies are made by reference to the Board Chair and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The updated policy was agreed by the Board in November 2022.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2022**

All financial transactions are made within an agreed financial policy framework which was updated in November 2022. The only trustees with the ability to approve financial transactions within this framework are the Chair of the Board and the Chair of the Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

Remuneration policy for senior management

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day to day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2022 they were considered to be the Diocesan Secretary and Director of Finance, HR and Administration.

The Trustees have agreed a remuneration policy, the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 11 provides further information in relation to staff costs.

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Reference and administrative details

Charity Name:

Llandaff Diocesan Board of Finance

Charity Registration Number:

242452

Company Registration Number:

488549

Registered Office:

The Court, Coychurch, Bridgend, CF35 5EH

Website:

<http://llandaff.churchinwales.org.uk/>

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

Llandaff Diocesan Board of Finance: Trustees and Directors:

The Right Reverend June Osborne

The Venerable Rod Green

The Venerable Michael Komor

Mrs Marie Brousseau-Navarro

Ms Anna Cory

Mr Anthony Davies (until September 2022)

The Reverend Martyn Hywel Evans

Mr Martyn Haydn Evans (from November 2022)

The Reverend Simon Freeman (from November 2022)

The Reverend Michael Gable

Mr Phillip Hopkins (until September 2022)

Mr Gareth Jones (from November 2022)

Mrs Jane Jones

The Reverend Mark Jones (until September 2022)

Mr Michael Lawley

Mrs Julia Lewis

Mrs Deryn McAndrew (until September 2022)

Mrs Catherine Nightingale

Mr Adrian Parker (until September 2022)

Mrs Jenna Shiells (from November 2022)

Ms Catrin Walters (from November 2022)

The Secretary to the Board

Mr James Laing

Key management personnel:

The Secretary to the Board

Mr James Laing

Diocesan Director of Finance, HR and Administration

Miss Mair Henry

Advisers:**Solicitor**

Berry Smith

Haywood House, Dumfries Place,

Cardiff, CF10 3GA

LLANDAFF DIOCESAN BOARD OF FINANCE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Principal Bankers

National Westminster
Canton, Cardiff (B) Branch,
277 Cowbridge Road East, Cardiff CF5 1WX

Registered Auditors

Azets Audit Services
Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

Stockbrokers

Rathbones Investment Management
10 Queen Square, Bristol, BS1 4NT

Funds held as custodian trustee

Below are the various trusts for which the Board acts as a custodian trustee:

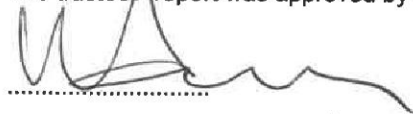
Name of Trust	Nature of investments held
Aberdare – land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Parish and the Educational Endowment Fund is under review by The Charity Commission. The value of the deposit at 31st December 2021 was £500,605. The appropriate proceeds will be added to the Schools Fund at a future date once a decision is reached.

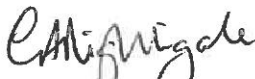
In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 2 - 9 within their capacity as company directors.

The trustees' report was approved by the Board of Trustees.



Trustee

MICHAEL LAWLEY



CATHERINE NIGHTINGALE

Date: 23 August 2023

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of Llandaff Diocesan Board of Finance for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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



JAMES LAINE

LLANDAFF DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF LLANDAFF DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Llandaff Diocesan Board of Finance (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2022 and of its incoming resources and application of resources, 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

LLANDAFF DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LLANDAFF DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

LLANDAFF DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF LLANDAFF DIOCESAN BOARD OF FINANCE

Use of our report

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

23 August 2023
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**Chartered Accountants
Statutory Auditor**

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds	Restricted funds	Endowment funds	Total Unrestricted funds As restated	Restricted funds	Endowment funds	Total
		2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	As restated 2021 £
Income and endowments from:								
Donations and legacies	3	5,105,802	599,642	-	5,705,444	451,873	-	7,003,903
Charitable activities	4	248,902	165,047	-	413,949	228,486	-	303,514
Investments	5	219,229	171,737	5,578	396,544	181,775	4,471	359,460
Other income	6	-	-	-	-	70,187	-	70,187
Total income and endowments		5,573,933	936,426	5,578	6,515,937	932,321	4,471	7,737,064
Expenditure on:								
Raising funds	7	51,221	360	912	52,493	6,290	701	51,312
Charitable activities	8	4,874,212	2,529,757	-	7,403,969	2,018,262	-	7,699,583
Total expenditure		4,925,433	2,530,117	912	7,456,462	2,024,552	701	7,750,895
Net gains/(losses) on investments	12	(655,002)	(9,006)	(11,661)	(675,669)	8,333	15,129	652,616
Net (outgoing)/incoming resources before transfers		(6,502)	(1,602,697)	(6,995)	(1,616,194)	(1,083,898)	18,899	638,785

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	Unrestricted funds	Restricted funds	Endowment funds	Total Unrestricted funds As restated 2021	Restricted funds 2021	Endowment funds 2021	Total As restated 2021
Net (outgoing)/incoming resources before transfers	(6,502)	(1,602,697)	(6,995)	1,703,784	(1,083,898)	18,899	638,785
Gross transfers between funds	(667,695)	673,199	(5,504)	-	672,448	(4,471)	-
Net movement in funds	(674,197)	(929,498)	(12,499)	1,035,807	(411,450)	14,428	638,785
Fund balances at 1 January 2022	10,761,087	16,192,925	221,723	9,725,280	16,604,375	207,295	26,536,950
Fund balances at 31 December 2022	10,086,890	15,263,427	209,224	10,761,087	16,192,925	221,723	27,175,735

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

All income and expenditure derive from continuing activities.

LLANDAFF DIOCESAN BOARD OF FINANCE

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	13	14,530,477		15,041,669	
Investment properties	14	480,000		480,000	
Investments	15	7,264,596		8,109,709	
		<u>22,275,073</u>		<u>23,631,378</u>	
Current assets					
Debtors falling due after one year	17	1,180,178		1,310,526	
Debtors falling due within one year	17	661,049		160,487	
Cash at bank and in hand		2,937,861		3,575,336	
		<u>4,779,088</u>		<u>5,046,349</u>	
Creditors: amounts falling due within one year	18	<u>(1,029,765)</u>		<u>(977,137)</u>	
Net current assets			3,749,323		4,069,212
Total assets less current liabilities			26,024,396		27,700,590
Creditors: amounts falling due after more than one year	19		(464,855)		(524,855)
Net assets			<u>25,559,541</u>		<u>27,175,735</u>
Capital funds					
Endowment funds - general	21		209,224		221,723
Income funds					
Restricted funds	22		15,263,427		16,192,925
<u>Unrestricted funds</u>					
Designated funds	23	3,849,076		3,849,076	
General unrestricted funds		<u>6,237,814</u>		<u>6,912,011</u>	
			<u>10,086,890</u>		<u>10,761,087</u>
			<u>25,559,541</u>		<u>27,175,735</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

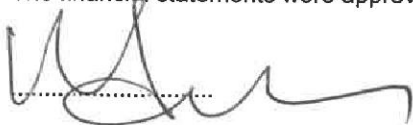
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for 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.

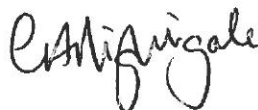
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 23 August 2023



Trustee

MICHAEL LAWLEY



CATHERINE NIGHTINGALE

Company registration number 488549

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27		(1,094,327)		80,918
Investing activities					
Repayment of investment loans and receivables		(49,137)		(35,757)	
Purchase of investments		(385,107)		(1,630,357)	
Proceeds on disposal of investments		554,552		1,986,025	
Investment income received		396,544		359,460	
Net cash generated from investing activities			516,852		679,371
Financing activities					
Repayment of borrowings		(60,000)		(61,000)	
Net cash used in financing activities			(60,000)		(61,000)
Net (decrease)/increase in cash and cash equivalents			(637,475)		699,289
Cash and cash equivalents at beginning of year			3,575,336		2,876,047
Cash and cash equivalents at end of year			2,937,861		3,575,336

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Charity information

Llandaff Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales. The registered office is The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH.

1.1 Accounting convention

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 Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

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

1.3 Charitable funds

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

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

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

1.4 Income

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

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Expenditure

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Tangible fixed assets

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

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

Office premises	2.5% per annum on cost
Land	No depreciation
Fixtures and fittings	10% and 25% per annum on cost
School buildings	2% per annum on cost

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

1.7 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.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

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

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

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

Basic financial assets

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

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.

1.12 Employee benefits

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

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

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

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Critical accounting estimates and judgements

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

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

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2022	2022	2022	As restated 2021	2021	As restated 2021
	£	£	£	£	£	£
Donations and gifts	5,105,802	599,642	5,705,444	6,552,030	451,873	7,003,903
Donations and gifts						
Parish Share	4,286,624	-	4,286,624	3,719,300	-	3,719,300
RB Block Grant	495,271	-	495,271	987,671	-	987,671
Other Grants	274,683	585,132	859,815	1,796,523	447,196	2,243,719
Parish & School contributions	-	384	384	-	520	520
Donations / External grants	49,224	14,126	63,350	48,534	4,157	52,691
	5,105,802	599,642	5,705,444	6,552,030	451,873	7,003,903

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Charitable activities

	Support for ministry 2022	Support for parishes 2022	Church property 2022	Total 2022	Support for ministry 2021	Support for parishes 2021	Church property 2021	Total 2021
	£	£	£	£	£	£	£	£
Stipendiary secondment	18,554	-	-	18,554	20,719	-	-	20,719
Staff recharges	-	35,553	-	35,553	-	54,787	-	54,787
Schools receipts	-	18,435	-	18,435	-	(3,483)	-	(3,483)
Performance related grants	9,019	-	260,653	269,672	20,814	-	143,749	164,563
Schools contributions to insurances	-	-	71,735	71,735	-	-	66,923	66,923
Licence income	-	-	-	-	-	5	-	5
	27,573	53,988	332,388	413,949	41,533	51,309	210,672	303,514
Analysis by fund								
Unrestricted funds	21,553	53,988	173,361	248,902	23,719	51,309	-	75,028
Restricted funds	6,020	-	159,027	165,047	17,814	-	210,672	228,486
	27,573	53,988	332,388	413,949	41,533	51,309	210,672	303,514
Performance related grants								
Clergy school grant	-	-	-	-	3,000	-	-	(3,000)
Grants for work on parsonages	9,019	-	-	9,019	17,814	-	-	(17,814)
Grants for schools capital projects	-	-	260,653	260,653	-	-	143,749	(143,749)
	9,019	-	260,653	269,672	20,814	-	143,749	164,563

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Investments

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Rental income	20,000	166,671	-	186,671	20,333	179,219	-	199,552
Income from listed investments	191,299	2,242	5,578	199,119	148,918	2,471	4,471	155,860
Interest receivable	7,930	2,824	-	10,754	3,963	85	-	4,048
	<u>219,229</u>	<u>171,737</u>	<u>5,578</u>	<u>396,544</u>	<u>173,214</u>	<u>181,775</u>	<u>4,471</u>	<u>359,460</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Other income

	Restricted funds	Restricted funds
	2022 £	2021 £
Sundry Grant Income	-	69,442
Other Sundry Income	-	745
	<u>-</u>	<u>70,187</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Raising funds

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Investment management	51,221	360	912	52,493	44,321	6,290	701	51,312
	51,221	360	912	52,493	44,321	6,290	701	51,312

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Charitable activities

	2022 £	2021 As restated £
Support for ministry	4,307,089	4,207,705
Support for parishes	840,309	704,119
Support for other church property	1,296,320	1,047,141
Grants and other financial support	536,861	1,357,711
Communications and publications	80,963	78,885
	<u>7,061,542</u>	<u>7,395,561</u>
Share of support costs (see note 9)	231,565	214,623
Share of governance costs (see note 9)	110,862	89,399
	<u>7,403,969</u>	<u>7,699,583</u>
Analysis by fund		
Unrestricted funds	4,874,212	5,681,321
Restricted funds	2,529,757	2,018,262
	<u>7,403,969</u>	<u>7,699,583</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Support costs

	Support costs	Governance costs	2022 Support costs	Governance costs	2021
	£	£	£	£	£
Staff costs	156,541	-	156,541	152,776	152,776
General Office Costs	75,024	-	75,024	61,847	61,847
Audit fees	-	6,930	6,930	-	6,330
Legal and professional	-	20,288	20,288	-	18,849
General Office Costs	-	-	-	-	3,948
Diocesan Conference Costs	-	7,444	7,444	-	3,706
Meeting and Other Sundry Costs	-	26,215	26,215	-	5,946
Diocesan Register	-	23,880	23,880	-	24,000
Salary Costs	-	26,105	26,105	-	26,620
	<u>231,565</u>	<u>110,862</u>	<u>342,427</u>	<u>214,623</u>	<u>304,022</u>
Analysed between Charitable activities	<u>231,565</u>	<u>110,862</u>	<u>342,427</u>	<u>214,623</u>	<u>304,022</u>

Governance costs includes payments to the auditors of £6,930 (2021- £6,330) for audit fees.

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

11 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
	<u>22</u>	<u>18</u>
Employment costs	2022 £	2021 £
Wages and salaries	652,828	530,228
Social security costs	66,006	47,407
Other pension costs	43,924	39,608
	<u>762,758</u>	<u>617,243</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Employees

(Continued)

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were considered to be the Diocesan Secretary and Accountant.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £297,110 (2021: £108,998).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
£60,000 to £70,000	1	1

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Net gains/(losses) on investments

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Unrestricted funds	Restricted funds	Endowment funds general	Total
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £	2021 £
Revaluation of investments	(655,002)	(9,006)	(11,661)	(675,669)	629,154	8,333	15,129	652,616

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

	Office premises £	Land £	Fixtures and fittings £	School buildings £	Total £
Cost					
At 1 January 2022	629,053	61,757	36,237	24,586,148	25,313,195
At 31 December 2022	629,053	61,757	36,237	24,586,148	25,313,195
Depreciation and impairment					
At 1 January 2022	244,710	-	23,962	10,002,855	10,271,527
Depreciation charged in the year	15,726	-	3,742	491,723	511,191
At 31 December 2022	260,436	-	27,704	10,494,578	10,782,718
Carrying amount					
At 31 December 2022	368,617	61,757	8,533	14,091,570	14,530,477
At 31 December 2021	384,343	61,757	12,276	14,583,293	15,041,669

14 Investment property

	2022 £
Fair value	
At 1 January 2022 and 31 December 2022	480,000

The property at Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property at Cowbridge Road was transferred to the Board at historic depreciated cost in 2017 and revalued in 2018. The current valuations are considered to be reasonably stated.

15 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2022	8,109,709
Additions	385,107
Valuation changes	(675,668)
Disposals	(554,552)
At 31 December 2022	7,264,596
Carrying amount	
At 31 December 2022	7,264,596
At 31 December 2021	8,109,709

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Fixed asset investments

(Continued)

The original cost of the above investments at 31 December 2022 was £6,086,067 (2021: £5,445,131). The above investments are valued at mid-market valuation on 31 December 2022. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

16 Financial instruments

2022

2021

£

£

Carrying amount of financial assets

Instruments measured at fair value through profit or loss

7,264,596

8,109,709

17 Debtors

2022

2021

£

£

Amounts falling due within one year:

Other debtors

661,049

160,487

2022

2021

£

£

Amounts falling due after more than one year:

Other debtors

1,180,178

1,310,526

Total debtors

1,841,227

1,471,013

Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from Welsh Government are matched with a deferred income provision.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	216,523	201,608
Other creditors	797,242	759,529
Accruals and deferred income	16,000	16,000
	<u>1,029,765</u>	<u>977,137</u>

19 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	<u>464,855</u>	<u>524,855</u>

20 Loans and overdrafts

	2022 £	2021 £
Other loans	<u>464,855</u>	<u>524,855</u>
Payable after one year	<u>464,855</u>	<u>524,855</u>

Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

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LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Endowment funds

Endowment funds represent assets which must be held permanently by the charity. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income. Any capital gains or losses arising on the assets form part of the fund.

	Balance at 1 January 2021	Movement in funds					Movement in funds					Balance at 31 December 2022
		Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 1 January 2022	Incoming resources	Resources expended	Transfers	Revaluations gains and losses		
	£	£	£	£	£	£	£	£	£	£	£	
Permanent endowments												
Restricted Clergy Fund	123,553	3,248	(505)	(3,248)	7,708	130,756	4,052	(663)	(3,999)	(4,867)	125,279	
Miss DJN Evans Trust	40,983	1,223	(196)	(1,223)	2,902	43,689	1,526	(249)	(1,505)	(1,832)	41,629	
Anonymous Fund	42,759	-	-	-	4,519	47,278	-	-	-	(4,962)	42,316	
	207,295	4,471	(701)	(4,471)	15,129	221,723	5,578	(912)	(5,504)	(11,661)	209,224	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

-37-

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

22 Restricted funds	(Continued)
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The purposes of the restricted funds shown in the following analyses are as follows:

Retired clergy fund

This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.

Parsonage Board fund

This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.

Schools funds

This fund is held in two parts:

- grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
- accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.

Widows', Orphans' and Dependants' Society (W.O.D.S.)

Monies are held to provide financial assistance to the widows and dependants of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.

Sundry trusts

These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Restricted funds

(Continued)

Bishop's Mission and General Fund

Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.

Transformation Fund (Representative Body Grant)

The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.

Community Development Fund

The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.

Community Mental Health Chaplaincy

This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilised in 2018.

Landscapes/Journeys in Faith

This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales, and will engage with parishes on a diocesan level.

Church Improvement Fund

The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to parishes in the form of grants by the Diocesan Advisory Committee.

Restricted Donations

This fund represents donations received to the diocese for special campaigns which are utilised for the purposes stated within the campaign.

RB Evangelism Fund

The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith Matters initiatives and Citizen Church.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Designated funds

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

	Movement in funds			Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Balance at 31 December 2022
	£	£	£	£	£	£
Transformation Funds (DBF)	18,272	-	-	18,272	-	18,272
Vision Funding	2,996,530	-	(161,558)	2,834,972	-	2,834,972
Clergy School	40,000	3,000	-	43,000	-	43,000
Covid Support Fund	293,543	1,786,790	(1,243,601)	836,732	-	836,732
Curate Housing Pilot	178,680	-	(62,580)	116,100	-	116,100
	<u>3,527,025</u>	<u>1,789,790</u>	<u>(1,467,739)</u>	<u>3,849,076</u>	<u>-</u>	<u>3,849,076</u>

Transformation Fund

These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund

These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School

Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.

Covid-19 Support Fund

These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support

These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

24 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total	Unrestricted funds	Designated funds	Restricted funds	Endowment funds	Total
	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021
	£	£	£	£	£	£	£	£	£	£
Fund balances at 31 December 2022 are represented by:										
Tangible assets	377,150	-	14,153,327	-	14,530,477	396,619	-	14,645,050	-	15,041,669
Investment properties	220,000	-	260,000	-	480,000	480,000	-	-	-	480,000
Investments	3,971,951	3,000,000	106,338	186,307	7,264,596	4,436,790	3,000,000	471,231	201,688	8,109,709
Current assets/(liabilities)	2,063,613	849,076	813,717	22,917	3,749,323	2,053,502	849,076	1,146,599	20,035	4,069,212
Long term liabilities	(394,900)	-	(69,955)	-	(464,855)	(454,900)	-	(69,955)	-	(524,855)
	6,237,814	3,849,076	15,263,427	209,224	25,559,541	6,912,011	3,849,076	16,192,925	221,723	27,175,735

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Operating lease commitments

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

	2022 £	2021 £
Within one year	15	2,552
Between two and five years	-	15
	<u>15</u>	<u>2,567</u>

26 Related party transactions

During the year the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and also trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions. (2021: £16,000)

27 Cash generated from operations

	2022 £	2021 £
(Deficit)/surplus for the year	(1,616,194)	638,785
Adjustments for:		
Investment income recognised in statement of financial activities	(396,544)	(359,460)
Fair value gains and losses on investments	675,669	(652,616)
Depreciation and impairment of tangible fixed assets	511,191	511,191
Movements in working capital:		
(Increase)/decrease in debtors	(321,077)	262,327
Increase/(decrease) in creditors	52,628	(319,309)
Cash (absorbed by)/generated from operations	(1,094,327)	80,918

28 Analysis of changes in net funds

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	3,575,336	(637,475)	2,937,861
Loans falling due after more than one year	(524,855)	60,000	(464,855)
	<u>3,050,481</u>	<u>(577,475)</u>	<u>2,473,006</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Prior period adjustment

Changes to the balance sheet

	At 31 December 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Capital funds			
Endowment funds	221,723	-	221,723
Income funds			
Restricted funds	16,192,925	-	16,192,925
Unrestricted funds	10,761,087	-	10,761,087
Total equity	27,175,735	-	27,175,735

Changes to the profit and loss account

	Period ended 31 December 2021		
	As previously reported	Adjustment	As restated
	£	£	£
Donations and legacies	7,481,439	(477,536)	7,003,903
Charitable activities	8,177,119	(477,536)	7,699,583
Net movement in funds	638,785	-	638,785

Notes to reconciliation

- 1 Impact of reduction of pension contributions on prior years

Accounts



Report and Financial Statements Adroddiad a Datganiad o Gyfrifon

For the year ending 31st December 2021

Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2021



LLE MAE FFYDD YN CYFRIF

WHERE FAITH MATTERS

Where Faith Matters
Lle mae Ffydd yn Cyfrif

Llandaff Diocesan Board of Finance
Bwrdd Cyllid Esgobaeth Llandaf

*Llandaff Diocesan Board of Finance is a company
limited by guarantee and not having a share capital.
Registered in England and Wales No. 488549 Registered charity No. 242452*

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)
REPORT AND FINANCIAL STATEMENTS 2021

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LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31st December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2019).

The combined report therefore satisfies the legal requirements for:

- A directors' report of a charitable company,
- A strategic report under the Companies Act 2006 and
- A trustees' annual report under the Charities Act 2011

OBJECTIVES AND ACTIVITIES

STRATEGIC REPORT (OBJECTIVES, ACTIVITIES AND RISKS)

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff.

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Where Faith Matters". Our shared aims are: Telling a joyful story, Growing the Kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Parishes within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. Fairer Share is a vehicle for allocating to Parishes the projected unfunded costs from year to year.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Fairer Share increases to a minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings. The Board plays no part in the determination of the amount of such capital expenditure but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

ACHIEVEMENTS AND PERFORMANCE
STRATEGIC REPORT (ACHIEVEMENTS AND PERFORMANCE)

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for parishes, church property, grants and other financial support and communication. In 2021, the total cost of the Board's unrestricted charitable activities was £6.2 million compared with a budget of approximately £6 million and was mainly funded by grants from the Representative Body and by means of the Fairer Share from parishes. In 2021, as in 2020, substantial additional covid-19 support was received from the Representative Body which was unbudgeted.

Approximately 57.7% of the Board's unrestricted income came through Fairer Share in 2021 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of parish life.

FINANCIAL REVIEW

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 64.7% of its unrestricted expenditure in 2021. Conscious of the need to keep demands on parishes to that which is perceived as affordable by those parishes, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2021 from its reserves. In future years the Board intends to use its reserves to fund the Diocesan Vision so the Parish Share requirement is likely to rise year on year. In 2021 we used reserves to continue to employ existing staff for the delivery of the Vision. However, due to the Covid-19 pandemic, lockdown restrictions and reduced income from Fairer Share we had postponed recruitment of new staff and cancelled or postponed most special projects in 2020: in 2021 this activity recommenced, but resulted in planned increased expenditure from 2022 when new staff took up their posts. We gratefully benefited from continued financial support from the Representative Body to cover costs of clergy stipends and contributions to the Parsonage Board Improvement Fund during 2021. The DBF disbursed these funds to the parishes as direct grants in proportion to the parishes' Fairer Share contributions, grants towards urgent hardship needs and income reimbursement. As churches reopened after the Covid-19 lockdown, Fairer share contributions were upheld by almost all parishes throughout 2021.

Total incoming resources of £8.2 million included: approximately £2.8 million received from the Representative Body; £4.2 million collected by Parish Share and £0.4m grants received for investment in new and improved church school buildings. Total resources expended were £8.2 million and included £4.8 million for support of the ministry, £0.8m in support of parishes, £1.1m on church property including church schools and £1.3m in grants.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

KEY EVENTS OF 2021

Diocesan Vision and Evangelism Fund

Key to delivering the forward-looking vision of the diocese, *Where Faith Matters*, the Diocesan Conference agreed in October 2020 at the recommendation of its Standing Committee, to restructure the diocese's 106 parishes into 29 Ministry Areas, in accordance with the Church in Wales transformations agenda to which the Diocese committed following the 2012 Harries Report. 11 of these Ministry Areas had already been established, and the others were all established by 1 January 2022, bringing together churches and parishes under teams of clergy. This will enable greater collaboration, calling out of

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

complementary skills and giftings, diversity and choice of theological emphasis, ecclesiology or liturgical style within each Ministry Area, and the opportunity to explore more ambitious outreach projects together. This is hoped to lead to growth in numbers, strategic use of assets and resources (human, financial and property), and greater financial resilience.

Detailed plans and supporting guidance and resources were drawn up during late 2020 and introduced to the Ministry Areas in a series of online roadshows which were completed in early 2021. Throughout the rest of 2021 the Senior Leadership Team and diocesan staff continued to provide advice to Ministry Areas in the process of formation. This helped the parochial church councils to discuss and approve resolutions in support of the mergers including local rules about the Ministry Area Council, treasurers to align and combine parish accounts and inform banks, suppliers and partners, and decrees to be prepared which were signed and sealed by 1 January 2022.

Colleges were established to strengthen the leaders of the new Ministry Areas and enable them to share their experiences, challenges and solutions. These are not decision making bodies, but informal fora in which the members can come together in a mutually supportive environment, build relationships of peer networks, raise any matter that is important to them, and suggest ideas or support that the diocese can most helpfully provide. The Bishop convened Colleges of Ministry Area Leaders and Vicars, the DBF Chair convened the College of Ministry Area Lay Chairs, and the Director of Finance & Stewardship convened the College of Ministry Area Treasurers. These proved helpful in teasing out detailed practical as well as conceptual matters throughout 2021, and continued in 2022 as Ministry Areas begin to look forwards to their own strategic plans.

We welcomed a new Director of Ministry and Discipleship, Revd Canon Tim Llewellyn Jones, who took up his role on St David's Day. Although his induction was hampered a little by ongoing Covid restrictions and the continued recommendations to work from home as much as possible, Tim quickly acquainted himself with the Diocese and Ministry team. He appointed a new Lay Training and Newly Licensed Ministry Officer, Julie Davies, who covered these two important areas for the rest of 2021. In early 2022 Revd David Morris resigned as Diocesan Director of Ordinands, in order to take up the role of Director of Ministry in Bangor Diocese. His perception, energy and sensitivity will be missed, and we wish him the very best in his new post. Julie's post was extended into 2022 while Tim took the opportunity to consider a more radical restructure of the Ministry team which will take shape in 2022. Meanwhile during 2021, alongside managing the support of current clergy and ministry, he developed strategic thinking for the recruitment, training, formation, deployment, continuing ministerial development, and wellbeing of clergy, while with the Archdeacons addressed recruitment and deployment of clergy in the new Ministry Areas in order to best support the delivery of the Vision, growth of the Church and transformation of society.

We were very grateful to the Evangelism Fund of the Church in Wales for a grant of £2.97m towards *Young Faith Matters*, which the DBF agreed to match from reserves with up to £2.96m over the next five years. These grants were approved in early 2020 but some activities had to be postponed due to virus control measures preventing gatherings of people. In early 2021, however, activities were able to ramp up: Citizen Church began worship online, and on site soon after Easter, and two *Young Faith Matters* Engagement Workers, Abigail Palmer and Sam Robinson, joined Steve Lock the Senior Engagement Worker in the early summer. They quickly started to engage with Ministry Areas, organised a relay march for the environment for COP26, pilot Forest Church and Message Bus activities, a beach barbeque, and began planning how best to stimulate and support youth work across the diocese. Abbie later left the core team to join Citizen Church working with Children and Youth, and by the end of the year three further Engagement Workers had joined the team. They started 2022 with a survey of both the needs for youth and family work across the diocese, and the projects that are going well which can be shared and replicated. This is informing the strategy and implementation plans for *Young Faith Matters* and the deployment of the YFM team, who are each based in a Ministry Area and deployed across the diocese wherever their particular skills and experience are needed.

Meanwhile Citizen Church continued to grow its ministry, with outreach through Citizen Coffee, ministry to asylum seekers and refugees, a regular service in Parc prison, and worship of over 200 regularly attending small groups and over 500 attending regular Sunday worship including 130 online. Plans were also developed for church plants in St Peter's Senghennydd in collaboration with the Ministry Area of Caerphilly and the Aber Valley, and in St Mary's Glyntaff in collaboration with the Ministry Area of Pontypridd. As the Vision activities gained momentum, we recruited Paul Booth as Vision Programme

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

Manager to keep the Vision delivery on track, on budget and held to account for its impact on transforming lives through witness to the love of God.

During 2021 we bade farewell to the Archdeacon of Llandaff, Ven Peggy Jackson. Much has been said and written about Peggy and her pioneering, challenging and engaging work in both the Church of England and Church in Wales, at local parish level as well as Diocese and Province. She exhibited a deep care for the clergy and congregations in her fold, while also playing important roles with the Cathedral, many Provincial committees, external partners like Cardiff Womens Aid and Citizens Cymru, and was a key part of developing and delivering the diocesan Vision. This report cannot do her justice, but suffice to say that she will be missed, and she leaves a strong legacy as she goes into retirement with our prayers and best wishes.

At the end of the year the Director of Finance & Stewardship, Jan Boyce, moved on from the diocese to work at the Cardiff University Students Union. During her 12 years in post, Jan was instrumental in the core work of the diocese, key in preparing the way financially for the launch of the Vision, and a constructive input to the Bishop's Leadership Team in navigating regular diocesan operations, the unpredictability of Covid, and the delivery of the new thinking embodied in the Vision. We wish her well in her work with Cardiff University.

The Director of Education & Young People Andrew Rickett and the Parish Resources Adviser Mark Brampton both retired at the end of 2021. Andrew worked tirelessly to transform the culture, ethos and performance of our church schools, and to bring the same approach of high standards and Christian ethos to the schools in Monmouth Diocese which we were invited to take care of from late 2020. We wish Andrew well in his retirement in England. Following his foundational work over a number of years developing Ministry Areas and preparing a culture of generosity, Mark, however, will continue to stay in contact as a Reader and, in early 2022, acting Warden of Readers, helping to lead and support this important cadre of commissioned lay ministers.

COVID-19

While the initial outbreak of coronavirus Covid-19 subsided, and the social restrictions were eased during the course of 2021, there were still variant outbreaks which contributed to a mixed feeling of relief and concern. The DBF kept its own costs low, environmental impact low and activities safe by continuing to work from home and hold meetings online even while activities in person began to increase. The final tranche of financial support from the Representative Body of the Church in Wales was paid to dioceses at the end of 2021, and passed on to Ministry Areas in the spring of 2022. This was so as to spread the assistance over time and give support to Ministry Areas while congregational numbers slowly came back but overall attendance and income from giving and from events and fundraising remained low. The permanent impact of the pandemic is yet to become clear, but will be significant. By the end of the year the value of the investment portfolio had been higher than at the start of 2021, but the investment income during 2021 was lower than 2020 and, due to the war in Ukraine and rising oil prices, investment values fell in early 2022. In this context the DBF is grateful to the parishes and generosity of their members for the impressive feat of maintaining contributions to Fairer Share which were almost at budgeted levels for 2021, but it is also expected that many parishes had to pay some of their share from their own reserves.

PLANS FOR THE FUTURE

The Board will continue to undertake its main functions as described in the objectives and activities. Fairer share for 2022 was increased slightly in line with inflation, and recalculated according to Ministry Areas (rather than the former parishes or their individual churches). As expenditure also follows closely in line with clergy numbers, a continuous review of requirements in that area is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the opportunities for the training of new ordinands. The Board's projections for the next five years suggest increases in Fairer Share will be necessary. In this context the Board is of the view that the method of calculating and process of collecting Fairer Share needs a wholesale review, which will be carried out in 2022-3. This will bring the Fairer Share income closer to the support for ministry costs and allow the Board's reserves to be used to fund central administration and the growth and transformation initiatives of the Diocesan Vision.

Diocesan Vision and Rebuilding the Church for the Future

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The Diocese remains committed to its Vision, *Where Faith Matters*. The pandemic during 2020-1 had positive and negative impacts on delivery of the Vision in both short and long term, as previously reported. During 2021 the hard organisational restructuring into Ministry Areas was completed, and Vision resources planned and recruited, setting the diocese up with the platforms to implement the Vision of loving our neighbours and bringing the good news of Jesus to people in their suffering and in their joy.

As part of the delivery of the Vision, funded by the budget previously approved by the DBF, we will continue with the recruitment of Mission Enablers and Outreach Workers in 2022 alongside the YFM Engagement Workers to help Ministry Areas in evangelism and mission, and in service to the community. Centrally we will support these roles with a Ministry Area Finance Adviser who will work on stewardship and financial advice, in the Finance Team led by our new Director of Finance, HR and Administration Mair Henry. This will be supported by the establishment of systems and structures of evaluation and accountability to ensure we continue to make progress in the right direction. Finally, we are working on transparency and local involvement in diocesan decision-making structures and processes in, for example, committees and the Deaneries, to ensure that the diocesan Vision and plans are reflective of local needs, desires and capacity, and hold fast to our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff *Where Faith Matters*.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

Structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeaconries of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities and are provided with Charity Commission guidance including "*CC3: The Essential Trustee*" and Church in Wales publications about the structure and governance of the Church. They may also avail themselves of the opportunity to visit the diocesan office for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board. Any decisions required outside of existing policies are made by reference to the Board Chairman and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The updated policy was agreed by the Board in November 2021.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was updated in November 2021. The only trustees with the ability to approve financial transactions within this framework are the Chairman of the Board and the Chairman of the Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

During the year, the charity received £16,000 of income from Cardiff Womens Aid for rental of premises. The Venerable Frances Jackson was a trustee of the Board and trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Remuneration policy for senior management

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day to day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were considered to be the Diocesan Secretary and Director of Finance & Stewardship.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise

The Board has in place a Risk Committee whose role it is to:

- Provide scrutiny of the identified key risks on the register
- Allocate the risks to other committees/individuals who have responsibility for reviewing the risk, assessing the controls in place and amending them as appropriate. The risk holder is also responsible for reporting back to the Committee on the current status of the risk
- Monitor the responses of the risk holders and provide a report on those findings (key areas of risk and mitigation) to the Board annually
- Undertake a detailed review of key risks each year, as identified by the Board

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers – diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship to assist parishes into growth
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant parish share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of fairer share default levels, and investment diversification and management
- Covid-19 and related restrictions remained on the risk register as a consolidated high-rated risk, incorporating potential income and investment losses. Income from fairer share may decline due to lack of collections, rental income and fundraising. In the long term there may be an impact on church attendance. This has been mitigated through substantial additional grant support from the Representative Body. Support and resources are being provided to parishes to assist with supporting their communities during this time.

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

A complete overhaul of the register was undertaken based on Charity Commission Guidance CC26 by the Risk Committee at its January 2021 meeting. A heat map of risks has been introduced and integration with new committee structures was undertaken throughout 2021.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Investment powers and policies

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages, oil & gas, or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 17). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

Reserves policy and going concern

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2021 is £27.18 million. This total includes £16.41 million of restricted and endowment income. The Board therefore holds £10.76 million of unrestricted reserves.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Reserves policy and going concern (continued)

The unrestricted reserves include designated reserves of £3.85 million and fixed asset value of £1.89 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Transformation Fund: The Representative Body allocated the diocese £500,000 over a three year period which was match funded by the DBF to implement 20:20 Vision initiatives. The funds have been designated for this purpose. The balance of the transformation funds it is anticipated will be spent within the next year.
- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2023.
- Covid-19 Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required as a result of the Covid-19 pandemic.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2021 is £6.5 million which represents 12.6 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the known future reduction in the Representative Body block grant.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects and the nature of those grants are indicated in note 11. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

Post balance sheet events

The impact of Covid-19 and the government-imposed restrictions continue to be assessed and evaluated by the Board. There may be an impact on future finances, and so the DBF's strategy, plans and budgets for the future are continually being reassessed to take account of any impact on changes to income.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Llandaff Diocesan Board of Finance
Charity Registration Number	242452
Company Registration Number	488549
Registered Office	The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH
Website	http://llandaff.churchinwales.org.uk/

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

Llandaff Diocesan Board of Finance: Trustees and Directors:

The Right Reverend June Osborne
The Venerable Frances Jackson (retired July 2021)
The Venerable Rd Green (from September 2021)
The Venerable Michael Komor
The Reverend Jon Ormrod (resigned November 2021)
The Reverend Michael Gable
The Reverend Martyn Evans
The Reverend Mark Jones (from November 2021)
Mr Michael Lawley
Mr Anthony Davies
Mr Adrian Parker
Ms Anna Cory
Mrs Deryn McAndrew
Mrs Julia Lewis
Mr Phillip Hopkins
Mrs Jane Jones
Mrs Catherine Nightingale
Mrs Marie Brousseau-Navarro

The Secretary to the Board	Mr James Laing
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Key management personnel:

The Secretary to the Board	Mr James Laing
Diocesan Director of Finance and Stewardship	Mrs Jan Boyce

Advisers:

Solicitor	Berry Smith Haywood House, Dumfries Place, Cardiff, CF10 3GA
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Principal Bankers	National Westminster Canton, Cardiff (B) Branch, 277 Cowbridge Road East, Cardiff CF5 1WX
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Registered Auditors	Azets Audit Services Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB
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Stockbrokers	Rathbones Investment Management 10 Queen Square, Bristol, BS1 4NT
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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Below are the various trusts for which the Board acts as a custodian trustee:

Name of Trust	Nature of investments held
Aberdare – land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Parish and the Educational Endowment Fund is under review by The Charity Commission. The value of the deposit at 31st December 2021 was £500,605. The appropriate proceeds will be added to the Schools Fund at a future date once a decision is reached.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 2 - 12 within their capacity as company directors.

Approved by the Board of Trustees on 28th June 2022
and signed on behalf of the Board

JML


J Laing
Secretary

LLANDAFF DIOCESAN BOARD OF FINANCE
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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Llandaff Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and 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 its 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the auditors that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on and signed on behalf of the Board 28th June 2022



J Laing
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Opinion

We have audited the financial statements of Llandaff Diocesan Board of Finance (the 'charity') for the year ended 31st December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2021 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of

journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Azets Audit Services
Chartered Accountants
Statutory Auditor

01-07-2022



Sarah Case FCA DChA
For and on behalf of Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 December 2021

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations and legacies	4	7,029,566	451,873	-	7,481,439	7,766,984
Charitable activities	5	75,028	228,486	-	303,514	528,376
Investments	6	173,214	181,775	4,471	359,460	384,561
Other Income	7	-	70,187	-	70,187	54,257
Total income and endowments		7,277,808	932,321	4,471	8,214,600	8,734,178
Expenditure on:						
Raising funds		44,321	6,290	701	51,312	54,493
Charitable activities						
Support for ministry	8	4,014,233	801,207	-	4,815,440	5,272,277
Support for parishes	9	631,626	179,574	-	811,200	750,452
Church property	10	104,650	987,020	-	1,091,670	1,279,215
Grants and other financial support	11	1,307,250	50,461	-	1,357,711	1,610,460
Communication	12	101,098	-	-	101,098	107,508
Total expenditure		6,203,178	2,024,552	701	8,228,431	9,074,405
Net gains/(losses) on investments		629,154	8,333	15,129	652,616	126,200
Net income/(expenditure)		1,703,784	(1,083,898)	18,899	638,785	(214,027)
Transfers between funds		(667,977)	672,448	(4,471)	-	-
Net movement in funds		1,035,807	(411,450)	14,428	638,785	(214,027)
Reconciliation of funds:						
Total funds brought forward	3,23,27	9,725,280	16,604,375	207,295	26,536,950	26,750,977
Total funds carried forward	3,23,27	10,761,087	16,192,925	221,723	27,175,735	26,536,950

The notes on pages 23 to 42 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

BALANCE SHEET
Year ended 31 December 2021

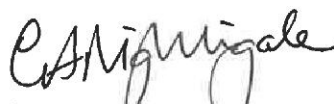
	Note	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets:						
Tangible assets	16	396,619	14,645,050	-	15,041,669	15,552,860
Investment property	17	220,000	260,000	-	480,000	480,000
Investments	17	7,790,744	117,277	201,688	8,109,709	7,812,760
Long-term loans	18	1,216,572	93,954	-	1,310,526	1,433,518
Total fixed assets		9,623,935	15,116,281	201,688	24,941,904	25,279,138
Current assets:						
Debtors	19	85,062	75,425	-	160,486	264,066
Cash at bank and in hand		2,445,382	1,109,920	20,035	3,575,336	2,876,047
Total current assets		2,530,443	1,185,345	20,035	3,735,822	3,140,113
Liabilities:						
Creditors: amounts falling due within one year	20	(938,391)	(38,746)	-	(977,136)	(1,296,446)
Net current assets		1,592,052	1,146,599	20,035	2,758,686	1,843,667
Total assets less current liabilities		11,215,987	16,262,880	221,723	27,700,590	27,122,805
Creditors: amounts falling due after more than one year:						
Loans from the Representative Body of the Church in Wales	18	(454,900)	-	-	(454,900)	(513,400)
Parish Grants		-	-	-	-	(2,500)
Governor Loans		-	(69,955)	-	(69,955)	(69,955)
Total net assets		10,761,087	16,192,925	221,723	27,175,735	26,536,950
The funds of the Charity:						
Endowment funds	23	-	-	221,723	221,723	207,295
Restricted income funds	3	-	16,163,881	-	16,163,881	16,575,331
Unrestricted funds:						
Designated	22	3,849,076	-	-	3,849,076	3,527,025
General		6,725,852	-	-	6,725,852	6,012,096
Revaluation Reserve		186,159	29,044	-	215,203	215,203
Total charity funds	27	10,761,087	16,192,925	221,723	27,175,735	26,536,950

These financial statements were approved and authorised by the Board of Directors on 28th June 2022

Signed on behalf of the Board of Directors



Director - MICHAEL LAWLEY



Director - CATHERINE NIGHTINGALE

The notes on pages 23 to 42 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT
Year ended 31 December 2021

	2021	2020
£	£	£
Cash flows from operating activities:		
Net cash provided by operating activities	(11,370)	(579,417)
Cash flows from investing activities:		
Dividends, interest and rents from investments	354,989	379,140
Purchase of property, plant and equipment	-	-
Proceeds from sale of investments	1,986,025	1,133,960
Purchase of investments	(1,630,357)	(1,066,218)
Net cash provided by investing activities	<u>710,657</u>	<u>446,882</u>
Cash flows from financing activities:		
Net cash provided by financing activities		
Change in cash and cash equivalents in the reporting period	699,288	(132,535)
Cash and cash equivalents at the beginning of the reporting period	<u>2,876,047</u>	<u>3,008,582</u>
Cash and cash equivalents at the end of the reporting period	<u><u>3,575,335</u></u>	<u><u>2,876,047</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities	2021	2020
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	638,782	(214,027)
Adjustments for:		
Depreciation charges	511,191	511,191
(Gains)/losses on investments	(652,616)	(126,200)
Dividends, interest and rents from investments	(354,989)	(379,140)
Decrease/(Increase) in debtors	226,572	(501,567)
Increase/ (decrease) in creditors	(380,310)	130,326
Net cash provided by (used in) operating activities from operating activities	<u>(11,370)</u>	<u>(579,417)</u>
Analysis of cash and cash equivalents	2021	2020
	£	£
Cash in hand	3,575,335	2,865,625
Notice deposits (less than 3 months)	-	10,422
Total cash and cash equivalents	<u><u>3,575,335</u></u>	<u><u>2,876,047</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT
Year ended 31 December 2021

Analysis of changes in net funds

	Opening balance £	Cash- flows £	New finance leases £	Interest changes £	Other non- cash changes £	Balance carried forward £
Cash	2,865,625	709,710	-	-	-	3,575,335
Cash Equivalents	10,422	(10,422)	-	-	-	-
	2,876,047	699,288	-	-	-	3,575,335

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

All activities derive from continuing operations. There are no recognised gains and losses for the current financial year or the prior financial period other than as stated in the Statement of Financial Activities and, accordingly, no separate total of recognised gains and losses is presented.

1. ACCOUNTING POLICIES

Charity information

Llandaff Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales. The registered office is The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. Llandaff Diocesan Board of Finance met the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, 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 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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.

b) Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are those which have been donated to the Board with the express wish that capital not be expended. Income on these funds is paid out in accordance with the wishes of the donor.

Investment income and gains are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income arising from permanent endowments is credited to unrestricted funds or restricted funds in accordance with the trust provisions.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity.

Resources expended are included in the Statement of Financial Activities at the time they become due.

Income and expenditure are stated gross.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Charitable activities

This includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees' Report.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, gains/losses on disposal of fixed assets and governance costs which support the Board's activities. These costs have been allocated between areas of expenditure. The bases on which support costs have been allocated are set out in note 13.

h) Tangible fixed assets

Tangible fixed assets costing in excess of £1,000 are stated at cost less accumulated depreciation. Depreciation is provided on fixed assets in order to write them off in equal annual instalments over their estimated useful lives. The charity employs the principle of charging no depreciation in the year of addition and full in the year of disposal. The following rates are used:

School buildings	-	2% per annum on cost
Office premises	-	2.5% per annum on cost
Office furniture and fittings	-	10% per annum on cost
Office equipment	-	25% per annum on cost

No depreciation is provided on land.

i) Gifted properties

When the Board was incorporated in 1950, responsibility for a number of properties was transferred to it 'en bloc'. The number and nature of such properties was unclear; in some cases the Board is not the legal owner but merely custodian trustee. The records are sparse and difficult to determine but the registration of titles is now almost complete. The properties include church halls and old school buildings; no value has ever been placed upon any for which the Board may be the beneficial owner and it is impractical to place any such value until the nature and ownership are determined.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

j) Investments

Investments held as fixed assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

k) Investment property

Premises at Heol Fair, Llandaff previously used as the Diocesan office are included in the balance sheet as an investment property at valuation provided by Cooke & Arkwright at 17th January 2018.

Investment property is shown at its open market value as defined under the current RICS Practice statements and guidelines, and then measured at its fair value at the balance sheet date. The surplus or deficit arising from the revaluation is recognised in the Statement of Financial Activities for the year.

Premises at Cowbridge Road which were transferred in 2017 from the Llandaff Diocesan Board for Social Responsibility are included in the balance sheet as an investment property at a valuation provided by Cooke & Arkwright at 4th December 2018.

Investment property is held for its investment potential and not for use by the company and so its current market value is of prime importance. The departure from the provisions of the Companies Act 2006 to depreciate assets is required in order to give a true and fair view.

l) Pension costs

Pension contributions are made to stakeholder pension arrangements for the benefit of employees. Pension costs are charged to expenditure in the Statement of Financial Activities as they fall due. The pension costs of the clergy, although charged to the Board, are paid by it as agent rather than employer.

m) Operating leases

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price (including transaction costs). The Board only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated at the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated at the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts shown within borrowings in current liabilities.

q) Termination payment

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

COVID-19

During 2020, as a result of the COVID-19 pandemic, the DBF took advantage of the government's furlough scheme (CJRS), placing six staff on furlough with a cost saving of £24,736. Loans were not deemed desirable or necessary, and no grants have yet been identified that are appropriate for the DBF. We received financial support from the Representative Body of the Church in Wales to pay for two quarters' worth of clergy accommodation, stipend and related costs. We are expecting to receive further financial support from the RB to reduce this payment in the first quarter of 2021, and half of the second quarter. Since investment markets held steady in valuation towards the end of 2020 we have instructed our investment fund managers to prepare to access our investments for the delivery of the Vision, and if necessary for ongoing operations although it is hoped and expected that will not be necessary. Cash income from fairer share is received from parishes on a monthly basis, and we maintain open dialogue with parishes who face financial difficulties in order to plan for any deferral of fairer share payments. The DBF holds sufficient cash in bank accounts and within its investment portfolio to manage the cash flow in the medium term under normal operating procedures.

While social distancing does not have a significant impact on the operations of the DBF itself, there is still a significant impact on our parishes who drive the DBF's largest income stream since they are unable to collect cash gifts during worship services, fundraising events or hiring their premises out commercially. Management is therefore working with parishes to try to ensure financial resilience. As noted in the "plans for future periods" section above, some congregations may be permanently reduced, but others may be increased or have increased online reach, having developed their competence, confidence and donations capabilities. Until restrictions are lifted and the outcomes are clearer so that the diocese's activities can be reassessed, it is assumed that congregations will be reduced, lending greater impetus to the delivery of the Vision, *Where Faith Matters*, which focuses on outreach to new sectors of society and growth in the Kingdom of God.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

3. RESTRICTED FUNDS (CONTINUED)

n) Movements on Restricted Funds

	Balance				Investment	Balance
	1 January	Transfer	Incoming	Outgoings	gains/(losses	31 December
	2021	of funds	resources		)	2021
	£	£	£	£	£	£
Retired clergy	56,220	3,248	-	-	-	59,468
Parsonage board	45,989	664,200	126,072	(818,617)	-	17,644
Schools funds:						
External grants	15,654,194	-	118,082	(575,417)	-	15,196,859
Accumulated funds	376,375	-	144,534	(105,961)	-	414,948
Sundry trusts	69,133	-	-	-	5,144	
Bishop's mission fund	-	-	1,521	(2,941)	-	72,827
Transformation fund	-	-	-	-	-	-
Landscapes/Journeys in Faith	5,591	-	-	-	-	-
Church Improvement Fund	2,081	-	26,942	(32,523)	-	10
Community Development	319,691	-	42,500	(20,500)	-	24,081
Restricted Donations	-	-	24,157	(22,465)	-	321,383
RB Evangelism Fund	-	-	-	-	-	-
W.O.D.S.	75,101	5,000	447,196	(439,031)	3,219	8,165
	<u>16,604,375</u>	<u>672,448</u>	<u>932,321</u>	<u>(2,024,552)</u>	<u>8,333</u>	<u>16,192,925</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

3. RESTRICTED FUNDS

The purposes of the restricted funds shown in the following analyses are as follows:

- a) Retired clergy fund
This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.
- b) Parsonage Board fund
This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.
- c) Schools funds
This fund is held in two parts:
 - grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
 - accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.
- d) Widows', Orphans' and Dependants' Society (W.O.D.S.)
Monies are held to provide financial assistance to the widows and dependants of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.
- e) Sundry trusts
These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.
- f) Bishop's Mission and General Fund
Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.
- g) Transformation Fund (Representative Body Grant)
The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.
- h) Community Development Fund
The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.
- i) Community Mental Health Chaplaincy
This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilised in 2018.
- j) Landscapes/Journeys in Faith
This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales, and will engage with parishes on a diocesan level.
- k) Church Improvement Fund
The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to parishes in the form of grants by the Diocesan Advisory Committee.
- l) Restricted Donations
This fund represents donations received to the diocese for special campaigns which are utilised for the purposes stated within the campaign.
- m) RB Evangelism Fund
The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith Matters initiatives and Citizen Church.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

3. RESTRICTED FUNDS (CONTINUED)

m) Movements on Restricted Funds (prior year comparative)

	Balance 1 January 2020 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/(losses) £	Balance 31 December 2020 £
Retired clergy	52,681	3,365	174	-	-	56,220
Parsonage board	9,871	664,200	133,768	(761,850)	-	45,989
Schools funds:						
External grants	15,781,481	-	348,264	(475,551)	-	15,654,194
Accumulated funds	686,167	-	182,435	(492,227)	-	376,375
Sundry trusts	66,452	-	1,613	(501)	1,569	69,133
Bishop's mission fund	-	-	2,320	(2,320)	-	-
Transformation fund	58,940	-	-	(58,940)	-	-
Landscapes/Journeys in Faith	27,310	-	28,721	(50,440)	-	5,591
Church Improvement Fund	1,500	-	25,500	(24,919)	-	2,081
Community Development	336,537	-	36,305	(53,151)	-	319,691
Restricted Donations	-	-	5,256	(5,256)	-	-
RB Evangelism Fund	-	-	221,175	(221,175)	-	-
W.O.D.S.	85,091	5,000	991	(17,724)	1,743	75,101
	<u>17,106,030</u>	<u>672,565</u>	<u>986,522</u>	<u>(2,164,054)</u>	<u>3,312</u>	<u>16,604,375</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
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4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Grants from the Representative Body of the Church in Wales						
Block grant	987,671	-	987,671	1,489,782	-	1,489,782
Other	1,796,523	447,196	2,243,719	1,724,201	221,175	1,945,376
	2,784,194	447,196	3,231,390	3,213,983	221,175	3,435,158
Parish Share	4,196,837	-	4,196,837	4,210,477	-	4,210,477
Parish & School contributions	-	520	520	-	25,375	25,375
Donations/External grants	48,535	4,157	52,692	72,519	23,455	95,974
	<u>7,029,566</u>	<u>451,873</u>	<u>7,481,439</u>	<u>7,496,979</u>	<u>270,005</u>	<u>7,766,984</u>

The Board benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with Charities SORP(FRS102), the economic contribution of general volunteers is not recognised in the accounts.

5. CHARITABLE ACTIVITIES INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Support for ministry						
Hospital chaplaincies	-	-	-	-	-	-
Stipendiary secondment	20,719	-	20,719	26,828	-	26,828
Clergy school grant	3,000	-	3,000	3,000	-	3,000
Grants for work on parsonages	-	17,814	17,814	-	2,912	2,912
Support for parishes						
Staff recharges	54,787	-	54,787	25,348	-	25,348
Schools receipts	(3,483)	-	(3,483)	19,030	-	19,030
Licence income	5	-	5	570	-	570
Church property						
Grants for schools capital projects	-	143,749	143,749	-	382,950	382,950
Schools contributions to insurances	-	66,923	66,923	-	67,728	67,728
Communications						
Directory sales, copying charges	-	-	-	10	-	10
	<u>75,028</u>	<u>228,486</u>	<u>303,514</u>	<u>74,786</u>	<u>453,590</u>	<u>528,376</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Bank and other interest	3,963	85	4,048	4,969	3,751	8,720
Dividend and trust income	148,918	2,471	151,389	145,348	2,317	147,665
Rental income	20,333	179,219	199,552	20,153	202,602	222,755
	<u>173,214</u>	<u>181,775</u>	<u>354,989</u>	<u>170,470</u>	<u>208,670</u>	<u>379,140</u>
Permanent Endowment			4,471			5,421
			<u>359,460</u>			<u>384,561</u>

Permanent Endowment income of £4,471 relates to Investments.

7. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Community Development Fund sundry income	-	-	-	-	36	36
Sundry Grant Income	-	69,442	69,442	-	54,221	54,221
Other sundry income	-	745	745	-	-	-
	<u>-</u>	<u>70,187</u>	<u>70,187</u>	<u>-</u>	<u>54,257</u>	<u>54,257</u>

Sundry grant income has been received in the year in relation to the two new restricted funds which have been set up from Visit Wales and All Churches Trust in relation to the Landscapes/Journeys in Faith projects, and from the Representative Body of the Church in Wales in relation to Church Improvement grants.

Sundry other income includes the release of the unused strategic support fund in 2020.

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8. CHARITABLE ACTIVITIES: SUPPORT FOR MINISTRY

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<i>Support for Ministry</i>						
<i>Stipends, fees and pensions</i>						
Stipends	2,177,553	-	2,174,449	2,174,449	-	2,174,449
Curates' stipends	256,025	-	265,355	265,355	-	265,355
National Insurance	241,682	-	250,202	248,551	1,651	250,202
Pension costs	492,470	-	999,615	993,135	6,480	999,615
Apprenticeship levy	10,641	-	10,788	10,788	-	10,788
Archdeacons	48,390	-	54,918	54,918	-	54,918
Cathedral staff costs	96,780	-	99,626	99,626	-	99,626
Sector ministry stipends	72,585	-	78,625	60,871	17,754	78,625
Bishop's Chaplain	38,154	-	29,167	29,167	-	29,167
University chaplains	24,195	-	33,332	33,332	-	33,332
Vacancy fees	9,867	-	10,318	10,318	-	10,318
	<u>3,468,342</u>	<u>-</u>	<u>3,468,342</u>	<u>3,980,510</u>	<u>25,885</u>	<u>4,006,395</u>
<i>Property costs</i>						
Council Tax	246,480	57	246,537	254,705	-	254,705
Parsonage maintenance costs	415	749,887	750,302	871	707,370	708,241
Rent of curate houses	64,118	-	64,118	53,445	-	53,445
Parsonage insurances	25,173	-	25,173	22,403	-	22,403
	<u>336,186</u>	<u>749,944</u>	<u>1,086,130</u>	<u>331,424</u>	<u>707,370</u>	<u>1,038,794</u>
<i>Clergy expenses</i>						
Area deans' expenses	278	-	278	105	-	105
Archdeacons' expenses	7,438	-	7,438	7,331	-	7,331
Removal costs	78,353	-	78,353	51,275	-	51,275
Bishop's discretionary fund	19,095	-	19,095	19,095	-	19,095
Miscellaneous	23,515	-	23,515	11,212	-	11,212
	<u>128,679</u>	<u>-</u>	<u>128,679</u>	<u>89,018</u>	<u>-</u>	<u>89,018</u>
<i>Training</i>						
Training costs of ordinands	280	-	280	1,390	-	1,390
Robes for Deacons	-468	-	-468	3,000	-	3,000
Continuing ministerial education	2,004	-	2,004	3,959	-	3,959
Readers	273	-	273	670	-	670
Clergy school	-	-	-	-	-	-
	<u>2,089</u>	<u>-</u>	<u>2,089</u>	<u>9,019</u>	<u>-</u>	<u>9,019</u>
<i>Support costs (note 13)</i>	58,587	51,263	109,850	68,383	46,151	114,534
<i>Governance costs (note 13)</i>	20,350	-	20,350	14,517	-	14,517
	<u>78,937</u>	<u>51,263</u>	<u>130,200</u>	<u>82,900</u>	<u>46,151</u>	<u>129,051</u>
	<u>4,014,233</u>	<u>801,207</u>	<u>4,815,441</u>	<u>4,492,871</u>	<u>779,406</u>	<u>5,272,277</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

9. CHARITABLE ACTIVITIES: SUPPORT FOR PARISHES

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Parish Share refund to parishes	213,753	-	213,753	198,008	-	198,008
Debt provision	24,978	-	24,978	83,595	-	83,595
Uppsala link	151	-	151	481	-	481
Community Mental Health Chaplaincy	-	-	-	193	-	193
Sector ministry costs	251,439	155,290	406,729	227,535	67,931	295,466
Transformation funds	10,000	-	10,000	1,016	58,941	59,957
Centre of Mission	24,224	-	48,508	7,674	7,674	15,348
Loan interest	-	-	-	-	-	-
Support costs (note 13)	58,716	-	58,716	62,902	-	62,902
Governance costs (note 13)	48,365	-	48,365	34,502	-	34,502
	631,626	179,574	811,200	615,906	134,546	750,452

10. CHARITABLE ACTIVITIES: CHURCH PROPERTY

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<u>Parsonages</u>						
Custodian expenses	8,218	4,601	12,819	8,218	4,601	12,819
<u>Property costs re churches and church halls</u>						
Diocesan Advisory Committee	55,405	-	55,405	105,841	-	105,841
Resource Church	-	306,348	306,348	2,551	-	2,551
Church Inspections	4,700	-	4,700	21,100	-	21,100
<u>Church schools</u>						
Depreciation	19,468	491,723	511,191	-	491,723	491,723
Insurances	-	69,444	69,444	-	65,969	65,969
Option appraisal, enabling and maintenance costs	2,310	83,647	85,957	-	125,492	125,492
Bad debt provision	-	-	-	-	6,252	6,252
Schools proceeds release	-	-	-	-	9,530	9,530
Support costs (note 13)	8,405	24,204	32,609	7,880	22,534	30,414
Governance costs (note 13)	5,563	6,357	11,920	8,503	364	8,867
	104,650	987,020	1,091,670	96,647	1,182,568	1,279,215

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11. CHARITABLE ACTIVITIES: GRANTS AND OTHER FINANCIAL SUPPORT

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
<i>Grants to Church in Wales Bodies</i>						
Retired clergy and widows	-	6,900	6,900	-	17,723	17,723
Churches fund	100	20,500	20,600	3,000	24,919	27,919
Mission fund grants to parishes	6,325	561	6,886	27,247	-	27,247
Support grants to parishes	1,206,590	-	1,206,590	1,422,324	5,257	1,427,581
Support of retreat facilities	5,000	-	5,000	5,000	-	5,000
Llandaff Cathedral	60,000	-	60,000	60,000	-	60,000
Bishop's mission & general fund	-	-	0	-	2,320	2,320
University Chaplaincies	7,818	-	7,818	10,805	-	10,805
Trecco Bay Mission	1,250	-	1,250	-	-	-
RB Emergency Aid Fund	16,667	-	16,667	16,667	-	16,667
	<u>1,303,750</u>	<u>27,961</u>	<u>1,331,711</u>	<u>1,545,043</u>	<u>50,219</u>	<u>1,595,262</u>
<i>Grants to Anglican, Ecumenical and other bodies</i>						
Penrhys Ecumenical Mission	3,500	-	3,500	3,500	-	3,500
The Friends of the Clergy Corporation	-	-	-	-	-	-
The Trussell Trust	-	-	-	-	-	-
Citizens UK	-	-	-	-	10,000	10,000
Community development grants	-	-	-	-	-	-
Miscellaneous	-	22,500	22,500	1,698	-	1,698
	<u>3,500</u>	<u>22,500</u>	<u>26,000</u>	<u>5,198</u>	<u>10,000</u>	<u>15,198</u>
	<u>1,307,250</u>	<u>50,461</u>	<u>1,357,711</u>	<u>1,550,241</u>	<u>60,219</u>	<u>1,610,460</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

12. CHARITABLE ACTIVITIES: COMMUNICATION

	Unrestricted Funds Total 2021 £	Unrestricted Funds Total 2020 £
Diocesan directory costs	-	5,520
Communication officer and IT expenses	78,028	80,039
Croeso	857	1,502
Support costs (note 13)	13,448	14,195
Governance costs (note 13)	8,765	6,252
	<u>101,098</u>	<u>107,508</u>

13. SUPPORT COSTS

Support costs are allocated on the basis of time spent by staff members on each activity, together with the diocesan office floor area relating to those employees, as shown below

	Note	Unrestricted General Support £	Unrestricted Governance £	Restricted General Support £	Restricted Governance £	Total 2021 £
Support for Ministry	8	58,587	20,350	51,263	-	130,200
Support for Parishes	9	58,716	48,365	-	-	107,081
Church property	10	8,405	5,563	24,204	6,357	44,529
Communication	12	13,448	8,765	-	-	22,213
		<u>139,156</u>	<u>83,043</u>	<u>75,467</u>	<u>6,357</u>	<u>304,023</u>

The Board identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the four key areas of charitable activities undertaken in the year. The table below details the basis of apportionment and analysis of support and governance costs.

	General Support £	Governance £	Total £	Basis of apportionment
Salary Costs	152,776	26,620	179,396	Time spent on activity
General Office costs	61,847	3,948	65,795	Time spent on activity and floor space
Diocesan conference expenses	-	3,706	3,706	Governance
Audit	-	6,330	6,330	Governance
Diocesan registrar	-	24,000	24,000	Governance
Meeting and other sundry costs	-	5,946	5,946	Governance
Legal fees	-	12,492	12,492	Governance
Legal fees (restricted)	-	6,357	6,357	Governance
	<u>214,623</u>	<u>89,399</u>	<u>304,022</u>	

NOTES TO THE FINANCIAL STATEMENTS
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14. NET INCOME FOR THE YEAR

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
This is after charging						
Auditors' remuneration - audit fees	6,330	-	6,330	5,562	-	5,562
Depreciation	19,468	491,723	511,191	19,468	491,723	511,191

15. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to any trustee or any person connected with a trustee during the year (2020 - £nil).

No expenses were paid to any trustee, other than for travel to meetings where claimed.

	Unrestricted £	Restricted £	Total 2021 £	Unrestricted £	Restricted £	Total 2020 £
Employee costs during the year were						
Wages and salaries	471,167	59,061	530,228	418,146	33,275	451,421
Social security costs	41,796	5,611	47,407	37,315	2,780	40,095
Pension contributions	36,064	3,544	39,608	30,918	4,580	35,498
Termination payment	-	-	-	-	-	-
	549,027	68,216	617,243	486,379	40,635	527,014

During the year, the Board employed 18 staff (2020 - 16). This equates to an average of 12.5 (2020 - 12.5) full-time staff.

One employee had employee benefits in excess of £60,000 which was in the band of £60,000-£70,000 (2020: one).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to relevant funds.

The charity trustees were not paid nor received any other benefits from employment with the Board in the year (2020: £nil). Expenses of £392 for travel costs were claimed in the year by trustees (2020: £118). No charity trustee received payment for professional or other services supplied to the charity (2020: £nil).

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2021 they were considered to be the Diocesan Secretary and Accountant.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £108,998 (2020: £120,486).

Pension costs

The company contributes a percentage of salary to funds held in a grouped personal pension plan to which each employee also contributes. The plan is operated under the stakeholder pension provisions. The contributions paid in the year amounted to £35,498 (2020: £35,498). At the year end contributions of £nil were due (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

Taxation

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

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16. TANGIBLE FIXED ASSETS

	Unrestricted funds			Restricted funds		
	Office Premises £	Office equipment £	Furniture and fittings £	Land £	Schools £	Total £
Cost						
At 1 January 2021	629,053	15,634	20,603	61,757	24,586,148	25,313,195
Additions	-	-	-	-	-	-
Disposal /Written off	-	-	-	-	-	-
At 31 December 2021	629,053	15,634	20,603	61,757	24,586,148	25,313,195
Accumulated depreciation						
At 1 January 2021	228,984	11,238	8,982	-	9,511,132	9,760,336
Disposal / Written off	-	-	-	-	-	-
Charge for year	15,726	1,950	1,791	-	491,723	511,190
At 31 December 2021	244,710	13,188	10,773	-	10,002,855	10,271,526
Net book value						
At 31 December 2021	384,343	2,446	9,380	61,757	14,583,293	15,041,669
At 31 December 2020	400,069	4,396	11,622	61,757	15,075,016	15,552,859

17. INVESTMENTS HELD AS FIXED ASSETS

Property	Unrestricted funds £	Restricted funds £	Total £
Investment Properties	220,000	260,000	480,000

The property at Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property at Cowbridge Road was transferred to the Board at historic depreciated cost in 2017 and revalued in 2018. The current valuations are considered to be reasonably stated.

Listed Securities

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total £
Balance at 1 January 2021	7,514,014	115,724	183,022	7,812,760
Additions	1,577,709	7,691	44,957	1,630,357
Disposals	(1,624,032)	(13,768)	(38,563)	(1,676,363)
Revaluation to market value	323,053	7,630	12,272	342,955
Balance at market value at 31 December 2021	7,790,744	117,277	201,688	8,109,709

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

17. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

The original cost of the above investments at 31 December 2021 was £5,445,131 (2020: £5,491,709). The above investments are valued at mid-market valuation on 31 December 2020. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

18. LONG-TERM LOANS

(a) LOANS-FIXED ASSETS

	Balance 1 January 2021 £	New loans/ Revaluation £	Capital repaid £	Balance 31 December 2021 £
i Unrestricted funds				
Loans to parishes and retired clergy				
Retired clergy general loans	126,000	-	(28,500)	97,500
Retired clergy equity linked loans	387,400	-	(30,000)	357,400
Total equals amount of loans received from the Representative Body of the Church in Wales	513,400	-	(30,000)	454,900
General C loans	178,466	25,000	(33,735)	169,731
Loan to Citizen Church	525,020	-	(20,000)	505,020
Loan to Llangasty Retreat House Trust	163,125	-	-	163,125
	<u>1,380,011</u>	<u>25,000</u>	<u>(112,235)</u>	<u>1,292,776</u>
Split as follows:				
Amount due within one year (current asset)	40,447	-	-	76,204
Amount due after one year (fixed asset)	1,339,564	-	-	1,216,572
ii Restricted Funds				
Governor Loans	<u>119,621</u>	<u>-</u>	<u>-</u>	<u>119,621</u>
Split as follows:				
Amount due within one year (current asset)	25,667	-	-	25,667
Amount due after one year (fixed asset)	93,954	-	-	93,954
	<u>1,499,632</u>	<u>-</u>	<u>-</u>	<u>1,412,397</u>
Split as follows:				
Amount due within one year (current asset)	66,114			101,871
Amount due after one year (fixed asset)	1,433,518			1,310,526

NOTES TO THE FINANCIAL STATEMENTS
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18. LONG-TERM LOANS (continued)

(b) Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Board pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

(c) Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from Welsh Government are matched with a deferred income provision.

19. DEBTORS

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Total 2020 £
Parish share in arrears	154,712	-	154,712	135,846	-	135,846
Provisions	(154,712)	-	(154,712)	(135,846)	-	(135,846)
	-	-	-	-	-	-
Loans due within one year (see note 18)	76,204	25,667	101,871	40,447	25,667	66,114
Other debtors (due within one year)	8,858	49,758	58,615	39,872	158,080	197,952
Other debtors (due after one year)	-	-	-	-	-	-
	<u>85,062</u>	<u>75,425</u>	<u>160,486</u>	<u>80,319</u>	<u>183,747</u>	<u>264,066</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
Parish Share debates	201,608	-	-	201,608	189,298	-	-	189,298
Other creditors	736,783	22,746	200	759,529	882,437	208,511	200	1,091,148
Deferred income	-	-	-	-	-	-	-	-
Governor Loans	-	-	-	-	-	16,000	-	16,000
	<u>938,391</u>	<u>38,746</u>	<u>-</u>	<u>977,136</u>	<u>1,071,735</u>	<u>224,511</u>	<u>200</u>	<u>1,296,446</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

21. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2021.

22. DESIGNATED FUNDS

	Balance at 1 January 2021 £	New designations £	Utilised/ released £	Balance at 31 December 2021 £
Transformation Fund	18,272	-	-	18,272
DBF Vision Fund	2,996,530	-	(161,558)	2,834,972
Clergy School	40,000	3,000	-	43,000
Covid-19 Support Fund	293,543	1,786,790	(1,243,601)	836,732
Curate Housing Support	178,680	-	(62,580)	116,100
	<u>3,527,025</u>	<u>1,789,790</u>	<u>(1,467,739)</u>	<u>3,849,076</u>

Transformation Fund: These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund: These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School: Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.

Covid-19 Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.

Prior year comparative - 2020

	Balance at 1 January 2020 £	New designations £	Utilised/ released £	Balance at 31 December 2020 £
Transformation Funds (DBF)	19,288	-	(1,016)	18,272
Community Mental Health Chaplaincy	3,123,716	-	(127,186)	2,996,530
DBF Vision Fund	20,000	20,000	-	40,000
Clergy School	-	293,543	-	293,543
Curate Housing Support	90,510	137,130	(48,960)	178,680
	<u>3,253,514</u>	<u>450,673</u>	<u>(177,162)</u>	<u>3,527,025</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

23. ENDOWMENT FUNDS

	Balance at 1 January 2021 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2021 £
Retired Clergy Fund	123,554	3,248	(505)	7,708	(3,248)	130,756
Miss DJN Evans Trust	40,983	1,223	(196)	2,902	(1,223)	43,689
Anonymous Fund	42,758	-	-	4,519	-	47,278
	<u>207,295</u>	<u>4,471</u>	<u>(701)</u>	<u>15,129</u>	<u>(4,471)</u>	<u>221,723</u>

The income generated by the funds can be used to further the aims of the charity. The income is transferred to general funds on its receipt, with the exception of the Retired Clergy Fund which is transferred to the Retired Clergy Restricted fund.

Prior year comparative – 2020

	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2020 £
Retired Clergy Fund	128,269	3,365	(580)	(4,135)	(3,365)	123,554
Miss DJN Evans Trust	42,748	1,267	(209)	(1,556)	(1,267)	40,983
Anonymous Fund	40,311	789	-	2,447	(789)	42,758
	<u>211,328</u>	<u>5,421</u>	<u>(789)</u>	<u>(3,244)</u>	<u>(5,421)</u>	<u>207,295</u>

24. FINANCIAL COMMITMENTS (OPERATING LEASES NOTE)

Total financial commitments under non-cancellable operating leases are as follows as at 31st December 2021.

	2022 £	2021 £
Operating leases expiring:		
Within one year of the balance sheet date	2,552	4,422
In two to five years of the balance sheet date	15	2,074
	<u>2,567</u>	<u>6,496</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2021

25. COMPANY STATUS

The company is limited by guarantee to the extent of £1 per member, the maximum number of members being 19; the actual number at 31 December 2021 was 16 (2020: 16).

26. RELATED PARTY TRANSACTIONS

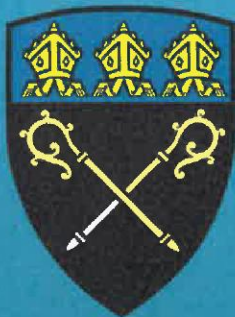
During the year the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and also trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions. (2020: £16,000)

An assessment of trustee waived expenses has been made and the value is not material for disclosure.

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2021				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	396,618	-	14,645,050	-	15,041,669
Investments	6,227,316	3,000,000	471,231	201,688	9,900,235
Net current assets	742,977	849,076	1,146,599	20,035	2,758,686
Due after one year	(454,900)	-	(69,955)	-	(524,855)
	<u>6,912,011</u>	<u>3,849,076</u>	<u>16,192,925</u>	<u>221,723</u>	<u>27,175,735</u>
	2020				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	416,087	-	15,136,773	-	15,552,860
Investments	6,073,578	3,000,000	469,678	183,022	9,726,278
Net current assets	221,990	527,025	1,070,379	24,273	1,843,667
Due after one year	(513,400)	-	(72,455)	-	(585,855)
	<u>6,198,255</u>	<u>3,527,025</u>	<u>16,604,375</u>	<u>207,295</u>	<u>26,536,950</u>

Accounts



Report and Financial Statements Adroddiad a Datganiad o Gyfrifon

For the year ending 31 December 2020

Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2020



LLE MAE FFYDD YN CYFRIF

WHERE FAITH MATTERS

**Where Faith Matters
Lle mae Ffydd yn Cyfrif**

**Llandaff Diocesan Board of Finance
Bwrdd Cyllid Esgobaeth Llandaf**

*Llandaff Diocesan Board of Finance is a company
limited by guarantee and not having a share capital.
Registered in England and Wales No. 488549 Registered charity No. 242452*

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)
REPORT AND FINANCIAL STATEMENTS 2020

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LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31st December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS102) (effective 1 January 2019).

The combined report therefore satisfies the legal requirements for:

- A directors' report of a charitable company,
- A strategic report under the Companies Act 2006 and
- A trustees' annual report under the Charities Act 2011

OBJECTIVES AND ACTIVITIES

STRATEGIC REPORT (OBJECTIVES, ACTIVITIES AND RISKS)

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff.

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Where Faith Matters". Our shared aims are: Telling a joyful story, Growing the Kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Parishes within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. Fairer Share is a vehicle for allocating to Parishes the projected unfunded costs from year to year.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Fairer Share increases to a minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings. The Board plays no part in the determination of the amount of such capital expenditure but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

ACHIEVEMENTS AND PERFORMANCE
STRATEGIC REPORT (ACHIEVEMENTS AND PERFORMANCE)

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for parishes, church property, grants and other financial support and communication. In 2020, the total cost of the Board's unrestricted charitable activities was £6.91 million compared with a budget of approximately £6.3 million and was mainly funded by grants from the Representative Body and by means of the Fairer Share from parishes. In 2020 substantial additional covid-19 support was received from the Representative Body which was unbudgeted.

Approximately 54.4% of the Board's unrestricted income came through Fairer Share in 2020 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of parish life.

FINANCIAL REVIEW

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 65.0% of its unrestricted expenditure in 2020. Conscious of the need to keep demands on parishes to that which is perceived as affordable by those parishes, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2020 from its reserves. In future years the Board intends to use its reserves to fund the new Diocesan Vision so the Parish Share requirement is likely to rise year on year. In 2020 we used reserves to continue to employ existing staff for the delivery of the Vision. However, due to the Covid-19 pandemic, lockdown restrictions and reduced income from Fairer Share we postponed recruitment of new staff and cancelled or postponed most special projects. The "resourcing church" was planted in Cathays, Cardiff and known as Citizen Church, thanks to significant grant funding from the Evangelism Fund of the Church in Wales, and support from the DBF including a loan towards capital costs. As the restrictions ease in 2021 we have restarted the recruitment of Vision resources and started to consider special projects again. We gratefully benefited from financial support from the Representative Body to cover costs of clergy stipends and contributions to the Parsonage Board Improvement Fund for the second and third quarters of 2020. The DBF disbursed these funds to the parishes as direct grants in proportion to the parishes' Fairer Share contributions, grants towards urgent hardship needs and income reimbursement, and a special grant to Llandaff Cathedral. Fairer share contributions were upheld by almost all parishes throughout 2020.

Total incoming resources of £8.7 million included: approximately £3.2 million received from the Representative Body; £4.2 million collected by Parish Share and £0.4m grants received for investment in new and improved church school buildings. Total resources expended were £9.1 million and included £5.3 million for support of the ministry, £0.8m in support of parishes, £1.3m on church property including church schools and £1.6m in grants.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's new Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

KEY EVENTS OF 2020

Diocesan Vision and Evangelism Fund

Following the launch of the Diocesan Vision, *Where Faith Matters*, in 2019, planning was undertaken towards the end of 2019 and early 2020 to bring it into being in the lives of the parishes. After only a few months, the emergence of Covid-19 and the imposition of lockdown restrictions enforced changes in these plans, but nonetheless the life of the diocese continued in different, creative ways in responding to the needs of our congregations and wider communities. After a high profile launch in Llandaff Cathedral in early January of the Year of Pilgrimage and consecration of the "pilgrim bears" and their symbols, many of the events for pilgrimage and the 900th Anniversary of the Norman foundation of Llandaff Cathedral had to be cancelled or postponed. However, the bears continued to make their more muted way around the diocese and further afield, with one even reaching Jerusalem. We were very grateful to the Evangelism Fund of the Church in Wales for a grant of £2.97m towards *Young Faith Matters*, which the DBF agreed to match from reserves with up to £2.96m over the next five years. Due to virus control measures preventing gatherings of people, some of the events and projects in *Young Faith Matters* were postponed. The closure of churches to in-person meetings resulted in less income to churches from collections, renting their premises, or fundraising events, threatened payment by parishes of their Fairer Share contributions to the DBF towards the costs of ministry. The DBF therefore reconsidered all unnecessary expenditure, so as to keep funds available to support core ministry and mission at parish level. One third of diocesan staff were put on furlough and took advantage of government support, and recruitment of new staff and clergy was halted over the summer months at the peak of the pandemic, including the new Engagement Workers, Outreach Enablers and Mission Enablers envisaged for delivery of *Where Faith Matters*. We scaled back diocesan operations, cancelled all in-person meetings but held them online instead, and closed the office so that all staff were enabled to work from home for health and safety reasons, which also had the side effect of reducing diocesan costs.

The Representative Body (RB) of the Church in Wales was generous in its financial support, recognising the challenges faced by parishes in raising funds, generating income and collecting donations when churches were closed, church halls unavailable for hire, shops and cafes unable to trade, summer fairs prevented and the occasional offices or life events of baptism, marriages and funeral services postponed, cancelled or at the very least diminished in scale. Accordingly, the RB covered the costs of ministry as noted above, and while this generosity provided great assistance to parish and diocesan cashflows, there is a concern that parish reserves have been impacted. Despite the logistical challenges, parishes across the diocese have demonstrated great agility in continuing with worship, ministry and outreach as further detailed below, and many have managed to continue regular envelope collections or demonstrated even greater financial resilience by increasing direct and online giving.

Meanwhile the essential work of the church continued, including delivery of *Where Faith Matters* wherever possible, both to reach and serve people in a time of great need, and to prepare and build a more effective Church for the future. Citizen Church was planted in St Teilo's Church in Cathays, Cardiff: a team moved from Portsmouth to join with enthusiastic locals, led by Revd Ryan Forey and Revd Mark Simpson who were licensed in June. Capital works on the building of St Teilo's Church were a little slower than planned, but the garden was cleared and revitalised, a coffee van installed as a place of welcome, repairs made to the roof and fabric of the building, and heating, electrical, audio-visual and decorations work completed by the end of the year. In February 2021 socially-distanced worship in person, recorded and streamed online, joined the virtual services, connections, and community service that started in late 2020, such as the "Love Christmas" initiative delivering 3,000 gift boxes, 100 meals for the homeless, and other gifts to the isolated and vulnerable. In other *Young Faith Matters* work, a further commitment was made to the Church Army team which has been working in a Centre for Mission based in Neath for the last five years, and has now broadened its remit to include mission to young people across the diocese. A Senior Engagement Worker, Steve Lock, was recruited in late 2020 and took up his role in January 2021, adjusting the strategic planning for the delivery of *Young Faith Matters* in parishes reaching out to young people and engaging with schools throughout the diocese.

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

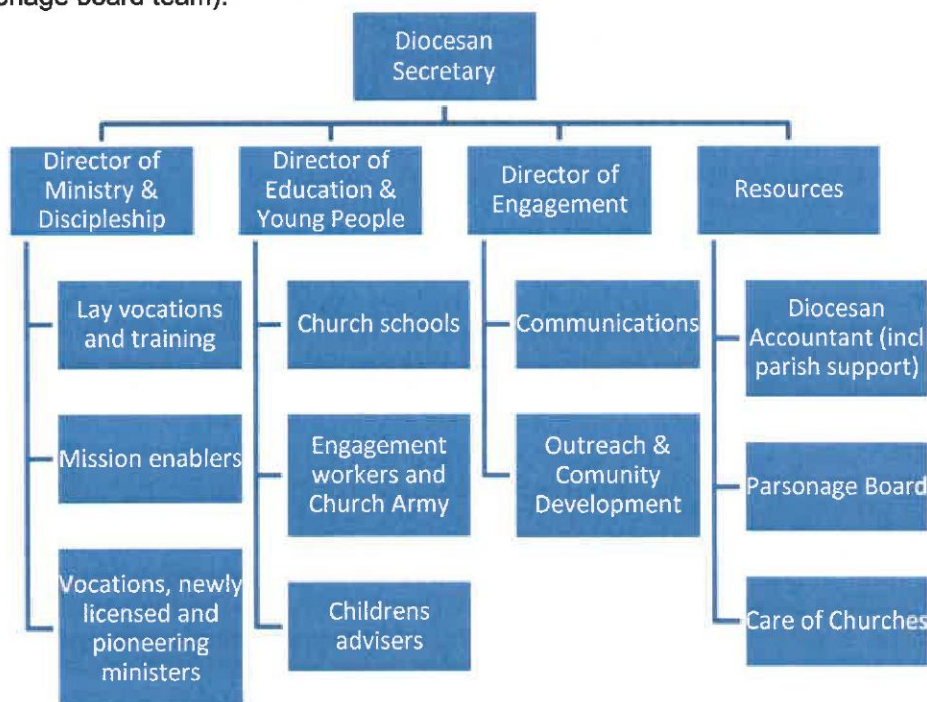
FINANCIAL REVIEW (continued)

KEY EVENTS OF 2020 (continued)

Digital church and communications were areas of work that were present in the Diocesan Vision but assumed a much greater importance during 2020. While churches were closed for corporate worship, and meetings for governance, conferences and social events could not happen in person, the need to connect in other ways increased. The diocese's own website was relaunched, and greater advice and support made available to clergy and local church leadership in developing their online offerings, including live streamed or recorded worship, technology to enable online giving in the moment as well as regular Gift Direct supported by the Church in Wales, prayer and bible study groups using online conference call platforms, and newsletters (both electronic and sent in hard copy) and telephone call networks to keep in touch – the resilience and creativity of our parishes was a truly joyful story. In the autumn we recruited a new Digital Communications Officer to support this work.

At the end of 2020 we bade farewell to Revd Canon Richard Lowndes, the Director of Ministry and Discipleship. He has served the diocese well, caring deeply for the work and mission of God's church in Llandaff, and no less fervently for the personal well being and development of the clergy. At the start of the year he oversaw the commissioning of the new vocations team, and in the later months set things up well for the future work of Ministry and Discipleship. He was succeeded by Revd Canon Tim Llewellyn Jones who returns with his family from Suffolk to roots in South Wales, and started work on St David's Day, 1st March 2021.

Over the summer of 2020 the DBF reviewed its management and governance structures, in order to be more streamlined and effective in directing the implementation of *Where Faith Matters* and ongoing running of the diocese. We restructured the staff into teams focused on each delivery group of the Vision, each led by a Director: Education & Young People, Outreach & Engagement, Ministry & Discipleship, and Resources (under the Diocesan Secretary, and including finance, parish support and stewardship, care of churches, and the parsonage board team).



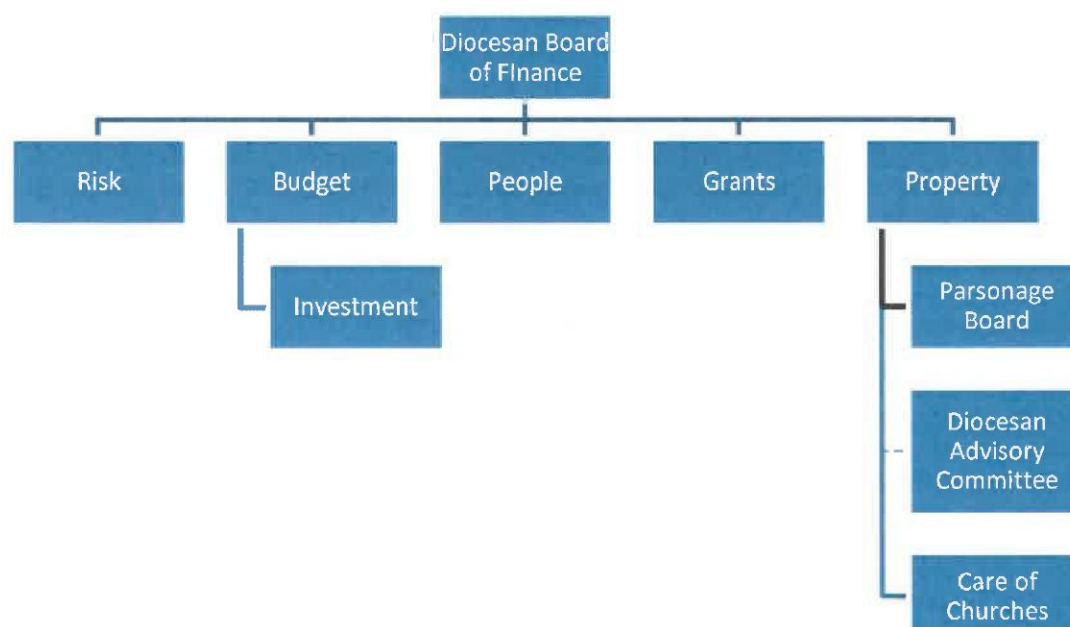
LLANDAFF DIOCESAN BOARD OF FINANCE
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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

KEY EVENTS OF 2020 (continued)

The DBF reviewed its constitution during 2020 and approved new Articles of Association, to be fit for the modern era and better govern the diocese. This included changes to permit electronic meetings, and revise the elected members to permit a better balance of representation, skills and experience and allow the Board to co-opt members if there are any skills gaps. The new membership structure is detailed under "Structure, Governance and Management on page 8 below. The DBF also revised its committees, according to areas of work: risk, budget & investment, property, grants and people (including safeguarding). The new structure is below, and the new committees had their first meetings following the Annual General Meeting towards the end of 2020.



Finally, and key to delivering the forward-looking vision of the diocese, the Diocesan Conference agreed in October at the recommendation of its Standing Committee, to restructure the diocese's 106 parishes into 29 Ministry Areas, in accordance with the Church in Wales transformations agenda to which the Diocese committed following the 2012 Harries Report. 11 of these Ministry Areas had already been established, and the others will be established by 1 January 2022, bringing together churches and parishes under teams of clergy. This will enable greater collaboration, calling out of complementary skills and giftings, diversity and choice of theological emphasis, ecclesiology or liturgical style within each Ministry Area, and the opportunity to explore more ambitious outreach projects together. This is hoped to lead to growth in numbers, strategic use of assets and resources (human, financial and property), and greater financial resilience in time. Detailed plans and supporting guidance and resources were drawn up during late 2020 and introduced to the Ministry Areas in a series of online roadshows which were completed in early 2021. The Senior Leadership Team and diocesan staff continue to provide advice to Ministry Areas in the process of formation.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

FINANCIAL REVIEW (continued)

COVID-19

The coronavirus Covid-19 and the consequent social restrictions have had both negative and positive impacts on the operations and finances of the Charity. By the end of the year the value of the investment portfolio had recovered almost to the level at which it stood at the end of 2019, but the investment income during 2020 was lower than budgeted. Since places of worship were closed and public fundraising events were cancelled, income to the parishes (from which they pay parish share income to the Charity) declined but parish share contributions to the Charity were mostly maintained almost at budgeted levels. This is partly due to the RB support, but it is also expected that many parishes had to pay some of their share from their own reserves.

PLANS FOR THE FUTURE

The Board will continue to undertake its main functions as described in the objectives and activities. Fairer share for 2021 was not increased due to the strain on parishes as a result of the Covid-19 pandemic. However, the Board's projections for the next five years suggest increases will be necessary. This will bring the Fairer Share income closer to the support for ministry costs and allow the Board's reserves to be used to fund the Diocesan Vision.

As expenditure also follows closely in line with clergy numbers, a continuous review of requirements in that area is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the opportunities for the training of new ordinands.

Diocesan Vision and Rebuilding the Church for the Future

The Diocese remains committed to its Vision, Where Faith Matters. The pandemic during 2020 accelerated implementation of parts of it, including digital ministry in particular, and also underlined the importance of community and of the Church's role in loving our neighbours and bringing the good news of Jesus to people in their suffering. We need to recognise that some communities and congregations may be permanently impacted, whether financially, or through depleted numbers due to deaths or people losing the habit of going to church, or simply staying online. While some of the diocese's activities and Vision plans were paused, they now resume. But we will also learn lessons from the crisis in order to be more resilient in practical ways in the future, and provide the necessary support for Ministry Areas to engage with their society, proclaim the gospel, and transform communities. While some of this will be consistent with what was previously planned, some will be amended in the light of experience. The RB has generously offered to continue financial support for the first six months of 2021, tapering that support to help dioceses, Ministry Areas and parishes in addressing the financial legacy of the lockdown control measures until they are lifted later in the year.

After taking time to get to know the diocese well, its people, places and projects, the new Director of Ministry and Discipleship Revd Tim Jones will focus on ensuring that we transition well into Ministry Areas, addressing any remaining concerns. The purpose of Ministry Areas is to better enable ministry to flourish within the whole church community, so we will want to address the entwined themes of lay ministry development, vocation to ministry as an element of discipleship, and the developing nature of leadership (lay and ordained) in a new ministry context. Change always brings added pressures at least temporarily, even when the necessary purpose of the change is to relieve pressure: we will need to attend carefully to ministerial well-being as we emerge from the pandemic and engage with what we find.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

PLANS FOR THE FUTURE (continued)

As part of the delivery of the Vision, funded by the budget previously approved by the DBF, we will continue with the recruitment of Engagement Workers in 2021 to help Ministry Areas in reaching young people and schools, with an increased focus on digital ministry. We will also recruit Outreach Enablers to facilitate initiatives in service to the community, and Mission Enablers to work with Ministry Areas on their plans for local mission. Centrally we will support these roles with a Ministry Area Finance Adviser who will work in the Finance Team with the current Parish Resources Adviser (who intends to move to part time) to help parishes in the transition to Ministry Areas, implementing new accounting software and consolidated accounts, and establishing robust governance structures. Finally, we are recruiting the Vision Programme Manager to maintain oversight of the establishment of Ministry Areas and delivery of the Vision, reporting directly to the Diocesan Secretary. This will be supported by the establishment of systems and structures of evaluation and accountability to ensure we continue to make progress in the right direction and hold fast to our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff *Where Faith Matters*.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

Structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its members and for anyone who wishes to benefit from what the Church offers; and
- promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeacons of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities. They may also avail themselves of the opportunity to visit the diocesan office for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board. Any decisions required outside of existing policies are made by reference to the Board Chairman and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The updated policy was agreed by the Board in December 2020.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was updated in December 2020. The only trustees with the ability to approve financial transactions within this framework are the Chairman of the Board and the Chairman of the Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

During the year, the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Remuneration policy for senior management

The trustees consider that the senior management team comprise the key management personnel of the charity in charge of directing and controlling, running, and operating the Board on a day to day basis.

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2020 they were considered to be the Diocesan Secretary and Accountant.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise

The Board has in place a Risk Committee whose role it is to:

- Provide scrutiny of the identified key risks on the register
- Allocate the risks to other committees/individuals who have responsibility for reviewing the risk, assessing the controls in place and amending them as appropriate. The risk holder is also responsible for reporting back to the Committee on the current status of the risk
- Monitor the responses of the risk holders and provide a report on those findings (key areas of risk and mitigation) to the Board annually
- Undertake a detailed review of key risks each year, as identified by the Board

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers – diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship to assist parishes into growth
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant parish share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of fairer share default levels, and investment diversification and management
- Covid-19 and related restrictions have been added to the risk register as a consolidated high-rated risk, incorporating potential income and investment losses. Income from fairer share may decline due to lack of collections, rental income and fundraising. In the long term there may be an impact on church attendance. This has been mitigated through substantial additional grant support from the Representative Body and freezing fairer share for 2021. Support and resources are being provided to parishes to assist with supporting their communities during this time.

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

A complete overhaul of the register was undertaken based on Charity Commission Guidance CC26 by the Risk Committee at its January 2021 meeting. A heat map of risks has been introduced and integration with new committee structures will be undertaken throughout 2021.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Investment powers and policies

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 17). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

Reserves policy and going concern

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2020 is £26.54 million. This total includes £16.81 million of restricted and endowment income. The Board therefore holds £9.73 million of unrestricted reserves.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Reserves policy and going concern (continued)

The unrestricted reserves include designated reserves of £3.53 million and fixed asset value of £1.98 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Transformation Fund: The Representative Body allocated the diocese £500,000 over a three year period which was match funded by the DBF to implement 20:20 Vision initiatives. The funds have been designated for this purpose. The balance of the transformation funds it is anticipated will be spent within the next year.
- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.
- Covid-19 Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required as a result of the Covid-19 pandemic.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2020 is £4.0 million which represents 7 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the known future reduction in the Representative Body block grant.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects and the nature of those grants are indicated in note 11. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

Post balance sheet events

The impact of Covid-19 and the government-imposed restrictions continue to be assessed and evaluated by the Board. There may be an impact on future finances, and so the DBF's strategy, plans and budgets for the future are continually being reassessed to take account of any impact on changes to income.

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Llandaff Diocesan Board of Finance
Charity Registration Number	242452
Company Registration Number	488549
Registered Office	The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH
Website	http://llandaff.churchinwales.org.uk/

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

Llandaff Diocesan Board of Finance: Trustees and Directors:

The Right Reverend June Osborne
The Venerable Christopher Smith (resigned 7th September 2020)
The Venerable Frances Jackson
The Venerable Michael Komor
The Reverend Jon Ormrod
The Reverend Michael Gable
The Reverend Martyn Evans
Mr Michael Lawley
Mr Anthony Davies
Mr Adrian Parker
Ms Anna Cory
Mrs Deryn McAndrew
Mrs Julia Lewis
Mr Phillip Hopkins
Mrs Jane Jones (appointed 17th September 2020)
Mrs Catherine Nightingale (appointed 17th September 2020)
Mrs Marie Brousseau-Navarro (appointed 27th November 2020)

The Secretary to the Board	Mr James Laing
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Key management personnel:

The Secretary to the Board	Mr James Laing
Diocesan Accountant	Mrs Jan Boyce

Advisers:

Solicitor	Berry Smith Haywood House, Dumfries Place, Cardiff, CF10 3GA
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Principal Bankers	National Westminster Canton, Cardiff (B) Branch, 277 Cowbridge Road East, Cardiff CF5 1WX
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Registered Auditors	Azets Audit Services Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB
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Stockbrokers	Rathbones Investment Management 10 Queen Square, Bristol, BS1 4NT
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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

Below are the various trusts for which the Board acts as a custodian trustee:

Name of Trust	Nature of investments held
Aberdare – land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Parish and the Educational Endowment Fund is under review by The Charity Commission. The value of the deposit at 31st December 2020 was £500,605. The appropriate proceeds will be added to the Schools Fund at a future date once a decision is reached.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 2 - 12 within their capacity as company directors.

Approved by the Board of Trustees on 29 June 2021
and signed on behalf of the Board


J Laing
Secretary

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31 DECEMBER 2020

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Llandaff Diocesan Board of Finance for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and 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 its 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the auditors that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on and signed on behalf of the Board



J Laing
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Opinion

We have audited the financial statements of Llandaff Diocesan Board of Finance (the 'charity') for the year ended 31st December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st December 2020 and of its incoming resources and application of resources, 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of

journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Azets Audit Services
Chartered Accountants
Statutory Auditor

6-7-2021

Sarah Case FCA DChA
For and on behalf of Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 December 2020

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:						
Donations and legacies	4	7,496,979	270,005	-	7,766,984	5,662,157
Charitable activities	5	74,786	453,590	-	528,376	279,202
Investments	6	170,470	208,670	5,421	384,561	467,621
Other Income	7	-	54,257	-	54,257	98,253
Total income and endowments		7,742,235	986,522	5,421	8,734,178	6,507,233
Expenditure on:						
Raising funds		46,389	7,315	789	54,493	68,264
Charitable activities						
Support for ministry	8	4,492,871	779,406	-	5,272,277	5,393,883
Support for parishes	9	615,906	134,546	-	750,452	647,094
Church property	10	96,647	1,182,568	-	1,279,215	926,355
Grants and other financial support	11	1,550,241	60,219	-	1,610,460	188,340
Communication	12	107,508	-	-	107,508	80,283
Total expenditure		6,909,562	2,164,054	789	9,074,405	7,304,219
Net gains/(losses) on investments		126,132	3,312	(3,244)	126,200	955,734
Net income/(expenditure)		958,805	(1,174,220)	1,388	(214,027)	158,748
Transfers between funds		(667,144)	672,565	(5,421)	-	-
Net movement in funds		291,661	(501,655)	(4,033)	(214,027)	158,748
Reconciliation of funds:						
Total funds brought forward	3,23,27	9,433,619	17,106,030	211,328	26,750,977	26,592,229
Total funds carried forward	3,23,27	9,725,280	16,604,375	207,295	26,536,950	26,750,977

The notes on pages 23 to 42 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

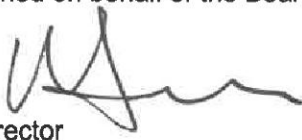
BALANCE SHEET

Year ended 31 December 2020

	Note	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total funds 2020 £	Total funds 2019 £
Fixed assets:						
Tangible assets	16	416,087	15,136,773	-	15,552,860	16,064,051
Investment property	17	220,000	260,000	-	480,000	480,000
Investments	17	7,514,014	115,724	183,022	7,812,760	7,754,302
Long-term loans	18	1,339,564	93,954	-	1,433,518	979,466
Total fixed assets		9,489,665	15,606,451	183,022	25,279,138	25,277,819
Current assets:						
Debtors	19	80,319	183,747	-	264,066	216,551
Cash at bank and in hand		1,740,431	1,111,143	24,473	2,876,047	3,008,582
Total current assets		1,820,750	1,294,890	24,473	3,140,113	3,225,133
Liabilities:						
Creditors: amounts falling due within one year	20	(1,071,735)	(224,511)	(200)	(1,296,446)	(1,103,453)
Net current assets		749,015	1,070,379	24,273	1,843,667	2,121,680
Total assets less current liabilities		10,238,680	16,676,830	207,295	27,122,805	27,399,499
Creditors: amounts falling due after more than one year:						
Loans from the Representative Body of the Church in Wales	18	(513,400)	-	-	(513,400)	(543,400)
Parish Grants		-	(2,500)	-	(2,500)	(19,167)
Governor Loans		-	(69,955)	-	(69,955)	(85,955)
Total net assets		9,725,280	16,604,375	207,295	26,536,950	26,750,977
The funds of the Charity:						
Endowment funds	23	-	-	207,295	207,295	211,328
Restricted income funds	3	-	16,575,331	-	16,575,331	17,076,986
Unrestricted funds:						
Designated	22	3,527,025	-	-	3,527,025	3,253,514
General		6,012,096	-	-	6,012,096	5,993,946
Revaluation Reserve		186,159	29,044	-	215,203	215,203
Total charity funds	27	9,725,280	16,604,375	207,295	26,536,950	26,750,977

These financial statements were approved and authorised by the Board of Directors on 29 June 2021

Signed on behalf of the Board of Directors


Director


Director

The notes on pages 23 to 42 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT

Year ended 31 December 2020

	£	2020 £	£	2019 £
Cash flows from operating activities:				
Net cash provided by operating activities		(579,417)		(997,926)
Cash flows from investing activities:				
Dividends, interest and rents from investments	379,140		460,874	
Purchase of property, plant and equipment	-		(1,988)	
Proceeds from sale of investments	1,133,960		577,723	
Purchase of investments	(1,066,218)		(331,459)	
Net cash provided by investing activities		<u>446,882</u>		<u>705,150</u>
Cash flows from financing activities:				
Net cash provided by financing activities				
Change in cash and cash equivalents in the reporting period		(132,535)		(292,776)
Cash and cash equivalents at the beginning of the reporting period		<u>3,008,582</u>		<u>3,301,358</u>
Cash and cash equivalents at the end of the reporting period		<u><u>2,876,047</u></u>		<u><u>3,008,582</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		2020 £		2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(214,027)		158,748
Adjustments for:				
Depreciation charges		511,191		510,693
(Gains)/losses on investments		(126,200)		(955,734)
Dividends, interest and rents from investments		(379,140)		(460,874)
Decrease/(Increase) in debtors		(501,567)		317,363
Increase/ (decrease) in creditors		<u>130,326</u>		<u>(568,122)</u>
Net cash provided by (used in) operating activities from operating activities		<u><u>(579,417)</u></u>		<u><u>(997,926)</u></u>
Analysis of cash and cash equivalents		2020 £		2019 £
Cash in hand		2,865,625		2,825,638
Notice deposits (less than 3 months)		<u>10,422</u>		<u>182,944</u>
Total cash and cash equivalents		<u><u>2,876,047</u></u>		<u><u>3,008,582</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT
Year ended 31 December 2020

Analysis of changes in net funds

	Opening balance £	Cash- flows £	New finance leases £	Interest changes £	Other non- cash changes £	Balance carried forward £
Cash	2,825,638	39,987	-	-	-	2,865,625
Cash Equivalents	182,944	(172,522)	-	-	-	10,422
	3,008,582	(132,535)	-	-	-	2,876,047

The notes on pages 23 to 42 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

All activities derive from continuing operations. There are no recognised gains and losses for the current financial year or the prior financial period other than as stated in the Statement of Financial Activities and, accordingly, no separate total of recognised gains and losses is presented.

1. ACCOUNTING POLICIES

Charity information

Llandaff Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales. The registered office is The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. Llandaff Diocesan Board of Finance met the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, 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 1 January 2019). The charity is a Public Benefit Entity as defined by FRS 102.

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

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.

b) Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are those which have been donated to the Board with the express wish that capital not be expended. Income on these funds is paid out in accordance with the wishes of the donor.

Investment income and gains are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income arising from permanent endowments is credited to unrestricted funds or restricted funds in accordance with the trust provisions.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of the resources.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity.

Resources expended are included in the Statement of Financial Activities at the time they become due.

Income and expenditure are stated gross.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Charitable activities

This includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees' Report.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, gains/losses on disposal of fixed assets and governance costs which support the Board's activities. These costs have been allocated between areas of expenditure. The bases on which support costs have been allocated are set out in note 13.

h) Tangible fixed assets

Tangible fixed assets costing in excess of £1,000 are stated at cost less accumulated depreciation. Depreciation is provided on fixed assets in order to write them off in equal annual instalments over their estimated useful lives. The charity employs the principle of charging no depreciation in the year of addition and full in the year of disposal. The following rates are used:

School buildings	-	2% per annum on cost
Office premises	-	2.5% per annum on cost
Office furniture and fittings	-	10% per annum on cost
Office equipment	-	25% per annum on cost

No depreciation is provided on land.

i) Gifted properties

When the Board was incorporated in 1950, responsibility for a number of properties was transferred to it 'en bloc'. The number and nature of such properties was unclear; in some cases the Board is not the legal owner but merely custodian trustee. The records are sparse and difficult to determine but the registration of titles is now almost complete. The properties include church halls and old school buildings; no value has ever been placed upon any for which the Board may be the beneficial owner and it is impractical to place any such value until the nature and ownership are determined.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

1. ACCOUNTING POLICIES (CONTINUED)

j) Investments

Investments held as fixed assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

k) Investment property

Premises at Heol Fair, Llandaff previously used as the Diocesan office are included in the balance sheet as an investment property at valuation provided by Cooke & Arkwright at 17th January 2018.

Investment property is shown at its open market value as defined under the current RICS Practice statements and guidelines, and then measured at its fair value at the balance sheet date. The surplus or deficit arising from the revaluation is recognised in the Statement of Financial Activities for the year.

Premises at Cowbridge Road which were transferred in 2017 from the Llandaff Diocesan Board for Social Responsibility are included in the balance sheet as an investment property at a valuation provided by Cooke & Arkwright at 4th December 2018.

Investment property is held for its investment potential and not for use by the company and so its current market value is of prime importance. The departure from the provisions of the Companies Act 2006 to depreciate assets is required in order to give a true and fair view.

l) Pension costs

Pension contributions are made to stakeholder pension arrangements for the benefit of employees. Pension costs are charged to expenditure in the Statement of Financial Activities as they fall due. The pension costs of the clergy, although charged to the Board, are paid by it as agent rather than employer.

m) Operating leases

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price (including transaction costs). The Board only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated at the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated at the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

p) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts shown within borrowings in current liabilities.

q) Termination payment

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

COVID-19

During 2020, as a result of the COVID-19 pandemic, the DBF took advantage of the government's furlough scheme (CJRS), placing six staff on furlough with a cost saving of £24,736. Loans were not deemed desirable or necessary, and no grants have yet been identified that are appropriate for the DBF. We received financial support from the Representative Body of the Church in Wales to pay for two quarters' worth of clergy accommodation, stipend and related costs. We are expecting to receive further financial support from the RB to reduce this payment in the first quarter of 2021, and half of the second quarter. Since investment markets held steady in valuation towards the end of 2020 we have instructed our investment fund managers to prepare to access our investments for the delivery of the Vision, and if necessary for ongoing operations although it is hoped and expected that will not be necessary. Cash income from fairer share is received from parishes on a monthly basis, and we maintain open dialogue with parishes who face financial difficulties in order to plan for any deferral of fairer share payments. The DBF holds sufficient cash in bank accounts and within its investment portfolio to manage the cash flow in the medium term under normal operating procedures.

While social distancing does not have a significant impact on the operations of the DBF itself, there is still a significant impact on our parishes who drive the DBF's largest income stream since they are unable to collect cash gifts during worship services, fundraising events or hiring their premises out commercially. Management is therefore working with parishes to try to ensure financial resilience. As noted in the "plans for future periods" section above, some congregations may be permanently reduced, but others may be increased or have increased online reach, having developed their competence, confidence and donations capabilities. Until restrictions are lifted and the outcomes are clearer so that the diocese's activities can be reassessed, it is assumed that congregations will be reduced, lending greater impetus to the delivery of the Vision, *Where Faith Matters*, which focuses on outreach to new sectors of society and growth in the Kingdom of God.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

3. RESTRICTED FUNDS

The purposes of the restricted funds shown in the following analyses are as follows:

- a) Retired clergy fund
This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.
- b) Parsonage Board fund
This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.
- c) Schools funds
This fund is held in two parts:
 - grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
 - accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.
- d) Widows' Orphans' and Dependants' Society (W.O.D.S.)
Monies are held to provide financial assistance to the widows and dependants of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.
- e) Sundry trusts
These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.
- f) Bishop's Mission and General Fund
Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.
- g) Transformation Fund (Representative Body Grant)
The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.
- h) Community Development Fund
The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.
- i) Community Mental Health Chaplaincy
This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilised in 2018.
- j) Landscapes/Journeys in Faith
This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales, and will engage with parishes on a diocesan level.
- k) Church Improvement Fund
The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to parishes in the form of grants by the Diocesan Advisory Committee.
- l) Restricted Donations
This fund represents donations received to the diocese for special campaigns which are utilised for the purposes stated within the campaign.
- m) RB Evangelism Fund
The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith Matters initiatives and Citizen Church.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3. RESTRICTED FUNDS (CONTINUED)

n) Movements on Restricted Funds

	Balance 1 January 2020 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/(losses) £	Balance 31 December 2020 £
Retired clergy	52,681	3,365	174	-	-	56,220
Parsonage board	9,871	664,200	133,768	(761,850)	-	45,989
Schools funds:						
External grants	15,781,481	-	348,264	(475,551)	-	15,654,194
Accumulated funds	686,167	-	182,435	(492,227)	-	376,375
Sundry trusts	66,452	-	1,613	(501)	1,569	69,133
Bishop's mission fund	-	-	2,320	(2,320)	-	-
Transformation fund	58,940	-	-	(58,940)	-	-
Landscapes/Journeys in Faith	27,310	-	28,721	(50,440)	-	5,591
Church Improvement Fund	1,500	-	25,500	(24,919)	-	2,081
Community Development	336,537	-	36,305	(53,151)	-	319,691
Restricted Donations	-	-	5,256	(5,256)	-	-
RB Evangelism Fund	-	-	221,175	(221,175)	-	-
W.O.D.S.	85,091	5,000	991	(17,724)	1,743	75,101
	<u>17,106,030</u>	<u>672,565</u>	<u>986,522</u>	<u>(2,164,054)</u>	<u>3,312</u>	<u>16,604,375</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

3. RESTRICTED FUNDS (CONTINUED)

m) Movements on Restricted Funds (prior year comparative)

	Balance 1 January 2019 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/(losses) £	Balance 31 December 2019 £
Retired clergy	48,150	4,172	359	-	-	52,681
Parsonage board	-	638,640	166,811	(795,580)	-	9,871
Schools funds:						
External grants	16,103,273	-	150,744	(472,536)	-	15,781,481
Accumulated funds	822,027	-	121,145	(257,005)	-	686,167
Sundry trusts	73,940	-	2,345	(6,825)	(3,008)	66,452
Bishop's mission fund	-	-	7,440	(7,440)	-	-
Transformation fund	166,675	-	-	(107,735)	-	58,940
Landscapes/Journeys in Faith	-	-	62,347	(35,037)	-	27,310
Church Improvement Fund	-	-	25,500	(24,000)	-	1,500
Community Development	369,044	-	25,727	(58,234)	-	336,537
W.O.D.S.	75,056	5,000	2,772	(1,324)	3,587	85,091
	<u>17,658,165</u>	<u>647,812</u>	<u>565,190</u>	<u>(1,765,716)</u>	<u>579</u>	<u>17,106,030</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Grants from the Representative Body of the Church in Wales						
Block grant	1,489,782	-	1,489,782	1,489,782	-	1,489,782
Other	1,724,201	221,175	1,945,376	8,333	-	8,333
	3,213,983	221,175	3,435,158	1,498,115	-	1,498,115
Parish Share	4,210,477	-	4,210,477	4,102,689	-	4,102,689
Parish & School contributions	-	25,375	25,375	-	1,940	1,940
Donations/External grants	72,519	23,455	95,974	47,533	11,880	59,413
	<u>7,496,979</u>	<u>270,005</u>	<u>7,766,984</u>	<u>5,648,337</u>	<u>13,820</u>	<u>5,662,157</u>

The Board benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with Charities SORP(FRS102), the economic contribution of general volunteers is not recognised in the accounts.

5. CHARITABLE ACTIVITIES INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Support for ministry						
Hospital chaplaincies	-	-	-	(762)	-	(762)
Stipendiary secondment	26,828	-	26,828	33,578	-	33,578
Clergy school grant	3,000	-	3,000	3,000	-	3,000
Grants for work on parsonages	-	2,912	2,912	-	10,662	10,662
Support for parishes						
Staff recharges	25,348	-	25,348	-	-	-
Schools receipts	19,030	-	19,030	17,905	-	17,905
Licence income	570	-	570	360	-	360
Church property						
Grants for schools capital projects	-	382,950	382,950	-	150,744	150,744
Schools contributions to insurances	-	67,728	67,728	-	63,715	63,715
Communications						
Directory sales, copying charges	10	-	10	-	-	-
	<u>74,786</u>	<u>453,590</u>	<u>528,376</u>	<u>54,081</u>	<u>225,121</u>	<u>279,202</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

6. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
Bank and other interest	4,969	3,751	8,720	10,791	7,181	17,972
Dividend and trust income	145,348	2,317	147,665	191,715	3,234	194,949
Rental income	20,153	202,602	222,755	20,140	227,813	247,953
	<u>170,470</u>	<u>208,670</u>	<u>379,140</u>	<u>222,646</u>	<u>238,228</u>	<u>460,874</u>
Permanent Endowment			5,421			6,747
			<u>384,561</u>			<u>467,621</u>

Permanent Endowment income of £5,421 relates to Investments.

7. OTHER INCOME

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
Community Development Fund sundry income	-	36	36	-	174	174
Sundry Grant Income	-	54,221	54,221	-	87,847	87,847
Other sundry income	-	-	-	10,232	-	10,232
	<u>-</u>	<u>54,257</u>	<u>54,257</u>	<u>10,232</u>	<u>88,021</u>	<u>98,253</u>

Sundry grant income has been received in the year in relation to the two new restricted funds which have been set up from Visit Wales and All Churches Trust in relation to the Landscapes/Journeys in Faith projects, and from the Representative Body of the Church in Wales in relation to Church Improvement grants.

Sundry other income includes the release of the unused strategic support fund in 2019.

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

8. CHARITABLE ACTIVITIES: SUPPORT FOR MINISTRY

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
<i>Support for Ministry</i>						
<i>Stipends, fees and pensions</i>						
Stipends	2,174,449	-	2,174,449	2,211,082	-	2,211,082
Curates' stipends	265,355	-	265,355	231,784	-	231,784
National Insurance	248,551	1,651	250,202	248,838	1,617	250,455
Pension costs	993,135	6,480	999,615	1,049,783	6,747	1,056,530
Apprenticeship levy	10,788	-	10,788	10,776	-	10,776
Archdeacons	54,918	-	54,918	79,815	-	79,815
Cathedral staff costs	99,626	-	99,626	67,071	-	67,071
Sector ministry stipends	60,871	17,754	78,625	55,064	17,389	72,453
Bishop's Chaplain	29,167	-	29,167	28,568	-	28,568
University chaplains	33,332	-	33,332	32,591	-	32,591
Vacancy fees	10,318	-	10,318	33,595	-	33,595
	3,980,510	25,885	4,006,395	4,048,967	25,753	4,074,720
<i>Property costs</i>						
Council Tax	254,705	-	254,705	232,782	-	232,782
Parsonage maintenance costs	871	707,370	708,241	2,125	738,144	740,269
Rent of curate houses	53,445	-	53,445	36,157	-	36,157
Parsonage insurances	22,403	-	22,403	21,772	-	21,772
	331,424	707,370	1,038,794	292,836	738,144	1,030,980
<i>Clergy expenses</i>						
Area deans' expenses	105	-	105	4,091	-	4,091
Archdeacons' expenses	7,331	-	7,331	14,450	-	14,450
Removal costs	51,275	-	51,275	61,919	-	61,919
Bishop's discretionary fund	19,095	-	19,095	19,095	-	19,095
Miscellaneous	11,212	-	11,212	17,465	-	17,465
	89,018	-	89,018	117,020	-	117,020
<i>Training</i>						
Training costs of ordinands	1,390	-	1,390	2,842	-	2,842
Robes for Deacons	3,000	-	3,000	2,429	-	2,429
Continuing ministerial education	3,959	-	3,959	11,251	-	11,251
Readers	670	-	670	1,322	-	1,322
Clergy school	-	-	-	3,716	-	3,716
	9,019	-	9,019	21,560	-	21,560
<i>Support costs (note 13)</i>	68,383	46,151	114,534	73,288	52,062	125,350
<i>Governance costs (note 13)</i>	14,517	-	14,517	24,253	-	24,253
	82,900	46,151	129,051	97,541	52,062	149,603
	4,492,871	779,406	5,272,277	4,577,924	815,959	5,393,883

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

9. CHARITABLE ACTIVITIES: SUPPORT FOR PARISHES

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Parish Share refund to parishes	198,008	-	198,008	203,740	-	203,740
Debt provision	83,595	-	83,595	(22,296)	-	(22,296)
Uppsala link	481	-	481	1,874	-	1,874
Community Mental Health Chaplaincy	193	-	193	19,427	-	19,427
Sector ministry costs	227,535	67,931	295,466	199,348	8,957	208,305
Transformation funds	1,016	58,941	59,957	-	107,735	107,735
Centre of Mission	7,674	7,674	15,348	-	-	-
Loan interest	-	-	-	(2)	-	(2)
Support costs (note 13)	62,902	-	62,902	70,671	-	70,671
Governance costs (note 13)	34,502	-	34,502	57,641	-	57,641
	<u>615,906</u>	<u>134,546</u>	<u>750,452</u>	<u>530,402</u>	<u>116,692</u>	<u>647,094</u>

10. CHARITABLE ACTIVITIES: CHURCH PROPERTY

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
<u>Parsonages</u>						
Custodian expenses	8,218	4,601	12,819	10,414	1,163	11,577
<u>Property costs re churches and church halls</u>						
Diocesan Advisory Committee	69,297	-	69,297	105,841	-	105,841
Resource Church	(2,551)	213,277	210,726	2,551	-	2,551
Church Inspections	5,300	-	5,300	21,100	-	21,100
<u>Church schools</u>						
Depreciation	-	491,723	491,723	-	491,723	491,723
Insurances	-	70,119	70,119	-	65,969	65,969
Option appraisal, enabling and maintenance costs	-	379,950	379,950	-	125,492	125,492
Bad debt provision	-	-	-	-	6,252	6,252
Schools proceeds release	-	-	-	-	9,530	9,530
Support costs (note 13)	7,880	22,534	30,414	10,069	24,968	35,037
Governance costs (note 13)	8,503	364	8,867	14,206	37,077	51,283
	<u>96,647</u>	<u>1,182,568</u>	<u>1,279,215</u>	<u>164,181</u>	<u>762,174</u>	<u>926,355</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

11. CHARITABLE ACTIVITIES: GRANTS AND OTHER FINANCIAL SUPPORT

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
<i>Grants to Church in Wales Bodies</i>						
Retired clergy and widows	-	17,723	17,723	-	1,324	1,324
Churches fund	3,000	24,919	27,919	4,000	24,000	28,000
Mission fund grants to parishes	27,247	-	27,247	33,666	-	33,666
Support grants to parishes	1,422,324	5,257	1,427,581	-	-	-
Support of retreat facilities	5,000	-	5,000	5,000	-	5,000
Llandaff Cathedral	60,000	-	60,000	60,000	-	60,000
Bishop's mission & general fund	-	2,320	2,320	-	7,440	7,440
University Chaplaincies	10,805	-	10,805	10,877	-	10,877
Trecco Bay Mission	-	-	-	1,250	-	1,250
RB Emergency Aid Fund	16,667	-	16,667	16,667	-	16,667
	<u>1,545,043</u>	<u>50,219</u>	<u>1,595,262</u>	<u>131,460</u>	<u>32,764</u>	<u>164,224</u>
<i>Grants to Anglican, Ecumenical and other bodies</i>						
Penrhys Ecumenical Mission	3,500	-	3,500	3,500	-	3,500
The Friends of the Clergy Corporation	-	-	-	300	-	300
The Trussell Trust	-	-	-	300	-	300
Citizens UK	-	10,000	10,000	-	10,000	10,000
Community development grants	-	-	-	-	2,536	2,536
Miscellaneous	1,698	-	1,698	1,200	6,280	7,480
	<u>5,198</u>	<u>10,000</u>	<u>15,198</u>	<u>5,300</u>	<u>18,816</u>	<u>24,116</u>
	<u>1,550,241</u>	<u>60,219</u>	<u>1,610,460</u>	<u>136,760</u>	<u>51,580</u>	<u>188,340</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

12. CHARITABLE ACTIVITIES: COMMUNICATION

	Unrestricted Funds Total 2020 £	Unrestricted Funds Total 2019 £
Diocesan directory costs	5,520	-
Communication officer and IT expenses	80,039	49,321
Croeso	1,502	5,050
Support costs (note 13)	14,195	15,466
Governance costs (note 13)	6,252	10,446
	<u>107,508</u>	<u>80,283</u>

13. SUPPORT COSTS

Support costs are allocated on the basis of time spent by staff members on each activity, together with the diocesan office floor area relating to those employees, as shown below

	Note	Unrestricted General Support £	Unrestricted Governance £	Restricted General Support £	Restricted Governance £	Total 2020 £
Support for Ministry	8	68,383	14,517	46,151	-	129,051
Support for Parishes	9	62,902	34,502	-	-	97,404
Church property	10	7,880	8,503	22,534	364	39,281
Communication	12	14,195	6,252	-	-	20,447
		<u>153,360</u>	<u>63,774</u>	<u>68,685</u>	<u>364</u>	<u>286,183</u>

The Board identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the four key areas of charitable activities undertaken in the year. The table below details the basis of apportionment and analysis of support and governance costs.

	General Support £	Governance £	Total £	Basis of apportionment
Salary Costs	150,744	24,946	175,690	Time spent on activity
General Office costs	71,301	4,551	75,852	Time spent on activity and floor space
Diocesan conference expenses	-	159	159	Governance
Audit	-	5,562	5,562	Governance
Diocesan registrar	-	24,000	24,000	Governance
Meeting and other sundry costs	-	1,024	1,024	Governance
Legal fees	-	3,532	3,532	Governance
Legal fees (restricted)	-	364	364	Governance
	<u>222,045</u>	<u>64,138</u>	<u>286,183</u>	

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

14. NET INCOME FOR THE YEAR

	Unrestricted Funds	Restricted Funds	Total 2020	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£	£	£	£
This is after charging						
Auditors' remuneration - audit fees	5,562	-	5,562	5,400	-	5,400
Depreciation	19,468	491,723	511,191	18,970	491,723	510,693

15. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to any trustee or any person connected with a trustee during the year (2019 - £nil).

No expenses were paid to any trustee, other than for travel to meetings where claimed.

	Unrestricted	Restricted	Total 2020	Unrestricted	Restricted	Total 2019
	£	£	£	£	£	£
Employee costs during the year were						
Wages and salaries	418,146	33,275	451,421	407,263	32,601	439,864
Social security costs	37,315	2,780	40,095	37,023	2,723	39,746
Pension contributions	30,918	4,580	35,498	31,347	4,485	35,832
Termination payment	-	-	-	36,000	-	36,000
	486,379	40,635	527,014	511,633	39,809	551,442

During the year, the Board employed 16 staff (2019 - 18). This equates to an average of 12.5 (2019 - 12.1) full-time staff.

One employee had employee benefits in excess of £60,000 which was in the band of £60,000-£70,000 (2019: nil).

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to relevant funds.

The charity trustees were not paid nor received any other benefits from employment with the Board in the year (2019: £nil). Meeting travel costs claimed in the year were £118 by three trustees (2019: £358). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the diocese. During 2020 they were considered to be the Diocesan Secretary and Accountant.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £120,486 (2019: £129,385).

Pension costs

The company contributes a percentage of salary to funds held in a grouped personal pension plan to which each employee also contributes. The plan is operated under the stakeholder pension provisions. The contributions paid in the year amounted to £35,498 (2019: £35,832). At the yearend contributions of £nil were due (2019: £nil).

Taxation

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

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

16. TANGIBLE FIXED ASSETS

	Unrestricted funds			Restricted funds		
	Office Premises	Office equipment	Furniture and fittings	Land	Schools	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	629,053	15,634	20,603	61,757	24,586,148	25,313,195
Additions	-	-	-	-	-	-
Disposal /Written off	-	-	-	-	-	-
At 31 December 2020	629,053	15,634	20,603	61,757	24,586,148	25,313,195
Accumulated depreciation						
At 1 January 2020	213,258	9,287	7,190	-	9,019,409	9,249,144
Disposal / Written off	-	-	-	-	-	-
Charge for year	15,726	1,950	1,792	-	491,723	511,191
At 31 December 2020	228,984	11,237	8,982	-	9,511,132	9,760,335
Net book value						
At 31 December 2020	400,069	4,397	11,621	61,757	15,075,016	15,552,860
At 31 December 2019	415,795	6,347	13,413	61,757	15,566,739	16,064,051

17. INVESTMENTS HELD AS FIXED ASSETS

Property	Unrestricted funds £	Restricted funds £	Total £
Investment Properties	220,000	260,000	480,000

The property at Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property at Cowbridge Road was transferred to the Board at historic depreciated cost in 2017 and revalued in 2018. The current valuations are considered to be reasonably stated.

Listed Securities

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total £
Balance at 1 January 2020	7,457,006	109,695	187,601	7,754,302
Additions	1,041,251	12,782	12,185	1,066,218
Disposals	(940,048)	(8,113)	(14,856)	(963,017)
Revaluation to market value	(44,195)	1,360	(1,908)	(44,743)
Balance at market value at 31 December 2020	7,514,014	115,724	183,022	7,812,760

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

17. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

The original cost of the above investments at 31 December 2020 was £5,491,709 (2019: £5,358,575). The above investments are valued at mid-market valuation on 31 December 2020. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

18. LONG-TERM LOANS

(a) LOANS-FIXED ASSETS

	Balance 1 January 2020 £	New loans/ Revaluation £	Capital repaid £	Balance 31 December 2020 £
i Unrestricted funds				
Loans to parishes and retired clergy				
Retired clergy general loans	126,000	-	-	126,000
Retired clergy equity linked loans	417,400	-	(30,000)	387,400
Total equals amount of loans received from the Representative Body of the Church in Wales	543,400	-	(30,000)	513,400
General C loans	215,966	14,000	(51,500)	178,466
Loan to Citizen Church	-	525,020	-	525,020
Loan to Llangasty Retreat House Trust	163,125	-	-	163,125
	<u>922,491</u>	<u>539,020</u>	<u>(81,500)</u>	<u>1,380,011</u>
Split as follows:				
Amount due within one year (current asset)	22,646	-	-	40,447
Amount due after one year (fixed asset)	899,845	-	-	1,339,564
ii Restricted Funds				
Governor Loans	<u>129,288</u>	<u>40,000</u>	<u>(49,667)</u>	<u>119,621</u>
Split as follows:				
Amount due within one year (current asset)	49,667	-	-	25,667
Amount due after one year (fixed asset)	79,621	-	-	93,954
	<u>1,051,779</u>	<u>579,020</u>	<u>(131,167)</u>	<u>1,499,632</u>
Split as follows:				
Amount due within one year (current asset)	72,313			66,114
Amount due after one year (fixed asset)	979,466			1,433,518

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

18. LONG-TERM LOANS (continued)

(b) Loans from The Representative Body Of The Church In Wales

The loans to the parishes and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the parishes and retired clergy. The Board pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

(c) Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from Welsh Government are matched with a deferred income provision.

19. DEBTORS

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Parish share in arrears	135,846	-	135,846	54,290	-	54,290
Provisions	(135,846)	-	(135,846)	(52,252)	-	(52,252)
	-	-	-	2,038	-	2,038
Loans due within one year (see note 18)	40,447	25,667	66,114	22,646	49,667	72,313
Other debtors (due within one year)	39,872	158,080	197,952	52,639	89,561	142,200
Other debtors (due after one year)	-	-	-	-	-	-
	<u>80,319</u>	<u>183,747</u>	<u>264,066</u>	<u>77,323</u>	<u>139,228</u>	<u>216,551</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019 £
Parish Share rebates	189,298	-	-	189,298	195,338	-	-	195,338
Other creditors	882,437	208,511	200	1,091,148	841,188	50,697	230	892,115
Deferred Income	-	-	-	-	-	-	-	-
Governor Loans	-	16,000	-	16,000	-	16,000	-	16,000
	<u>1,071,735</u>	<u>224,511</u>	<u>200</u>	<u>1,296,446</u>	<u>1,036,526</u>	<u>66,697</u>	<u>230</u>	<u>1,103,453</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

21. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2020.

22. DESIGNATED FUNDS

	Balance at 1 January 2020 £	New designations £	Utilised/ released £	Balance at 31 December 2020 £
Transformation Fund	19,288	-	(1,016)	18,272
DBF Vision Fund	3,123,716	-	(127,186)	2,996,530
Clergy School	20,000	20,000	-	40,000
Covid-19 Support Fund	-	293,543	-	293,543
Curate Housing Support	90,510	137,130	(48,960)	178,680
	<u>3,253,514</u>	<u>450,673</u>	<u>(177,162)</u>	<u>3,527,025</u>

Transformation Fund: These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund: These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School: Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.

Covid-19 Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a new project to assist parishes with housing costs of newly ordained stipendiary curates.

Prior year comparative - 2019

	Balance at 1 January 2019 £	New designations £	Utilised/ released £	Balance at 31 December 2019 £
Transformation Funds (DBF)	187,288	-	(168,000)	19,288
Community Mental Health Chaplaincy	52,914	-	(52,914)	-
DBF Vision Fund	-	3,168,000	(44,284)	3,123,716
Clergy School	-	20,000	-	20,000
Curate Housing Support	160,000	-	(69,490)	90,510
	<u>400,202</u>	<u>3,188,000</u>	<u>(334,688)</u>	<u>3,253,514</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2020

23. ENDOWMENT FUNDS

	Balance at 1 January 2020 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2020 £
Retired Clergy Fund	128,269	3,365	(580)	(4,135)	(3,365)	123,554
Miss DJN Evans Trust	42,748	1,267	(209)	(1,556)	(1,267)	40,983
Anonymous Fund	40,311	789	-	2,447	(789)	42,758
	<u>211,328</u>	<u>5,421</u>	<u>(789)</u>	<u>(3,244)</u>	<u>(5,421)</u>	<u>207,295</u>

The income generated by the funds can be used to further the aims of the charity. The income is transferred to general funds on its receipt, with the exception of the Retired Clergy Fund which is transferred to the Retired Clergy Restricted fund.

Prior year comparative – 2019

	Balance at 1 January 2019 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2019 £
Retired Clergy Fund	119,055	4,172	(644)	9,858	(4,172)	128,269
Miss DJN Evans Trust	39,280	1,571	(243)	3,711	(1,571)	42,748
Anonymous Fund	35,275	1,004	-	5,036	(1,004)	40,311
	<u>193,610</u>	<u>6,747</u>	<u>(887)</u>	<u>18,605</u>	<u>(6,747)</u>	<u>211,328</u>

24. FINANCIAL COMMITMENTS (OPERATING LEASES NOTE)

Total financial commitments under non-cancellable operating leases are as follows as at 31st December 2020.

	2021 £	2020 £
Operating leases expiring:		
Within one year of the balance sheet date	4,422	7,170
In two to five years of the balance sheet date	<u>2,074</u>	<u>6,495</u>
	<u>6,496</u>	<u>13,665</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

25. COMPANY STATUS

The company is limited by guarantee to the extent of £1 per member, the maximum number of members being 19; the actual number at 31 December 2020 was 16 (2019: 13).

26. RELATED PARTY TRANSACTIONS

During the year the charity did not contract Cooke & Arkwright to carry out professional valuations on the behalf of the charity for which Mr Lawley is Chairman of the Board of Trustees and also Chairman of Cooke & Arkwright. (2019: £1,500)

During the year the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and also trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions. (2019: £16,000)

An assessment of trustee waived expenses has been made and the value is not material for disclosure.

27. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2020				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	416,087	-	15,136,773	-	15,552,860
Investments	6,073,578	3,000,000	469,678	183,022	9,726,278
Net current assets	221,990	527,025	1,070,379	24,273	1,843,667
Due after one year	(513,400)	-	(72,455)	-	(585,855)
	<u>6,198,255</u>	<u>3,527,025</u>	<u>16,604,375</u>	<u>207,295</u>	<u>26,536,950</u>
	2019				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	435,555	-	15,628,496	-	16,064,051
Investments	5,576,851	3,000,000	449,316	187,601	9,213,768
Net current assets	712,766	253,514	1,131,673	23,727	2,121,680
Due after one year	(545,067)	-	(103,455)	-	(648,522)
	<u>6,180,105</u>	<u>3,253,514</u>	<u>17,106,030</u>	<u>211,328</u>	<u>26,750,977</u>

