SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales · Charity number 249810

Details

Other names	SWANSEA AND BRECON DBF
Status	Registered
Legal form	Charitable company
Company number	00924565
Registered	1968-04-17
Register	View on the Charity Commission register

Contact

Address	Swansea and Brecon Diocesan Centre Unit 11 Pen y Fan Business Park Ffrwdgrech Industrial Estate Brecon Powys LD3 8LA
Phone	01874623716
Email	diocese.swanbrec@churchinwales.org.uk
Website	www.churchinwales.org.uk/swanbrec/

Activities

Objects: TO PROMOTE AID FURTHER AND ASSIST SUCH WHOLLY CHARITABLE OBJECTS AND WORK OF THE CHURCH IN WALES IN THE PRINCIPALITY OF WALES AND IN THE COUNTY OF MONMOUTH GENERALLY AND IN PARTICULAR IN THE ECCLESIASTICAL AREA KNOWN AS THE DIOCESE OF SWANSEA AND BRECON

Activities: To support the Ministry and Mission of the Church in Wales, particularly in the Diocese of Swansea and Brecon, as carried out through its Bishop, Clergy and Laity.

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Classification

- **How:** Makes Grants To Organisations, Provides Human Resources, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** DIOCESE OF SWANSEA AND BRECON
- Blaenau Gwent
- City Of Swansea
- Merthyr Tydfil
- Monmouthshire
- Neath Port Talbot
- Powys
- Rhondda Cynon Taff

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,248,766	£4,986,473	£6,270,884	31
2023-12-31	£4,602,996	£4,266,782	£6,704,851	27
2022-12-31	£3,610,030	£3,591,492	£6,095,729	19
2021-12-31	£3,691,323	£3,583,042	£6,736,308	19
2020-12-31	£3,769,597	£3,654,945	£5,977,366	19

Trustees

Name	Role	Appointed
Bishop John Derrick Lomas		2022-02-24
MR GWYN LEWIS		
THE VENERABLE ALAN NEIL JEVONS		2012-10-17
THE VENERABLE JONATHAN BYRON DAVIES		2016-10-01

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Linked charities

- DIOCESAN FUND - M R 1 (249810-1)

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SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249810

Accounts

Company Registration Number: 924565 (England and Wales)
Charity Registration Number: 249810

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report and Financial Statements
For the Year Ended 31 December 2024

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Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2024

Secretary's Report

Swansea and Brecon Diocesan Board of Finance staff continued to support our laity and clergy in their transition to the new Ministry Area structure. At the time of writing seven of our fourteen Ministry Areas are registered as Charitable Incorporated Organisations with the Charities Commission, and several more applications are at the point of submission.

Through 2023 there was an emphasis on establishing good working relationships, sound governance and constructive discussions within the Ministry Areas. This continued to be prioritised ahead of financial discussions and payment of ministry share through 2024. The COVID-19 subsidies of 2020 – 22 masked the increases in Ministry Share for those areas affected by the phased removal of the Gower precept (2018 – 2022). Nationally, the cost-of-living crisis and significant increases in utility bills (from 2022 onwards) increased church overheads. These, amongst other factors, contributed to a lower collection rate in Ministry Share of 75.3% in 2024 (2023: 79.5%). A re-emphasis of the importance of Ministry Share payments and the need to increase income generation is being messaged throughout the Diocese.

The Diocese continues to receive financial support from the Representative Body of the Church in Wales (RBICW) in the form of Partnership Funding, £215,000 in 2024 (2023: £400,000) and Structural Resilience Fund £396,390 in 2024 (2023: £598,926). In 2023 we were awarded £6.4 million to be provided over 10 years as an Inception Church Growth Fund. Secured to strengthen our Ministry Areas by funding Ministry Area Administrators, Clergy Succession Planning and Mission and Ministry focussed roles. We drew down £569,820 in 2024 (2023: £659.332).

We were awarded a further four Church Growth Funds in 2024: St Mary's Minister (5 yr project duration - £2,820,929), Gower Wellbeing (5 yr project duration - £763,278), Maternity Leave (1 yr - £9,084) and Church Growth Fund Project Management (5 yr project duration - £432,869). In total, Church Growth Fund awards from the RBICW amount to £10,426,100, a significant investment in the Diocese and its Ministry Areas. Once again, we are very grateful to the RBICW for its continued support.

On the 6 May 2025 Mr Jeffrey Brown resigned as the Chair of Swansea and Brecon Diocesan Board of Finance. Due to dramatic increase of workload in his teaching and lecturing duties Mr Brown felt he was unable to dedicate the time and support that the role required. Our thanks go to Jeff Brown for his time as our Chair and we wish him all the very best in his continuing university career.

Our focus for 2025 is to continue supporting our Ministry Areas in strengthening their governance, outreach, and mission, alongside helping to explore opportunities to increase incomes and/or reduce expenditures.

Louise Pearson
Diocesan Secretary and Chief Executive Officer
Swansea and Brecon Diocesan Board of Finance

Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2024

The trustees present their report and financial statements for the year ended 31 December 2024

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 Company'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)".

Legal and administrative details

The Swansea and Brecon Diocesan Board of Finance Limited ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The Company was incorporated as a charity limited by guarantee on 13 December 1967.

The Charity was registered with the Charity Commission on 17 April 1968 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The Company meets in general meeting twice annually. The day-to-day management of the Company is delegated to the Executive Committee, whose members are the trustees of the charity and directors of the Company for the purpose of company law.

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2024 was 6.

Our Purposes and Aims

The purposes of the Charity are:

- To maintain a sustainable and transforming Christian ministry across the Diocese.
- To enable all to act justly, to love mercy and to walk humbly with God.

Our activities are inspired by a shared Diocesan Vision to become a **family, rooted in Christ** committed to **transforming lives** by:

Gathering, as God's people
Growing, more like Jesus
Going Out, in the power of the Spirit.

At the heart of our mission-shaped vision is the commitment to see lives transformed; this is therefore the fundamental purpose to which funding is directed.

The trustees/directors are aware that a diocese succeeds through the mission and ministry of its parishes, its senior clergy, and its bishop. Through striving for the highest standards of financial management the trustees/directors aim to create the conditions in which the mission and ministry of the diocese can flourish and be maximised.

Objectives and Activities for the Public Benefit

In shaping the objectives for the year and planning our activities, the trustees/directors have considered the Charity Commission guidance on public benefit.

The trustees/directors acknowledge the Charity Commission's guidance set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. The trustees refer to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the charity and planning future activities.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, 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 by doing so it provides a benefit to the public by:

- 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; and
- 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.

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2024 is indicated in note 6.4 to the financial statements.

Review of Achievements and Performance

The trustees/directors interpret their role broadly, contributing to the strategic leadership of the Diocese, balancing careful stewardship with a flexible and proactive approach.

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities

- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies

    - Contributing to the national work of the Church in Wales
    - Securing funds in support of wider Diocesan and Worldwide Mission
    - For 2024, the main objectives were:
        - To sustain and grow Diocesan ministry by managing activities to achieve long term financial stability and sustainability.
        - To support and assist Ministry Areas
        - Training and Support of Ordained and Lay Ministries.
        - To identify and support projects within the Diocese that aligned with both the goals of the Church in Wales Growth Fund and the Diocesan Mission and to assist those projects in developing their vision and applying and securing funding from the Church in Wales Growth Fund.
        - To enable mission projects which aim to reflect the Diocesan Vision including the development and growth of the Diocesan Resource Church via the provision of funding from the Diocesan Mission Fund.

Monitoring Achievements

Sustaining Diocesan ministry by maintaining financial stability: The trustees/directors monitor income and expenditure levels closely to ensure long term financial stability and sustainability and remain particularly mindful of the challenges faced by Ministry Areas. The impact of the COVID-19 pandemic has receded in terms of the direct impact, the legacy remains evident in reduced church attendance. While the costs of Ministry requested in the form of Ministry Share remained broadly consistent with previous years, the ability of Ministry Areas to generate funding in some cases remains reduced. The trustees/directors are grateful for the financial support from the Representative Body of the Church in Wales (RBCIW) which provided additional funding in the form of Structural Resilience Grants of £396,390 (2023: £598,926), Church Growth Grants of £569,820 (2023: £659,332) and Safety Net Funding £82,113 (2023: £Nil) to help meet the costs of the Diocese in the year.

In the longer term the trustees are aware that the Charity and the Diocese must seek to achieve financial sustainability. The RBCIW have indicated that the Structural Resilience Fund will close in 2032 and that the Church Growth Fund availability will be limited to ten years. The licensing of Ministry Areas during 2023 was intended to enable clergy and lay volunteers to focus on mission and growing their churches which in the longer term is hoped to increase the financial viability of providing Ministry in the Diocese. The Church Growth Funding has been applied to support Ministry Areas by aiding succession planning through early recruitment and placing of clerics in Ministry Areas, funding the Children, Youth and Families Ministry and the provision of administrative support in the form of employed Ministry Area Administrators.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

Supporting of Ministry Areas: The trustees/directors are committed to providing meaningful and consistent support to Ministry Areas. During the year funding was provided to support various Sector Ministries including Children, Youth and Families, Statutory Education and Mission, Evangelism and Outreach. Further backing to Ministry Areas was provided through the recruitment and funding of Ministry Area Administrators to work with Ministry Areas and the allocation of key personnel to facilitate the licensing and transition process.

Training and Support of Ordained and Lay Ministries: In collaboration with St Padarn's, the trustees/directors are pleased to be able to continue to support and train candidates for stipendiary and non-stipendiary ministry, alongside a programme of lay ministerial training.

In 2024 two deacons were ordained (one stipendiary, one non-stipendiary) and one priest (stipendiary).

There are currently five students training for ordained ministry.

To provide advice and support for Ministry Areas in all aspects of their activities: The trustees/directors continue to endorse the ongoing provision of practical and financial support to Ministry Areas across the Diocese through the provision of advice and support in managing and maintaining buildings, access to grant funding and the availability of a network of support staff in key areas.

To continue to support a Diocesan Mission Fund to provide funding for projects which aim to reflect the Diocesan Vision: The trustees/directors again budgeted a significant fund for mission projects and were pleased to award grants to the value of £72,256 (2023: £79,755).

Financial Review

At the year end the financial statements report a reduction in the value of total net assets of 6.5% to £6,270,884 (2023: £6,704,851).

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of Ministry within the Diocese which accounted for approximately 69.1% (2023: 63.6%) of expenditure for 2024.

Income

The Company's income decreased by 9% compared to the previous year. While Ministry Share income remained consistent and RBCIW funding declining in the year. Total incoming resources of £4,211,138 (2023: £4,602,996) included £2,637,981 (2023: £2,602,768) collectable ministry share, £215,000 (2023: £400,000) in the form of the RBCIW annual Partnership Funding, £396,390 (2023: £598,926) RBCIW Resilience Fund grants, £569,820 (2023: £659,332) RBCIW Church Growth and investment income of £157,318 (2023: £156,106).

Expenditure

Total resources expended were £4,948,845 (2023: £4,266,782).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £3,404,840 (2023: £2,818,195). After removing costs related to uncollected Ministry Share and Parsonage Board expenditure, support for ministry costs of £2,217,167 (2023: £1,995,769) showed a 11% increase in comparison with 2023, only part of which reflects the awarding of a 5% increase in stipends for 2024. The driver in the increase in costs was continuation of a succession planning initiative funded by the RBCIW's Church Growth fund which enables clergy to be recruited in advance of retirements in Ministry Areas. While clergy headcount remained consistent there were significant increases in associated costs including interest payable on the outstanding balance of the RBCIW Improvement Fund, Council Tax on Parsonage properties and removal and disturbance allowances. The cost of maintaining Parsonage Board properties increased to £700,649 (2023: £475,755). Costs related to uncollected Ministry Share rose to £632,230 (2023 £437,944).

Support for Ministry Areas expenditure of £888,612 (2023: £701,647) increased as new initiatives were implemented or continued to be rolled out. Ministry Area Development Support costs increased to £335,951 (2024: £169,180) as the recruitment of Ministry Area Administrators continued through the year. The costs of employment and stipends for Ministry Area Development Support were funded from the RBCIW Church Growth Fund. Social Responsibility support costs increased with the Bishop's Officer for Faith in Families being in role for the full 12 months following appointment in 2023. The continuation of Project Touchline for Church Schools increased Statutory Education costs.

Church property costs increased to £133,031 (2023 £122,369) as the Diocesan Churches Inspector (appointed 2023) was in role for the full 12 months.

Other financial support costs reduced in 2024 to £442,982 (2023: £541,537). A full breakdown of Financial Support is provided in note 6.4. There was a re-focussing of funding in 2024. The Cost Living Grant Fund was closed at the end of 2023 in response to a reduction in applications during the year. Church Repair Grant awards increased to £147,024 (2023: £66,650) with the grants being awarded both to assist with the costs of church repairs and also to meet the costs of an ongoing programme of asbestos surveys for churches in the Diocese. Diocesan Resource Church Grants of £119,669 (2023 £123,959) were awarded to Swansea St Thomas Resource Church and these were partly funded with £16,995 (£2023: £22,000) from the Swansea and Brecon Diocesan Trust Eastmoor Fund and £30,000 (2023: £30,000) from the Designated Regeneration Fund.

Support Costs – Management and Administration

Total management and administration support costs (see note 6.6) decreased by 12.2% to £428,795 (2023: £435,754). The rise in salaries and associated costs resulted from "step" increases awarded to reflect increased experience in the role, a 5% general salary increase that was awarded to all staff and the recruitment of one part time administrative role. Staff and office expenses reduced in 2024 as one-off costs were incurred in 2023 including essential repair and improvement work at the Diocesan Centre and an allocation of costs for the Diocesan Centenary concert.

Support costs are allocated across the statement of financial activities headings as shown in note 6.6.

Designated Funds

Regeneration Fund

The Regeneration Fund was established in 2021 to assist Ministry Areas in recovery, reconstruction, and regeneration subsequent to the lifting of COVID 19 restrictions on activities. £30,000 was charged against the Fund in 2024 to support the Diocesan Resource Church. It is expected that the Fund will be used to continue to support Resource Church activities.

Ministry Share Assistance

The Ministry Share Assistance Fund was established to assist Benefices and Ministry Areas in meeting their annual Ministry Share allocations where unforeseen circumstances impacted on their ability to pay.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

Restricted Funds

Parsonage

The restricted income fund relating to the activities of the Parsonage Board has a deficit balance of £312,984 at the year-end (2023: surplus £23,328). The total costs funded from the restricted Parsonage income fund for renovations, repairs and maintenance, administration and interest charges on the outstanding Improvement Fund balance was £706,650 (2023: £475,755). Additional funding of £902,093 (2023: £682,901) was drawn down from the Diocesan Improvement Fund held by the RBCIW to fund long-term renovation works in designated key properties that became vacant due to clerical turnover. The increase in costs and activity reflects the unusually high level of clerical turnover and recruitment during the year which in turn reflects the number of actual or notified clergy retirements.

The trustees recognise the factors around succession planning that have resulted in the year end deficit of £312,984 on the Parsonage Restricted Fund and have agreed to fund the balance with a transfer from unrestricted funds in the current year.

Net Income/Expenditure

Net unrestricted expenditure after transfers between funds and before gains/(losses) on investments is £303,941 (2023: surplus £621,431).

The Company does not plan or budget with the intention of reporting significant deficits or surpluses.

The Company notes that the reported decrease in net assets for the year of £433,967 includes £966,210 financial support provided by the RBCIW in the forms of Resilience and Church Growth Funding and total realised and unrealised gains on investments of £303,740. If the RBCIW funding and investment gains are removed from the results, the Company accounts would show a deficit of £1,703,917 for the year.

Church Growth Funding is provided by the RBCIW quarterly in advance to help meet the costs of specific agreed projects involving ministry area administration, church growth and succession planning. In 2024 the Company had received Church Growth Funding of £569,820 (£659,332). The reduction in funding is a result of a change in the basis on which advanced funding is awarded rather than a reduction in qualifying costs or activities.

Investments

Total net realised and unrealised gains on investments during the year were £303,740 (2023: gains £272,908). 2024. For global financial markets it was a year of relative calm following recent uncertainties in respect high inflation, increased interest rates and economic fallout from Russia's invasion of Ukraine. The trustees/directors are satisfied that the investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee but remain aware of the risk of further market volatility in the short to medium term future.

In the October 2024 the trustees approved a drawdown of £450,000 from the investment portfolio to provide funding to meet the cost of on-going activities in 2025.

Investment Policy and Performance

The Executive Committee, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to the Investment Sub-Committee in conjunction with the Company's appointed Investment Managers, Brewin Dolphin Limited.

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of funding. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

The current investment policy permits distribution of a proportion of profit from capital gains to contribute towards the target cash distribution of 3% of the portfolio value at the commencement of each financial yea

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

COVID -19

It is recognised that the legacy of the COVID-19 pandemic continues to impact on Company and related Diocesan organisations and to both monitor and mitigate the long-term financial impact the Company: -

- Has prepared budgets for 2025 that reflect the ongoing challenges in the collection of Ministry Share.
- Is monitoring the impact on reserves of the reduction of net assets
- Has advised the Company's Investment Managers that a drawdown of funds from the Company's investment portfolio will be required in the short to medium term and identified the basis on which any drawdown of funds can be made without causing undue disruption to the risk profile of the Company's investment portfolio.

RBCIW Funding

The RBCIW provided financial support to the Company in the form of a number of grants during the year for which the directors would like to record their appreciation: -

- Partnership Funding £215,000 (2023: £400,000) for the purposes of assisting with the costs of key personnel and activities.
- Structural Resilience Funding £396,390 (2023: £598,926) for the purposes of supporting Diocesan activities; it is currently advised that this fund will close in June 2032.
- Church Growth Funding £569,820 (2023: £659,332) to help fund initiatives specifically targeted at growing Churches and Ministry.
- Church Inspector Contribution Funding £22,500 (2023: £22,500) to reflect services provided by Diocesan Church Inspectors to RBCIW property team.
- Safety Net Funding £82,113 (2023: £nil) one off distribution of share of unclaimed Strategic Resilience Funding.
- Church Improvement Grant £36,250 (2023: £nil) to be made available to churches in the Diocese for the purpose of church premises improvements.

Reserves Policy

The reserves policy requires funds equivalent to at least 9 months of operating expenditure should be held as reserve.

At 31 December 2024, the balance held in unrestricted funds was £5,168,665 representing the equivalent of 13 months operating expenditure at 2024 levels.

The trustees are aware that the current level of reserves remains materially above the reserves policy. As in 2023 the movements in reserves during the year were the result of events beyond the immediate control of the trustees namely the financial support provided by the RBCIW and the increase in the value of investments. Without the benefit of the financial support provided by the RBCIW the net deficit movement of unrestricted funds would be £1,786,030 for the year. The trustees expect the financial conditions to be challenging in the short to medium term future and are therefore comfortable with the current level of reserves as it is expected they will be required to finance net spending in 2025.

Plans for the Future

For 2025, the main objectives are:

- To sustain Diocesan Ministry by striving for financial stability and self-sustainability.
- To work with the RBCIW and Diocesan organisations to invest in evangelism and develop programmes and initiatives to grow the church in the Diocese and Wales using funding provided by the RBCIW Church Growth Fund.
- To continue to support the transition to Ministry Areas.
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Ministry Areas in all aspects of their activities
- To continue to monitor the allocation of Ministry Share apportionment to ensure it is equitable and considers the requirements of all stakeholders,
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

Structure, Governance and Management

Membership – Composition
Members of the Company are appointed for a three-year term, and there are four categories of membership as set out in the memorandum and articles of association:

- ex officio members, which include the Bishop of the Diocese, senior clergy, and Diocesan officers.
- up to ten members nominated by the Bishop of the Diocese.
- up to ten members co-opted by the Company.
- elected members - one cleric and two lay members elected by each Area Deanery Conference

Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee. The Executive Committee shall not exceed 15 members. Every effort is made to ensure that those elected to serve have skills and experience appropriate to the needs and responsibilities of the Committee.

Other Committees

The Constitution of the Church in Wales states that there shall be established in each Diocese, a Parsonage Board and a Churches and Pastoral Committee. The Executive Committee has established principal sub-. committees, including the Assistance Committee, Investment Committee, Funding Committee, and a Widows, Orphans and Dependants Committee. Members of committees are appointed for a three-year term.

Parsonage Board

The Parsonage Board has responsibility for the management of diocesan parsonages, their upkeep and repair, and for buying and selling houses as appropriate. The aim of the Parsonage Board is to provide adequate and comfortable accommodation for clerics in the Diocese.

Churches and Pastoral Committee

The Committee is responsible for:

- Keeping church buildings under review in relation to pastoral need and to advise the Bishop and Diocesan Conference accordingly
- Advising on grants and loans for maintaining church property and administering the Diocesan Churches Grant Fund
- The administration of the scheme for inspection of churches and halls
- Overseeing the process required for declaring a church redundant.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

Assistance Committee

The Assistance Committee was closed during the year and its role and responsibilities were amalgamated into the Ministry Share Working Group. There remains a fund is set aside to assist Ministry Areas that are facing financial difficulties. Application can be made for help with paying the Ministry Share and/or church insurance premiums.

Investment Committee

The Committee is responsible for setting and reviewing the strategy for the Company's investments, and for monitoring the performance of the Board's portfolio. The Committee acts for the Diocesan Trust and the Cathedral Choir Endowment as well as the Diocesan Board of Finance.

Funding Committees

The Funding Committee is responsible for considering and awarding internal grants in respect of Parish, Benefice or Ministry Area projects, and providing advice and guidance, as necessary.

Widows, Orphans and Dependants Committee

The Widows, Orphans and Dependants Committee is funded by personal donations from those who, in gratitude for the dedicated service given by clerics, wish to make sure that no clergy widow or dependant should find themselves in financial need.

The Committee is also able to offer assistance in particular circumstances, and it is a sincere intention that no clergy widow, widower dependant or orphan should find themselves in any situation of financial need.

Induction and Training of Trustees

The Charity Commission guidance has been adopted as a training resource for all trustees and is a standard agenda item. Induction for new trustees is currently on an informal basis. Trustees are also encouraged to attend appropriate training seminars of which details are circulated.

Risk Management

The Company has a risk management system to identify and assess significant risks and to put in place appropriate mitigating procedures. The Diocesan Audit Committee is charged with reviewing the effectiveness and robustness of these systems and reporting thereon to the Executive Committee. Apart from the impact of general economic conditions, the principal risks to which the Company is exposed are the collection of Ministry Share required to fund the costs of ministry in the Diocese and the effect of changes in equity prices and interest rates.

The risk of any non-collection of ministry share is regularly considered by the Executive Committee and is included on the risk register. A provision for doubtful debts has been made and is included in the financial statements. Investment performance risk is managed by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short-term deposits.

Pay policy for senior staff

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.

The remuneration of the key management personnel is set in line with the Diocesan Pay and Grading Structure.

The key management personnel of the Company are the Diocesan Secretary and the Finance Officer.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

Key performance indicators

The trustees/directors consider the key performance indicators to be the parish share collection, net incoming/(outgoing) resources for the financial year, the level of unrestricted reserves held, and the number of clergies in post within the Diocese:

	2024	2023
Ministry Share Collection	**75.3%**	79.5%
Net (expenditure)/income for the year on unrestricted funds before gains/losses on investments and after transfers between funds	**(£303,941)**	£621,431
Value of general unrestricted reserves	**£5,168,665**	£5,235,233
Clergy positions:		
Stipendiary	**52**	52
Non-stipendiary	**18**	17
House for duty	**1**	1

Reference and administrative details

The full name of the Company is Swansea and Brecon Diocesan Board of Finance Limited.

The Swansea and Brecon Diocesan Board of Finance Limited (the Company) is a multi-faceted structure. It is:

- A registered charity (No. 249810)
- A company limited by guarantee (No. 00924565)
- A Board of Finance established under the Constitution of the Church in Wales.

Details of the trustees and directors (trustees/directors) who served during the year, secretary, registered office, registered auditors, principal bankers, and stockbrokers are set out below.

Board of Trustees/Directors

Jeffrey Brown (resigned 6 May 2025)
The Venerable Jonathan Byron Davies
The Venerable Alan Neil Jevons
Gwynfor Lewis, FCA
The Right Reverend John Derrick Percy Lomas
The Very Reverend Albert Paul Shackerley

Consultants

The Ven Alfred James Randolph Thomas

Company Secretary

Louise Anne Pearson

Registered Office

Diocesan Centre, Unit 11 Penyfan Business Park, Ffrwdgrech Industrial Estate, Brecon, Powys, LD3 8LA.

Independent Auditors

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

Principal Bankers

HSBC, Portland Street Branch, Swansea, SA1 3DF.

Investment Managers

RBC Brewin Dolphin Limited, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT.

Trustees' and Directors' report for the year ended 31 December 2024 (Continued)

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees, who are also the directors of Swansea and Brecon Diocesan Board of Finance Limited (The) 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.

By order of the Board of Trustees

.....

The Right Reverend John Lomas
Trustee

Date: ...2nd June 2025.....

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 December 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 December 2024 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 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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Chartered Accountants
Statutory Auditor

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

Date: 06 June 2025

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 of section 1212 of the Companies Act 2006.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2024 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated funds	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Total Charity funds
		2024	2024	2024	2024	2024	2023
		£	£	£	£	£	£
Income from:							
Donations and legacies	5.1	**4,002,085**	**-**	**44,620**	**-**	**4,046,705**	4,372,784
Charitable activities	5.2	**7,131**	**-**	**37,612**	**-**	**44,743**	64,522
Investments	5.3	**124,234**	**-**	**33,084**	**-**	**157,318**	156,106
Other income	5.4	**-**	**-**	**(37,628)**	**-**	**(37,628)**	9,584
Total income		**4,133,450**	**-**	**77,688**	**-**	**4,211,138**	4,602,996
Expenditure:							
Raising funds:							
Investment management costs		**20,161**	**-**	**-**	**-**	**20,161**	23,744
							23,744
Charitable activities:							
Support for Ministry	6.1	**2,680,187**	**-**	**724,653**	**-**	**3,404,840**	2,818,195
Support for Ministry Areas	6.2	**888,612**	**-**	**-**	**-**	**888,612**	701,647
Church property	6.3	**133,031**	**-**	**-**	**-**	**133,031**	122,369
Other financial support	6.4	**291,197**	**30,000**	**121,785**	**-**	**442,982**	541,537
Communications	6.5	**59,219**	**-**	**-**	**-**	**59,219**	59,290
		4,052,246	**30,000**	**846,438**	**-**	**4,928,684**	4,243,038
Total expenditure		**4,072,407**	**30,000**	**846,438**	**-**	**4,948,845**	4,266,782
Net income/(expenditure) carried forward		**61,043**	**(30,000)**	**(768,750)**	**-**	**(737,707)**	336,214

Statement of Financial Activities for the year ended 31 December 2024 (including income and expenditure account) (continued)

	Note	Unrestricted funds 2024	Unrestricted designated funds 2024	Restricted income funds 2024	Restricted capital endowment funds 2024	Total Charity funds 2024	Total Charity Funds 2023
		£	£	£	£	£	£
Net income/expenditure brought forward		**61,043**	**(30,000)**	**(768,750)**	**-**	**(737,707)**	336,214
Net gains/(losses) on investments	8	**237,373**	**-**	**-**	**66,367**	**303,740**	272,908
Net (outgoing)/incoming resources before transfers	8	**298,416**	**(30,000)**	**(768,750)**	**66,367**	**(433,967)**	609,122
Gross transfers between funds		**(364,984)**	**-**	**364,984**	**-**	**-**	-
Net movements in funds	15	**(66,568)**	**(30,000)**	**(403,766)**	**66,367**	**(433,967)**	609,122
Total funds brought forward at 1 January	15	**5,235,233**	**115,806**	**116,553**	**1,237,259**	**6,704,851**	6,095,729
Total funds carried forward at 31 December	15,19	**5,168,665**	**85,806**	**(287,213)**	**1,303,626**	**6,270,884**	6,704,851

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2024

	Note	2024	2023
		£	£
Fixed Assets			
Investments	9	**5,220,657**	5,186,979
Long Term Loans	10	**335,000**	335,000
		5,555,657	5,521,979
Current Assets			
Debtors: due within one year	11	**941,141**	828,894
Cash at bank and in hand	12	**946,916**	1,202,573
Total current assets		**1,888,057**	2,031,467
Liabilities			
Creditors falling due within one year	13	**(837,830)**	(513,595)
Net current assets		**1,050,227**	1,517,872
Total assets less current liabilities		**6,605,884**	7,039,851
Creditors falling due after more than one year	14	**(335,000)**	(335,000)
Net assets		**6,270,884**	6,704,851
The funds of the charity			
Unrestricted Funds	15	**5,168,665**	5,235,233
Designated Funds	15	**85,806**	115,806
Total unrestricted funds		**5,254,471**	5,351,039
Restricted funds			
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	15	**(287,213)**	116,553
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	15	**1,303,626**	1,237,259
Total restricted funds		**1,016,413**	1,353,812
Total Charity funds		**6,270,884**	6,704,851

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 2024, 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 ...2nd June 2025.....

.....

The Right Reverend John Lomas
Trustee

Date: ...2nd June 2025.....

Company number: 924565

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2024

	2024	2023
	£	£
Net cash outflows from operating activities	**(662,876)**	(29,286)
Net cash flows generated from investing activities		
Dividend and interest from investments	**157,318**	156,106
Purchase of investments	**(671,005)**	(1,364,565)
Proceeds from sale of investments	**940,008**	1,240,071
Investment Management Fees	**(20,161)**	(23,744)
Net decrease in cash balances held by Investment Managers	**1,059**	142,838
Net cash generated by investing activities	**407,219**	150,706
Cash flow from financing activities		
Repayments of loans receivable	**-**	-
Repayments of loans repayable	**-**	-
Net cash provided by/ (used in) generated by financing activities	**-**	-
Change in cash and cash equivalents in the year	**(255,657)**	121,420
Cash and cash equivalents at the beginning of the reporting period	**1,202,573**	1,081,153
Cash and cash equivalents at the end of the reporting period	**946,916**	1,202,573
Reconciliation of net income to net cash flow generated from operating activities		
Net income/(expenditure) for the reporting period (as per statement of financial activities)	**(433,967)**	609,122
(Increase) in debtors	**(112,247)**	(275,455)
Increase/(Decrease) in creditors	**324,235**	42,317
(Gains)/Losses on investments	**(303,740)**	(272,908)
Dividends and Interest from investments	**(157,318)**	(156,106)
Investment management fees	**20,161**	23,744
Net cash inflows/(outflows) generated from operating activities	**(662,876)**	(29,286)

Notes to the financial statements for the year ended 31 December 2024

1 Principal accounting policies

Charity Information
Swansea and Brecon Diocesan Board of Finance Limited is a private company limited by guarantee incorporated in England in Wales. The registered office is The Diocesan Centre, Cathedral Close, Brecon, Powys, Wales, LD3 9DP

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Accounting convention

The financial statements have been prepared in accordance 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The principal accounting policies adopted are set out below.

b) Preparation of the financial statements on a going concern basis

After making appropriate enquiries, the trustees are of the view that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all the following criteria are met:

- the Company has entitlement to the funds.
- any performance conditions attached to the items of income have been met or are fully within the control of the Company.
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity 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 Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Notes to the financial statements for the year ended 31 December 2024 (continued)

d) Block Grant

A block grant is provided to the Company by the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The provision of a block grant has enabled certain additional outgoings by the Company to be financed. The block grant is credited to the Statement of Financial Activities in the year to which it relates.

e) Donated services and facilities

Donated services or facilities are recognised as income when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Company. Designated funds are unrestricted funds of the Company which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Company's work or for specific projects being undertaken by the Company.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the costs of supporting the ministry, support for Ministry Areas, and other financial support costs to further the purpose of the Company.
- Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activities. Support costs include salary and related expenditure that support the Company's activities. These costs have been allocated between activity headings based on time spent.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

l) Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their market value.

n) Fixed asset investments

Fixed asset investments, (including those investments held in the Restricted Capital, Endowment Funds), are stated at market value or at Trustees/directors best estimate of market value at the balance sheet date, with gains or losses on revaluation being included in the Statement of Financial Activities.

o) 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.

p) Pension contributions

Contributions are made to defined contribution (money purchase) pension arrangements in respect of certain employees of the company. The assets of the money purchase pension arrangements are held separately from those of the company in independently administered funds. The defined contributions to the money purchase pension arrangements are charged to the Statement of Financial Activities as incurred.

q) Taxation

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

r) Concessionary loans

Concessionary loans received from the Representative Body Church in Wales and payable to clergy are initially recognised at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayment, and any accrued interest and adjusted, if necessary, for impairment.

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. 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.

3 Critical accounting estimates and judgements

In the application of the Company'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.

4 Turnover

The Company does not undertake trading on its own account. The activity of the Company is the management of such finances of the Diocese of Swansea and Brecon as are vested in or are payable to the company.

5 Income

5.1 Donations and legacies	Total Funds 2024 £	Total Funds 2023 £
Ministry Share assessed by the DBF	**2,637,981**	2,602,768
Contributions from the Representative Body:		
Partnership Funding	**215,000**	400,000
Church Growth Funding	**569,820**	659,332
Structural Resilience Funding	**396,390**	598,926
Safety Net Funding	**82,113**	-
Church Improvement Grant	**36,250**	-
Church Inspector Grant	**22,500**	22,500
Widows, Orphans and Dependents Grant	**-**	194
Grants and Donations received:		
Eastmoor Trust	**16,995**	22,000
Gower Deanery Ministry Share Assistance Contribution	**-**	-
Benefact Trust (restricted fund see note 16)	**14,994**	17,434
Isla Johnson Trust	**3,000**	3,000
Diocesan Trust	**41,578**	39,352
Parsonage Repair Grants (restricted fund see note 16)	**5,370**	3,780
Other Grants and Donations	**4,714**	3,498
	4,046,705	4,372,784

Grants received for church improvement of £36,250 (2023: £ Nil), for educational purposes and training of clergy £3,000 (2023: £3,000) and for parsonage repair of £5,370 (2023: £3,780), are credited to the restricted income funds.

All other income is credited to unrestricted funds.

5.2 Charitable Activities	Total Funds 2024 £	Total Funds 2023 £
Resource Centres – Administrative Services	**3,530**	4,701
Parsonage Rental Income (restricted fund – see note 16)	**37,612**	55,600
Contribution from Ministry Areas	**1,965**	2,776
Contributions from Diocesan organisations		-
Marriage Licence Fees	**-**	720
Other Income	**1,636**	725
	44,743	64,522

Incoming resources from Charitable Activities includes Restricted Parsonage Rental Income of £37,612 (2023: £55,600).

5.3 Investments:	Total Funds 2024 £	Total Funds 2023 £
Fixed Asset Investments and Banks		
Income from fixed asset investments – listed	**109,921**	107,564
Income from Representative Body Common Investment Fund Units	**1,639**	1,554
Bank and money market interest	**8,723**	8,061
Other interest	**3,131**	4,139
Income from Investment of Bequests (£nil (2023: £47) restricted fund)	**33,904**	34,788
	157,318	156,106

		Total Funds 2024	Total Funds 2023
5.4	**Other Income**	**£**	£
	Insurance Claims – restricted	**(37,628)**	9,584
		(37,628)	9,584

6 Expenditure

		Total Funds 2024	Total Funds 2023
6.1	**Support for Ministry**	**£**	£
	Stipends & Fees		
	Stipends and allowances	**1,569,889**	1,466,225
	Vacancy fees	**2,665**	3,440
	Council Tax	**148,723**	130,787
	Parsonages		
	Maintenance of Parsonages (restricted fund see note 16)	**555,443**	384,482
	Insurance of Parsonage Houses	**18,998**	19,007
	Custodians' expenses	**26,245**	21,241
	Property Rental	**16,914**	8,340
	Clergy Expenses		
	Archdeacons' expenses	**11,936**	9,662
	Removal and disturbance allowances	**64,273**	43,727
	Travel and other expenses	**18,162**	3,325
	Training		
	Ordinands	**9,119**	9,194
	Continuing Ministerial Education	**22,347**	22,920
	Readers	**-**	634
	Support Costs		
	Provision against uncollected Ministry Share	**632,230**	437,944
	Write off of uncollectable Ministry Share	**-**	9,000
	General Fund (see note 6.6)	**156,690**	156,994
	Restricted Parsonage Fund	**151,206**	91,273
		3,404,840	2,818,195

Of the above costs, costs for the maintenance of parsonages of £555,443 (2023: £384,482), support costs of £151,206 (2023: £91,273) and various additional costs of £18,004 (2023: £19,384) are charged to the restricted income fund.

		Total Funds 2024	Total Funds 2023
6.2	**Support for Ministry Areas**	**£**	£
	Sector Ministries		
	Rural Life Ministry	**17,594**	17,460
	Social Responsibility	**57,750**	37,745
	Other Sector Ministries	**5,170**	6,218
	Mission, Evangelism and Outreach	**43,798**	40,788
	Statutory Education	**62,525**	50,963
	Children, Youth and Family	**149,717**	155,721
	Diocesan Expenses		
	Ministry Area Development Support	**335,951**	169,180
	Diocesan Archivist	**200**	200
	Eastmoor Centre	**3,177**	4,100
	Diocesan Centre	**57,493**	64,370
	Support Costs (see note 6.6)	**155,237**	154,902
		888,612	701,647

Of the above costs, £Nil is funded by from the Designated Repair Fund (2023: £9,499).

		Total Funds 2024	Total Funds 2023
6.3	**Church Property**	**£**	£
	Diocesan Advisory Committee expenses	**16,165**	15,404
	Churches and Pastoral Committee expenses	**64,328**	48,915
	Support Costs (see note 6.6)	**52,538**	58,050
		133,031	122,369

		Total Funds 2024 £	Total Funds 2023 £
6.4	**Other Financial Support**		
	Diocesan Bodies		
	Resource Church Grants	**119,669**	123,959
	Brecon Cathedral Grant	**-**	41,190
	Diocesan Mission Fund	**72,256**	79,755
	Church Repair Grants	**147,024**	66,650
	Representative Body - Emergency Repairs Fund	**-**	8,333
	Ministry Area Assistance Fund	**-**	27,761
	Social Responsibility Grants	**42,545**	40,024
	Bishop's Fund	**12,000**	-
	Widows Orphans & Dependants Grants	**11,694**	6,217
	Curate Support Grant to Ministry Areas	**3,500**	6,000
	Retired Clergy	**207**	234
	Anglican, Ecumenical, and other bodies		
	World Mission Grants	**14,103**	16,930
	Cost of Living Grants	**-**	106,202
	Llangasty Retreat House Grant	**5,000**	5,000
	Other Grants	**3,894**	1,000
	Support Costs (see note 6.6)	**11,090**	12,282
		442,982	541,537

Of the above costs £110,091 (2023: £48,020) is funded by the Restricted Income Church Improvement Fund, £30,000 (2023: £30,000) is funded by the Designated Diocesan Regeneration Fund and £11,694 (2023: £6,217) is funded by Restricted Widows, Orphans and Dependents Restricted Income Fund.

Material grants in the context of total expenditure are:

	2024 £	2023 £
Resource Church Grants	**119,669**	123,959
Cost of Living Assistance Grants	**-**	106,202
Faith in Families (Social Responsibility Grants)	**68,072**	64,038
Brecon Cathedral Support Grant	**-**	41,190

		Total Funds 2024 £	Total Funds 2023 £
6.5	**Communications**		
	Communications and Media	**2,695**	1,167
	Newsletters and Diocesan Publications	**3,284**	4,597
	Support Costs (see note 6.6)	**53,240**	53,526
		59,219	59,290

		Total Funds 2024 £	Total Funds 2023 £
6.6	**Support Costs - Management and Administration**		
	Salaries including pensions and pension scheme contributions (see note 7.1)	**390,941**	337,862
	Staff and Office expenses	**37,854**	97,892
		428,795	435,754

Total support costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2024 £	Total Funds 2023 £
Support for Ministry	**156,690**	156,994
Support for Ministry Areas	**155,237**	154,902
Church Property	**52,538**	58,050
Other Financial Support	**11,090**	12,282
Communication	**53,240**	53,526
	428,795	435,754

Other than for support costs which are specific to the activities shown, the support costs, including salaries and related costs, are allocated to activity headings based on time spent.

6.7 **Governance Costs**

	Total Funds 2024 £	Total Funds 2023 £
Company expenses	**34**	13
Audit fees	**16,500**	14,618
Diocesan Conference and Standing Committee	**5,991**	2,046
Governing Body Meeting expenses	**3,240**	24,200
	25,765	40,877

Governance costs are included within Staff and Office expenses in note 6.6.

7 Staff Costs

7.1 Analysis of staff costs and trustees' remuneration and expenses

	Total Funds 2024 £	Total Funds 2023 £
Salaries including pensions and pension scheme contributions		
Salaries	**745,179**	581,319
Social security costs	**58,307**	43,309
Pensions	**6,405**	5,749
Pension scheme defined contributions (see below)	**105,833**	82,933
	915,724	713,310

Pension scheme defined contributions are made in respect of certain employees of the charity. The contributions are payable by the company to funds, the assets of which are held separately from those of the company.

One employee earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2024 (2023: 1).

The average weekly number of persons employed during the year was 31 (2023: 27).

7.2 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, and the Finance Manager.

Key management personnel costs (including salaries, pensions and employer's national insurance contributions) in 2024 amounted to £141,387 (2023: £131,266).

1 member of the key management personnel (2023: 1) received employee benefits (excluding employer pension costs) of more than £60,000.

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2024 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2023: £nil).

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their clerical duties. For the year ended 31 December 2024 the expenses amounted to £8,016 (2023: £9,416).

For the year ended 31 December 2024 for clergy members of the Board of Trustees stipends amount to £87,278 (2023: £125,226) and national insurance contributions of £9,534 (2023: £13,516) These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Net income

	2024	2023
	£	£
Net income is stated after charging:		
(Losses) on disposal of investments	**(16,648)**	(11,082)
Gains/(losses) on revaluation of investments	**320,388**	283,990
Audit fee	**16,500**	14,618

9 Investments

	Listed investments	Cash in Portfolio	Total
	£	£	£
Book and market value			
At 1 January 2024	**5,172,067**	**14,912**	**5,186,979**
Additions	**671,005**	**-**	**671,005**
Disposals	**(956,656)**	**-**	**(956,656)**
Movement	**-**	**(1,059)**	**(1,059)**
Valuation changes	**320,388**	**-**	**320,388**
At 31 December 2024	**5,206,804**	**13,853**	**5,220,657**

Fixed asset investments are held as follows:

	2024	2023
	£	£
Held in General Unrestricted Funds		
Listed Investments	**3,890,232**	3,933,708
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2023: 29,652) Representative Body		
Investment Fund Units	**69,199**	65,605
Brewin Dolphin Cash Deposit Account	**13,853**	14,912
General Unrestricted Funds	**83,052**	80,517
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	**623,801**	589,340
Held by the Representative Body	**614,340**	574,181
Held by the Board of Finance	**9,232**	9,232
Restricted Capital, Endowment Funds	**1,247,373**	1,172,754
Total Other Investments	**1,330,425**	1,253,271
Total investments	**5,220,657**	5,186,979

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the RBCIW. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2024 are 337,091 (2023: 337,091).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2024 are 263,247 (2023: 259,517).

The carrying value of investments held in the Restricted Capital, Endowment Funds is stated in accordance with the accounting policy in note 1 of these financial statements.

10 Concessionary loans

General Unrestricted Funds	2024 £	2023 £
Loans funded by representative body:		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Funds received from the RBCIW are applied to provide loans for retired clergy housing (see Note 15). Interest is receivable by the Company and the Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment of the loans.

11 Debtors: due within one year

	2024 £	2023 £
General Unrestricted Funds		
Ministry share	**2,335,231**	1,746,255
Grant income receivable		-
Payments in advance	**29,405**	35,034
Parochial loans	**30,286**	30,286
Bank interest and investment income	**32,403**	35,133
Miscellaneous	**51,016**	45,759
Provision for doubtful debts	**(2,296,626)**	(1,664,395)
	181,715	228,072
Restricted Funds:		
Parsonage Maintenance Fund		
Representative Body - Improvement Fund repayment	**591,391**	339,194
Insurance claim income	**168,035**	261,628
	759,426	600,822
Debtors due within one year	**941,141**	828,894

These are analysed as follows:

	2024 £	2023 £
Other debtors	**911,736**	758,726
Prepayments and accrued income	**29,405**	70,168
	941,141	828,894

12 Cash at bank and in hand

	2024	2023
	£	£
CAF Gold Account	**271,688**	497,852
Other cash balances	**675,228**	704,721
	946,916	1,202,573

For further analysis see note 19.

13 Creditors falling due within one year

	2024	2023
General Unrestricted Funds	£	£
Creditors Control	**8,878**	10,829
Representative Body of Church in Wales	**609,032**	284,976
Ministry Share Paid in Advance	**-**	1,819
Internally Invested Restricted Funds	**9,232**	9,232
Deferred Income	**99,098**	99,403
Accruals	**40,500**	53,952
Sundry creditors	**14,644**	16,176
	781,384	476,387
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	**7,634**	19,529
Sundry creditors	**48,812**	17,679
	56,446	37,208
Creditors falling due within one year	**837,830**	513,595

	2024	2023
These are analysed as follows:	£	£
Trade creditors	**625,544**	315,334
Deferred Income	**99,098**	99,403
Other creditors and accruals	**113,188**	98,858
	837,830	513,595

Movements in ministry share paid in advance in the period are analysed as follows

	2024	2023
	£	£
Ministry Share paid in advance at start of year	**1,819**	84,950
Movement in year	**(1,819)**	(83,131)
Ministry Share paid in advance at end of the year	**-**	1,819

Creditors falling due within one year (continued)

Deferred income

	2024	2023
	£	£
Deferred income at start of year	**99,403**	-
Released from previous periods	**(99,403)**	-
Resources deferred in the year	**99,098**	99,403
Deferred income at end of the year	**99,098**	99,403

Deferred Income represents Structural Resilience Funding provided in advance by the RCIW.

14 Creditors falling due after more than one year

	2024	2023
	£	£
General Unrestricted Funds		
Loans from the RBCIW		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Loans received from the RBCIW are applied to fund loans for Retired clergy housing and general support (see Note 10). Interest ranging between 5.75% and 6.25% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Ministry Areas and Clergy.

Notes to the financial statements for the year ended 31 December 2024 (continued)

15 Accumulated Fund balances

2024

	Balance at 1 January 2024 £	Movement of Funds: Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2024 £
General Unrestricted Income Funds						
General Fund Reserve	5,235,233	**4,133,450**	**(4,072,407)**	**(364,984)**	**237,373**	**5,168,665**
Designated Funds						
Designated Diocesan Regeneration Fund	79,886	**-**	**(30,000)**	**-**	**-**	**49,886**
Designated Ministry Share Assistance Fund	35,920	**-**	**-**	**-**	**-**	**35,920**
Restricted Funds					**-**	
Parsonage Maintenance Fund	23,328	**5,354**	**(706,650)**	**364,984**	**-**	**(312,984)**
Church Improvement Funds	73,841	**36,250**	**(110,091)**	**-**	**-**	**-**
Widows, Orphans & Dependents Restricted Income	19,384	**18,081**	**(11,694)**	**-**	**-**	**25,771**
Bequest Investment Income Restricted for Cost Of Ministry	-	**18,003**	**(18,003)**	**-**	**-**	**-**
Legacy and Benefactions Account and Trust Funds						
Fund Balances	1,237,259	**-**	**-**	**-**	**66,367**	**1,303,626**
	6,704,851	**4,211,138**	**(4,948,845)**	**-**	**303,740**	**6,270,884**

The transfer between the unrestricted funds and restricted funds represent the trustees' decision to offset the deficit generated in the Parsonage maintenance fund.

Notes to the financial statements for the year ended 31 December 2024 (continued)

15 Accumulated Fund balances (continued)

2023

	Balance at 1 January 2023 £	Movement of Funds: Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2023 £
General Unrestricted Income Funds						
General Fund Reserve	4,391,026	4,496,122	(3,650,146)	(224,545)	222,776	5,235,233
Designated Funds						
Designated Repair Fund	146,431	-	(9,499)	(136,932)	-	-
Designated Diocesan Regeneration Fund	109,886	-	(30,000)	-	-	79,886
Designated Ministry Share Assistance Fund	63,681	-	(27,761)	-	-	35,920
Restricted Funds						
Parsonage Maintenance Fund	68,642	68,964	(475,755)	361,477	-	23,328
Church Improvement Funds	121,861	-	(48,020)	-	-	73,841
Widows, Orphans & Dependents Restricted Income	8,075	17,526	(6,217)	-	-	19,384
Bequest Investment Income Restricted for Cost Of Ministry	-	19,384	(19,384)	-	-	-
Legacy and Benefactions Account and Trust Funds						
Fund Balances	1,186,127	1,000	-	-	50,132	1,237,259
	6,095,729	4,602,996	(4,266,782)	-	272,908	6,704,851

The Repair fund is designated for the purposes of repair and maintenance of the Diocesan Centre building including any associated costs incurred to ensure the staff can continue to work remotely if the building becomes inaccessible.

16 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2024

	2024	2023
	£	£
Income		
Contributions from Diocesan Board of Finance General		
Unrestricted Income Fund	**364,983**	361,477
Income from Rented Properties	**37,612**	55,600
Insurance Claims	**(37,628)**	9,584
Grants and Parochial contributions	**5,370**	3,780
Total Income	**370,337**	430,441
Expenditure		
Maintenance of Parsonages	**513,392**	376,274
Maintenance contracts	**42,051**	8,208
	555,443	384,482
Administration	**60,689**	55,439
Interest on Improvement Fund	**90,517**	35,834
Total expenditure	**706,649**	475,755
Net (deficit)/surplus for the year	**(336,312)**	(45,314)
Fund balance brought forward at 1 January	**23,328**	68,642
Fund balance carried forward at 31 December	**(312,984)**	23,328

The parsonages are owned by the RBCIW and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2024	2023
	£	£
Maintenance costs	**555,443**	384,482
Improvement costs (borne by the Representative Body)	**902,093**	682,901
	1,457,536	1,067,383

17 Related party transactions

In addition to transactions with the RBCIW, there were the following related party transactions in the year ended 31 December 2024 and 2023.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2023: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £34,075 (2023: £31,852) towards the Education costs incurred by the Company in the year.

The following directors are also directors of the Swansea & Brecon Diocesan Trust Incorporated:

The Ven Jonathan Byron Davies
The Ven Alan Neil Jevons
Gwynfor Lewis FCA
The Right Rev'd John Lomas
The Very Revd Albert Paul Shackerley

Eastmoor Trust Fund

The Eastmoor Trust Fund agreed to provide the Company with funding of £16,995 during the year to contribute towards the costs of Resource Church Grants (2023: £22,000).

The Right Rev'd John Lomas, a director of the Company, has authority to approve distributions from the Eastmoor Trust Fund by virtue of his position as the Bishop of the Diocese of Swansea & Brecon.

18 Financial instruments comprise the following:

	2024	2023
	£	£
Financial assets		
Investments measured at market value though the statement of financial activity	**5,220,657**	5,186,979

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	**3,973,284**	**-**	**1,247,373**	**5,220,657**
Long Term Loans	**335,000**	**-**	**-**	**335,000**
Debtors due within one year	**181,715**	**-**	**759,426**	**941,141**
Cash	**1,795,050**	**85,806**	**(933,940)**	**946,916**
Creditors due within one year	**(781,384)**	**-**	**(56,446)**	**(837,830)**
Creditors due in more than one year	**(335,000)**	**-**	**-**	**(335,000)**
Total	**5,168,665**	**85,806**	**1,016,413**	**6,270,884**

Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,933,708	-	1,253,271	5,186,979
Long Term Loans	335,000	-	-	335,000
Debtors due within one year	228,072	-	600,822	828,894
Cash	1,549,840	115,806	(463,073)	1,202,573
Creditors due within one year	(476,387)	-	(37,208)	(513,595)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	5,235,233	115,806	1,353,812	6,704,851

20. Statement of Financial Activities 2023

	Note	Unrestricted funds	Unrestricted designated funds	Restricted Income Funds	Restricted capital endowment funds	Total Charity funds
		2023	2023	2023	2023	2023
		£	£	£	£	£
Income from:						
Donations and legacies	5.1	4,365,004	-	6,780	1,000	4,372,784
Charitable activities	5.2	8,922	-	55,600	-	64,522
Investments	5.3	122,196	-	33,910	-	156,106
Other income	5.4	-	-	9,584	-	9,584
Total income		4,496,122	-	105,874	1,000	4,602,996
Expenditure:						
Raising funds:						
Investment management costs		23,744	-	-	-	23,744
		23,744				23,744
Charitable activities:						
Support for Ministry	6.1	2,323,056	-	495,139	-	2,818,195
Support for Ministry Areas	6.2	662,148	39,499	-	-	701,647
Church property	6.3	122,369	-	-	-	122,369
Other financial support	6.4	459,539	27,761	54,237	-	541,537
Communications	6.5	59,290	-	-	-	59,290
		3,626,402	67,260	549,376	-	4,243,038
Total expenditure		3,650,146	67,260	549,376	-	4,266,782
Net income/(expenditure) carried forward		845,976	(67,260)	(443,502)	1,000	336,214

20. Statement of Financial Activities 2023 (continued)

	Note	Unrestricted funds 2023	Unrestricted designated funds 2023	Restricted income funds 2023	Restricted capital endowment funds 2023	Total Charity funds 2023
		£	£	£	£	£
Net income/expenditure brought forward		845,976	(67,260)	(443,502)	1,000	336,214
Net gains/(losses) on of investments	8	222,776	-	-	50,132	272,908
Net (outgoing)/incoming resources before transfers	8	1,068,752	(67,260)	(443,502)	51,132	609,122
Gross transfers between funds		(224,545)	(136,932)	361,477	*	-
Net movements in funds	**15**	844,207	(204,192)	(82,025)	51,132	609,122
Total funds brought forward at 1 January	15	4,391,026	319,998	198,578	1,186,127	6,095,729
Total funds carried forward at 31 December	**15,19**	5,235,233	115,806	116,553	1,237,259	6,704,851

Notes to the financial statements for the year ended 31 December 2024 (continued)

21 Operating Lease Commitments

	2024	2023
	£	£
Within one year	**15,769**	16,217
Between two and five years	**48,060**	64,426
Over five years	**-**	728

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fell due as set out above

SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249810

Accounts

Company Registration Number: 924565 (England and Wales)
Charity Registration Number: 249810

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report and Financial Statements
For the Year Ended 31 December 2023

Swansea and Brecon Diocesan Board of Finance Limited (The)

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Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2023

Secretary's Report

During 2023 our Diocese restructured into 14 Ministry Areas (previously 21) and removed the layers of Parishes, Benefices and Deaneries to create 14 legal entities within our 2 Archdeaconries. Swansea and Brecon Diocesan Board of Finance staff supported our clergy and laity through this transition period, by providing advice, support, and guidance.

Ministry Share was apportioned directly to Ministry Areas (rather than Deaneries, as in previous years), which removed the opportunity for inter-deanery subsidy. Together with the full removal of the Gower precept, this resulted in some Ministry Areas receiving large percentage increases in share apportionment, the greatest being the East Radnor MA with a 19% increase. The challenge this presents is recognized and communication is ongoing with the new Ministry Area Trustees to support those with the largest increases. Mindful of the pressures of establishing new relationships and co-operative working, the Diocese were keen to encourage good governance and constructive discussions over the potential for disputes about finances. The Ministry Share Working Group (previously represented by Deanery) was suspended pending formation of the new Ministry Areas. These factors are evident in the lower Collection rate in Ministry Share of 79.5% in 2023 (2022: 87.2%). The Ministry Share Working Group was reconvened in January 2024 with Ministry Area representation. In addition to its remit for analysis and promoting the payment of Ministry Share, it has been tasked with exploring and sharing of stewardship resources.

In 2022 The Representative Body announced the cessation of the Block Grant fund (which was no longer fit for purpose) and its review of a new support fund, Partnership Funding. Pending a full analysis of the apportionment of the fund we received an initial annual payment of £400,000 for 2023. In addition, the Representative Body announced a 10-year Structural Resilience Fund of £3.7 million per year. Again, in lieu of an agreed apportionment, Swansea and Brecon Diocesan Board of Finance received an initial payment of £589,926 in 2023. The distribution for both funds has subsequently been agreed and distribution commenced in January 2024. Partnership Funding is based on the estimated cost of 3 core DBF staff, with the Cathedral element paid directly to the Cathedral (rather than via the Diocesan Board of Finance). The Structural Resilience Fund is shared across the province weighted in relation to levels of Deprivation, Population, Open Churches, and Schools in each Diocese.

The Representative Body also launched its new Church Growth Fund of £100 million, available over 10 years. Swansea and Brecon Diocesan Board of Finance are fortunate to have been awarded one of the first releases of this fund; £6.4 million to be received over 10 years. Commencing in January 2023, this fund has been secured to strengthen our Ministry Areas by funding Ministry Area Administrators, a program of Clergy Succession Planning and staff directly supporting Mission and Ministry within Ministry Areas. In 2023 we received £659,332. The Church Growth Fund is now open to applications from individual churches, Ministry Areas, Cathedrals and Dioceses. Future Diocesan applications are being considered and developed.

We are again, deeply grateful to the Representative Body of the Church in Wales for their continued financial support via these 3 funds.

Lastly, on the 15th of November 2023 we welcomed Mr Jeffrey Brown as the new Chair of Swansea and Brecon Diocesan Board of Finance. Mr Brown has experience and qualifications in both senior management, and leadership, including experience of change management. Mr Brown's career has predominately been within the Education sector, specifically universities, and is currently undertaking a degree in Theology.

Mrs Louise Pearson
Secretary of the Swansea and Brecon Diocesan Board of Finance Limited

Trustees' and Directors' report for the year ended 31 December 2023

The trustees present their report and financial statements for the year ended 31 December 2023

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 Company'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)".

Legal and administrative details

The Swansea and Brecon Diocesan Board of Finance Limited ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The Company was incorporated as a charity limited by guarantee on 13 December 1967.

The Charity was registered with the Charity Commission on 17 April 1968 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The Company meets in general meeting twice annually. The day-to-day management of the Company is delegated to the Executive Committee, whose members are the trustees of the charity and directors of the Company for the purpose of company law.

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2023 was 6.

Our Purposes and Aims

The purposes of the Charity are:

- To maintain a sustainable and transforming Christian ministry across the Diocese.
- To enable all to act justly, to love mercy and to walk humbly with God.

Our activities are inspired by a shared Diocesan Vision to become a **family, rooted in Christ** committed to **transforming lives** by:

Gathering, as God's people
Growing, more like Jesus
Going Out, in the power of the Spirit.

At the heart of our mission-shaped vision is the commitment to see lives transformed; this is therefore the fundamental purpose to which funding is directed.

The trustees/directors are aware that a diocese succeeds through the mission and ministry of its parishes, its senior clergy, and its bishop. Through striving for the highest standards of financial management the trustees/directors aim to create the conditions in which the mission and ministry of the diocese can flourish and be maximised.

Objectives and Activities for the Public Benefit

In shaping the objectives for the year and planning our activities, the trustees/directors have considered the Charity Commission guidance on public benefit.

The trustees/directors acknowledge the Charity Commission's guidance set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. The trustees refer to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the charity and planning future activities.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, 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 by doing so it provides a benefit to the public by:

- 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; and
- 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.

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2023 is indicated in note 6.4 to the financial statements.

Review of Achievements and Performance

The trustees/directors interpret their role broadly, contributing to the strategic leadership of the Diocese, balancing careful stewardship with a flexible and proactive approach.

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities
- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies
    - Contributing to the national work of the Church in Wales
    - Securing funds in support of wider Diocesan and Worldwide Mission
    - For 2023, the main objectives were:
        - To sustain and grow Diocesan ministry by managing activities to achieve long term financial stability and sustainability.
        - To support the formation and licensing of Ministry Areas
        - Training and Support of Ordained and Lay Ministries
        - To provide support and advice for Parishes to assist in their transition to Ministry Areas.
        - To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision including assistance to mitigate the impact of the cost of living crisis and the development and growth of the Diocesan Resource Church.

Monitoring Achievements

Sustaining Diocesan ministry by maintaining financial stability: The trustees/directors continue to monitor income and expenditure levels closely to ensure long term financial stability and sustainability and remain particularly mindful of the challenges faced by Ministry Areas. The impact of the COVID-19 pandemic has receded in terms of the direct impact it has on activities; however, the legacy remains evident in changed attitudes to partaking in public gatherings and reduced church attendance. While the costs of Ministry requested in the form of Ministry Share remained consistent with previous years, the ability of Ministry Areas to generate funding in some cases remains reduced. The trustees/directors are grateful for the financial support from the Representative Body of the Church in Wales (RBCIW) which provided additional funding in the form of Structural Resilience Grants of £598,926 (2022: £264,000) and Church Growth Grants of £659,332 (2022: £nil) to help meet the costs of the Diocese in the year.

In the longer term the trustees are aware that the Charity and the Diocese must seek to achieve financial sustainability. The RBCIW have indicated that the Structural Resilience Fund will close in 2032 and that the Church Growth Fund availability will be limited to ten years. The licensing of Ministry Areas during 2023 is intended to enable clergy and lay volunteers to focus on mission and growing their churches for and assist with the financial viability of providing Ministry in the Diocese. The Church Growth Funding has been applied to support Ministry Areas by aiding succession planning through early recruitment and placing of clerics in Ministry Areas, funding the Children, Youth and Families Ministry and the provision of administrative support in the form of employed Ministry Area Administrators.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Supporting the licensing of Ministry Areas: Ministry Areas were licensed across the whole Diocese during 2023. The trustees/directors are committed to providing support to Ministry Areas through the recruitment and funding of Ministry Area Administrators to work with Ministry Areas and the allocation of key personnel to facilitate the licensing and transition process.

Training and Support of Ordained and Lay Ministries: In collaboration with St Padarn's, the trustees/directors are pleased to be able to continue to support and train candidates for stipendiary and non-stipendiary ministry, alongside a programme of lay ministerial training.

For 2023 ordained ministries there was one ordained stipendiary Deacon and 2 ordained stipendiary Priests.

One ordinand left St Padarn's to be ordained as a Deacon and 5 new ordinands enrolled in the college. One is training for stipendiary ministry and four for non-stipendiary ministry.

To provide advice and support for Ministry Areas in all aspects of their activities: The trustees/directors continue to endorse the ongoing provision of practical and financial support to Ministry Areas across the Diocese through the provision of advice and support in managing and maintaining buildings, access to grant funding and the availability of a network of support staff in key areas.

***To continue to support a Diocesan Mission Fund to provide funding for projects which aim to reflect the Diocesan Vision*:** The trustees/directors again budgeted a significant fund for mission projects and were pleased to award grants to the value of £79,755 (2022: £52,222).

Financial Review

At the year end the financial statements report an increase in the value of total net assets of 10.0% to £6,704,851 (2022: £6,095,729).

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of Ministry within the Diocese which accounted for approximately 63.6% (2022: 73.1%) of unrestricted expenditure for 2023.

Income

The Company's major income sources and receipts increased with higher Ministry Share rising and new funding available from the RBCIW. Total incoming resources of £4,602,996 (2022: £3,610,030) included £2,602,768 (2022: £2,321,205) collectable ministry share, £400,000 (2022: £387,475) in the form of the RBCIW annual Partnership Funding, £598,926 (2022: £264,000) Resilience Fund grants from the RBCIW, £659,332 (2022: £Nil) Church Growth funding from the RBCIW and investment income of £156,106 (2022: £139,750).

Expenditure

Total resources expended were £4,266,782 (2022: £3,591,492).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £2,818,195 (2022: £2,699,286). After removing costs related to uncollected Ministry Share and Parsonage Board expenditure, support for ministry costs of £1,995,769 (2022: £1,796,748) showed a 10% increase in comparison with 2022 only part of which reflects the awarding of a 5% increase in stipends for 2023. The driver in the increase in costs was commencement of a succession planning initiative fund ed by the RBCIW's Church Growth fund which enabled clergy to be recruited in advance of retirements in Ministry Areas. At the year end the full time Clergy headcount in the Diocese had increased by two compared to the previous year. The cost of maintaining Parsonage Board properties fell to £475,755 (2022: £626,228) reflecting change in policy whereby the costs of major renovation projects are funded from the Diocesan Improvement Fund which is held and administered by the RBCIW. Costs related to uncollected Ministry Share rose to £437,944 (2022 £292,227), the increase being at least partially attributable to the ending in 2023 of the financial support for Ministry Areas to assist in meeting Ministry Share costs.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Support for Parishes expenditure of £701,647 (2022: £468,470) increased significantly as a number of new initiatives were implemented. Rural Life Ministry costs of £17,460 (2022: £10,642) increased as the Bishop's Officer for Rural Life role was in role throughout the year. Social Responsibility support costs increased with appointment of a Bishop's Officer for Faith in Families during the year. The introduction and funding of Project Touchline for Church Schools increased Statutory Education costs. Evangelism and Outreach costs £40,798 (2022: £29,600) increased as the responsibilities of Bishop's Officer for this sector were transferred to a newly created Director of Mission role. Children Youth and Family Ministry costs £155,721 (2022: £132,987) increased as the contracted hours for one Officer were increased at the start of 2023.

Ministry Area Development Support costs increased with eight Ministry Area Administrators and one Ministry Area Administrator being recruited and in post at the year end. Additionally the Archdeacon with Responsibility for Ministry Areas was in role for the full year having been appointed in November 2022. The costs of employment and stipends for Ministry Area Development Support were funded from the RBCIW Church Growth Fund. Brecon Diocesan Centre costs were higher at £64,370 (2022: £34,076) due to the costs involved in renting and moving to new office premises during the year

Church property costs increased to £122,369 (2022 £61,782) with the appointment of a Diocesan Churches Inspector in the year.

Other financial support costs increased in 2023 to £541,537 (2022: £288,351). A full breakdown of Financial Support is provided in note 6.4. A new recipient was the Diocesan Resource Church. Grants of £123,959 were awarded to the Church and this was partly funded with £22,000 from the Swansea and Brecon Diocesan Trust Eastmoor Fund and £30,000 from the Designated Regeneration Fund. A large number of applications for grants to assist Churches in meeting cost of living challenges in their communities were received and a total of £106,202 (2022: £15,525) was awarded in the year. Mission Fund increased to £79,755 (2022: £52,222).

Support Costs – Management and Administration

Total management and administration support costs (see note 6.6) increased by 22% to £435,754 (2022; £358,377). The rise in salaries and associated costs resulted from "step" increases awarded to reflect increased experience in the role, a 5% general salary increase that was awarded to all staff and an increase in working hours for some existing staff. Staff and office costs increased in 2023 following the completion of essential repair and improvement work at the Diocesan Centre in 2023 and an allocation of costs for the Diocesan Centenary concert.

Support costs are allocated across the statement of financial activities headings as shown in note 6.6.

Designated Funds

Designated Repair Fund

An unrestricted designated repair fund of £200,000 was established in 2015 to provide a fund to meet the costs of renovating and repairing the Diocesan Centre building and the temporary relocation of staff during the period of renovations. In 2019 £53,569 was allocated from this fund. Charges of £9,499 were made against the fund in 2023 and, with the provision of office facilities arranged for the medium term, the trustees approved the transfer remaining balance at the year end to unrestricted reserves.

Regeneration Fund

The Regeneration Fund was established in 2021 to assist Ministry Areas in recovery, reconstruction, and regeneration subsequent to the lifting of COVID 19 restrictions on activities. £30,000 was charged against the Fund in 2023 to support the Diocesan Resource Church. It is expected that the Fund will be used to continue to support Resource Church activities.

Ministry Share Assistance

The Ministry Share Assistance Fund was established to assist Benefices and Ministry Areas in meeting their annual Ministry Share allocations where unforeseen circumstances impacted on their ability to pay. £27,761 was distributed from the Fund in the form of Ministry Share Assistance Grants.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Restricted Funds

Parsonage

The restricted income fund relating to the activities of the Parsonage Board has a surplus balance of £23,328 at the year-end (2022: surplus £68,642). The total costs funded from the restricted Parsonage income fund for renovations, repairs and maintenance, administration and interest charges on the outstanding Improvement Fund balance was £475,755 (2022: £626,228). Additional funding of £682,901 (2022: £47,449) was drawn down from the Diocesan Improvement Fund held by the RBCIW to fund long-term renovation works in designated key properties that became vacant due to clerical turnover.

Net Income

Net unrestricted income after transfers between funds and before gains/(losses) on investments shows a surplus of £621,431 (2022: surplus £8,189).

The Company does not plan or budget with the intention of reporting significant deficits or surpluses.

The Company notes that the reported increase in net assets for the year of £609,122 includes £1,258,258 financial support provided by the RBCIW in the forms of Resilience and Church Growth Funding and total realised and unrealised gains on investments of £272,908. If the RBCIW funding and investment gains are removed from the results, the Company accounts would show a deficit of £922,044 for the year.

Church Growth Funding is provided by the RBCIW quarterly in advance to help meet the costs of specific agreed projects involving ministry area administration, church growth and succession planning. At 31st December the Company had received funding Church Growth Funding of £659,332 and incurred project costs qualifying for funding of £517,601.

Investments

Total net realised and unrealised gains on investments during the year were £272,908 (2022: loss £659,117). 2023 was challenging for most of the year for global financial markets due to the continuing uncertainties about the impact of high inflation, increases in interest rates and the economic fallout from Russia's invasion of Ukraine, however markets did rally significantly in the final Quarter. The trustees/directors are satisfied that the investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee but remain aware of the risk of further market volatility in the short to medium term future.

Overall, the financial position of the Diocese on 31st December 2023 is considered to be satisfactory.

Investment Policy and Performance

The Executive Committee, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to the Investment Sub-Committee in conjunction with the Company's appointed Investment Managers, Brewin Dolphin Limited.

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of funding. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

The current investment policy permits distribution of a proportion of profit from capital gains to contribute towards the target cash distribution of 3% of the portfolio value at the commencement of each financial year.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

COVID -19

It is recognised that the legacy of the COVID-19 pandemic continues to impact on Company and related Diocesan organisations and to both monitor and mitigate the long-term financial impact the Company: -

- Has prepared budgets for 2024 that reflect the ongoing challenges in the collection of Ministry Share.
- Is monitoring the impact on reserves of the reduction of net assets
- Has advised the Company's Investment Managers that a drawdown of funds from the Company's investment portfolio may be required in the short to medium term and identified the basis on which any drawdown of funds can be made without causing undue disruption to the risk profile of the Company's investment portfolio.

RBCIW Funding

The RBCIW provided financial support to the Company in the form of a number of grants during the year for which the directors would like to record their appreciation: -

- Partnership Funding £400,000 (2022: £387,475) for the purposes of assisting with the costs of key personnel and activities.
- Structural Resilience Funding £598,926 (2022: £264,000) for the purposes of supporting Diocesan activities. It is currently advised that this fund will close in June 2032.
- Church Growth Funding £659,332 (2022: £nil) to help fund initiatives specifically targeted at growing Churches and Ministry.
- Church Inspector Contribution Funding £22,500 (2022: £nil) To reflect services provided by Diocesan Church Inspectors to RBCIW property team.

Reserves Policy

The reserves policy requires funds equivalent to at least 9 months of operating expenditure should be held as reserve.

At 31 December 2023, the balance held in unrestricted funds was £5,235,233 representing the equivalent of 15 months operating expenditure at 2023 levels.

The trustees are aware that the current level of reserves remains materially above the reserves policy. As in 2022 the movements in reserves during the year were the result of events beyond the immediate control of the trustees namely the financial support provided by the RBCIW and the increase in the value of investments. Without the benefit of the financial support provided by the RBCIW the net deficit movement of unrestricted funds would be £922,044 for the year. The trustees expect the financial conditions to be challenging in the short to medium term future and are therefore comfortable with the current level of reserves as it is expected they will be required to finance net spending in 2024.

Plans for the Future

For 2024, the main objectives are:

- To sustain Diocesan Ministry by striving for financial stability and self-sustainability.
- To actively support the transition to Ministry Areas.
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Ministry Areas in all aspects of their activities
- To continue to monitor the allocation of Ministry Share apportionment to ensure it is equitable and considers the requirements of all stakeholders,
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Structure, Governance and Management

Membership – Composition
Members of the Company are appointed for a three-year term, and there are four categories of membership as set out in the memorandum and articles of association:

- ex officio members, which include the Bishop of the Diocese, senior clergy, and Diocesan officers.
- up to ten members nominated by the Bishop of the Diocese.
- up to ten members co-opted by the Company.
- elected members - one cleric and two lay members elected by each Area Deanery Conference

Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee. The Executive Committee shall not exceed 15 members. Every effort is made to ensure that those elected to serve have skills and experience appropriate to the needs and responsibilities of the Committee.

Other Committees

The Constitution of the Church in Wales states that there shall be established in each Diocese, a Parsonage Board and a Churches and Pastoral Committee. The Executive Committee has established principal sub-committees, including the Assistance Committee, Investment Committee, Funding Committee, and a Widows, Orphans and Dependants Committee. Members of committees are appointed for a three-year term.

Parsonage Board

The Parsonage Board has responsibility for the management of diocesan parsonages, their upkeep and repair, and for buying and selling houses as appropriate. The aim of the Parsonage Board is to provide adequate and comfortable accommodation for clerics in the Diocese.

Churches and Pastoral Committee

The Committee is responsible for:

- Keeping church buildings under review in relation to pastoral need and to advise the Bishop and Diocesan Conference accordingly
- Advising on grants and loans for maintaining church property and administering the Diocesan Churches Grant Fund
- The administration of the scheme for inspection of churches and halls
- Overseeing the process required for declaring a church redundant.

Assistance Committee

The Assistance Committee was closed during the year and its role and responsibilities were amalgamated into the Ministry Share Working Group. There remains a fund is set aside to assist Ministry Areas that are facing financial difficulties. Application can be made for help with paying the Ministry Share and/or church insurance premiums.

Investment Committee

The Committee is responsible for setting and reviewing the strategy for the Company's investments, and for monitoring the performance of the Board's portfolio. The Committee acts for the Diocesan Trust and the Cathedral Choir Endowment as well as the Diocesan Board of Finance.

Funding Committees

The Funding Committee is responsible for considering and awarding internal grants in respect of Parish, Benefice or Ministry Area projects, and providing advice and guidance, as necessary.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Widows, Orphans and Dependants Committee

The Widows, Orphans and Dependants Committee is funded by personal donations from those who, in gratitude for the dedicated service given by clerics, wish to make sure that no clergy widow or dependant should find themselves in financial need.

The Committee is also able to offer assistance in particular circumstances, and it is a sincere intention that no clergy widow, widower dependant or orphan should find themselves in any situation of financial need.

Induction and Training of Trustees

The Charity Commission guidance has been adopted as a training resource for all trustees and is a standard agenda item. Induction for new trustees is currently on an informal basis. Trustees are also encouraged to attend appropriate training seminars of which details are circulated.

Risk Management

The Company has a risk management system to identify and assess significant risks and to put in place appropriate mitigating procedures. The Diocesan Audit Committee is charged with reviewing the effectiveness and robustness of these systems and reporting thereon to the Executive Committee. Apart from the impact of general economic conditions, the principal risks to which the Company is exposed are the collection of Ministry Share required to fund the costs of ministry in the Diocese and the effect of changes in equity prices and interest rates.

The risk of any non-collection of ministry share is regularly considered by the Executive Committee and is included on the risk register. A provision for doubtful debts has been made and is included in the financial statements. Investment performance risk is managed by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short-term deposits.

Pay policy for senior staff

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.

The remuneration of the key management personnel is set in line with the Diocesan Pay and Grading Structure.

The key management personnel of the Company are the Diocesan Secretary and the Finance Officer.

Key performance indicators

The trustees/directors consider the key performance indicators to be the parish share collection, net incoming/(outgoing) resources for the financial year, the level of unrestricted reserves held, and the number of clergies in post within the Diocese:

	2023	2022
Ministry Share Collection	**79.5%**	87.2%
Net income for the year on unrestricted funds before gains/losses on investments and after transfers between funds	**621,431**	8,189
Value of general unrestricted reserves	**5,235,233**	4,391,026
Clergy positions:		
Stipendiary	**52**	50
Non-stipendiary	**17**	17
House for duty	**1**	1

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Reference and administrative details

The full name of the Company is Swansea and Brecon Diocesan Board of Finance Limited.

The Swansea and Brecon Diocesan Board of Finance Limited (the Company) is a multi-faceted structure. It is:

- A registered charity (No. 249810)
- A company limited by guarantee (No. 00924565)
- A Board of Finance established under the Constitution of the Church in Wales.

Details of the trustees and directors (trustees/directors) who served during the year, secretary, registered office, registered auditors, principal bankers, and stockbrokers are set out below.

Board of Trustees/Directors

Jeffrey Brown (appointed 15 November 2023)
The Venerable Jonathan Byron Davies
The Venerable Alan Neil Jevons
Sonia Jones (resigned 28th February 2023)
Gwynfor Lewis, FCA
The Right Reverend John Derrick Percy Lomas
The Very Reverend Albert Paul Shackerley

Consultants

The Ven Alfred James Randolph Thomas

Company Secretary

Louise Anne Pearson

Registered Office

Diocesan Centre, Cathedral Close, Brecon, Powys, LD3 9DP.

Independent Auditors

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

Principal Bankers

HSBC, Portland Street Branch, Swansea, SA1 3DF.

Investment Managers

RBC Brewin Dolphin Limited, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT.

Trustees' and Directors' report for the year ended 31 December 2023 (Continued)

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees, who are also the directors of Swansea and Brecon Diocesan Board of Finance Limited (The) 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.

By order of the Board of Trustees



Jeffrey Brown
Trustee

Date: 28th May 2024

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2023 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated funds	Restricted income Funds	Restricted capital endowment funds	Total Charity funds	Total Charity Funds
		2023	2023	2023	2023	2023	2022
		£	£	£	£	£	£
Income from:							
Donations and legacies	5.1	4,365,004	-	6,780	1,000	4,372,784	3,214,314
Charitable activities	5.2	8,922	-	55,600	-	64,522	83,626
Investments	5.3	122,196	-	33,910	-	156,106	139,750
Other income	5.4	-	-	9,584	-	9,584	172,340
Total income		4,496,122	-	105,874	1,000	4,602,996	3,610,030
Expenditure:							
Raising funds:							
Investment management costs		23,744	-	-	-	23,744	19,475
		23,744				23,744	19,475
Charitable activities:							
Support for Ministry	6.1	2,323,056	-	495,139	-	2,818,195	2,699,286
Support for Parishes	6.2	662,148	39,499	-	-	701,647	468,470
Church property	6.3	122,369	-	-	-	122,369	61,782
Other financial support	6.4	459,539	27,761	54,237	-	541,537	288,351
Communications	6.5	59,290	-	-	-	59,290	54,128
		3,626,402	67,260	549,376	-	4,243,038	3,572,017
Total expenditure		3,650,146	67,260	549,376	-	4,266,782	3,591,492
Net income/(expenditure) carried forward		845,976	(67,260)	(443,502)	1,000	336,214	18,538

Statement of Financial Activities for the year ended 31 December 2023 (including income and expenditure account) (continued)

	Note	Unrestricted funds 2023	Unrestricted designated funds 2023	Restricted income funds 2023	Restricted capital endowment funds 2023	Total Charity funds 2023	Total Charity Funds 2022
		£	£	£	£	£	£
Net income/expenditure brought forward		**845,976**	**(67,260)**	**(443,502)**	**1,000**	**336,214**	18,538
Net gains/(losses) on of investments	8	**222,776**	-	-	**50,132**	**272,908**	(659,117)
Net (outgoing)/incoming resources before transfers	8	**1,068,752**	**(67,260)**	**(443,502)**	**51,132**	**609,122**	(640,579)
Gross transfers between funds		**(224,545)**	**(136,932)**	**361,477**	-	-	-
Net movements in funds	**15**	**844,207**	**(204,192)**	**(82,025)**	**51,132**	**609,122**	(640,579)
Total funds brought forward at 1 January	15	**4,391,026**	**319,998**	**198,578**	**1,186,127**	**6,095,729**	6,736,308
Total funds carried forward at 31 December	**15,19**	**5,235,233**	**115,806**	**116,553**	**1,237,259**	**6,704,851**	6,095,729

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2023

	Note	2023	2022
		£	£
Fixed Assets			
Investments	9	**5,186,979**	4,932,415
Long Term Loans	10	**335,000**	335,000
		5,521,979	5,267,415
Current Assets			
Debtors: due within one year	11	**828,894**	553,439
Cash at bank and in hand	12	**1,202,573**	1,081,153
Total current assets		**2,031,467**	1,634,592
Liabilities			
Creditors falling due within one year	13	**(513,595)**	(471,278)
Net current assets		**1,517,872**	1,163,314
Total assets less current liabilities		**7,039,851**	6,430,729
Creditors falling due after more than one year	14	**(335,000)**	(335,000)
Net assets		**6,704,851**	6,095,729
The funds of the charity			
Unrestricted Funds	15	**5,235,233**	4,391,026
Designated Funds	15	**115,806**	319,998
Total unrestricted funds		**5,351,039**	4,711,024
Restricted funds			
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	15	**116,553**	198,578
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	15	**1,237,259**	1,186,127
Total restricted funds		**1,353,812**	1,384,705
Total Charity funds		**6,704,851**	6,095,729

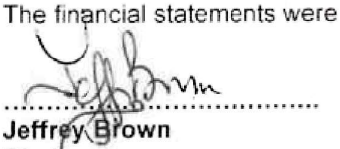
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31st December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

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 28th May 2024



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Jeffrey Brown
Chair

Date: 28th May 2024

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2023

	2023	2022
	£	£
Net cash outflows from operating activities	**(29,286)**	(329,063)
Net cash flows generated from investing activities		
Dividend and interest from investments	**156,106**	139,750
Purchase of investments	**(1,364,565)**	(735,717)
Proceeds from sale of investments	**1,240,071**	761,122
Investment Management Fees	**(23,744)**	(19,475)
Net decrease in cash balances held by Investment Managers	**142,838**	17,122
Net cash generated by investing activities	**150,706**	162,802
Cash flow from financing activities		
Repayments of loans receivable	-	-
Repayments of loans repayable	-	-
Net cash provided by/ (used in) generated by financing activities	-	-
Change in cash and cash equivalents in the year	**121,420**	(166,261)
Cash and cash equivalents at the beginning of the reporting period	**1,081,153**	1,247,414
Cash and cash equivalents at the end of the reporting period	**1,202,573**	1,081,153
Reconciliation of net income to net cash flow generated from operating activities		
Net income/(expenditure) for the reporting period (as per statement of financial activities)	**609,122**	(640,579)
(Increase) in debtors	**(275,455)**	(188,805)
Increase/(Decrease) in creditors	**42,317**	(38,521)
(Gains)/Losses on investments	**(272,908)**	659,117
Dividends and Interest from investments	**(156,106)**	(139,750)
Investment management fees	**23,744**	19,475
Net cash inflows/(outflows) generated from operating activities	**(29,286)**	(329,063)

Notes to the financial statements for the year ended 31 December 2023

1 Principal accounting policies

Charity Information
Swansea and Brecon Diocesan Board of Finance Limited is a private company limited by guarantee incorporated in England in Wales. The registered office is The Diocesan Centre, Cathedral Close, Brecon, Powys, Wales, LD3 9DP

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Accounting convention

The financial statements have been prepared in accordance 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The principal accounting policies adopted are set out below.

b) Preparation of the financial statements on a going concern basis

After making appropriate enquiries, the trustees are of the view that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all the following criteria are met:

- the Company has entitlement to the funds.
- any performance conditions attached to the items of income have been met or are fully within the control of the Company.
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity 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 Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Notes to the financial statements for the year ended 31 December 2023 (continued)

d) Block Grant

A block grant is provided to the Company by the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The provision of a block grant has enabled certain additional outgoings by the Company to be financed. The block grant is credited to the Statement of Financial Activities in the year to which it relates.

e) Donated services and facilities

Donated services or facilities are recognised as income when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Company. Designated funds are unrestricted funds of the Company which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Company's work or for specific projects being undertaken by the Company.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the costs of supporting the ministry, support for parishes, and other financial support costs to further the purpose of the Company.
- Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activities. Support costs include salary and related expenditure that support the Company's activities. These costs have been allocated between activity headings based on time spent.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Notes to the financial statements for the year ended 31 December 2023 (continued)

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

l) Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their market value.

n) Fixed asset investments

Fixed asset investments, (including those investments held in the Restricted Capital, Endowment Funds), are stated at market value or at Trustees/directors best estimate of market value at the balance sheet date, with gains or losses on revaluation being included in the Statement of Financial Activities.

o) 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.

p) Pension contributions

Contributions are made to defined contribution (money purchase) pension arrangements in respect of certain employees of the company. The assets of the money purchase pension arrangements are held separately from those of the company in independently administered funds. The defined contributions to the money purchase pension arrangements are charged to the Statement of Financial Activities as incurred.

q) Taxation

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

r) Concessionary loans

Concessionary loans received from the Representative Body Church in Wales and payable to clergy are initially recognised at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayment, and any accrued interest and adjusted, if necessary, for impairment.

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. 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.

3 Critical accounting estimates and judgements

In the application of the Company'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.

4 Turnover

The Company does not undertake trading on its own account. The activity of the Company is the management of such finances of the Diocese of Swansea and Brecon as are vested in or are payable to the company.

5 Income

5.1 Donations and legacies	Total Funds 2023 £	Total Funds 2022 £
Ministry Share assessed by the DBF	**2,602,768**	2,321,205
Contributions from the Representative Body:		
Partnership Funding	**400,000**	387,475
Church Growth Funding	**659,332**	-
Structural Resilience Funding	**598,926**	264,000
Church Improvement Grant	**-**	36,250
Church Inspector Grant	**22,500**	-
Diocesan Advisory Committee	**-**	8,333
Widows, Orphans and Dependents Grant	**194**	-
Grants and Donations received:		
Eastmoor Trust	**22,000**	100,122
Gower Deanery Ministry Share Assistance Contribution	**-**	33,171
Benefact Trust (restricted fund see note 16)	**17,434**	19,925
Isla Johnson Trust	**3,000**	3,000
Diocesan Trust	**39,352**	34,869
Parsonage Repair Grants (restricted fund see note 16)	**3,780**	5,964
Other Grants and Donations	**3,498**	-
	4,372,784	3,214,314

Grants received for church improvement of £Nil (2022: £36,250), for educational purposes and training of clergy £3,000 (2022: £3,000) and for parsonage repair of £3,780 (2022: £5,964), are credited to the restricted income funds. The Gower Ministry Deanery donated £Nil (2022: £33,171) to assist Benefices in the Diocese which were unable to pay their Ministry Share. This is also credited to restricted income.

A bequest of £1,000 was credited to Restricted Legacy and Benefactions Account and Trust Funds (2022: £nil)

All other income is credited to unrestricted funds.

		Total Funds 2023	Total Funds 2022
5.2	**Charitable Activities**	**£**	£
	Resource Centres – Administrative Services		
	Diocesan Centre, Brecon	**4,701**	3,638
	Parsonage Rental Income (restricted fund – see note 16)	**55,600**	72,638
	Contribution from Parishes	**2,776**	3,533
	Contributions from Diocesan organisations	**-**	2,640
	Marriage Licence Fees	**720**	720
	Other Income	**725**	457
		64,522	83,626

Incoming resources from Charitable Activities includes Restricted Parsonage Rental Income of £55,600 (2022: £72,638).

		Total Funds 2023	Total Funds 2022
5.3	**Investments:**	**£**	£
	Fixed Asset Investments and Banks		
	Income from fixed asset investments – listed	**107,564**	103,395
	Income from Representative Body Common Investment Fund Units	**1,554**	1,237
	Bank and money market interest	**8,061**	1,899
	Other interest	**4,139**	878
	Income from Investment of Bequests (£47 (2022: £19) restricted fund – see note 16)	**34,788**	32,341
		156,106	139,750

		Total Funds 2023	Total Funds 2022
5.4	**Other Income**	£	£
	Insurance Claims – restricted	**9,584**	172,340
		9,584	172,340

6 Expenditure

		Total Funds 2023	Total Funds 2022
6.1	**Support for Ministry**	£	£
	Stipends & Fees		
	Stipends and allowances	**1,466,225**	1,406,737
	Vacancy fees	**3,440**	6,299
	Council Tax	**130,787**	126,479
	Parsonages		
	Maintenance of Parsonages (restricted fund see note 16)	**384,482**	571,625
	Insurance of Parsonage Houses	**19,007**	15,610
	Custodians' expenses	**21,241**	16,070
	Property Rental	**8,340**	9,944
	Clergy Expenses		
	Archdeacons' expenses	**9,662**	9,250
	Area Deans' expenses	**-**	962
	Removal and disturbance allowances	**43,727**	27,553
	Travel and other expenses	**3,325**	2,297
	Training		
	Ordinands	**9,194**	8,357
	Continuing Ministerial Education	**22,920**	(13,142)
	Readers	**634**	267
	Support Costs		
	Provision against uncollected Ministry Share	**437,944**	292,227
	Write off of uncollectable Ministry Share	**9,000**	38,686
	General Fund (see note 6.6)	**156,994**	125,462
	Restricted Parsonage Fund	**91,273**	54,603
		2,818,195	2,699,286

Of the above costs, costs for the maintenance of parsonages of £384,482 (2022: £571,625), support costs of £91,273 (2022: £54,603) and various additional costs of £19,384 (2022: £19,567) are charged to the restricted income fund.

6.2 Support for Parishes	Total Funds 2023 £	Total Funds 2022 £
Sector Ministries		
Rural Life Ministry	**17,460**	10,642
Social Responsibility	**37,745**	21,851
World Mission	**1,727**	1,534
Spirituality	**1,474**	870
Interfaith	**1,023**	1,408
Older People	**1,073**	1,884
Other Sector Ministries	**921**	163
Evangelism and Outreach	**40,788**	29,600
Statutory Education	**50,963**	43,790
Children, Youth and Family	**155,721**	132,987
Diocesan Expenses		
Ministry Area Development Support	**169,180**	47,033
Diocesan Archivist	**200**	200
Eastmoor Centre	**4,100**	10,089
Diocesan Centre	**64,370**	34,076
Support Costs (see note 6.6)	**154,902**	132,343
	701,647	468,470

Of the above costs, £9,499 is funded by from the Designated Repair Fund (2022: £ nil).

6.3 Church Property	Total Funds 2023 £	Total Funds 2022 £
Inspections of Churches and Halls	**-**	4,152
Diocesan Advisory Committee expenses	**15,404**	13,809
Churches and Pastoral Committee expenses	**48,915**	1,693
Support Costs (see note 6.6)	**58,050**	42,128
	122,369	61,782

		Total Funds 2023 £	Total Funds 2022 £
6.4	**Other Financial Support**		
	Diocesan Bodies		
	Resource Church Grants	**123,959**	-
	Brecon Cathedral Grant	**41,190**	41,190
	Diocesan Mission Fund	**79,755**	52,222
	Church Repair Grants	**66,650**	12,626
	Representative Body - Emergency Repairs Fund	**8,333**	16,667
	Parish Assistance Fund	**27,761**	52,065
	Social Responsibility Grants	**40,024**	36,418
	Widows Orphans & Dependants Grants	**6,217**	16,581
	Curate Support Grant to Parishes	**6,000**	10,500
	Retired Clergy	**234**	99
	Anglican, Ecumenical, and other bodies		
	World Mission Grants	**16,930**	18,500
	Cost of Living Grants	**106,202**	15,525
	Llangasty Retreat House Grant	**5,000**	5,000
	Other Grants	**1,000**	1,500
	Support Costs (see note 6.6)	**12,282**	9,458
		541,537	288,351

Of the above costs £Nil (£33,171) is funded by the Designated Income Assistance Fund, £27,761 (£18,894) is funded by the Designated Income Assistance Fund, £48,020 (2022: £3,450) is funded by the Restricted Income Church Improvement Fund and £30,000 (2022: £Nil) is funded by the Designated Diocesan Regeneration Fund.

Material grants in the context of total expenditure are: -

	2023 £	2022 £
Resource Church Grants	**123,959**	-
Cost of Living Assistance Grants	**106,202**	-
Faith in Families (Social Responsibility Grants)	**64,038**	58,269
Brecon Cathedral Support Grant	**41,190**	41,190

		Total Funds 2023 £	Total Funds 2022 £
6.5	**Communications**		
	Communications and Media	**1,167**	1,311
	Newsletters and Diocesan Publications	**4,597**	3,831
	Support Costs (see note 6.6)	**53,526**	48,986
		59,290	54,128

Notes to the financial statements for the year ended 31 December 2023 (continued)

6.6 Support Costs - Management and Administration	Total Funds 2023 £	Total Funds 2022 £
Salaries including pensions and pension scheme contributions (see note 7.1)	**337,862**	282,607
Staff and Office expenses	**97,892**	75,770
	435,754	358,377

Total support costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2023 £	Total Funds 2022 £
Support for Ministry	**156,994**	125,462
Support for Parishes	**154,902**	132,343
Church Property	**58,050**	42,128
Other Financial Support	**12,282**	9,458
Communication	**53,526**	48,986
	435,754	358,377

Other than for support costs which are specific to the activities shown, the support costs, including salaries and related costs, are allocated to activity headings based on time spent.

6.7 Governance Costs

	Total Funds 2023 £	Total Funds 2022 £
Company expenses	**13**	13
Audit fees	**14,618**	12,059
Diocesan Conference and Standing Committee	**2,046**	1,678
Bishop's Enthronement	**-**	3,032
Governing Body Meeting expenses	**24,200**	25,931
	40,877	42,713

Governance costs are included within Staff and Office expenses in note 6.6.

7 Staff Costs

7.1 Analysis of staff costs and trustees' remuneration and expenses

	Total Funds 2023 £	Total Funds 2022 £
Salaries including pensions and pension scheme contributions		
Salaries	**581,319**	462,012
Social security costs	**43,309**	33,272
Pensions	**5,749**	5,425
Pension scheme defined contributions (see below)	**82,933**	65,969
	713,310	566,678

Pension scheme defined contributions are made in respect of certain employees of the charity. The contributions are payable by the company to funds, the assets of which are held separately from those of the company.

One employee earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2023 (2022: nil).

The average weekly number of persons employed during the year was 27 (2022: 19).

7.2 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 the Finance Manager.

Key management personnel costs (including salaries, pensions and employer's national insurance contributions) in 2023 amounted to £131,266 (2022: £125,652).

One member of the key management personnel (2022: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2023 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2022 – £nil).

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their clerical duties. For the year ended 31 December 2023 the expenses amounted to £9,416 (2022: £7,453).

For the year ended 31 December 2023 for clergy members of the Board of Trustees stipends amount to £125,226 (2022: £119,261) and national insurance contributions of £13,516 (2022: £13,389) These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Net income

	2023	2022
	£	£
Net income is stated after charging:		
(Losses) on disposal of investments	**(11,082)**	27,166
Gains/(losses) on revaluation of investments	**283,990**	(686,283)
Audit fee	**14,618**	12,058

9 Investments

	Listed investments	Cash in Portfolio	Total
	£	£	£
Book and market value			
At 1 January 2023	4,774,665	157,750	4,932,415
Additions	**1,364,565**	-	**1,364,565**
Disposals	**(1,251,153)**	-	**(1,251,153)**
Movement	-	**(142,838)**	**(142,838)**
Valuation changes	**283,990**	-	**283,990**
At 31 December 2023	**5,172,067**	**14,912**	**5,186,979**

Fixed asset investments are held as follows:

	2023	2022
	£	£
Held in General Unrestricted Funds		
Listed Investments	**3,933,708**	3,590,904
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2022: 29,652) Representative Body		
Investment Fund Units	**65,605**	62,139
Brewin Dolphin Cash Deposit Account	**14,912**	157,750
General Unrestricted Funds	**80,517**	219,889
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	**589,340**	569,340
Held by the Representative Body	**574,181**	543,050
Held by the Board of Finance	**9,232**	9,232
Restricted Capital, Endowment Funds	**1,172,754**	1,121,622
Total Other Investments	**1,253,271**	1,341,511
Total investments	**5,186,979**	4,932,415

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the RBCIW. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2023 are 337,091 (2022: 337,091).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2023 are 259,517 (2022: 259,517).

The carrying value of investments held in the Restricted Capital, Endowment Funds is stated in accordance with the accounting policy in note 1 of these financial statements.

10 Concessionary loans

General Unrestricted Funds	2023 £	2022 £
Loans funded by representative body:		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Funds received from the RBCIW are applied to provide loans for retired clergy housing (see Note 15). Interest is receivable by the Company and the Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment of the loans.

11 Debtors: due within one year

	2023 £	2022 £
General Unrestricted Funds		
Ministry share	**1,746,255**	1,251,830
Grant income receivable	**-**	100,122
Payments in advance	**35,034**	25,194
Parochial loans	**30,286**	30,286
Bank interest and investment income	**35,133**	27,493
Miscellaneous	**45,759**	41,527
Provision for doubtful debts	**(1,664,395)**	(1,226,451)
	228,072	250,001
Restricted Funds:		
Parsonage Maintenance Fund		
Insurance claim income	**339,194**	255,989
Representative Body – Improvement Fund repayment	**261,628**	47,449
	600,822	303,438
Debtors due within one year	**828,894**	553,439

These are analysed as follows:

	2023 £	2022 £
Other debtors	**758,726**	400,631
Prepayments and accrued income	**70,168**	152,808
	828,894	553,439

12 Cash at bank and in hand

	2023	2022
	£	£
CAF Gold Account	**497,852**	351,361
Other cash balances	**704,721**	729,792
	1,202,573	1,081,153

For further analysis see note 19.

13 Creditors falling due within one year

	2023	2022
General Unrestricted Funds	£	£
Creditors Control	**10,829**	15,337
Representative Body of Church in Wales	**284,976**	306,845
Ministry Share Paid in Advance	**1,819**	84,950
Internally Invested Restricted Funds	**9,232**	9,232
Deferred Income	**99,403**	-
Accruals	**53,952**	27,883
Sundry creditors	**16,176**	18,947
	476,387	463,194
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	**19,529**	8,084
Sundry creditors	**17,679**	-
	37,208	8,084
Creditors falling due within one year	**513,595**	471,278

	2023	2022
These are analysed as follows:	£	£
Trade creditors	**315,333**	330,266
Deferred Income	**343,403**	-
Other creditors and accruals	**98,859**	141,012
	757,595	471,278

Movements in ministry share paid in advance in the period are analysed as follows

	2023	2022
	£	£
Ministry Share paid in advance at start of year	**84,950**	97,898
Movement in year	**(83,131)**	(12,948)
Ministry Share paid in advance at end of the year	**1,819**	84,950

Deferred Income represents Structural Resilience Funding provided in advance by the RCIW.

14 Creditors falling due after more than one year

	2023	2022
	£	£
General Unrestricted Funds		
Loans from the RBCIW		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,00	335,000

Loans received from the RBCIW are applied to fund loans for Retired clergy housing and general support (see Note 10). Interest ranging between 4.5% and 6.25% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

Notes to the financial statements for the year ended 31 December 2023 (continued)

15 Accumulated Fund balances

2023

	Balance at 1 January 2023 £	Movement of Funds: Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2023 £
General Unrestricted Income Funds						
General Fund Reserve	4,391,026	4,496,122	(3,650,146)	(224,545)	222,776	5,235,233
Designated Funds						
Designated Repair Fund	146,431	-	(9,499)	(136,932)	-	-
Designated Diocesan Regeneration Fund	109,886	-	(30,000)	-	-	79,886
Designated Ministry Share Assistance Fund	63,681	-	(27,761)	-	-	35,920
Restricted Funds						
Parsonage Maintenance Fund	68,642	68,964	(475,755)	361,477	-	23,328
Church Improvement Funds	121,861	-	(48,020)	-	-	73,841
Widows, Orphans & Dependents Restricted Income	8,075	17,526	(6,217)	-	-	19,384
Bequest Investment Income Restricted for Cost Of Ministry	-	19,384	(19,384)	-	-	-
Legacy and Benefactions Account and Trust Funds						
Fund Balances	1,186,127	1,000	-	-	50,132	1,237,259
	6,095,729	4,602,996	(4,266,782)	-	272,908	6,704,851

Notes to the financial statements for the year ended 31 December 2023 (continued)

15 Accumulated Fund balances (continued)

2022

	Balance at 1 January 2022 £	Movement of Funds: Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2022 £
General Unrestricted Income Funds						
General Fund Reserve	4,905,223	3,255,227	(2,809,209)	(437,829)	(522,386)	4,391,026
Designated Funds						
Designated Repair Fund	146,431	-	-	-	-	146,431
Designated Diocesan Regeneration Fund	109,886	-	-	-	-	109,886
Designated Ministry Share Assistance Fund	62,575	-	(18,894)	20,000	-	63,681
Restricted Funds						
Ministry Area Transformation Fund	64,392	-	(64,392)	-	-	-
Parsonage Maintenance Fund	26,099	250,942	(626,228)	417,829	-	68,642
Church Improvement Funds	89,061	36,250	(3,450)	-	-	121,861
Ministry Share Assistance Fund		33,171	(33,171)	-	-	-
Widows, Orphans & Dependents Restricted Income	9,783	14,873	(16,581)	-	-	8,075
Bequest Investment Income Restricted for Cost Of Ministry	-	19,567	(19,567)	-	-	-
Legacy and Benefactions Account and Trust Funds Fund Balances	1,322,858	-	-	-	(136,731)	1,186,127
	6,736,308	3,610,030	(3,591,492)	-	(659,117)	6,095,729

Notes to the financial statements for the year ended 31 December 2023 (continued)

The Repair fund is designated for the purposes of repair and maintenance of the Diocesan Centre building including any associated costs incurred to ensure the staff can continue to work remotely if the building becomes inaccessible.

16 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2023

	2023	2022
	£	£
Income		
Contributions from Diocesan Board of Finance General Unrestricted Income Fund	**361,477**	417,829
Income from Rented Properties	**55,600**	72,638
Insurance Claims	**9,584**	172,340
Grants and Parochial contributions	**3,780**	5,964
Total Income	**430,441**	668,771
Expenditure		
Maintenance of Parsonages	**376,274**	547,001
Maintenance contracts	**8,208**	24,624
	384,482	571,625
Administration	**55,439**	52,882
Interest on Improvement Fund	**35,834**	1,721
Total expenditure	**475,755**	626,228
Net (deficit)/surplus for the year	**(45,314)**	42,543
Fund balance brought forward at 1 January	**68,642**	26,099
Fund balance carried forward at 31 December	**23,328**	68,642

The parsonages are owned by the RBCIW and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2023	2022
	£	£
Maintenance costs	**384,482**	571,625
Improvement costs (borne by the Representative Body)	**682,901**	47,449
	1,067,383	619,074

17 Related party transactions

In addition to transactions with the RBCIW, there were the following related party transactions in the year ended 31 December 2023 and 2022.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2022: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £31,852 (2022: £27,369) towards the Education costs incurred by the Company in the year.

The following directors are also directors of the Swansea & Brecon Diocesan Trust Incorporated:

The Ven Jonathan Byron Davies
The Ven Alan Neil Jevons
Gwynfor Lewis FCA
The Right Rev'd John Lomas
The Very Revd Albert Paul Shackerley

Eastmoor Trust Fund

The Eastmoor Trust Fund agreed to provide the Company with funding of £22,000 during the year to contribute towards the costs of Resource Church Grants (2022: £101,122) to contribute towards the costs of the Children Youth and Family Ministry).

The Right Rev'd John Lomas, a director of the Company, has authority to approve distributions from the Eastmoor Trust Fund by virtue of his position as the Bishop of the Diocese of Swansea & Brecon.

18 Financial instruments comprise the following:

	2023	2022
	£	£
Financial assets		
Investments measured at market value though the statement of financial activity	**5,186,979**	4,932,415

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	**3,933,708**	**-**	**1,253,271**	**5,186,979**
Long Term Loans	**335,000**	**-**	**-**	**335,000**
Debtors due within one year	**228,072**	**-**	**600,822**	**828,894**
Cash	**1,549,840**	**115,806**	**(463,073)**	**1,202,573**
Creditors due within one year	**(476,387)**	**-**	**(37,208)**	**(513,595)**
Creditors due in more than one year	**(335,000)**	**-**	**-**	**(335,000)**
Total	**5,235,233**	**115,806**	**1,353,812**	**6,704,851**

Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,810,793	-	1,121,622	4,932,415
Long Term Loans	335,000	-	-	335,000
Debtors due within one year	250,001	-	303,438	553,439
Cash	793,426	319,998	(32,271)	1,081,153
Creditors due within one year	(463,194)	-	(8,084)	(471,278)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,391,026	319,998	1,384,705	6,095,729

20 Statement of Financial Activities 2022

	Note	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income Funds	Restricted capital endowment funds	Total Charity funds
		2022	2022	2022	2022	2022	2022
		£	£	£	£	£	£
Income from:							
Donations and legacies	5.1	3,135,929	-	-	78,385	-	3,214,314
Charitable activities	5.2	10,988	-	-	72,638	-	83,626
Investments	5.3	108,310	-	-	31,440	-	139,750
Other income	5.4	-	-	-	172,340	-	172,340
Total income		3,255,227	-	-	354,803	-	3,610,030
Expenditure:							
Raising funds:							
Investment management costs		19,475	-	-	-	-	19,475
		19,475	-	-	-	-	19,475
Charitable activities:							
Support for Ministry	6.1	2,053,491	-	-	645,795	-	2,699,286
Support for Parishes	6.2	404,078	-	64,392	-	-	468,470
Church property	6.3	61,782	-	-	-	-	61,782
Other financial support	6.4	216,255	18,894	-	53,202	-	288,351
Communications	6.5	54,128	-	-	-	-	54,128
		2,789,734	18,894	64,392	698,997	-	3,572,017
Total expenditure		2,809,209	18,894	64,392	698,997	-	3,591,492
Net income/(expenditure) carried forward		446,018	(18,894)	(64,392)	(344,194)	-	18,538

20 Statement of Financial Activities 2022 (ctd)

	Note	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds
		2022	2022	2022	2022	2022	2022
		£	£	£	£	£	£
Net income/expenditure brought forward		446,018	(18,894)	(64,392)	(344,194)	-	18,538
Net (loss)/gains on of investments	8	(522,386)	-	-	-	(136,731)	(659,117)
Net (outgoing)/incoming resources before transfers	8	(76,368)	(18,894)	(64,392)	(344,194)	(136,731)	(640,579)
Gross transfers between funds		(437,829)	20,000	-	417,829	-	-
Net movements in funds	**15**	(514,197)	1,106	(64,392)	73,635	(136,731)	(640,579)
Total funds brought forward at 1 January	15	4,905,223	318,892	64,392	124,943	1,322,858	6,736,308
Total funds carried forward at 31 December	**15,19**	4,391,026	319,998	-	198,578	1,186,127	6,095,729

21 Operating Lease Commitments

	2023	2022
	£	£
Within one year	**16,217**	2,137
Between two and five years	**64,426**	1,425
Over five years	**728**	-

At the reporting end date the Charity had outstanding commitments for future minimum ease payments under non-cancellable operating leases, which fell due as set out above

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 December 2023 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 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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

27 June 2024

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
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 of section 1212 of the Companies Act 2006.

SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249810

Accounts

Registered Company Number: 924565
Registered as a Charity (Number: 249810)

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual report for the year ended 31 December 2022

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report
for the year ended 31 December 2022

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Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2022

Secretary's Report

COVID-19 restrictions were fully lifted by early 2022 and our churches were able to begin resuming pre-COVID-19 activities. This process met with a mixed response, some areas were keen to resume in-person contact, whilst others remained hesitant. Some of our interactions through lockdown were retained, whilst others were discarded as gatherings resumed. Videoconferencing meetings adopted through the pandemic have been retained, affording us productivity and flexibility, in addition to assisting with our 2030 carbon net zero target. Many staff have retained a hybrid working pattern, enabling work from home, but also acknowledging the importance of in-person interactions.

Once again, we were able to target financial assistance to Ministry Areas with depleted reserves and/or additional strains on their finances through the Share Assistance Fund. In addition, we launched a Cost-of-Living Fund to assist our Churches to support their communities.

The Representative Body announced the release of two new funding grants: the Structural Resilience Fund; and the Church Growth Fund. The first tranche of Structural Resilience was received in the fourth quarter of 2022, which allowed us to support year-end Ministry Share payments. A further payment was received in 2023. The Structural Resilience fund is predicted to release £3.6 million per annum for 10 years. The Church Growth Fund will be open for 10-years and release £100 million. We are fortunate to have been awarded £6.4 million over 10-years from the Church Growth Fund to support the Diocese in the provision of Ministry Area Administrators, Clerical Succession Planning and direct staffing for Mission and Ministry. We are deeply grateful to The Representative Body of the Church in Wales for their continued financial support.

Collection of Ministry Share for 2022 was 87.2% and once again, it was heartening to see Ministry Areas work together to support each other. On a Diocesan level we were grateful to the Gower Deanery for their final year of the 10% precept, 5% of which was used to support of Afon Tawe, Radnor & Builth and Brecon Deaneries and 5% of which was made available to assist Benefices across the whole of the Diocese.

During the year, Ministry Share receipts against arrears declined to £48,730 (2021: £80,242). In addition, a pre-payment of £84,950 was received against share payments for 2023. This is attributable to the timing of assistance distribution, and cross-support within Ministry Areas.

As we move into 2023, we look forward to the re-structuring of our Ministry Areas; streamlining the Diocese to work collaboratively and cooperatively so that we might share burdens, gifts and skills. We are extremely grateful to those taking on the new challenges of Ministry Area roles and those supporting within individual churches.

We thank our former Chair, Sir Paul Silk for his guidance and leadership during challenging times and we look forward to welcoming a new Chair to support the Diocese through its structural transition.

Mrs Louise Pearson
Secretary of the Swansea and Brecon Diocesan Board of Finance Limited

Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2022

The trustees present their 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 Company'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)".

Legal and administrative details

The Swansea and Brecon Diocesan Board of Finance Limited ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The Company was incorporated as a charity limited by guarantee on 13 December 1967.

The Charity was registered with the Charity Commission on 17 April 1968 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The Company meets in general meeting twice annually. The day-to-day management of the Company is delegated to the Executive Committee, whose members are the trustees of the charity and directors of the Company for the purpose of company law.

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2022 was 6.

Our Purposes and Aims

The purposes of the Charity are:

- To maintain a sustainable and transforming Christian ministry across the Diocese.
- To enable all to act justly, to love mercy and to walk humbly with God.

Our activities are inspired by a shared Diocesan Vision to become a **family, rooted in Christ** committed to **transforming lives** by:

Gathering, as God's people
Growing, more like Jesus
Going Out, in the power of the Spirit.

At the heart of our mission-shaped vision is the commitment to see lives transformed; this is therefore the fundamental purpose to which funding is directed.

The trustees/directors are aware that a diocese succeeds through the mission and ministry of its parishes, its senior clergy, and its bishop. Through striving for the highest standards of financial management the trustees/directors aim to create the conditions in which the mission and ministry of the diocese can flourish and be maximised.

Objectives and Activities for the Public Benefit

In shaping the objectives for the year and planning our activities, the trustees/directors have considered the Charity Commission guidance on public benefit.

The trustees/directors acknowledge the Charity Commission's guidance set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. The trustees refer to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the charity and planning future activities.

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, 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 by doing so it provides a benefit to the public by:

- 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; and
- 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.

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2022 is indicated in note 6.4 to the financial statements.

Review of Achievements and Performance

The trustees/directors interpret their role broadly, contributing to the strategic leadership of the Diocese, balancing careful stewardship with a flexible and proactive approach.

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities

- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies

    - Contributing to the national work of the Church in Wales
    - Securing funds in support of wider Diocesan and Worldwide Mission
    - For 2022, the main objectives were:
        - To sustain Diocesan ministry by maintaining financial stability
        - To support the formation of Ministry Areas
        - Training and Support of Ordained and Lay Ministries
        - To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for Ministry Areas.
        - To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.

Monitoring Achievements

Sustaining Diocesan ministry by maintaining financial stability: The trustees/directors continue to monitor income and expenditure levels closely to maintain a balanced budget, and this is evidenced in the financial statements. They remain particularly mindful of the challenges faced by Ministry Areas and also the requirement to ensure that the Company remains financially stable and viable. The impact of the COVID-19 pandemic receded in terms of the direct impact it had on activities in 2022. Normal activity resumed in Ministry Areas however, the legacy of the pandemic was evident in a reluctance for some worshippers to partake in public gatherings. While the costs of Ministry remained consistent with previous years, the ability of Ministry Areas to generate funding was severely restricted and this reduced the income collected from Ministry Share. The trustees/directors are grateful for the financial support from the Representative Body of the Church in Wales (RBCIW) which provided additional grant funding of £264,000 (2021: £778,655) to help meet the Costs of Ministry in the year.

The Company's investment portfolio declined in value during the year reflecting the performance of global stock markets which were impacted by persistently high inflation, increases in interest rates and the economic fallout from Russia's invasion of Ukraine. By the end of the year the investment portfolio value was £4,932,415 (2021: £5,634,059)

At the year end the financial statements report a decrease in the value of total net assets of 9.8% to £6,095,729 (2021: £6,736,308).

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Supporting the formation of Ministry Areas: The trustees/directors continue to provide support to Ministry Areas through the allocation of key personnel to facilitate the internal review process and provision of resources for growth.

Training and Support of Ordained and Lay Ministries: In collaboration with St Padarn's, the trustees/directors are pleased to be able to continue to support and train candidates for stipendiary and non-stipendiary ministry, alongside a programme of lay ministerial training.

During 2022, our lay training programme supported:

1 individual trained and commissioned as Lay Pastoral Visitor (2021 – 1)
2 individuals trained and commissioned as Lay Worship Leaders (2021 – 13)
1 individual trained and commissioned as Eucharistic Assistant (2021 – 0)
2 individuals in training as Readers (2021 – 0)

It is expected that training numbers will increase in 2023.

To provide advice and support for parishes in all aspects of their activities, specifically in their preparation for Ministry Areas: The trustees/directors continue to endorse the ongoing provision of practical and financial support to the Parishes across the Diocese through the provision of advice and support in managing and maintaining buildings, access to grant funding and the availability of a network of support staff in key areas.

To continue to support a Diocesan Mission Fund to provide funding for projects which aim to reflect the Diocesan Vision: The trustees/directors again budgeted a significant fund for mission projects and were pleased to award grants to the value of £52,222 (2021: £15,789).

Financial Review

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of Ministry within the Diocese which accounted for approximately 73.1% (2021: 75.3%) of unrestricted expenditure for 2022.

Income

The Company's major income sources and receipts were affected by the impact of the COVID-19 pandemic in 2021. Total incoming resources of £3,610,030 (2021: £3,691,323) included £2,321,205 (2021: £1,680,664) collectable ministry share, £387,475 (2021: £615,270) in the form of the RBCIW annual block grant, £264,000 (2021: £778,665) financial support grants from the RBCIW and investment income of £139,750 (2021: £124,100).

Expenditure

Total resources expended were £3,591,492 (2021: £3,583,042).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £2,699,286 (2021: £2,771,041). With the exceptions of the costs related to uncollected Ministry Share and Parsonage Board expenditure, support for ministry costs £1,796,748 (2021: £1,985,674) showed a significant reduction in comparison with 2021 despite the awarding of a 5% increase in stipends for 2022. The main factor the reduction in costs was the decision by the RBCIW to end the recharging of Clergy Pension costs from 1st July 2021. It is estimated this represented a cost saving of approximately £263,000 compared to the previous year. The cost of maintaining Parsonage Board properties declined to £626,228 (2021: £691,640) reflecting a reduction in the number and scale of major renovation projects compared to the previous year. Costs related to uncollected Ministry Share rose to £330,913 (2021 £150,353). The reduction in the financial support available to Benefices in 2022 to assist in meeting Ministry Share costs in comparison with 2020 and 2021 is reflected in the increased provision costs £292,227 (2021 - £99,672).

Support for Parishes expenditure £468,470 (2021: £462,773) was consistent with previous years despite the impact of inflation. Rural Life Ministry costs of £10,642 (2021: £16,187) fell as the Bishop's Officer for Rural Life left the post during the year and was not replaced before the year end. Evangelism and Outreach costs £29,600 (2021: £20,454) increased as the contracted hours for the Bishop's Officer for this sector were increased at the

start of 2022. Children Youth and Family Ministry costs £132,897 (2021: £144,054) reduced as the contracted hours for one Officer were reduced at the start of 2022. Brecon Diocesan Centre costs were higher at £34,076 (2021: £29,591) due to building repair and maintenance requirements.

Church property costs fell by over £8,000 to £61,782 (2021 £69,951) mainly as a result of a reduction in church inspection costs in the year in anticipation of the appointment of a Diocesan Churches Inspector in 2023.

Other financial support costs increased in 2022 at £288,351 (2021: £211,988). Mission Fund and Ministry Share Assistance Grant awards increased respectively to £52,222 (2021: £15,789) and £52,065 (2021: £20,125). A new Cost of Living fund was established to provide Diocesan organisations providing support to their communities and grants

Support Costs – Management and Administration

Total management and administration support costs (see note 6.6) increased by 5% to £358,377 (2021; £348,440). A small rise in salaries and associated costs resulted from "step" increases awarded to reflect increased experience in the role and a 2% general salary increase that was awarded to all staff. Staff and office costs decreased in 2022 following the completion of essential repair and improvement work at the Eastmoor Resource Centre in 2022.

Support costs are allocated across the statement of financial activities headings as shown in note 6.6.

Designated Funds

Designated Repair Fund

An unrestricted designated repair fund of £200,000 was established in 2015 to provide a fund to meet the costs of renovating and repairing the Diocesan Centre building and the temporary relocation of staff during the period of renovations. In 2019 £53,569 was allocated from this fund. No charges were made against this fund in 2022 and the balance at the year remained at £146,431

Regeneration Fund

The Regeneration Fund was established in 2021 to assist Ministry Areas in recovery, reconstruction, and regeneration subsequent to the lifting of COVID 19 restrictions on activities. No charges were made against the Fund in 2022 but 2023 but it is expected that the Fund will be distributed in 2023 to assist with the costs of regeneration projects.

Ministry Share Assistance

The Ministry Share Assistance Fund was established to assist Benefices and Ministry Areas in meeting their annual Ministry Share allocations where unforeseen circumstances impacted on their ability to pay. £18,894 was distributed from the Fund in the form of Ministry Share Assistance Grants.

Restricted Funds

Transformation Fund

The Transformation Fund was closed during the year with remaining balance of £64,392 (2021 - £115,475) being spent to meet Children, Youth and Family Ministry costs and Ministry Area Development costs.

Ministry Share Assistance

The Ministry Share Assistance Fund was established to assist Benefices and Ministry Areas in meeting their annual Ministry Share allocations where unforeseen circumstances impacted on their ability to pay. The Fund received £33,171 from the Gower Deanery during the year in the form of an additional agreed sum paid as part of Ministry Share in excess of the amount requested. £33,171 was distributed from the Fund in the form of Ministry Share Assistance Grants.

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Parsonage

The restricted income fund relating to the activities of the Parsonage Board has a surplus balance of £68,642 at the year-end (2021: surplus £26,099). Approved additional funding for long-term renovation works in designated key properties that became vacant due to clerical turnover cost £108,564 (2021: £149,509) reflecting the number and scale of major renovation projects.

Net Income

Net unrestricted income after transfers between funds and before gains/(losses) on investments shows a surplus of £8,189 (2021: Deficit £57,986).

The Company does not plan or budget with the intention of reporting significant deficits or surpluses.

The Company notes that the reported deficit movement in net assets for the year of £640,579 includes £264,000 financial support provided by the RBCIW and total realised and unrealised losses on investments of £659,117 If the income and investment losses are removed from the results, the Company accounts would show a deficit of £245,462 for the year.

Investments

Total net realised and unrealised losses on investments during the year were £659,117 (2021: gain £650,661). 2022 was generally a challenging year for global financial markets due to the impact of high inflation, increases in interest rates and the economic fallout from Russia's invasion of Ukraine and investments values decreased correspondingly. The trustees/directors are satisfied that the investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee but remain aware of the risk of further market volatility in the short to medium term future.

Overall, the financial position of the Diocese on 31st December 2022 is considered to be satisfactory.

Investment Policy and Performance

The Executive Committee, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to the Investment Sub-Committee in conjunction with the Company's appointed Investment Managers, Brewin Dolphin Limited.

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of income. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured in 2021 to reflect the changes to the RBCIW Ethical Investment Policy, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

The current investment policy permits distribution of a proportion of profit from capital gains to contribute towards the target cash distribution of 3% of the portfolio value at the commencement of each financial year.

COVID -19

In 2022 the Company moved into a new phase in terms responding to the impact of the COVID -19.

Unlike 2020 and 2021 no specific financial support was received from the RBCIW to mitigate the financial impact of the Pandemic and the Company did not provide a financial support programme to the Benefices in the Diocese to assist them in meeting their Ministry Share liabilities for the year.

It is recognised that the legacy of the COVID-19 pandemic continues to impact on the activities of the Company and related Diocesan organisations and to both monitor and mitigate the longer-term financial impact the Company: -

- Has prepared budgets for 2023 that reflect the challenges in the collection of Ministry Share that 2022 trends suggest may be experienced.

- Is monitoring the impact on reserves of the reduction of net assets in 2022 of £640,579 and the potential of such a trend continuing in the short to medium term.
- Continues to work with Ministry Areas to assist them in their efforts to minimise the impact of the loss of income resulting from COVID-19 related restrictions.
- Has advised the Company's Investment Managers that a drawdown of funds from the Company's investment portfolio may be required in the short to medium term and identified the basis on which any drawdown of funds can be made without causing undue disruption to the risk profile of the Company's investment portfolio.

:

Block Grant

The RBCIW funded a block grant to the Company of £387,475 in 2022 (2021 £615,270), representing approximately 11% of total Income (2021: 14%).

The Block Grant is awarded on a Quarterly Basis. During the first half of 2021 the RBCIW advised that it would reduce the value of the Block Grant from 1st July 2021 by the value of the Clergy pension contributions paid by the RBCIW on behalf of the Company. The RBCIW also confirmed that from 1st July 2021 it would not recharge the costs of clergy pension contributions to the Company.

It is expected that the block grant will continue to be awarded on the same basis in 2023, however, there is no certainty that the level of this grant will be maintained.

Reserves Policy

The reserves policy states that funds equivalent to at least 9 months of operating expenditure should be held as reserve.

At 31 December 2022, the balance held in unrestricted funds was £4,391,026 representing the equivalent of 15 months operating expenditure at 2022 levels.

The trustees are aware that the current level of reserves remains materially above the reserves policy. As in 2021 the movements in reserves during the year were the result of events beyond the immediate control of the trustees namely the financial support provided by the RBCIW and the decrease in the value of investments. Without the benefit of the financial support provided by the RBCIW the net deficit movement of unrestricted funds would be £904,579 for the year. The trustees expect the financial conditions to be challenging in the short to medium term future and are therefore comfortable with the current level of reserves as it is expected they will be required to finance net spending in 2023.

Plans for the Future.

For 2023, the main objectives are:

- To sustain Diocesan Ministry by maintaining financial stability without the benefit of the financial support provided by the RBCIW between 2020 and 2022.
- To actively support the transition to Ministry Areas.
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for, and transition to, Ministry Areas.
- To continue to monitor the allocation of Ministry Share apportionment to ensure it is equitable and considers the requirements of all stakeholders,
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

Structure, Governance and Management

Membership – Composition
Members of the Company are appointed for a three-year term, and there are four categories of membership as set out in the memorandum and articles of association:

- ex officio members, which include the Bishop of the Diocese, senior clergy, and Diocesan officers.
- up to ten members nominated by the Bishop.
- up to ten members co-opted by the Company.
- elected members - one cleric and two lay members elected by each Area Deanery Conference

Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee. The Executive Committee shall not exceed 15 members. Every effort is made to ensure that those elected to serve have skills and experience appropriate to the needs and responsibilities of the Committee.

Other Committees

The Constitution of the Church in Wales states that there shall be established in each Diocese, a Parsonage Board and a Churches and Pastoral Committee. The Executive Committee has established principal sub-. committees, including the Assistance Committee, Investment Committee, Funding Committee, and a Widows, Orphans and Dependants Committee. Members of committees are appointed for a three-year term.

Parsonage Board

The Parsonage Board has responsibility for the management of diocesan parsonages, their upkeep and repair, and for buying and selling houses as appropriate. The aim of the Parsonage Board is to provide adequate and comfortable accommodation for clerics in the Diocese.

Churches and Pastoral Committee

The Committee is responsible for:

- Keeping church buildings under review in relation to pastoral need and to advise the Bishop and Diocesan Conference accordingly
- Advising on grants and loans for maintaining church property and administering the Diocesan Churches Grant Fund
- The administration of the scheme for inspection of churches and halls
- Overseeing the process required for declaring a church redundant.

Assistance Committee

A fund is set aside to assist those Parishes who are facing financial difficulties. Application can be made for help with paying the Ministry Share and/or church insurance premiums.

Investment Committee

The Committee is responsible for setting and reviewing the strategy for the Company's investments, and for monitoring the performance of the Board's portfolio. The Committee acts for the Diocesan Trust and the Cathedral Choir Endowment as well as the Diocesan Board of Finance.

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Funding Committees

The Funding Committee is responsible for considering and awarding internal grants in respect of Parish, Benefice or Ministry Area projects, and providing advice and guidance, as necessary.

Widows, Orphans and Dependants Committee

The Widows, Orphans and Dependants Committee is funded by personal donations from those who, in gratitude for the dedicated service given by clerics, wish to make sure that no clergy widow or dependant should find themselves in financial need.

The Committee is also able to offer assistance in particular circumstances, and it is a sincere intention that no clergy widow, widower dependant or orphan should find themselves in any situation of financial need.

Induction and Training of Trustees

The Charity Commission guidance has been adopted as a training resource for all trustees and is a standard agenda item. Induction for new trustees is currently on an informal basis. A planned and structured induction programme was developed during 2020. Trustees are also encouraged to attend appropriate training seminars of which details are circulated.

Risk Management

The Company has a risk management system to identify and assess significant risks and to put in place appropriate mitigating procedures. The Diocesan Audit Committee is charged with reviewing the effectiveness and robustness of these systems and reporting thereon to the Executive Committee. Apart from the impact of general economic conditions, the principal risks to which the Company is exposed are the financial and socio-economic effects of the COVID-19 pandemic and the effect of changes in equity prices and interest rates.

The steps the Company has taken to mitigate the impact of the COVID-19 pandemic are set out under the COVID-19 heading earlier in this Report. Investment performance risk is managed by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short-term deposits.

The risk of any non-collection of ministry share is regularly considered by the Executive Committee and is included on the risk register. A provision for doubtful debts has been made and is included in the financial statements.

Pay policy for senior staff

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.

The remuneration of the key management personnel is set in line with the Diocesan Pay and Grading Structure.

The key management personnel of the Company are the Diocesan Secretary and the Finance Officer

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Key performance indicators

The trustees/directors consider the key performance indicators to be the parish share collection, net incoming/(outgoing) resources for the financial year, the level of unrestricted reserves held, and the number of clergies in post within the Diocese:

	2022	2021
Ministry Share Collection	**87.2%**	89.7%
Net income for the year on unrestricted funds before losses/gains on investments and after transfers between funds	**8,189**	(57,986)
Value of general unrestricted reserves	**4,391,026**	4,905,223
Clergy positions:		
Stipendiary	**50**	50
Non-stipendiary	**17**	17
House for duty	**1**	1

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Reference and administrative details

The full name of the Company is Swansea and Brecon Diocesan Board of Finance Limited.

The Swansea and Brecon Diocesan Board of Finance Limited (the Company) is a multi-faceted structure. It is:

- A registered charity (No. 249810)
- A company limited by guarantee (No. 00924565)
- A Board of Finance established under the Constitution of the Church in Wales.

Details of the trustees and directors (trustees/directors) who served during the year, secretary, registered office, registered auditors, principal bankers, and stockbrokers are set out below.

Board of Trustees/Directors

The Ven Jonathan Byron Davies
The Ven Alan Neil Jevons
Sonia Jones (resigned 28th February 2023)
Sir Andrew McLeod Brooks Large (resigned 31st May 2022)
Gwynfor Lewis, FCA
The Right John Derrick Percy Lomas (appointed 24th February 2022)
The Very Revd Albert Paul Shackerley
Sir Paul Silk (ex Chairman) (resigned 31st July 2022)

Consultants

The Ven Alfred James Randolph Thomas

Company Secretary

Louise Anne Pearson

Registered Office

Diocesan Centre, Cathedral Close, Brecon, Powys, LD3 9DP.

Independent Auditors

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

Principal Bankers

HSBC, Portland Street Branch, Swansea, SA1 3DF.

Investment Managers

RBC Brewin Dolphin Limited, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT

Trustees' and Directors' report for the year ended 31 December 2022 (Continued)

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees, who are also the directors of Swansea and Brecon Diocesan Board of Finance Limited (The) 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.

By order of the Board of Trustees

The Right Reverend John Lomas
Trustee

Date: 21st Sept. 2023

Swansea and Brecon Diocesan Board of Finance Limited (The)

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of Swansea and Brecon 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 the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 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 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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Servic

Azets Audit Services

26-9-2023

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
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 of section 1212 of the Companies Act 2006.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2022 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income Funds	Restricted capital endowment funds	Total Charity funds	Total Charity Funds Restated
		2022	2022	2022	2022	2022	2022	2021
		£	£	£	£	£	£	£
Income from:								
Donations and legacies	5.1	3,135,929	-	-	78,385	-	3,214,314	3,300,925
Charitable activities	5.2	10,988	-	-	72,638	-	83,626	75,740
Investments	5.3	108,310	-	-	31,440	-	139,750	124,100
Other income	5.4	-	-	-	172,340	-	172,340	190,558
Total income		3,255,227	-	-	354,803	-	3,610,030	3,691,323
Expenditure:								
Raising funds:								
Investment management costs		19,475	-	-	-	-	19,475	19,600
		19,475	-	-	-	-	19,475	19,600
Charitable activities:								
Support for Ministry	6.1	2,053,491	-	-	645,795	-	2,699,286	2,771,041
Support for Parishes	6.2	404,078	-	64,392	-	-	468,470	462,773
Church property	6.3	61,782	-	-	-	-	61,782	69,951
Other financial support	6.4	216,255	18,894	-	53,202	-	288,351	211,988
Communications	6.5	54,128	-	-	-	-	54,128	47,689
		2,789,734	18,894	64,392	698,997	-	3,572,017	3,563,442
Total expenditure		2,809,209	18,894	64,392	698,977	-	3,591,492	3,583,042
Net income/(expenditure) carried forward		446,018	(18,894)	(64,392)	(344,194)	-	18,538	108,281

Statement of Financial Activities for the year ended 31 December 2022 (including income and expenditure account) (continued)

	Note	Unrestricted funds 2022 £	Unrestricted designated funds 2022 £	Restricted ministry area transformation fund 2022 £	Restricted income funds 2022 £	Restricted capital endowment funds 2022 £	Total Charity funds 2022 £	Total Charity Funds Restated 2021 £
Net income/expenditure brought forward		**446,018**	**(18,894)**	**(64,392)**	**(344,194)**	**-**	**18,538**	108,281
Net (loss)/gains on of investments	8	**(522,386)**	**-**		**-**	**(136,731)**	**(659,117)**	650,661
Net (outgoing)/incoming resources before transfers	8	**(76,368)**	**(18,894)**	**(64,392)**	**(344,194)**	**(136,731)**	**(640,579)**	758,942
Gross transfers between funds		**(437,829)**	**20,000**	**-**	**417,829**	**-**	**-**	**-**
Net movements in funds	15	**(514,197)**	**1,106**	**(64,392)**	**73,635**	**(136,731)**	**(640,579)**	758,942
Total funds brought forward at 1 January	15	**4,905,223**	**318,892**	**64,392**	**124,943**	**1,322,858**	**6,736,308**	5,977,366
Total funds carried forward at 31 December	15,19	**4,391,026**	**319,998**	**-**	**198,578**	**1,186,127**	**6,095,729**	6,736,308

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2022

	Note	2022 £	2021 Restated £
Fixed Assets			
Investments	9	4,932,415	5,634,059
Long Term Loans	10	335,000	335,000
		5,267,415	5,969,059
Current Assets			
Debtors: due within one year	11	553,439	364,634
Cash at bank and in hand	12	1,081,153	1,247,414
Total current assets		1,634,592	1,612,048
Liabilities			
Creditors falling due within one year	13	(471,278)	(509,799)
Net current assets		1,163,314	1,102,249
Total assets less current liabilities		6,430,729	7,071,308
Creditors falling due after more than one year	14	(335,000)	(335,000)
Net assets		6,095,729	6,736,308
The funds of the charity			
Unrestricted Funds	15	4,391,026	4,905,223
Designated Funds	15	319,998	318,892
Total unrestricted funds		4,711,024	5,224,115
Restricted funds			
Ministry Area Transformation Fund	15	-	64,392
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	15	198,578	124,943
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	15	1,186,127	1,322,858
Total restricted funds		1,384,705	1,512,193
Total Charity funds		6,095,729	6,736,308

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31st 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 21 September 2022

The Right Reverend John Lomas
Trustee

Date: 21st Sept 2023

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2022

	2022 £	2021 £
Net cash flows from operating activities	(329,063)	(333,382)
Net cash flows generated from investing activities		
Dividend and interest from investments	139,750	124,100
Purchase of investments	(735,717)	(1,169,307)
Proceeds from sale of investments	761,122	1,244,037
Investment Management Fees	(19,475)	(19,600)
Net increase/(decrease) in cash balances held by Investment Managers	17,122	(30,712)
Net cash provided by / (used in) investing activities	162,802	148,518
Cash flow from financing activities		
Repayments of loans receivable	-	-
Repayments of loans repayable	-	-
Net cash provided by/ (used in) generated by financing activities	-	-
Change in cash and cash equivalents in the year	(166,261)	(184,864)
Cash and cash equivalents at the beginning of the reporting period	1,247,414	1,432,278
Cash and cash equivalents at the end of the reporting period	1,081,153	1,247,414
Reconciliation of net income to net cash flow generated from operating activities		
Net (expenditure)/income for the reporting period (as per statement of financial activities)	(640,579)	758,942
(Increase)/Decrease in debtors	(188,805)	(234,229)
Increase/(Decrease) in creditors	(38,521)	(102,934)
Losses/(Gains) on investments	659,117	(650,661)
Dividends and Interest from investments	(139,750)	(124,100)
Investment management fees	19,475	19,600
Net cash flows generated from operating activities	(329,063)	(333,382)

Notes to the financial statements for the year ended 31 December 2022

1 Principal accounting policies

Charity Information
Swansea and Brecon Diocesan Board of Finance Limited is a private company limited by guarantee incorporated in England in Wales. The registered office is The Diocesan Centre, Cathedral Close, Brecon, Powys, Wales, LD3 9DP

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Accounting convention

The financial statements have been prepared in accordance 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The principal accounting policies adopted are set out below.

b) Preparation of the financial statements on a going concern basis

After making appropriate enquiries, the trustees are of the view that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all the following criteria are met:

- the Company has entitlement to the funds.
- any performance conditions attached to the items of income have been met or are fully within the control of the Company.
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity 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 Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Notes to the financial statements for the year ended 31 December 2022 (continued)

d) Block Grant

A block grant is provided to the Company by the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The provision of a block grant has enabled certain additional outgoings by the Company to be financed. The block grant is credited to the Statement of Financial Activities in the year to which it relates.

e) Donated services and facilities

Donated services or facilities are recognised as income when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Company. Designated funds are unrestricted funds of the Company which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Company's work or for specific projects being undertaken by the Company.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the costs of supporting the ministry, support for parishes, and other financial support costs to further the purpose of the Company.
- Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activities. Support costs include salary and related expenditure that support the Company's activities. These costs have been allocated between activity headings based on time spent.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Notes to the financial statements for the year ended 31 December 2022 (continued)

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

l) Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their market value.

n) Fixed asset investments

Fixed asset investments, (including those investments held in the Restricted Capital, Endowment Funds), are stated at market value or at Trustees/directors best estimate of market value at the balance sheet date, with gains or losses on revaluation being included in the Statement of Financial Activities.

o) 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.

p) Pension contributions

Contributions are made to defined contribution (money purchase) pension arrangements in respect of certain employees of the company. The assets of the money purchase pension arrangements are held separately from those of the company in independently administered funds. The defined contributions to the money purchase pension arrangements are charged to the Statement of Financial Activities as incurred.

An amount for clergy pension contributions was recharged to the Company from the RBCIW until June 2021. This arrangement applied since 2008. The amount charged to the company for clergy pension contributions is included within the charge for stipends and allowances. This is included in the heading of Support for Ministry in the Statement of Financial Activities. The total amount of stipends and allowances is charged to the Statement of Financial Activities as incurred.

q) Taxation

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

r) Concessionary loans

Concessionary loans received from the Representative Body Church in Wales and payable to clergy are initially recognised at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayment, and any accrued interest and adjusted, if necessary, for impairment.

s) Restatement of Prior Year

The comparative figures have been restated to amend an errors in the classification of income in 2021 and to include Governance costs in the total of support costs allocated across activities in line with the guidance in the Charities SORP.

The re-classification of income includes:

- Designated Regeneration Funds of £109,886 transferred from Unrestricted Funds were incorrectly classified as Restricted Income Funds
- Designated Ministry Share Assistance Funds £62,575 transferred from Unrestricted Funds were incorrectly classified as Restricted Income Funds
- Restricted income and expenditure of £21,446 and £11,633 respectively in relation to Widows, Orphans and Dependents was incorrectly recorded as Restricted Legacy and Benefactions Income rather than Restricted Income.
- Restricted Income and Expenditure of £16,060 in relation to Support for Ministry was incorrectly recorded as Restricted Legacy and Benefactions Income rather than Restricted Income

The impact of the re-classification of income adjustments is to:

- Increase designated income carried forward at 31st December 2021 by £172,641 net
- Reduce Restricted Income Funds carried forward at 31st December 2021 by £162,678 net
- Reduce Legacy and Benefactions Account and Trust Funds carried forward at 31st December 2021 by £9,783 net

The value of the governance costs reclassified as other support costs is £67,890.

The prior year adjustments do not impact on the Charity's total net assets or unrestricted net assets.

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. 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.

3 Critical accounting estimates and judgements

In the application of the Company'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.

4 Turnover

The Company does not undertake trading on its own account. The activity of the Company is the management of such finances of the Diocese of Swansea and Brecon as are vested in or are payable to the company.

5 Income

5.1 Donations and legacies	Total Funds 2022 £	Total Funds 2021 £
Ministry Share assessed by the DBF	**2,321,205**	1,680,664
Contributions from the Representative Body:		
Block Grant	**387,475**	615,270
COVID-19 Financial Support	**-**	778,665
Partnership Funding	**264,000**	-
Church Improvement Grant	**36,250**	37,500
Church Improvement Grant – Historic Sales Fund	**-**	39,000
Diocesan Advisory Committee	**8,333**	8,333
Widows, Orphans and Dependents Grant	-	4,300
Parsonage Improvement Interest (restricted fund see note 16)	-	388
Grants and Donations received:		
Eastmoor Trust	**100,122**	62,958
Gower Deanery Ministry Share Assistance Contribution	**33,171**	-
Benefact Trust	**19,925**	19,925
Isla Johnson Trust	**3,000**	3,000
Diocesan Trust	**34,869**	33,929
Parsonage Repair Grants (restricted fund see note 16)	**5,964**	16,685
Widows, Orphans & Dependents	-	237
Other Grants and Donations	**-**	71
	3,214,314	3,300,925

Grants received for church improvement of £36,250 (2021: £76,500), for educational purposes and training of clergy £3,000 (2021: £3,000), for parsonage repair of £5,964 (2021: £16,685), parsonage improvement fund interest of £nil (2021: £388), and Widows Orphans and Dependents Support £nil (£4,537) are credited to the restricted income funds. The Gower Ministry Deanery donated £33,171 (2021: £nil) to assist Benefices in the Diocese which were unable to pay their Ministry Share. This is also credited to restricted income.

All other income is credited to unrestricted funds.

		Total Funds 2022 £	Total Funds 2021 £
5.2	**Charitable Activities**		
	Resource Centres – Administrative Services		
	Eastmoor Resource Centre, Swansea	-	-
	Diocesan Centre, Brecon	**3,638**	1,502
	Parsonage Rental Income (restricted fund – see note 16)	**72,638**	61,960
	Contribution from Parishes	**3,533**	4,948
	Contributions from Diocesan organisations	**2,640**	2,890
	Marriage Licence Fees	**720**	4,440
	Other Income	**457**	-
		83,626	75,740

Incoming resources from Charitable Activities includes Restricted Parsonage Rental Income of £72,638 (2021 £61,960).

		Total Funds 2022 £	Total Funds 2021 £
5.3	**Investments:**		
	Fixed Asset Investments and Banks		
	Income from fixed asset investments – listed	**103,395**	91,797
	Income from Representative Body Common Investment Fund Units	**1,237**	1,180
	Bank and money market interest	**1,899**	67
	Other interest	**878**	385
	Income from Investment of Bequests		
	(£19 (2021: £19) restricted fund – see note 16)	**32,341**	30,671
		139,750	124,100

Incoming resources from investment of bequests amounting to £31,440 (2021: £29,968) is credited to Restricted Income Funds.

		Total Funds 2022	Total Funds 2021
5.4	**Other Income**	£	£
	Insurance Claims – restricted	172,340	184,492
	Job Retention Scheme Grant – restricted	-	6,066
		172,340	190,558

6 Expenditure

		Total Funds 2022	Total Funds 2021 restated
6.1	**Support for Ministry**	£	£
	Stipends & Fees		
	Stipends and allowances	1,406,737	1,609,778
	Vacancy fees	6,299	1,381
	Council Tax	126,479	129,366
	Parsonages		
	Maintenance of Parsonages (restricted fund see note 16)	571,625	635,014
	Insurance of Parsonage Houses	15,610	13,831
	Custodians' expenses	16,070	9,378
	Property Rental	9,944	-
	Clergy Expenses		
	Archdeacons' expenses	9,250	5,181
	Area Deans' expenses	962	157
	Removal and disturbance allowances	27,553	19,291
	Travel and other expenses	2,297	3,966
	Training		
	Ordinands	8,357	8,052
	Continuing Ministerial Education	(13,142)	3,855
	Readers	267	380
	Support Costs		
	Provision against uncollected Ministry Share	292,227	99,672
	Write off of uncollectable Ministry Share	38,686	50,681
	General Fund (see note 6.6)	125,462	124,613
	Restricted Parsonage Fund	54,603	56,446
		2,699,286	2,771,041

Of the above costs, costs for the maintenance of parsonages of £571,625 (2021: £635,014), support costs of £54,603 (2021: £56,446) and various additional costs of £19,567 (2021: £16,060) are charged to the restricted income fund.

		Total Funds 2022 £	Total Funds 2021 restated £
6.2	**Support for Parishes**		
	Sector Ministries		
	Rural Life Ministry	**10,642**	16,187
	Social Responsibility	**21,851**	21,215
	World Mission	**1,534**	134
	Spirituality	**870**	78
	Interfaith	**1,408**	-
	Older People	**1,884**	996
	Eco Church	**62**	116
	Intercession	**101**	72
	Evangelism and Outreach	**29,600**	20,454
	Statutory Education	**43,790**	42,286
	Children, Youth and Family	**132,987**	144,054
	Diocesan Expenses		
	Ministry Area Development Support	**47,033**	48,355
	Diocesan Archivist	**200**	200
	Eastmoor Centre	**10,089**	12,900
	Diocesan Centre	**34,076**	29,591
	Support Costs (see note 6.6)	**132,343**	126,135
		468,470	462,773

Of the above costs £64,392 (2021: £115,475) is funded by the Transformation Fund, £nil is funded by Job Retention Scheme Grants (2021: £6,066).

		Total Funds 2022 £	Total Funds 2021 restated £
6.3	**Church Property**		
	Inspections of Churches and Halls	**4,152**	9,548
	Diocesan Advisory Committee expenses	**13,809**	16,067
	Churches and Pastoral Committee expenses	**1,693**	1,606
	Support Costs (see note 6.6)	**42,128**	42,730
		61,782	69,951

		Total Funds 2022 £	Total Funds 2021 restated £
6.4	**Other Financial Support**		
	Diocesan Bodies		
	Bishop's Fund	-	12,000
	Brecon Cathedral Grant	**41,190**	41,190
	Diocesan Mission Fund	**52,222**	15,789
	Church Repair Grants	**12,626**	14,290
	Representative Body - Emergency Repairs Fund	**16,667**	16,667
	Parish Assistance Fund	**52,065**	20,125
	Social Responsibility Grants	**36,418**	35,357
	Widows Orphans & Dependants Grants	**16,581**	11,664
	Curate Support Grant to Parishes	**10,500**	7,500
	Retired Clergy	**99**	208
	Anglican, Ecumenical, and other bodies		
	World Mission Grants	**18,500**	21,500
	Cost of Living Grants	**15,525**	-
	Llangasty Retreat House Grant	**5,000**	5,000
	Other Grants	**1,500**	1,000
	Support Costs (see note 6.6)	**9,458**	9,698
		288,351	211,988

Of the above costs £33,171 (£nil) is funded by the Restricted Income Assistance Fund, £18,894 (£nil) is funded by the Restricted Income Assistance Fund, and £3,450 (2021: £3,000) is funded by the restricted income Church Improvement Fund.

Material grants in the context of total expenditure are: -

	2022 £	2021 £
Faith in Families (Social Responsibility Grants)	**58,269**	56,572
Brecon Cathedral	**41,190**	41,190
Representative Body - Emergency Repairs Fund	**16,667**	16,667
Bishop of Swansea & Brecon Fund	**-**	12,000

		Total Funds 2022 £	Total Funds 2021 restated £
6.5	**Communications**		
	Communications and Media	**1,311**	1,550
	Newsletters and Diocesan Publications	**3,831**	874
	Support Costs (see note 6.6)	**48,986**	45,265
		54,128	47,689

6.6 Support Costs - Management and Administration	Total Funds 2022 £	Total Funds 2021 restated £
Salaries including pensions and pension scheme contributions (see note 7.1)	**282,607**	279,898
Staff and Office expenses	**75,770**	68,542
	358,377	348,440

Total support costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2022 £	Total Funds 2021 restated £
Support for Ministry	**125,462**	124,613
Support for Parishes	**132,343**	126,135
Church Property	**42,128**	42,730
Other Financial Support	**9,458**	9,698
Communication	**48,986**	45,264
	358,377	348,440

Other than for support costs which are specific to the activities shown, the support costs, including salaries and related costs, are allocated to activity headings based on time spent.

6.7 Governance Costs

	Total Funds 2022 £	Total Funds 2021 restated £
Company expenses	**13**	13
Audit fees	**12,059**	10,092
Diocesan Conference and Standing Committee	**1,678**	141
Bishop's Enthronement	**3,032**	-
Governing Body Meeting expenses	**25,931**	5,946
	42,713	16,192

Governance costs are included within Staff and Office expenses in note 6.6.

7 Analysis of staff costs and trustees' remuneration and expenses

		Total Funds 2022 £	Total Funds 2021 £
7.1	**Salaries including pensions and pension scheme contributions**		
	Salaries	**462,012**	465,462
	Social security costs	**33,272**	38,196
	Pensions	**5,425**	5,029
	Pension scheme defined contributions (see below)	**65,969**	63,366
		566,678	572,053

Total salaries and related costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2022 £	Total Funds 2021 £
Support costs (see note 6.6)	**282,607**	279,898
Support for Parishes:		
Diocesan Officers	**194,440**	207,160
Resource Centre Staff	**25,844**	21,913
Diocesan Archivist	**200**	200
Church Property:		
DAC Secretary	**13,809**	15,230
Parsonage Board	**49,778**	47,652
	566,678	572,053

Pension scheme defined contributions are made in respect of certain employees of the charity. The contributions are payable by the company to funds, the assets of which are held separately from those of the company.

No employees earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2022 (2021: nil).

The average weekly number of persons employed during the year was 19 (2021: 19).

7.2 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 2022 they were considered to be the Diocesan Secretary, and the Finance Officer.

The total amount of employee benefits (including salaries, pensions, employer's national insurance contributions and home-working allowance) paid on behalf of key management personnel in 2022 was £125,652 (2021: £122,361).

None of the key management personnel (2021: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2022 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2021 – £nil).

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their clerical duties. For the year ended 31 December 2022 the expenses amounted to £7,453 (2021: £4,886).

For the year ended 31 December 2022 for clergy members of the Board of Trustees stipends amount to £119,261 (2021: £116,923), national insurance contributions of £13,389 (2021: £10,523) and pension contributions £nil (2021: £21,338). These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Net income/(expenditure)

	2022	2021
	£	£
Net (expenditure)/income is stated after charging:		
Gains on disposal of investments	**27,166**	180,016
(Losses)/gains on revaluation of investments	**(686,283)**	470,645
Audit fee	**12,058**	10,105

9 Investments

	Investments UK - listed	Fixed interest debentures & corporate bonds	Unit trust investments	Other investments	Total investments
	£	£	£	£	£
Book and market value					
At 1 January 2022	1,422,923	586,432	2,161,665	1,463,039	5,634,059
Additions	289,147	246,296	160,663	22,489	718,595
Disposals	(294,679)	(211,978)	(254,465)	-	(761,122)
Gains on disposal	2,456	24,710	-	-	27,166
Losses on revaluation	(142,019)	(98,876)	(301,371)	(144,017)	(686,283)
At 31 December 2022	1,277,828	546,584	1,766,492	1,341,511	4,932,415

Fixed asset investments are held as follows:

	2022	2021
	£	£
Held in General Unrestricted Funds		
Investment assets UK - listed	1,277,828	1,422,923
Fixed interest debentures and corporate bonds	546,584	586,432
Unit Trust investments	1,766,492	2,161,665
	3,590,904	4,171,020
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2021: 29,652) Representative Body Investment Fund Units	62,139	69,424
Brewin Dolphin Cash Deposit Account	157,750	140,628
General Unrestricted Funds	219,889	210,052
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	569,340	641,509
Held by the Representative Body	543,050	602,246
Held by the Board of Finance	9,232	9,232
Restricted Capital, Endowment Funds	1,121,622	1,252,987
Total Other Investments	1,341,511	1,463,039
Total investments	4,932,415	5,634,059

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the RBCIW. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2022 are 337,091 (2021: 336,495).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2022 are 259,517 (2021: 257,227).

The carrying value of investments held in the Restricted Capital, Endowment Funds is stated in accordance with the accounting policy in note 1 of these financial statements.

The historic cost of the above investments at 31 December 2022 was £3,730,370 (2021: £3,744,731).

10 Concessionary loans

General Unrestricted Funds	2022 £	2021 £
Loans funded by representative body:		
Retired clergy equity linked housing loans	300,000	300,000
Retired clergy non equity linked housing loans	35,000	35,000
	335,000	335,000

Funds received from the RBCIW are applied to provide loans for retired clergy housing (see Note 15). Interest is receivable by the Company and the Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment of the loans.

11 Debtors: due within one year

	2022 £	2021 restated £
General Unrestricted Funds		
Parish share	1,251,830	922,010
Grant Income Receivable	100,122	62,958
Payments in advance	25,194	18,947
Parochial loans	30,286	18,843
Bank interest and investment income	27,493	26,098
Miscellaneous	41,527	29,847
Provision for doubtful debts	(1,226,451)	(934,224)
	250,001	144,479
Restricted Funds:		
Parsonage Maintenance Fund		
Insurance claim income	255,989	184,492
Representative Body – Improvement Fund repayment	47,449	35,313
	303,438	219,805
Legacy and Benefactions Account and Trust Funds		
Restricted fund income receivable	-	350
Debtors due within one year	553,439	364,634

These are analysed as follows:

	2022 £	2021 £
Other debtors	400,631	256,281
Prepayments and accrued income	152,808	108,353
	553,439	364,634

12 Cash at bank and in hand

	2022	2021
	£	£
CAF Gold Account	351,361	793,500
Other cash balances	729,792	453,914
	1,081,153	1,247,414

For further analysis see note 19.

13 Creditors falling due within one year

	2022	2021
General Unrestricted Funds	£	£
Creditors Control	15,337	3,561
Representative Body of Church in Wales	306,845	285,273
Ministry Share Paid in Advance	84,950	97,898
Internally invested Restricted Funds	9,232	9,232
Sundry creditors	46,830	72,482
	463,194	468,446
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	8,084	4,854
Sundry creditors	-	36,499
	8,084	41,353
Creditors falling due within one year	471,278	509,799

	2022	2021
These are analysed as follows:	£	£
Trade creditors	330,266	293,688
Other creditors and accruals	141,012	216,111
	471,278	509,799

Movements in ministry share paid in advance in the period are analysed as follows

	2022	2021
	£	£
Ministry Share paid in advance at start of year	97,898	157,084
Movement in year	(12,948)	(59,186)
Ministry Share paid in advance at end of the year	84,950	97,898

14 Creditors falling due after more than one year

	2022	2021
	£	£
General Unrestricted Funds		
Loans from the RBCIW		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Loans received from the RBCIW are applied to fund loans for Retired clergy housing and general support (see Note 10). Interest ranging between 1.25% and 4.5% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

15 Accumulated Fund balances

2022

	Balance at 1 January 2022 £	Movement of Funds: Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2022 £
General Unrestricted Income Funds						
General Fund Reserve	4,905,223	3,255,227	(2,809,209)	(437,829)	(522,386)	4,391,026
Designated Funds						
Designated Repair Fund	146,431	-	-	-	-	146,431
Designated Diocesan Regeneration Fund	109,886	-	-	-	-	109,886
Designated Ministry Share Assistance Fund	62,575	-	(18,894)	20,000	-	63,681
Restricted Funds						
Ministry Area Transformation Fund	64,392	-	(64,392)	-	-	-
Parsonage Maintenance Fund	26,099	250,942	(626,228)	417,829	-	68,642
Church Improvement Funds	89,061	36,250	(3,450)	-	-	121,861
Ministry Share Assistance Fund		33,171	(33,171)	-	-	-
Widows, Orphans & Dependents Restricted Income	9,783	14,873	(16,581)	-	-	8,075
Bequest Investment Income Restricted for Cost Of Ministry	-	19,567	(19,567)	-	-	-
Legacy and Benefactions Account and Trust Funds						
Fund Balances	1,322,858	-	-	-	(136,731)	1,186,127
	6,736,308	3,610,030	(3,591,492)	-	(659,117)	6,095,729

15 Accumulated Fund balances (continued)

2021

	Balance at 1 January 2021 £	Movement of Funds (Restated) Incoming Resources £	Resources Expended £	Transfers £	Revaluations, gains and losses £	Balance at 31 December 2021 £
General Unrestricted Income Funds						
General Fund Reserve	4,441,004	3,307,727	(2,739,318)	(626,395)	522,205	4,905,223
Designated Funds						
Designated Repair Fund	146,431	-	-	-	-	146,431
Designated Diocesan Regeneration Fund	-	-	-	109,886	-	109,886
Designated Ministry Share Assistance Fund	-	-	-	62,575	-	62,575
Restricted Funds						
Ministry Area Transformation Fund	179,867	-	(115,475)	-	-	64,392
Parsonage Maintenance Fund	101	263,524	(691,460)	453,934	-	26,099
Church Improvement Funds	15,561	76,500	(3,000)	-	-	89,061
Job Retention Scheme Grant	-	6,066	(6,066)	-	-	-
Widows, Orphans & Dependents Restricted Income	-	21,446	(11,663)	-	-	9,783
Bequest Investment Income Restricted for Cost Of Ministry		16,060	(16,060)	-	-	-
Legacy and Benefactions Account and Trust Funds						
Fund Balances	1,194,402	-	-	-	128,456	1,322,858
	5,977,366	3,691,323	(3,583,042)	-	650,661	6,736,308

The Repair fund is designated for the purposes of repair and maintenance of the Diocesan Centre building including any associated costs incurred to ensure the staff can continue to work remotely if the building becomes inaccessible.

The comparative figures have been restated due to an error in the classification of income.in 2021.

- Designated Regeneration Funds of £109,886 transferred from Unrestricted Funds were incorrectly classified as Restricted Income Funds
- Designated Ministry Share Assistance Funds £62,575 transferred from Unrestricted Funds were incorrectly classified as Restricted Income Funds
- Restricted income and expenditure of £21,446 and £11,633 respectively in relation to Widows, Orphans and Dependents was incorrectly recorded as Restricted Legacy and Benefactions Income rather than Restricted Income.
- Restricted Income and Expenditure of £16,060 in relation to Support for Ministry was incorrectly recorded as Restricted Legacy and Benefactions Income rather than Restricted Income

The impact of these adjustments has been to:

- Increase designated income carried forward at 31st December 2021 by £172,641 net
- Reduce Restricted Income Funds carried forward at 31st December 2021 by £162,678 net
- Reduce Legacy and Benefactions Account and Trust Funds carried forward at 31st December 2021 by £9.783 net

The prior year adjustment does not impact on the Charity's total net assets or unrestricted net assets.

16 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2022

	2022	2021
	£	£
Income		
Contributions from Diocesan Board of Finance General Unrestricted Income Fund	**417,829**	453,934
Income from rented Properties	**72,638**	61,960
Interest on Improvement Fund	**-**	388
Insurance claims	**172,340**	184,492
Grants and Parochial contributions	**5,964**	16,684
Other Income	**-**	-
Total Income	**668,771**	717,458
Expenditure		
Maintenance of Parsonages	**547,001**	611,655
Maintenance contracts	**24,624**	23,359
	571,625	635,014
Administration	**54,603**	56,446
Total expenditure	**626,228**	691,460
Net surplus for the year	**42,543**	25,998
Fund balance brought forward at 1 January	**26,099**	101
Fund balance carried forward at 31 December	**68,642**	26,099

The parsonages are owned by the RBCIW and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2022	2021
	£	£
Maintenance costs	**571,625**	635,014
Improvement costs (borne by the Representative Body)	**47,449**	83,463
	619,074	718,477

Notes to the financial statements for the year ended 31 December 2022 (continued)

17 Related party transactions

In addition to transactions with the RBCIW, there were the following related party transactions in the year ended 31 December 2022 and 2021.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2021: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £27,369 (2021 - £26,429) towards the Education costs incurred by the Company in the year.

The following directors are also directors of the Swansea & Brecon Diocesan Trust Incorporated:

The Ven Jonathan Byron Davies
The Ven Alan Neil Jevons
Gwynfor Lewis FCA
The Right Rev'd John Lomas (Appointed 24th February 2022)
The Very Revd Albert Paul Shackerley

Eastmoor Trust Fund

The Eastmoor Trust Fund agreed to provide the Company with funding of £101,122 (2021: £62,958) during the year to contribute towards the costs of the Children Youth and Family Ministry.

The Right Rev'd John Lomas, a director of the Company, has authority to approve distributions from the Eastmoor Trust Fund by virtue of his position as the Bishop of the Diocese of Swansea & Brecon.

18 Financial instruments comprise the following:

	2022	2021
	£	£
Financial assets		
Investments measured at market value though the statement of financial activity	**4,932,415**	5,634,059

19 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,810,793	-	1,121,622	4,932,415
Long Term Loans	335,000	-	-	335,000
Debtors due within one year	250,001	-	303,438	553,439
Cash	793,426	319,998	(32,271)	1,081,153
Creditors due within one year	(463,194)	-	(8,084)	(471,278)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,391,026	319,998	1,384,705	6,095,729

Previous year (Restated)

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	4,381,072	-	1,252,987	5,634,059
Long Term Loans	335,000	-	-	335,000
Debtors due within one year	144,479		220,155	364,634
Cash	848,118	318,892	80,404	1,247,414
Creditors due within one year	(468,446)	-	(41,353)	(509,799)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,905,223	318,892	1,512,193	6,736,308

20 Restated Statement of Financial Activities 2021

	Note	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted Income Funds	Restricted capital endowment funds	Total Charity funds
		2021	2021	2021	2021	2021	2021
		£	£	£	£	£	£
Income from:							
Donations and legacies	5.1	3,199,815	-	-	101,110	-	3,330,925
Charitable activities	5.2	13,780	-	-	61,960	-	75,740
Investments	5.3	94,132	-	-	29,968	-	124,100
Other income	5.4	-	-	-	190,558	-	190,558
Total income		3,307,727	-	-	383,596	-	3,691,323
Expenditure:							
Raising funds:							
Investment management costs		19,600	-	-	-	-	19,600
		19,600	-	-	-	-	19,600
Charitable activities:							
Support for Ministry	6.1	2,063,521	-	-	707,520	-	2,771,041
Support for Parishes	6.2	341,232	-	115,475	6,066	-	462,773
Church property	6.3	69,951	-	-	-	-	69,951
Other financial support	6.4	197,325	-	-	14,663	-	211,988
Communications	6.5	47,689	-	-	-	-	47,689
		2,719,718	-	115,475	728,249	-	3,563,442
Total expenditure		2,739,318	-	115,475	728,249	-	3,583,042
Net income		568,409	-	(115,475)	(344,653)	-	108,281
Net gains on investments	8	522,205	-	-	-	128,456	650,661
Net (outgoing)/incoming resources before transfers	8	1,090,614	-	(115,475)	(344,653)	128,456	758,942
Gross transfers between funds		(626,395)	172,461	-	453,934	-	-
Net movements in funds	15	464,219	172,461	(115,475)	109,281	128,456	758,942
Total funds brought forward at 1 January	15	4,441,004	146,431	179,867	15,662	1,194,402	5,977,366
Total funds carried forward at 31 December	15,19	4,905,223	318,892	64,392	124,943	1,322,858	6,736,308

SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249810

Accounts

Registered number: 924565
Registered as a Charity (number: 249810)

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual report for the year ended 31 December 2021

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report
for the year ended 31 December 2021

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Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2021

Chair's Report

Once again, 2021 was a year when the Church had to adapt to the legislative restrictions and concerns that COVID-19 brought. Many of our activities needed to alter to fit the environment – from "messy church in a bag" instead of in-person, to outdoor, socially-distanced Christmas Carols. Inevitably many activities were also postponed or cancelled. This meant a substantial reduction in income to parishes – and also a reduction in expenditure on building projects and mission events.

Significant financial support was again received from the Representative Body of the Church in Wales, for which we are deeply grateful. Together with diocesan reserves, this enabled us to support every area of the Diocese. But we are keenly aware that parishes have also needed to use their own financial reserves. We were able to target further financial assistance on those areas with depleted reserves and/or additional strains on their finances.

Collection of Ministry Share for 2021 was 89.7%. It was heartening to see those Ministry Areas who worked together to achieve full year-end payment, with stronger areas supporting the weaker. On a Diocesan level we continue to be grateful to the Gower Deanery for their generous continuation of the 15% precept in support of Afon Tawe, Radnor & Builth and Brecon Deaneries.

During the year, receipt of Ministry Share arrears declined to £80,242 (2020: £117,514). In addition, a pre-payment of £97,898 was received against share payments for 2022. This is attributable to the timing of assistance distribution, and cross-support within Ministry Areas. We are particularly grateful for the thoughtful consideration, the cooperative working, the willingness to share one another's burdens, and the selflessness that is being shown by the great majority of our parishes, and particularly by their Treasurers.

The work that we had hoped to progress through 2021 on our Evangelism Bid, Ministry Area Reviews and the Recovery, Reconstruction and Regeneration of the Diocese were all paused as COVID-19 restrictions fluctuated and as we awaited the appointment of a replacement for Bishop John Davies.

As we move into early 2022, we can start afresh: the remainder of COVID restrictions have now been lifted and we have welcomed our new Bishop, John Lomas, from his former post as Archdeacon of Wrexham. There is a real energy and optimism for 2022 and beyond as we resume our work on Ministry Area restructuring and begin to envision what our future Church could look like. Grant applications for building projects and mission initiatives have increased and we hope that there will be an ongoing impetus for the future.

This renewed energy, however, does not diminish or disguise the challenges ahead. The steep rise in the cost of living will affect people's spending and our costs. More particularly, as a Church we have noted declining Sunday worshipper numbers for some time. As we evolve to live alongside COVID-19, anecdotal evidence is currently reporting in the region of a 30% attendance drop compared to pre-pandemic levels. In these challenging circumstances, how do we re-position ourselves to enable re-growth in the mission and ministry of the Church, whilst releasing the unnecessary burdens that hinder us? How do we streamline our operational activities without reducing our effectiveness? We need to consider these throughout every aspect of the Church: through Ministry Areas, through Dioceses and throughout the Province.

This will be my last Report as Chair of the DBF – I shall be standing down in the next few months. It is an opportunity for me to thank most warmly present and former colleagues on the Board, and our excellent diocesan staff, for all they have done to make my time easier. Much more importantly, they need to be thanked for what they have done to ensure that the Church in this diocese has the resources it needs to do its work of constructing the highway of the Lord in the desert of our land.

Sir Paul Silk
Chair of the Swansea and Brecon Diocesan Board of Finance Limited
(Resigned 31st July 2022)

Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

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 Company'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)".

Legal and administrative details

The Swansea and Brecon Diocesan Board of Finance Limited ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The Company was incorporated as a charity limited by guarantee on 13 December 1967.

The Charity was registered with the Charity Commission on 17 April 1968 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The Company meets in general meeting twice annually. The day-to-day management of the Company is delegated to the Executive Committee, whose members are the trustees of the charity and directors of the Company for the purpose of company law.

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2020 was 7.

Our Purposes and Aims

The purposes of the charity are:

- To maintain a sustainable and transforming Christian ministry across the Diocese.
- To enable all to act justly, to love mercy and to walk humbly with God.

Our activities are inspired by a shared Diocesan Vision to become a **family, rooted in Christ** committed to **transforming lives** by:

Gathering, as God's people
Growing, more like Jesus
Going Out, in the power of the Spirit.

At the heart of our mission-shaped vision is the commitment to see lives transformed; this is therefore the fundamental purpose to which funding is directed.

The trustees/directors are aware that a diocese succeeds through the mission and ministry of its parishes, its senior clergy, and its bishop. Through striving for the highest standards of financial management the trustees/directors aim to create the conditions in which the mission and ministry of the diocese can flourish and be maximised.

Objectives and Activities for the Public Benefit

In shaping the objectives for the year and planning our activities, the trustees/directors have considered the Charity Commission guidance on public benefit.

The trustees/directors acknowledge the Charity Commission's guidance set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. The trustees refer to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the charity and planning future activities.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, 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 by doing so it provides a benefit to the public by:

- 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; and
- 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.

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2021 is indicated in note 6.4 to the financial statements.

Review of Achievements and Performance

The trustees/directors interpret their role broadly, contributing to the strategic leadership of the Diocese, balancing careful stewardship with a flexible and proactive approach.

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities

- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies

    - Contributing to the national work of the Church in Wales
    - Securing funds in support of wider Diocesan and Worldwide Mission
    - For 2021, the main objectives were:
        - To sustain Diocesan ministry by maintaining financial stability
        - To support the formation of Ministry Areas
        - Training and Support of Ordained and Lay Ministries
        - To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for Ministry Areas.
        - To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.

Monitoring Achievements

Sustaining Diocesan ministry by maintaining financial stability: The trustees/directors continue to monitor income and expenditure levels closely to maintain a balanced budget, and this is evidenced in the financial statements. They remain particularly mindful of the challenges faced by Ministry Areas and also the requirement to ensure that the Company remains financially stable and viable. The impact of the COVID-19 pandemic continued to present challenges in 2021. Normal activity in Ministry Areas was limited due to national restrictions on movement and public gatherings. While the costs of Ministry remained consistent with previous years, the ability of Ministry Areas to generate funding was severely restricted and this reduced the income collected from Ministry Share. The trustees/directors are grateful for the financial support from the Representative Body of the Church in Wales (RBCIW) which provided additional grant funding of £778,665 (2020: £788,881) to help meet the costs of Ministry in the year.

The Company's investment portfolio benefited from the positive performance of global stock markets during the year. By the end of the year investment portfolio values had recovered to exceed pre-pandemic levels and the value of investments was £5,634,059 (2020: £5,027,416)

As a result of the financial support and the recovery of investment portfolio values by the end of the year, the financial statements show an increase in the value of total net assets of over 12% to £6,736,308 (2020: £5,977,366).

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

Supporting the formation of Ministry Areas: The trustees/directors continue to provide support to Ministry Areas through the allocation of key personnel to facilitate the internal review process and provision of resources for growth.

Training and Support of Ordained and Lay Ministries: In collaboration with St Padarn's, the trustees/directors are pleased to be able to continue to support and train candidates for stipendiary and non-stipendiary ministry, alongside a programme of lay ministerial training.

During 2021, our lay training was severely impacted by the restrictions imposed as a result of the COVID-19 pandemic, nevertheless our programme supported:

1 individual trained and commissioned as Lay Pastoral Visitors (2020 – 13)
13 individuals trained and commissioned as Lay Worship Leaders (2020 – 24)

To provide advice and support for parishes in all aspects of their activities, specifically in their preparation for Ministry Areas: The trustees/directors continue to endorse the ongoing provision of practical and financial support to the Parishes across the Diocese through the provision of advice and support in managing and maintaining buildings, access to grant funding and the availability of a network of support staff in key areas.

***To continue to support a Diocesan Mission Fund to provide funding for projects which aim to reflect the Diocesan Vision*:** The trustees/directors again budgeted a significant fund for mission projects and were pleased to award grants to the value of £15,789 (2020: £40,616).

Financial Review

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of Ministry within the Diocese which accounted for approximately 69% (2020: 72%) of unrestricted expenditure for 2021.

Income

The Company's major income sources and receipts were affected by the impact of the COVID-19 pandemic in 2021. Total incoming resources of £3,691,323 (2020: £3,769,597) included £1,680,664 (2020: £1,800,865) collectable ministry share, £615,270 (2020: £850,663) in the form of the RBCIW annual block grant, £778,665 (2020: £788,881) COVID-19 financial support grants from the RBCIW and investment income of £124,100 (2020: £127,208).

Expenditure

Total resources expended were £3,583,042 (2020: £3,654,945).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £2,599,048 (2020: £2,614,736). With the exception of Parsonage Board expenditure, support for ministry costs £1,907,408 (2020: £2,234,974) showed a significant reduction in comparison with 2020. The main contributor to the reduction in costs was the decision by the RBCIW to end the recharging of Clergy Pension costs from 1st July 2021. It is estimated this reduced support for ministry costs by approximately £235,000 during the year. The cost of maintaining Parsonage Board properties increased to £691,460 (2020: £379,762). The major contributory factor was an increase in the number and scale of major renovation projects compared to the previous year.

Support for Parishes expenditure reduced slightly to £433,489 (2020: £444,155). Evangelism and Outreach costs increased as the Bishop's Officer for this sector appointed in August 2020 was in post for the whole year. Brecon Diocesan Centre costs were lower at £29,591 (2019: £37,067) with building repair and maintenance activity being reduced. The costs of the Eastmoor Resource Centre were also lower in 2021 at £12,900 (2020: £29,832). 2020 costs were exceptionally high due to installation of a new boiler. There was also a reduction in payroll costs in 2021 with the Eastmoor Administrative Officer resigning in January 2021 and the position not filled being during the year.

Church property costs increased slightly to £62,351 (2020 £58,307) mainly as a result of an increase in allocated Support Costs.

Other financial support costs were lower in 2021 at £210,303 (2020: £237,066) reflecting a reduction in applications to the Diocesan Mission Grant Fund.

Other Resources costs decreased to £150,353 (2020 £179,909). The increased provision for unpaid ministry share that was introduced in 2020 to reflect the financial challenges and uncertainties associated with the COVID -19 pandemic was retained with 100% of unpaid ministry share in the year being provided for. Ministry share write offs formed part of agreements by which Benefices agreed to pay a portion of their outstanding arrears.

Support Costs – Management and Administration

Management and administration support costs (see note 6.6) increased by 6% to £332,248 (2020; £314,411). The small rise in salaries and associated costs result from "step" increases awarded to reflect increased experience in the role and no general salary increases were awarded during the year. Staff and office costs increased in 2021 following the completion of essential repair and improvement work at the Eastmoor Resource Centre.

Support costs are allocated across the statement of financial activities headings as shown in note 6.6.

Designated Funds

An unrestricted designated repair fund of £200,000 was established in 2015 to provide a fund to meet the costs of renovating and repairing the Diocesan Centre building and the temporary relocation of staff during the period of renovations. In 2019 £53,569 was allocated from this fund. No charges were made against this fund in 2021 and the balance at the year remained at £146,431.

Restricted Funds

Total funding of £115,475 was transferred from the restricted ministry area transformation fund during 2021 (2020: £150,347) and used to meet Children, Youth and Family Ministry costs and Ministry Area Development costs.

Two new restricted designated funds were established during the year.

The Regeneration Fund was established to provide funding to assist Ministry Areas in recovery, reconstruction, and regeneration subsequent to the lifting of COVID 19 restrictions on activities. £109,886 was transferred into this Fund during the year being the unallocated funds COVID-19 support funding from 2021.

The Ministry Share Assistance provides funds earmarked for assisting Benefices and Ministry Areas in meeting their annual Ministry Share allocations where unforeseen circumstances impact on their ability to pay. £62,575 was transferred into this Fund during the year being the unallocated funds COVID-19 support funding from 2020.

Parsonage

The restricted income fund relating to the activities of the Parsonage Board shows a surplus balance of £26,100 at the year-end (2020: surplus £101). Approved additional funding for long-term renovation works in designated key properties that became vacant due to clerical turnover increased to £149,509 (2020: £55,336) reflecting the increased number and scale of major renovation projects compared to the previous year.

Net Income

Net income before other recognised gains/(losses) on unrestricted funds shows a surplus of £122,030 (2020: surplus £210,747).

The Company does not plan or budget with the intention of reporting significant deficits or surpluses. As in 2020 the COVID-9 pandemic severely impacted many areas of activity during the year, and this is reflected in financial results.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

The Board notes that the reported surplus was achieved only by virtue of the £778,665 COVID-19 related financial support provided by the RBCIW and realised gains on the sales of investments of £180,016. If this income is removed from the results, the Company accounts would show a deficit of £836,651 for the year.

Investments

Total net realised and unrealised gains on investments during the year were £650,661 (2020: loss £40,132). 2021 was generally a positive year for global financial markets as they recovered from the impact of COVID-19 and during the course of the year the value of the Company's investments increased correspondingly. The trustees/directors are pleased with the position as at the 31st December and are satisfied that the investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee. They do however, remain aware of the risk of further market volatility in the short to medium term future.

Overall, the financial position of the Diocese on 31st December 2021 is considered to be satisfactory.

Investment Policy and Performance

The Executive Committee, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to the Investment Sub-Committee in conjunction with the Company's appointed Investment Managers, Brewin Dolphin Limited.

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of income. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured during the year to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

The current investment policy permits distribution of a proportion of profit from capital gains to contribute towards the target cash distribution of 3% of the portfolio value at the commencement of each financial year.

After the initial disruption in 2020 the impact of COVID-19 on the investment income receivable by the Company has not been as severe as was originally expected, despite the portfolio of investments being restructured during the year to meet the requirements of the RBCIW Ethical Investment Policy. The amendment to the investment policy in 2020 to permit distribution of a proportion of profit from capital gains has been effective in enabling the Company investment portfolio to continue to generate cash distributions equal to 3% of portfolio value at the commencement of each financial year without any increase in the investment portfolio's risk profile.

COVID -19

As in 2020 COVID-19 has had a significant financial and non-financial impact on the Company in 2021.

In the financial terms the main challenge that has continued to confront the Company is a reduction in collectable Ministry Share. A number of initiatives undertaken in 2020 to mitigate the impact on ministry share collection were continued in 2021: -

- For a second year the Company has worked with the RBCIW and Ministry Areas in the Diocese to implement a financial support programme to assist in meeting the costs of ministry in the Diocese. The Ministry Share contribution that Benefices were asked to pay to the Company were reduced for the year. The shortfall between the costs of ministry and the funding received from the Benefices was met by financial support grants of £778,665 (2020: £788,881) received from the RBCIW and internal funding from the Company's reserves.
- The Company's senior management team reviewed the 2021 budgets to identify costs that can be removed, reduced, or deferred to a later date.
- Where measures introduced by the Government to curtail the spread of the COVID-19 virus meant that employees were unable to fulfil their work duties the employees affected were furloughed and a claim for financial support made under the Coronavirus Job Retention Scheme.
- The Company has worked with Ministry Areas to provide guidance and encouragement with fund-raising and achieving long term financial sustainability.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

As described above after the initial disruption in 2020 the impact of COVID-19 on the investment income receivable by the Company has not been as severe as was originally expected.

It is recognised that many of the challenges associated with the impact of the COVID-19 pandemic in 2020 and 2021 will continue to impact on the activities of the Company and related Diocesan organisations and that further financial support from the RBCIW will not be available. To mitigate the financial risks going forward the Company:-

- Has prepared budgets for 2022 that reflect the challenges for the collection of ministry share that collection trends in 2020 and 2021 suggest will be experienced.
- Is monitoring the financial impact on reserves of expenditure being excess of income in 2022 and of such a trend potentially continuing in the short-term future.
- Has established a budget working group, comprising members of the Company Executive to review the current budget process and report to the Executive on its effectiveness with any recommended alterations.
- Will form a budget review group comprising the Company Chair, the Standing Committee Chair, the Bishop, the Diocesan Secretary and other members, to review expenditure and identify funding priorities.
- Continues to work with Ministry Areas to assist them in their efforts to minimise the impact of the loss of income resulting from COVID-19 related restrictions.
- Has advised the Company's Investment Managers that a drawdown of funds from the Company's investment portfolio may be required in the short to medium term and identified the basis on which any drawdown of funds can be made without causing undue disruption to the risk profile of the Company's investment portfolio.

Block Grant

The RBCIW funded a block grant to the Company of £615,270 in 2021 (2020 £850,663), representing approximately 14% of total income (2020 23%).

The Block Grant is awarded on a Quarterly Basis. During the first half of 2021 the RBCIW advised that it would reduce the value of the Block Grant for the second half of 2021 by the value of the Clergy pension contributions paid by the RBCIW on behalf of the Company in the first half of 2021. The RBCIW also confirmed that it would not recharge the costs of clergy pension contributions to the Company in second half of 2021.

It is expected that the block grant will continue to be awarded on same basis as the second half of 2021 in 2022; however there is no certainty that the level of this grant will be maintained.

Reserves Policy

The reserves policy states that funds equivalent to at least 9 months of operating expenditure should be held as reserve.

At 31 December 2021, the balance held in unrestricted funds was £4,905,223, which includes unrealised gains on the value of investments amounting to £1,227,508. This figure represents the equivalent of 16 months operating expenditure at 2021 levels.

The trustees are aware that the current level of reserves is materially above the reserves policy. The increase in reserves during the year were the results of circumstances beyond the immediate control of the trustees namely the COVID-19 related financial support provided by the RBCIW and the increase in the value of investments. Without the benefit of the financial support provided by the RBCIW and the increase in the value of the investments the Company would be reporting a deficit net movement of unrestricted funds of £664,190 for the year. The trustees expect that financial conditions to be challenging in the short to medium term future and are therefore comfortable with the current level of reserves as it is expected they will be required to finance net spending in 2022.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

Plans for the Future.

For 2022, the main objectives are:

- To sustain Diocesan Ministry by maintaining financial stability without the benefit of the COVID-19 related financial support provided by the RBCIW in 2020 and 2021.
- To actively support the transition to Ministry Areas
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for, and transition to, Ministry Areas.
- To continue to monitor the allocation of Ministry Share apportionment to ensure it is equitable and considers the requirements of all stakeholders,
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

There remains the potential for COVID -19 to continue to impact on the ability and opportunities to progress the objectives above. However the Diocese remains committed to progressing all these initiatives where this is practical and possible.

Structure, Governance and Management

Membership – Composition
Members of the Company are appointed for a three-year term, and there are four categories of membership as set out in the memorandum and articles of association:

- ex officio members, which include the Bishop of the Diocese, senior clergy, and Diocesan officers.
- up to ten members nominated by the Bishop.
- up to ten members co-opted by the Company.
- elected members - one cleric and two lay members elected by each Area Deanery Conference

Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee. The Executive Committee shall not exceed 15 members. Every effort is made to ensure that those elected to serve have skills and experience appropriate to the needs and responsibilities of the Committee.

Other Committees

The Constitution of the Church in Wales states that there shall be established in each Diocese, a Parsonage Board and a Churches and Pastoral Committee. The Executive Committee has established principal sub-. committees, including the Assistance Committee, Investment Committee, Funding Committee, and a Widows, Orphans and Dependants Committee. Members of committees are appointed for a three-year term.

Parsonage Board

The Parsonage Board has responsibility for the management of diocesan parsonages, their upkeep and repair, and for buying and selling houses as appropriate. The aim of the Parsonage Board is to provide adequate and comfortable accommodation for clerics in the Diocese.

Churches and Pastoral Committee

The Committee is responsible for:

- Keeping church buildings under review in relation to pastoral need and to advise the Bishop and Diocesan Conference accordingly
- Advising on grants and loans for maintaining church property and administering the Diocesan Churches Grant Fund
- The administration of the scheme for inspection of churches and halls
- Overseeing the process required for declaring a church redundant.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

Assistance Committee

A fund is set aside to assist those Parishes who are facing financial difficulties. Application can be made for help with paying the Ministry Share and/or church insurance premiums.

Investment Committee

The Committee is responsible for setting and reviewing the strategy for the Company's investments, and for monitoring the performance of the Board's portfolio. The Committee acts for the Diocesan Trust and the Cathedral Choir Endowment as well as the Diocesan Board of Finance.

Funding Committees

The Funding Committee is responsible for considering and awarding internal grants in respect of Parish, Benefice or Ministry Area projects, and providing advice and guidance, as necessary.

Widows, Orphans and Dependants Committee

The Widows, Orphans and Dependants Committee is funded by personal donations from those who, in gratitude for the dedicated service given by clerics, wish to make sure that no clergy widow or dependant should find themselves in financial need.

The Committee is also able to offer assistance in particular circumstances, and it is a sincere intention that no clergy widow, widower dependant or orphan should find themselves in any situation of financial need.

Induction and Training of Trustees

The Charity Commission guidance has been adopted as a training resource for all trustees and is a standard agenda item. Induction for new trustees is currently on an informal basis. A planned and structured induction programme was developed during 2020. Trustees are also encouraged to attend appropriate training seminars of which details are circulated.

Risk Management

The Company has a risk management system to identify and assess significant risks and to put in place appropriate mitigating procedures. The Diocesan Audit Committee is charged with reviewing the effectiveness and robustness of these systems and reporting thereon to the Executive Committee. Apart from the impact of general economic conditions, the principal risks to which the Company is exposed are the financial and socio-economic effects of the COVID-19 pandemic and the effect of changes in equity prices and interest rates.

The steps the Company has taken to mitigate the impact of the COVID-19 pandemic are set out under the COVID-19 heading earlier in this Report. Investment performance risk is managed by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short-term deposits.

The risk of any non-collection of ministry share is regularly considered by the Executive Committee and is included on the risk register. A provision for doubtful debts has been made and is included in the financial statements.

Pay policy for senior staff

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.

The remuneration of the key management personnel is set in line with the Diocesan Pay and Grading Structure.

The key management personnel of the Company are the Diocesan Secretary and the Finance Officer.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

Key performance indicators

The trustees/directors consider the key performance indicators to be the parish share collection, net incoming/(outgoing) resources for the financial year, the level of unrestricted reserves held, and the number of clergies in post within the Diocese:

	2021	2020
Ministry Share Collection	**89.7%**	91.6%
Net income/(expenditure) for the year on unrestricted funds before unrealised gains	**122,030**	210,747
Value of unrestricted reserves	**4,905,223**	4,441,004
Clergy positions:		
Stipendiary	**50**	51
Non-stipendiary	**17**	17
House for duty	**1**	1

Charity Commission Annual Return

During the year an error was identified in a figure reported on the 2019 Charity Commission Annual Return whereby net gains on investments of £492,164 were recorded under the heading actuarial gains/(losses) on defined benefit pension schemes., The trustees/directors requested a reset of the Annual Return to correct the misclassification. As the reset of data was after the submission deadline (31/10/2020), it resulted in the Annual Return for year end 2019 showing as a late submission.

Reference and administrative details

The full name of the Company is Swansea and Brecon Diocesan Board of Finance Limited.

The Swansea and Brecon Diocesan Board of Finance Limited (the Company) is a multi-faceted structure. It is:

- A registered charity (No. 249810)
- A company limited by guarantee (No. 924565)
- A Board of Finance established under the Constitution of the Church in Wales.

Details of the trustees and directors (trustees/directors) who served during the year, secretary, registered office, registered auditors, principal bankers, and stockbrokers are set out below.

Board of Trustees/Directors

The Ven Jonathan Byron Davies
The Most Revd John David Edward Davies (ex President) (resigned 2nd May 2021)
The Ven Alan Neil Jevons
Sonia Jones
Sir Andrew McLeod Brooks Large
Gwynfor Lewis, FCA
The Right John Derrick Percy Lomas (President) (appointed 24th February 2022)
The Very Revd Albert Paul Shackerley
Sir Paul Silk (ex Chairman) (resigned 31st July 2022)

Consultants

The Ven Alfred James Randolph Thomas

Company Secretary

Louise Anne Pearson

Registered Office

Diocesan Centre, Cathedral Close, Brecon, Powys, LD3 9DP.

Independent Auditors

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

Principal Bankers

HSBC, Portland Street Branch, Swansea, SA1 3DF.

Investment Managers

Brewin Dolphin Limited, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT.

Trustees' and Directors' report for the year ended 31 December 2021 (Continued)

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees (who are also directors of the Swansea and Brecon Diocesan Board of Finance Limited 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- 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.

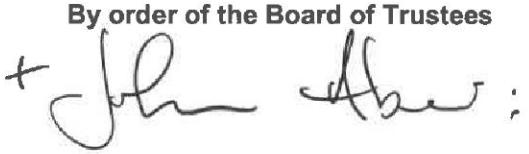
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

By order of the Board of Trustees



The Right Reverend John Lomas
Trustee

Date: 13/09/2022

Swansea and Brecon Diocesan Board of Finance Limited (The)

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 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 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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services

22-9-2022

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
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 of section 1212 of the Companies Act 2006.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2021 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income Funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£	£	£
Income from:													
Donations and legacies	5.1	**3,199,815**	-	-	**98,110**	**3,000**	**3,300,925**	3,534,334	-	-	23,783	5,977	3,564,094
Charitable activities	5.2	**13,780**	-	-	**61,960**	-	**75,740**	10,651	-	-	44,154	-	54,805
Investments	5.3	**94,132**	-	-	-	**29,968**	**124,100**	104,448	-	-	19	22,741	127,208
Other income	5.4	-	-	-	**190,558**	-	**190,558**	-	-	-	23,490	-	23,490
Total income		**3,307,727**	-	-	**350,628**	**32,968**	**3,691,323**	3,649,433	-	-	91,446	28,718	3,769,597
Expenditure:													
Raising funds:													
Investment management costs		**19,600**	-	-	-	-	**19,600**	17,860	-	-	-	-	17,860
		19,600	-	-	-	-	**19,600**	17,860	-	-	-	-	17,860
Charitable activities:													
Support for Ministry	6.1	**1,891,528**	-	-	**691,460**	**16,060**	**2,599,048**	2,218,916	-	-	379,762	16,058	2,614,736
Support for Parishes	6.2	**311,948**	-	**115,475**	**6,066**	-	**433,489**	284,246	-	150,346	9,536	27	444,155
Church property	6.3	**62,531**	-	-	-	-	**62,531**	58,307	-	-	-	-	58,307
Other financial support	6.4	**195,640**	-	-	**7,538**	**7,125**	**210,303**	217,297	-	-	6,939	12,830	237,066
Communications	6.5	**39,828**	-	-	-	-	**39,828**	41,885	-	-	211	-	42,096
Governance costs	6.7	**67,890**	-	-	-	-	**67,890**	60,816	-	-	-	-	60,816
Other resources expended	8	**150,353**	-	-	-	-	**150,353**	179,909	-	-	-	-	179,909
		2,719,718	-	**115,475**	**705,064**	**23,185**	**3,563,442**	3,061,376	-	150,346	396,448	28,915	3,637,085
Total expenditure		**2,739,318**	-	**115,475**	**705,064**	**23,185**	**3,583,042**	3,079,236	-	150,346	396,448	28,915	3,654,945
Net income/(expenditure) carried forward		**568,409**	-	**(115,475)**	**(354,436)**	**9,783**	**108,281**	570,197	-	(150,346)	(305,002)	(197)	114,652

Statement of Financial Activities for the year ended 31 December 2021 (including income and expenditure account) (continued)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£	£	£
Net income/expenditure brought forward		**568,409**	**-**	**(115,475)**	**(354,436)**	**9,783**	**108,281**	570,197	-	(150,346)	(305,002)	(197)	114,652
Gains on disposal of investments	10	**180,016**	**-**	**-**	**-**	**-**	**180,016**	39,188	-	-	-	-	39,188
Net income / (expenditure)	9	**748,425**	**-**	**(115,475)**	**(354,436)**	**9,783**	**288,297**	609,385	-	(150,346)	(305,002)	(197)	153,840
Transfers between funds													
Transfers to/from Restricted funds		**(626,395)**	**-**	**-**	**626,395**	**-**	**-**	(398,638)	-	-	398,638	-	-
Net income/(expenditure) before other recognised gains and losses	16	**122,030**	**-**	**(115,475)**	**271,959**	**9,783**	**288,297**	210,747	-	(150,346)	93,636	(197)	153,840
Other recognised gains/(losses)													
Gains/(losses) on revaluation of investments	16	**342,189**	**-**	**-**	**-**	**128,456**	**470,645**	(97,456)	-	-	-	18,136	(79,320)
Net movements in funds for the year		**464,219**	**-**	**(115,475)**	**271,959**	**138,239**	**758,942**	113,291	-	(150,346)	93,636	17,939	74,520
Reconciliation of funds													
Total funds brought forward at 1 January	16	**4,441,004**	**146,431**	**179,867**	**15,662**	**1,194,402**	**5,977,366**	4,327,713	146,431	330,213	(77,974)	1,176,463	5,902,846
Total funds carried forward at 31 December	**16,20**	**4,905,223**	**146,431**	**64,392**	**287,621**	**1,332,641**	**6,736,308**	4,441,004	146,431	179,867	15,662	1,194,402	5,977,366

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2021

	Note	2021	2020
		£	£
Fixed Assets			
Investments	10	**5,634,059**	5,027,416
Long Term Loans	11	**335,000**	335,000
		5,969,059	5,362,416
Current Assets			
Debtors: due within one year	12	**364,634**	130,405
Cash at bank and in hand	13	**1,247,414**	1,432,278
Total current assets		**1,612,048**	1,562,683
Liabilities			
Creditors falling due within one year	14	**(509,799)**	(612,733)
Net current assets		**1,102,249**	949,950
Total assets less current liabilities			
Creditors falling due after more than one year	15	**(335,000)**	(335,000)
Net assets		**6,736,308**	5,977,366
The funds of the charity			
Unrestricted Funds	16	**4,905,223**	4,441,004
Designated Funds	16	**146,431**	146,431
Total unrestricted funds		**5,051,654**	4,587,435
Restricted funds			
Ministry Area Transformation Fund	16	**64,392**	179,867
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	16	**287,621**	15,662
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	16	**1,332,641**	1,194,402
Total restricted funds		**1,684,654**	1,389,931
Total Charity funds		**6,736,308**	5,977,366

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 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements 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 Right Reverend John Lomas
Trustee

Date: 13/09/2022

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2021

	2021	2020
	£	£
Net cash flows from operating activities	**(333,382)**	323,851
Net cash flows generated from investing activities		
Dividend and interest from investments	**124,100**	127,208
Purchase of investments	**(1,169,307)**	(1,501,807)
Proceeds from sale of investments	**1,244,037**	1,555,809
Investment Management Fees	**(19,600)**	(17,860)
Net (increase) in cash balances held by Investment Managers	**(30,712)**	(43,296)
Net cash provided by / (used in) investing activities	**148,518**	120,054
Cash flow from financing activities		
Repayments of loans receivable	**-**	15,000
Repayments of loans repayable	**-**	(15,000)
Net cash provided by/ (used in) generated by financing activities	**-**	-
Change in cash and cash equivalents in the year	**(184,864)**	443,915
Cash and cash equivalents at the beginning of the reporting period	**1,432,278**	988,363
Cash and cash equivalents at the end of the reporting period	**1,247,414**	1,432,278
Reconciliation of net income to net cash flow generated from operating activities		
Net Income for the reporting period (as per statement of financial activities)	**288,297**	153,840
(Increase)/Decrease in debtors	**(234,229)**	134,166
Increase/(Decrease) in creditors	**(102,934)**	184,392
Realised Gain on investments	**(180,016)**	(39,189)
Dividends and Interest from investments	**(124,100)**	(127,208)
Investment management fees	**19,600**	17,860
Net cash flows generated from operating activities	(333,382)	323,861

Notes to the financial statements for the year ended 31 December 2021

1 Principal accounting policies

Charity Information
Swansea and Brecon Diocesan Board of Finance Limited is a private company limited by guarantee incorporated in England in Wales. The registered office is The Diocesan Centre, Cathedral Close, Brecon, Powys, Wales, LD3 9DP

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Accounting convention

The financial statements have been prepared in accordance 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The principal accounting policies adopted are set out below.

b) Preparation of the financial statements on a going concern basis

After making appropriate enquiries, the trustees are of the view that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all the following criteria are met:

- the Company has entitlement to the funds.
- any performance conditions attached to the items of income have been met or are fully within the control of the Company.
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity 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 Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Notes to the financial statements for the year ended 31 December 2021 (continued)

d) Block Grant

A block grant is provided to the Company by the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The provision of a block grant has enabled certain additional outgoings by the Company to be financed. The block grant is credited to the Statement of Financial Activities in the year to which it relates.

e) Donated services and facilities

Donated services or facilities are recognised as income when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Company. Designated funds are unrestricted funds of the Company which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Company's work or for specific projects being undertaken by the Company.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the costs of supporting the ministry, support for parishes, and other financial support costs to further the purpose of the Company.
- Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activities. Support costs include salary and related expenditure that support the Company's activities. These costs have been allocated between activity headings based on time spent.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Notes to the financial statements for the year ended 31 December 2021 (continued)

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

l) Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their market value.

n) Fixed asset investments

Fixed asset investments, (including those investments held in the Restricted Capital, Endowment Funds), are stated at market value or at Trustees/directors best estimate of market value at the balance sheet date, with gains or losses on revaluation being included in the Statement of Financial Activities.

o) Employee benefits

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.

p) Pension contributions

Contributions are made to defined contribution (money purchase) pension arrangements in respect of certain employees of the company. The assets of the money purchase pension arrangements are held separately from those of the company in independently administered funds. The defined contributions to the money purchase pension arrangements are charged to the Statement of Financial Activities as incurred.

An amount for clergy pension contributions is recharged to the Company from the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The amount charged to the company for clergy pension contributions is included within the charge for stipends and allowances. This is included in the heading of Support for Ministry in the Statement of Financial Activities. The total amount of stipends and allowances is charged to the Statement of Financial Activities as incurred. Since 2008 a Block grant provided by the RBCIW has enabled the clergy pension contributions charge to be financed.

q) Taxation

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

r) Concessionary loans

Concessionary loans received from the Representative Body Church in Wales and payable to clergy are initially recognised at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayment, and any accrued interest and adjusted, if necessary, for impairment.

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. 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.

3 Critical accounting estimates and judgements

In the application of the Company'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.

4 Turnover

The Company does not undertake trading on its own account. The activity of the Company is the management of such finances of the Diocese of Swansea and Brecon as are vested in or are payable to the company.

5 Income

		Total Funds 2021	Total Funds 2020
5.1	**Donations and legacies**	**£**	£
	Ministry Share assessed by the DBF	**1,680,664**	1,800,865
	Contributions from the Representative Body:		
	Block Grant	**615,270**	850,663
	COVID-19 Financial Support	**778,665**	788,881
	Church Improvement Grant	**37,500**	22,500
	Church Improvement Grant – Historic Sales Fund	**39,000**	-
	Diocesan Advisory Committee	**8,333**	8,333
	Widows, Orphans and Dependents Grant	**4,300**	2,740
	Parsonage Improvement Interest (restricted fund see note 17)	**388**	1,283
	Grants and Donations received:		
	Eastmoor Trust	**62,958**	32,169
	Allchurches Trust	**19,925**	19,925
	Isla Johnson Trust	**3,000**	3,000
	Diocesan Trust	**33,929**	33,248
	Parsonage Repair Grants (restricted fund see note 17)	**16,685**	-
	Widows, Orphans & Dependents	**237**	237
	Other Grants and Donations	**71**	250
		3,300,925	3,564,094

Grants received for church improvement of £76,500 (2020: £22,500). for parsonage repair of £16,685 (2020: £Nil), parsonage improvement fund interest of £388 (2020: £1,283), and Widows Orphans and Dependents Support £4,537.50 (£2,978) are credited to the restricted income funds.

Grants received for educational purposes and training of clergy £3,000 (2020: £3,000) are credited to the restricted capital endowment income funds

All other income is credited to unrestricted funds.

		Total Funds 2021	Total Funds 2020
5.2	**Charitable Activities**	**£**	£
	Resource Centres – Administrative Services		
	Eastmoor Resource Centre, Swansea	**-**	597
	Diocesan Centre, Brecon	**1,502**	473
	Resource Centres - Room Lettings		
	Eastmoor Resource Centre, Swansea	**-**	-
	Diocesan Centre, Brecon	**-**	22
	Parsonage Rental Income (restricted fund - see note 17)	**61,960**	42,886
	Contribution from Parishes	**4,948**	5,187
	Contributions from Diocesan organisations	**2,890**	2,640
	Marriage Licence Fees	**4,440**	3,000
		75,740	54,805

Incoming resources from Charitable Activities includes Parsonage Rental Income of £61,960 (2020: £42,886) and Contributions from Parishes towards expenditure on parsonages £Nil (2020: £1,267) which are credited to a restricted income fund.

		Total Funds 2021	Total Funds 2020
		£	£
5.3	**Investments:**		
	Fixed Asset Investments and Banks		
	Income from fixed asset investments - listed	**91,797**	102,039
	Income from Representative Body Common Investment Fund Units	**1,180**	911
	Bank and money market interest	**67**	397
	Other interest	**385**	533
	Income from Investment of Bequests		
	(£19 (2020: £19) restricted fund - see note 17)	**30,671**	23,328
		124,100	127,208

Incoming resources from investment of bequests amounting to £Nil (2020: £19) is credited to the Parsonage restricted income fund whilst £29,968 (2020: £22,741) is credited to Restricted Capital Endowment Funds.

		Total Funds 2021	Total Funds 2020
5.4	**Other Income**	**£**	£
	Insurance Claims - restricted	**184,492**	13,438
	Job Retention Scheme Grant - restricted	**6,066**	10,052
		190,558	23,490

6 Expenditure

		Total Funds 2021	Total Funds 2020
6.1	**Support for Ministry**	**£**	£
	Stipends & Fees		
	Stipends and allowances	**1,609,778**	1,956,550
	Vacancy fees	**1,381**	3,605
	Council Tax	**129,366**	121,994
	Parsonages		
	Maintenance of Parsonages (restricted fund see note 17)	**635,014**	322,989
	Insurance of Parsonage Houses	**13,831**	13,403
	Custodians' expenses	**9,378**	5,455
	Clergy Expenses		
	Archdeacons' expenses	**5,181**	4,582
	Area Deans' expenses	**157**	583
	Removal and disturbance allowances	**19,291**	15,364
	Travel and other expenses	**3,966**	127
	Training		
	Ordinands	**8,052**	11,242
	Continuing Ministerial Education	**3,855**	7,164
	Readers	**380**	204
	Support Costs		
	General Fund (see note 6.6)	**102,972**	94,701
	Restricted Parsonage Fund	**56,446**	56,773
		2,599,048	2,614,736

Of the above costs, costs for the maintenance of parsonages of £635,014(2020: £322,989) and support costs of £56,446 (2020: £56,773) are charged to the restricted income fund. Further costs of £16,060 (2020: £16,058) are funded by Legacy income and are charged to Restricted Capital Endowment Funds.

		Total Funds 2021	Total Funds 2020
6.2	**Support for Parishes**	**£**	£
	Sector Ministries		
	Rural Life Ministry	**16,187**	18,508
	Social Responsibility	**21,215**	21,004
	World Mission	**134**	45
	Christian Deliverance	**-**	35
	Spirituality	**78**	-
	Older People	**996**	1,869
	Eco Church	**116**	87
	Intercession	**72**	-
	Evangelism and Outreach	**20,454**	13,221
	Statutory Education	**42,286**	40,820
	Children, Youth and Family	**144,054**	141,481
	Diocesan Expenses		
	Ministry Area Development Support	**48,355**	47,739
	Safeguarding	**-**	19
	Diocesan Archivist	**200**	200
	Eastmoor Centre	**12,900**	29,832
	Diocesan Centre	**29,591**	37,067
	Support Costs (see note 6.6)	**96,851**	92,228
		433,489	444,155

Of the above costs £115,475 (2020: £150,346) is funded by the Transformation Fund, £6,066 is funded by Job Retention Scheme grants (2020: £9,536) and £Nil (2020: £27) is funded by legacy income and is charged to Restricted Capital Endowment Funds.

		Total Funds 2021	Total Funds 2020
6.3	**Church Property**	**£**	£
	Inspections of Churches and Halls	**9,548**	10,862
	Diocesan Advisory Committee expenses	**16,067**	14,220
	Churches and Pastoral Committee expenses	**1,606**	1,349
	Support Costs (see note 6.6)	**35,310**	31,876
		62,531	58,307

		Total Funds 2021	Total Funds 2020
6.4	**Other Financial Support**	**£**	£
	Diocesan Bodies		
	Bishop's Fund	**12,000**	12,000
	Brecon Cathedral Grant	**41,190**	41,190
	Diocesan Mission Fund	**15,789**	40,616
	Church Repair Grants	**14,290**	30,250
	Representative Body - Emergency Repairs Fund	**16,667**	16,667
	Parish Assistance Fund	**20,125**	10,000
	Social Responsibility Grants	**35,357**	35,008
	Widows Orphans & Dependants Grants	**11,663**	12,830
	Curate Support Grant to Parishes	**7,500**	4,500
	Retired Clergy	**209**	153
	Anglican, Ecumenical, and other bodies		
	World Mission Grants	**21,500**	20,000
	Llangasty Retreat House Grant	**5,000**	5,000
	Other Grants	**1,000**	1,000
	Support Costs (see note 6.6)	**8,013**	7,852
		210,303	237,066

Of the above costs £3,000 (2020: £6,939) is funded by the restricted income Church Improvement Fund, and £11,663 (2020: £12,830) is funded by endowment income and is charged to Restricted Capital Endowment Funds.

Material grants in the context of total expenditure are: -

	2021 £	2020 £
Faith in Families (Social Responsibility Grants)	**56,572**	56,012
Brecon Cathedral	**41,190**	41,190
Representative Body - Emergency Repairs Fund	**16,667**	16,667
Mission Fund – St Thomas Swansea, Student Pastor	**-**	15,000
Bishop of Swansea & Brecon Fund	**12,000**	12,000

		Total Funds 2021	Total Funds 2020
6.5	**Communications**	**£**	£
	Communications and Media	**1,550**	3,655
	Newsletters and Diocesan Publications	**874**	-
	Support Costs (see note 6.6)	**37,404**	38,441
		39,828	42,096

6.6 Support Costs - Management and Administration	Total Funds 2021 £	Total Funds 2020 £
Salaries including pensions and pension scheme contributions (see note 7.1)	**279,898**	269,744
Staff and Office expenses	**52,350**	44,667
	332,248	314,411

Total support costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2021 £	Total Funds 2020 £
Support for Ministry	**102,972**	94,701
Support for Parishes	**96,851**	92,228
Church Property	**35,310**	31,876
Other Financial Support	**8,013**	7,852
Communication	**37,404**	38,440
Governance Costs	**51,698**	49,314
	332,248	314,411

Other than for support costs which are specific to the activities shown, the support costs, including salaries and related costs, are allocated to activity headings based on time spent.

6.7 Governance Costs

	Total Funds 2021 £	Total Funds 2020 £
Staff and Administrative Costs (see note 6.6)	**51,698**	49,314
Company expenses	**13**	48
Audit fees	**10,092**	10,273
Diocesan Conference and Standing Committee	**141**	157
Governing Body Meeting expenses	**5,946**	1,024
	67,890	60,816

7 Analysis of staff costs and trustees' remuneration and expenses

		Total Funds 2021 £	Total Funds 2020 £
7.1	**Salaries including pensions and pension scheme contributions**		
	Salaries	**465,462**	459,442
	Social security costs	**38,196**	35,595
	Pensions	**5,029**	4,984
	Pension scheme defined contributions (see below)	**63,366**	60,000
		572,053	560,021

Total salaries and related costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2021 £	Total Funds 2020 £
Support costs (see note 6.6)	**279,898**	269,744
Support for Parishes:		
Diocesan Officers	**207,160**	195,871
Resource Centre Staff	**21,913**	30,954
Diocesan Archivist	**200**	200
Church Property:		
DAC Secretary	**15,230**	14,162
Parsonage Board	**47,652**	49,090
	572,053	560,021

Pension scheme defined contributions are made in respect of certain employees of the charity. The contributions are payable by the company to funds, the assets of which are held separately from those of the company.

No employees earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2021 (2020: nil).

The average weekly number of persons employed during the year was 19 (2020: 19).

7.2 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 the Finance Officer.

The total amount of employee benefits (including salaries) received by the key management personnel in 2021 was £122,361 (2020: £119,054).

None of the key management personnel (2020: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

The table below sets out the number of key management personnel whose total employee benefits (excluding employer pension costs) fell within the following bands:

	2021 No.	2020 No.
From £30,001 to £40,000	1	1
From £40,001 to £50,000	-	-
From £50,001 to £60,000	1	1
Total	2	2

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2021 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2020 – £nil)

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their duties. For the year ended 31 December 2021 the expenses amounted to £4,886 (2020: £3,487).

For the year ended 31 December 2021 for clergy members of the Board of Trustees stipends amount to £116,923 (2020: £116,923), national insurance contributions of £10,523 (2020: £10,582) and pension contributions £21,338 (2020: £42,677). These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Other Resources Expended

	Total Funds 2021 £	Total Funds 2020 £
Write off of uncollectable Ministry Share	50,681	-
Provision against unpaid Ministry Share	99,672	179,909
	150,353	179,909

9 Net income/(expenditure)

	2021 £	2020 £
Net income/(expenditure) is stated after charging:		
Audit fee	10,105	10,273

10 Investments

	Investments UK - listed	Fixed interest debentures & corporate bonds	Unit trust investments	Other investments	Total investments
	£	£	£	£	£
Book and market value					
At 1 January 2021	1,534,448	438,711	1,757,023	1,297,234	5,027,416
Additions	**182,353**	**228,153**	**994,582**	**30,712**	**1,435,800**
Disposals	**(578,681)**	**(90,617)**	**(810,520)**	**-**	**(1,479,818)**
Gains on disposal	**(11,170)**	**5,168**	**186,018**	**-**	**180,016**
Gains on revaluation	**295,973**	**5,017**	**34,562**	**135,093**	**470,645**
At 31 December 2021	**1,422,923**	**586,432**	**2,161,665**	**1,463,039**	**5,634,059**

Fixed asset investments are held as follows:

	2021	2020
	£	£
Held in General Unrestricted Funds		
Investment assets UK - listed	**1,422,923**	1,534,448
Fixed interest debentures and corporate bonds	**586,432**	438,711
Unit Trust investments	**2,161,665**	1,757,023
	4,171,020	3,730,182
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2020: 29,652) Representative Body Investment Fund Units	**69,424**	62,788
Brewin Dolphin Cash Deposit Account	**140,628**	109,916
General Unrestricted Funds	**210,052**	172,704
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	**641,509**	570,624
Held by the Representative Body	**602,246**	544,674
Held by the Board of Finance	**9,232**	9,232
Restricted Capital, Endowment Funds	**1,252,987**	1,124,530
Total Other Investments	**1,463,039**	1,297,234
Total investments	**5,634,059**	5,027,416

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the RBCIW. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2021 are 336,495 (2020: 336,495).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2021 are 257,227 (2020: 257,227).

The carrying value of investments held in the Restricted Capital, Endowment Funds is stated in accordance with the accounting policy in note 1 of these financial statements.

The historic cost of the above investments at 31st December 2021 was £3,744,731 (2020: £3,608,734)

11 Concessionary loans

General Unrestricted Funds	2021 £	2020 £
Loans funded by representative body:		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Funds received from the RBCIW are applied to provide loans for retired clergy housing (see Note 15). Interest is receivable by the Company and the Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment of the loans.

12 Debtors: due within one year

	2021 £	2020 £
General Unrestricted Funds		
Parish share	**922,010**	847,747
Payments in advance	**18,947**	18,750
Parochial loans	**18,843**	18,843
Bank interest and investment income	**15,951**	4,962
Miscellaneous	**29,847**	23,127
Provision for doubtful debts	**(934,224)**	(834,552)
	71,374	78,777
Restricted Funds:		
Parsonage Maintenance Fund		
Insurance claim income	**184,492**	-
Representative Body – Improvement Fund repayment	**35,313**	10,749
	219,805	10,749
Legacy and Benefactions Account and Trust Funds		
Restricted fund income receivable	**73,455**	40,779
Debtors due within one year	**364,634**	130,405

These are analysed as follows:

	2021 £	2020 £
Other debtors	**256,281**	65,914
Prepayments and accrued income	**108,353**	64,491
	364,634	130,405

13 Cash at bank and in hand

	2021	2020
	£	£
CAF Gold Account	**793,500**	574,175
Other cash balances	**453,914**	858,103
	1,247,414	1,432,278

For further analysis see note 20.

14 Creditors falling due within one year

	2021	2020
General Unrestricted Funds	£	£
Creditors Control	**3,561**	13,781
Representative Body of Church in Wales	**285,273**	317,195
Ministry Share Paid in Advance	**97,898**	157,084
Internally invested Restricted Funds	**9,232**	9,232
Quinquennial Inspections	**-**	1,730
Sundry creditors	**72,482**	73,579
	468,446	572,601
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	**4,854**	17,863
Sundry creditors	**36,499**	22,269
	41,353	40,132
Creditors falling due within one year	**509,799**	612,733

	2021	2020
These are analysed as follows:	£	£
Trade creditors	**293,688**	350,570
Other creditors and accruals	**216,111**	262,163
	509,799	612,733

15 Creditors falling due after more than one year

	2021	2020
	£	£
General Unrestricted Funds		
Loans from the RBCIW		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	35,000
	335,000	335,000

Loans received from the RBCIW are applied to fund loans for Retired clergy housing and general support (see Note 11). Interest at 1.1% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

16 Accumulated Fund balances

	Accumulated fund balances at 1 January 2021	Net incoming resources for the year (see below)	Gains/ (losses) arising on revaluation of fixed asset investments (see below)	Accumulated Fund balances at 31 December 2021
	£	£	£	£
General Unrestricted Income Funds				
General Fund Reserve	4,441,004	**122,030**	**342,189**	**4,905,223**
Designated Repair Fund	146,431	-	-	**146,431**
Restricted Funds				
Ministry Area Transformation Fund	179,867	**(115,475)**	-	**64,392**
Parsonage Maintenance Fund	101	**25,998**	-	**26,099**
Church Improvement Funds	15,561	**73,500**	-	**89,061**
Regeneration Fund	-	**109,886**	-	**109,886**
Ministry Share Assistance Fund	-	**62,575**	-	**62,575**
Legacy and Benefactions Account and Trust Funds				
Fund Balances	1,194,402	**9,783**	**128,456**	**1,332,641**
Total Charity Funds	5,977,366	**288,297**	**470,645**	**6,736,308**

The Repair fund is designated for the purposes of repair and maintenance of the Diocesan Centre building including any associated costs incurred to ensure the staff can continue to work remotely if the building becomes inaccessible.

17 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2021

	2021	2020
	£	£
Income		
Contributions from Diocesan Board of Finance General Unrestricted Income Fund	**453,934**	398,638
Income from rented Properties	**61,960**	42,886
Interest on Improvement Fund	**388**	1,283
Insurance claims	**184,492**	13,439
Grants and Parochial contributions	**16,684**	1,267
Other Income	**-**	324
Total Income	**717,458**	457,837
Expenditure		
Maintenance of Parsonages	**611,655**	299,411
Maintenance contracts	**23,359**	23,578
	635,014	322,989
Administration	**56,446**	56,773
Total expenditure	**691,460**	379,762
Net surplus for the year	**25,998**	78,075
Fund balance brought forward at 1 January	**101**	(77,974)
Fund balance carried forward at 31 December	**26,099**	101

The parsonages are owned by the RBCIW and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2021	2020
	£	£
Maintenance costs	**635,014**	322,989
Improvement costs (borne by the Representative Body)	**83,463**	60,202
	718,477	383,191

18 Related party transactions

In addition to transactions with the RBCIW, there were the following related party transactions in the year ended 31 December 2021 and 2020.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2020: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £26,429 (2020 - £25,998) towards the Education costs incurred by the Company in the year.

The following directors are also directors of the Swansea & Brecon Diocesan Trust Incorporated:

The Most Revd John David Edward Davies (Resigned 2nd May 2021)
The Ven Jonathan Byron Davies
The Ven Alan Neil Jevons
Gwynfor Lewis FCA
The Right Rev'd John Lomas (Appointed 24th February 2022)
The Very Revd Albert Paul Shackerley

19 Financial instruments comprise the following:

	2021	2020
	£	£
Financial assets		
Investments measured at market value though the statement of financial activity	**5,634,059**	5,027,416

Notes to the financial statements for the year ended 31 December 2021 (continued)

20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	**4,381,072**	**-**	**1,252,987**	**5,634,059**
Long Term Loans	**335,000**	**-**	**-**	**335,000**
Debtors due within one year	**71,374**		**293,260**	**364,634**
Cash	**921,223**	**146,431**	**179,760**	**1,247,414**
Creditors due within one year	**(468,446)**	**-**	**(41,353)**	**(509,799)**
Creditors due in more than one year	**(335,000)**	**-**	**-**	**(335,000)**
Total	**4,905,223**	**146,431**	**1,684,654**	**6,736,308**

Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,902,886	-	1,124,530	5,027,416
Long Term Loans	335,000	-	-	335,000
Cash	1,031,842	146,431	254,005	1,432,278
Debtors due within one year	78,877	-	51,528	130,405
Creditors due within one year	(572,601)	-	(40,132)	(612,733)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,441,004	146,431	1,389,931	5,977,366

SWANSEA AND BRECON DIOCESAN BOARD OF FINANCE

England & Wales - Charity number 249810

Accounts

Registered number: 924565
Registered as a Charity (number: 249810)

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual report for the year ended 31 December 2020

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report
for the year ended 31 December 2020

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Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2020

Chair's Report

As with many organisations, the primary concern for us in 2020 was the impact of the COVID-19 global pandemic. When were our churches last all closed on Easter Day? But as we closed the doors to our churches and offices, we adapted with compassion and agility, supporting our isolating communities, and embracing technology through phone trees and online services, events, meetings, and fund-raising. In this way, we mirrored the camaraderie evidenced throughout the UK, and proved our relevance and worth to our communities. Many of our planned activities for the year were halted due to the lockdown restrictions, resulting in a reduction of planned expenditure. But we also saw a diminution in direct receipts by our churches whose congregations were mostly absent.

Although the early part of 2020 was concerned with adapting to our new environment, the later months allowed us to resume work in developing our Ministry Area structures. The pandemic has focused many minds on future sustainability, both financial and physical. Although no Ministry Area was commissioned during the year, three of our four Deaneries have undertaken some form of re-structuring.

A significant amount of work was completed to review the financial viability of our Ministry Areas during the pandemic. Thanks to financial assistance received from the Representative Body of the Church in Wales and assistance from DBF reserves, we were able to provide support to all areas of the Diocese. We aimed to target especially those most in need.

During the year, receipt of ministry share arrears increased to £117,514 (£107,209 in 2019). In addition, a pre-payment of £165,078 was received against share payments for 2021. This is attributable to the timing of assistance distribution, but also to many parishes increasing digital income donations. Regrettably a further £151,624 was added to arrears during the year. We are proactively working with these parishes and Ministry Arears to enable their future sustainability. The Board keenly supports our Ministry Areas in their efforts to re-structure for growth and long-term sustainability. We are particularly grateful for the thoughtful consideration, the cooperative working, the willingness to share one another's burdens, and the selflessness that is being shown by the great majority of our parishes, and particularly by their Treasurers. We are also grateful to the Gower Deanery for their generous continuation of subsidy to the Afon Tawe, Radnor & Builth and Brecon Deaneries.

Collection of Ministry Share for 2020 was 100.5%. This figure was, however, only made possible by the assistance received from the Representative Body of the Church in Wales. As the pandemic continues into 2021, we are extremely grateful for their continued assistance.

We were pleased to appoint our Evangelism Enablement Officer during the year and to progress our bid to the Evangelism Committee. Our vision is to enable all parts of the Diocese to build on the community colleagueship experienced during this pandemic and enable all to ***Go Out*** *in the power of the Spirit;* to demonstrate the love and work of God in our everyday life. We are looking forward to presenting this work for approval and having the opportunity to deliver it.

I write this having just read the Collect for the Fifth Sunday of Easter in which we asked God who is the vine-grower to prune our lives and our ministries so that we can bring new growth and fresh fruit. As we emerge from the restriction phases of the pandemic, we must work towards the Recovery, Reconstruction and Regeneration of the Church. There is work ahead for all of us in evaluating which elements of our pre-pandemic life should be retained and enhanced and which elements should be put down. Will our congregations wish to resume worship in a cold and draughty church, without bathroom facilities during the winter months? Will we move forward with a blended approach of in-person and digital church and online donations? Which buildings do we need? How do we deploy our human resources?

There are likely to be difficult decisions that we will need to confront. Every area in our heterogenous diocese, each with its unique settings, strengths, gifts, and burdens, will have its role in strengthening our foundations and sustaining our Church for future generations.

I end by paying a warm tribute to Bishop John, who, of course, retired in 2021 rather than 2020. However, this is an opportunity for the DBF to join with so many others in the diocese to say how much we will miss his wisdom and humour. We wish him and Jo a long and happy retirement, and we are delighted that he will continue to live in the diocese.

Sir Paul Silk
Chair of the Swansea and Brecon Diocesan Board of Finance Limited

Swansea and Brecon Diocesan Board of Finance Limited (The)

Trustees' and Directors' report for the year ended 31 December 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

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)".

Legal and administrative details

The Swansea and Brecon Diocesan Board of Finance Limited ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The Company was incorporated as a charity limited by guarantee on 13 December 1967.

The Charity was registered with the Charity Commission on 17 April 1968 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The Company meets in general meeting twice annually. The day-to-day management of the Company is delegated to the Executive Committee, whose members are the trustees of the charity and directors of the Company for the purpose of company law.

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2020 was 8.

Our Purposes and Aims

The purposes of the charity are:

- To maintain a sustainable, led and transforming Christian ministry across the Diocese.
- To enable all to act justly, to love mercy and to walk humbly with God.

Our activities are inspired by a shared Diocesan Vision to become a **family, rooted in Christ** committed to **transforming lives** by:

Gathering, as God's people
Growing, more like Jesus
Going Out, in the power of the Spirit.

At the heart of our mission-shaped vision is the commitment to see lives transformed; this is therefore the fundamental purpose to which funding is directed.

The trustees/directors are aware that a diocese succeeds through the mission and ministry of its parishes, its senior clergy, and its bishop. Through striving for the highest standards of financial management the trustees/directors aim to create the conditions in which the mission and ministry of the diocese can flourish and be maximised.

Objectives and Activities for the Public Benefit

In shaping the objectives for the year and planning our activities, the trustees/directors have considered the Charity Commission guidance on public benefit.

The trustees/directors acknowledge the Charity Commission's guidance set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. The trustees refer to the guidance in the Charity Commission general guidance on public benefit when reviewing the aims and objectives of the charity and planning future activities.

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, 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 by doing so it provides a benefit to the public by:

- 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; and
- 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.

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2020 is indicated in note 6.4 to the financial statements.

Review of Achievements and Performance

The trustees/directors interpret their role broadly, contributing to the strategic leadership of the Diocese, balancing careful stewardship with a flexible and proactive approach.

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities

- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies

    - Contributing to the national work of the Church in Wales
    - Securing funds in support of wider Diocesan and Worldwide Mission
    - For 2020, the main objectives were:
        - To sustain Diocesan ministry by maintaining financial stability
        - To support the formation of Ministry Areas
        - Training and Support of Ordained and Lay Ministries
        - To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for Ministry Areas.
        - To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.

Monitoring Achievements

Sustaining Diocesan ministry by maintaining financial stability: The trustees/directors continue to monitor income and expenditure levels closely to maintain a balanced budget, and this is evidenced in the financial statements. They remain particularly mindful of the challenges faced by Ministry Areas and also the requirement to ensure that the Company remains financially stable and viable. The impact of the COVID-19 pandemic presented an extra challenge in 2020 as normal activity in Ministry Areas was curtailed from March onwards due to national restrictions on movement and public gatherings. While the costs of Ministry remained consistent with previous years the ability of Ministry Areas to generate funding was severely restricted and this reduced the income collected from Ministry Share. The trustees/directors are grateful for the financial support from the Representative Body of the Church in Wales which provided additional grant funding of £788,881 to help meet the costs of Ministry in the year.

The Company's investment portfolio was affected by the financial impact of the COVID-19 pandemic on global stock markets during the year. By the end of the year however the investment portfolio values had largely recovered to pre-pandemic levels and the value of investments was £5,027,416 (2019: £5,078,253)

As a result of the financial support and the recovery of investment portfolio values by the end of the year, the financial statements show a small increase in the value of total net assets to £5,977,366 (2019: £5,902,846).

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Supporting the formation of Ministry Areas: The trustees/directors continue to provide support to Ministry Areas through the allocation of key personnel to facilitate the internal review process and provision of resources for growth.

In collaboration with St Padarn's, the trustees/directors are pleased to be able to continue to support and train candidates for stipendiary and non-stipendiary ministry, alongside a programme of lay ministerial training.

During 2020, our lay training programme supported:

13 individuals trained and commissioned as Lay Pastoral Visitors (2019 – 3)
24 individuals trained and commissioned as Lay Worship Leaders (2019 – 10)
0 individuals trained and commissioned as Eucharistic Assistants (2019 – 24)
0 individuals trained and licensed as a Reader (2019 – 2)
0 individuals received as Readers from other dioceses (2019 – 2)
0 individuals in training as Readers (2019 – 2)

To provide advice and support for parishes in all aspects of their activities, specifically in their preparation for Ministry Areas: The trustees/directors continue to endorse the ongoing provision of practical and financial support to the Parishes across the Diocese through the provision of advice and support in managing and maintaining buildings, access to grant funding and the availability of a network of support staff in key areas.

To continue to support a Diocesan Mission Fund to provide funding for projects which aim to reflect the Diocesan Vision: The trustees/directors again budgeted a significant fund for mission projects and were pleased to award grants to the value of £40,616.

Financial Review

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which represented approximately 72% (2019: 74%) of unrestricted expenditure for 2020.

Income

The Company's major income sources and receipts were affected by the impact of the COVID-19 pandemic in 2020. Total incoming resources of £3.80m (2019: £3.80m) include £1.80m (2019: £2.60m) collectable Ministry Share, £0.85m (2019: £0.85m) in the form of the Representative Body annual Block Grant, £0.79m (2019: £0.00m) COVID-19 Financial Support Grants from the Representative Body of the Church in Wales and Investment Income of £0.13m (2019: £0.19m).

Expenditure

Total resources expended were £3.65m (2019: £4.33m).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £2.6m (2019: £3.20m). With the exception of Parsonage Board expenditure, support for ministry costs £2.23m (2019: £2.28m) were consistent with previous years. The cost of maintaining Parsonage Board properties was reduced to £380k (2019: £914k). The major contributory factor was a reduction in the number of on-going major renovation projects compared to the previous year.

Support for Parishes expenditure increased to £444k (2019: £436k). Costs significantly increased in the year for the Children Youth and Family Ministry to £141,181 (2019: £108,084) reflecting the fact that all four Children Youth and Family Officers were in role for the whole of the year. There was also an increase in Evangelism and Outreach costs following the appointment of a part time Bishop's Officer for this sector in August 2020. Following a number of major building repairs in 2019 Brecon Diocesan Centre costs were lower at £37,067 (2019: £67,532) in 2020. The costs of the Eastmoor Resource Centre were higher in 2020 at £29,832 (2019: £20,008) mainly reflecting the Company's share of the costs of the broadly installation a new boiler.

Church property costs decreased to £0.58m (2019 £0.68m) as the number of inspections of churches and halls was reduced from the previous year as a result of the restrictions on activity due to COVID-19 pandemic.

Other financial support costs were consistent with 2019 at £237k (2019: £239k) reflecting the commitment of the Company to continue to support Diocesan, Anglican, and Ecumenical bodies in the current challenging financial environment.

Other resources costs decreased to £179k (2019 £243k). The provision for unpaid ministry share as a percentage of unpaid share at the year-end was increased in the 2019 financial accounts in comparison with previous years reflecting the expected financial challenges and uncertainties associated with the COVID -19 pandemic in 2020.

Support Costs – Management and Administration

Management and administration support costs (see note 6.6) were consistent in total with the previous year. The rise in salaries and associated costs reflects the increase in average weekly employee numbers. Staff and office costs were lower in 2020 following the completion of essential Diocesan Centre repair and improvement work and the provision of IT equipment to enable off-site working in 2019.

Support costs are allocated across the statement of financial activities headings as shown in note 6.6.

Designated Funds

An unrestricted designated repair fund of £200k was established in 2015 to provide a fund to meet the costs of renovating and repairing the Diocesan Centre building and the temporary relocation of staff during the period of renovations. In 2019 £53k was allocated from this Fund. No charges were made against this Fund in 2020.

Restricted Funds

Total funding of £150k was transferred from the Restricted Ministry Area Transformation Fund during 2020(2019: £156k) and used to meet Children, Youth and Family Ministry costs and Ministry Area Development costs.

Parsonage

The Restricted Income Fund relating to the activities of the Parsonage Board has a surplus balance of £101 at the year end (2019: deficit £78k). The funding of the deficit was achieved partly by the reduction in maintenance activities resulting from the restrictions associated with the COVID-19 pandemic and partly by strictly limiting maintenance work to the budgeted funding available. Approved additional funding for long-term renovation works in designated key properties that became vacant due to clerical turnover reduced to £55k (2019: £492k) reflecting the completion of a number of major projects in 2019.

Net Income

Net income before other recognised gains/(losses) on unrestricted funds showed a surplus of £211k (2019: deficit £206k). The Company does not plan or budget with the intention of reporting significant deficits or surpluses.
The impact of the COVID-9 pandemic has severely impacted many areas of activity during the year, and this is reflected in financial results. The Board notes that the reported surplus was achieved only by virtue of the £0.79m COVID-19 related financial support provided by the Representative Body of the Church in Wales and that without this funding the Company would be reporting a substantial deficit for the year.
The budgets and forecasts will continue to be reviewed and monitored to ensure the costs of Ministry recharged to the Deaneries are as fair and as accurate as possible. However, the Board are aware that the ongoing impact of the COVID-19 pandemic during the current financial year will lead to a variance between the actual costs of ministry and the funds Ministry Areas are able to generate.

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Investments

Total net realised and unrealised losses on investments during the year were £40k (2019: gain £492k). 2020 was a turbulent year for global financial markets and during the course of the year the value of the Company's investments varied significantly. The trustees/directors are pleased with the position as at the 31st of December and are satisfied that investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee. They do however, remain aware of the risk of further COVID-19 related market volatility in the short to medium term future.

Overall, the financial position of the Diocese on 31st December 2020 is considered to be satisfactory.

Investment Policy and Performance

The Executive Committee, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to the Investment Sub-Committee in conjunction with the Company's appointed Investment Managers, Brewin Dolphin Limited.

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of current income. The investments are made in full accordance with the Ethical Investment Policy adopted by the Church in Wales.

The Investment Sub Committee reviewed the investment management policy during the year in the light of the evolving market conditions and recommended the modification of the current policy to permit distribution of an element of profit from capital gains to contribute towards the target level of cash distribution. The recommendation was approved by the Executive Committee.

COVID -19

COVID-19 has had a significant financial and non-financial impact on the Company.

In the financial terms the main challenges to have confronted the Company are a reduction in collectable Ministry Share, and a reduction in investment income. A number of initiatives were undertaken in 2020 to mitigate the impact of these factors: -

- The Company has worked with the Representative Body of the Church in Wales and Ministry Areas in the Diocese to implement a financial support programme offered by the Representative Body to assist in meeting the costs of ministry in the Diocese. The Ministry Share contribution that Benefices were asked to pay to the Company were reduced for the year. The shortfall between the costs of ministry and the funding received from the Benefices was met by financial support grants received from the Representative Body of the Church in Wales and internal funding from the Company's reserves.
- The Company's Investment Sub-Committee met with the DBF's Investment Managers to review the impact of COVID-19 on investment income and investment values and to identify and implement measures to mitigate the impact.
- The Company's senior management team reviewed the 2020 budgets to identify costs that can be removed, reduced, or deferred to a later date.
- Coronavirus Job Retention Scheme. Where statutory measures introduced by the Government to curtail the spread of the COVID-19 virus meant that employees are unable to fulfil their work duties the employees affected were furloughed and a claim for financial support made under the Coronavirus Job Retention Scheme.
- The Company has worked with Ministry Areas to provide guidance and encouragement with fund-raising and achieving long term financial sustainability.

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

It is recognised that many of the challenges associated with the impact of the COVID-19 pandemic in 2020 will continue to impact on the activities of the Company in 2021. To mitigate the financial risks going forward the Company: -

- Has accepted the generous offer of further financial support in 2021 from the Representative Body of the Church in Wales.
- Will not ask Benefices to meet the full costs of ministry in 2021 and will fund the shortfall between the costs of ministry and the funding received from the Benefices with financial support grants received from by the Representative Body of the Church in Wales and internal funding from the Company's reserves.
- Has prepared budgets for 2021 on the basis that activity levels for the first half of the year are limited to what was permitted under the strictest "lockdown" conditions in 2020 and that normal conditions will resume from July 2021.
- Is monitoring the financial impact on reserves of operating under on COVID-19 restrictions on an-ongoing basis.
- Continues to work with Ministry Areas to assist them in their efforts to minimise the impact of the loss of income resulting from COVID-19 related restrictions.

Reserves Policy

The Representative Body funded a block grant to the Company of £850,663 in 2020, representing approximately 23% of total income. It has been confirmed that this level of grant support will be maintained until 2021 but there is no certainty that the level of this grant will be maintained after 2021. Therefore, the Company aims to maintain a prudent level of reserves.

The Reserves Policy states that funds equivalent to at least 9 months of operating expenditure should be held as reserve.

At 31 December 2020, the balance held in unrestricted funds was £4,441,004, which includes unrealised gains on the value of investments amounting to £982,775; this figure represents the equivalent of 15 months expenditure at 2020 levels. The current level of reserves is considered appropriate to meet the stated reserves policy while also considering the impact of inflation.

Plans for the Future.

For 2021, the main objectives are:

- To sustain Diocesan Ministry by maintaining financial stability
- To actively support the transition to Ministry Areas
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for, and transition to, Ministry Areas.
- To continue to support the allocation of Ministry Share apportionment at Deanery level.
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

It is expected that the statutory restrictions put in place to limit the spread of COVID -19 will continue to impact to a greater or lesser degree on the ability and opportunities to progress the objectives above however the Dioceses remains committed to progressing all these initiatives where this is practical and possible.

Structure, Governance and Management

Membership – Composition
Members of the Company are appointed for a three-year term, and there are four categories of membership as set out in the memorandum and articles of association:

- ex officio members, which include the Bishop of the Diocese, senior clergy, and Diocesan officers.
- up to ten members nominated by the Bishop.
- up to ten members co-opted by the Company.
- elected members - one cleric and two lay members elected by each Area Deanery Conference

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Executive Committee

The day-to-day management of the Company has been delegated to the Executive Committee. The Executive Committee shall not exceed 15 members. Every effort is made to ensure that those elected to serve have skills and experience appropriate to the needs and responsibilities of the Committee.

Other Committees

The Constitution of the Church in Wales states that there shall be established in each Diocese, a Parsonage Board and a Churches and Pastoral Committee. The Executive Committee has established principal sub-committees, including the Assistance Committee, Investment Committee, Funding Committee, and a Widows, Orphans and Dependants Committee. Members of committees are appointed for a three-year term.

Parsonage Board

The Parsonage Board has responsibility for the management of diocesan parsonages, their upkeep and repair, and for buying and selling houses as appropriate. The aim of the Parsonage Board is to provide adequate and comfortable accommodation for clerics in the Diocese.

Churches and Pastoral Committee

The Committee is responsible for:

- Keeping church buildings under review in relation to pastoral need and to advise the Bishop and Diocesan Conference accordingly
- Advising on grants and loans for maintaining church property and administering the Diocesan Churches Grant Fund
- The administration of the scheme for inspection of churches and halls
- Overseeing the process required for declaring a church redundant.

Assistance Committee

A fund is set aside to assist those Parishes who are facing financial difficulties. Application can be made for help with paying the Ministry Share and/or church insurance premiums.

Investment Committee

The Committee is responsible for setting and reviewing the strategy for the Company's investments, and for monitoring the performance of the Board's portfolio. The Committee acts for the Diocesan Trust and the Cathedral Choir Endowment as well as the Diocesan Board of Finance.

Funding Committee

The Funding Committee is responsible for considering and awarding internal grants in respect of Parish, Benefice or Ministry Area projects, and providing advice and guidance, as necessary.

Widows, Orphans and Dependants Committee

The Widows, Orphans and Dependants Committee is funded by personal donations from those, who in gratitude for the dedicated service given by clerics, wish to make sure that no clergy widow or dependant should find themselves in financial need.

The Committee is also able to offer assistance in particular circumstances, and it is a sincere wish that no clergy widow should find themselves in any situation of financial need.

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Induction and Training of Trustees

The Charities Commission guidance has been adopted as a training resource for all trustees and is a standard agenda item. Induction for new trustees is currently on an informal basis. A planned and structured induction programme was developed during 2020. Trustees are also encouraged to attend appropriate training seminars of which details are circulated.

Risk Management

The Company has a risk management system to identify and assess significant risks and to put in place appropriate mitigating procedures. The Diocesan Audit Committee is charged with reviewing the effectiveness and robustness of these systems and reporting thereon to the Executive Committee. Apart from the impact of general economic conditions, the principal risks to which the Company is exposed are the financial and socio-economic effects of the COVID-19 pandemic and the effect of changes in equity prices and interest rates.

The steps the Company has taken to mitigate the impact of the COVID-19 pandemic are set out under the COVID-19 heading earlier in this Report. Investment performance risk is managed by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short-term deposits.

The risk of any non-collection of Parish Share is regularly considered by the Executive Committee and is included on the risk register. A provision for doubtful debts has been made and is included in the financial statements.

Pay policy for senior staff

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.

The remuneration of the key management personnel is set in line with the Diocesan Pay and Grading Structure.

The key management personnel of the Company are the Diocesan Secretary and the Finance Officer.

Key performance indicators

The trustees/directors consider the key performance indicators to be the parish share collection, net incoming/(outgoing) resources for the financial year, the level of unrestricted reserves held, and the number of clergies in post within the Diocese:

	2020	2019
Ministry Share Collection	**91.6%**	92.2%
Net income/(expenditure) for the year on unrestricted funds before unrealised gains	**210,747**	(206,426)
Value of unrestricted reserves	**4,441,004**	4,327,713
Clergy positions:		
Stipendiary	**51**	56
Non-stipendiary	**17**	13.5
House for duty	**-**	-

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Reference and administrative details

The full name of the Company is Swansea and Brecon Diocesan Board of Finance Limited.

The Swansea and Brecon Diocesan Board of Finance Limited (the Company) is a multi-faceted structure. It is:

- A registered charity (No. 249810)
- A company limited by guarantee (No. 924565)
- A Board of Finance established under the Constitution of the Church in Wales.

Details of the trustees and directors (trustees/directors) who served during the year, secretary, registered office, registered auditors, principal bankers, and stockbrokers are set out below.

Board of Trustees/Directors

The Most Revd John David Edward Davies (President) (resigned 2nd May 2021)
Sir Paul Silk (Chairman)
The Ven Alan Neil Jevons
The Very Revd Albert Paul Shackerley
Gwynfor Lewis, FCA
Sir Andrew McLeod Brooks Large
The Ven Jonathan Byron Davies
Sonia Jones

Consultants

The Ven Alfred James Randolph Thomas
Tim Davenport (Diocesan Registrar) resigned 31st December 2020
James Davenport (Diocesan Registrar) appointed 31st December 2020

Company Secretary

Louise Anne Pearson

Registered Office

Diocesan Centre, Cathedral Close, Brecon, Powys, LD3 9DP.

Independent Auditors

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

Principal Bankers

HSBC, Portland Street Branch, Swansea, SA1 3DF.

Investment Managers

Brewin Dolphin Limited, 2nd Floor, 5 Callaghan Square, Cardiff, CF10 5BT.

Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

Statement of Trustees' responsibilities in respect of the Annual Report and the financial statements

The trustees (who are also directors of the Swansea and Brecon Diocesan Board of Finance Limited 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 the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Charities SORP.
- make judgments and accounting estimates that are reasonable and prudent.
- 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.

By order of the Board of Trustees

Sir Paul Silk
Chair of the Swansea and Brecon Diocesan Board of Finance Limited

Date: 26 July 2021

Swansea and Brecon Diocesan Board of Finance Limited (The)

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

Opinion

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 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 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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

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.

Independent auditors' report to the Members of the Swansea and Brecon Diocesan Board of Finance Limited

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.

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Case

Sarah Case FCA DChA
Senior Statutory Auditor
For and on behalf of
Azets Audit Services
Chartered Accountants and Statutory Auditors
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 5-8-2021

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2020 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted Income Funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
		£	£	£	£	£	£	£	£	£	£	£	£
Income from:													
Donations and legacies	5.1	3,534,334	-	-	23,783	5,977	3,564,094	3,512,701	-	-	25,781	3,000	3,541,482
Charitable activities	5.2	10,651	-	-	44,154	-	54,805	9,080	-	-	34,945	-	44,025
Investments	5.3	104,448	-	-	19	22,741	127,208	146,647	-	-	25	45,922	192,594
Other income	5.4	-	-	-	23,490	-	23,490	1,397	-	-	30,233	-	31,630
Total income		3,649,433	-	-	91,446	28,718	3,769,597	3,669,825	-	-	90,984	48,922	3,809,731
Expenditure:													
Raising funds:													
Investment management costs		17,860	-	-	-	-	17,860	18,775	-	-	-	-	18,775
		17,860	-	-	-	-	17,860	18,775	-	-	-	-	18,775
Charitable activities:													
Support for Ministry	6.1	2,218,916	-	-	379,762	16,058	2,614,736	2,258,590	2,752	-	914,479	21,894	3,197,715
Support for Parishes	6.2	284,246	-	150,346	9,536	27	444,155	244,299	45,464	146,769	-	34	436,566
Church property	6.3	58,307	-	-	-	-	58,307	66,850	821	-	-	-	67,671
Other financial support	6.4	217,297	-	-	6,939	12,830	237,066	195,582	284	9,467	22,500	11,262	239,095
Communications	6.5	41,885	-	-	211	-	42,096	43,704	1,416	-	-	-	45,120
Governance costs	6.7	60,816	-	-	-	-	60,816	80,108	1,498	-	-	-	81,606
Other resources expended	8	179,909	-	-	-	-	179,909	242,634	-	-	-	-	242,634
		3,061,376	-	150,346	396,448	28,915	3,637,085	3,131,767	52,235	156,236	936,979	33,190	4,310,407
Total expenditure		3,079,236	-	150,346	396,448	28,915	3,654,945	3,150,542	52,235	156,236	936,979	33,190	4,329,182
Net income/(expenditure) carried forward		570,197	-	(150,346)	(305,002)	(197)	114,652	519,283	(52,235)	(156,236)	(845,995)	15,732	(519,451)

Statement of Financial Activities for the year ended 31 December 2020 (including income and expenditure account) (continued)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
		£	£	£	£	£	£	£	£	£	£	£	£
Net income/expenditure brought forward		570,197	-	(150,346)	(305,002)	(197)	114,652	519,283	(52,235)	(156,236)	(845,995)	15,732	(519,451)
Gains on disposal of investments	10	39,188	-	-	-	-	39,188	77,506	-	-	-	1,571	79,077
Net income / (expenditure)	9	609,385	-	(150,346)	(305,002)	(197)	153,840	596,789	(52,235)	(156,236)	(845,995)	17,303	(440,374)
Transfers between funds													
Transfers to/from Restricted funds		(398,638)	-	-	398,638	-	-	(803,215)	(704)	-	803,919	-	-
Net income/(expenditure) before other recognised gains and losses	16	210,747	-	(150,346)	93,636	(197)	153,840	(206,426)	(52,939)	(156,236)	(42,076)	17,303	(440,374)
Other recognised gains/(losses)													
Gains/(losses) on revaluation of investments	16	(97,456)	-	-	-	18,136	(79,320)	304,196	-	-	-	108,891	413,087
Net movements in funds for the year		113,291	-	(150,346)	93,636	17,939	74,520	97,770	(52,939)	(156,236)	(42,076)	126,194	(27,287)
Reconciliation of funds													
Total funds brought forward at 1 January	16	4,327,713	146,431	330,213	(77,974)	1,176,463	5,902,846	4,229,943	199,370	486,449	(35,898)	1,050,269	5,930,133
Total funds carried forward at 31 December	16,20	4,441,004	146,431	179,867	15,662	1,194,402	5,977,366	4,327,713	146,431	330,213	(77,974)	1,176,463	5,902,846

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2020

	Note	2020	2019
		£	£
Fixed Assets			
Investments	10	**5,027,416**	5,078,253
Long Term Loans	11	**335,000**	350,000
		5,362,416	5,428,253
Current Assets			
Debtors: due within one year	12	**130,405**	264,571
Cash at bank and in hand	13	**1,432,278**	988,363
Total current assets		**1,562,683**	1,252,934
Liabilities			
Creditors falling due within one year	14	**(612,733)**	(428,341)
Net current assets		**949,950**	824,593
Total assets less current liabilities			6,252,846
Creditors falling due after more than one year	15	**(335,000)**	(350,000)
Net assets		**5,977,366**	5,902,846
The funds of the charity			
Unrestricted funds	16	**4,441,004**	4,327,713
Designated Repair Fund	16	**146,431**	146,431
Total unrestricted funds		**4,587,435**	4,474,144
Restricted funds			
Ministry Area Transformation Fund	16	**179,867**	330,213
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Fund)	16	**15,662**	(77,974)
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	16	**1,194,402**	1,176,463
Total restricted funds		**1,389,931**	1,428,702
Total Charity funds		**5,977,366**	5,902,846

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 2020.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements 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.

Sir Paul Silk
Chair of the Swansea and Brecon Diocesan Board of Finance Limited

Date: 26 July 2021

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2020

	2020	2019
	£	£
Net cash flows from operating activities	**323,851**	(391,850)
Net cash flows generated from investing activities		
Dividend and interest from investments	**127,208**	192,595
Purchase of investments	**(1,501,807)**	(589,588)
Proceeds from sale of investments	**1,555,809**	621,949
Investment Management Fees	**(17,860)**	(18,775)
Net (increase)/decrease in cash balances held by Investment Managers	**(43,296)**	(11,646)
Net cash provided by / (used in) investing activities	**120,054**	194,535
Cash flow from financing activities		
Repayments of loans receivable	**15,000**	30,000
Repayments of loans repayable	**(15,000)**	(30,000)
Net cash provided by/ (used in) generated by financing activities	**-**	-
Change in cash and cash equivalents in the year	**443,915**	(197,315)
Cash and cash equivalents at the beginning of the reporting period	**988,363**	1,185,678
Cash and cash equivalents at the end of the reporting period	**1,432,278**	988,363
Reconciliation of net income to net cash flow generated from operating activities		
Net Income for the reporting period (as per statement of financial activities)	**153,840**	(440,374)
(Increase)/Decrease in debtors	**134,166**	34,178
Increase/(Decrease) in creditors	**184,392**	267,243
Realised (Gain)/Loss on investments	**(39,189)**	(79,077)
Dividends and Interest from investments	**(127,208)**	(192,595)
Investment management fees	**17,860**	18,775
Net cash flows generated from operating activities	**323,861**	(391,850)

Notes to the financial statements for the year ended 31 December 2020

1 Principal accounting policies

Charity Information
Swansea and Brecon Diocesan Board of Finance Limited is a private company limited by guarantee incorporated in England in Wales. The registered office is The Diocesan Centre, Cathedral Close, Brecon, Powys, Wales, LD3 9DP

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Accounting convention

The financial statements have been prepared in accordance 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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention with the exception of investments, which are included at market value. The principal accounting policies adopted are set out below.

b) Preparation of the financial statements on a going concern basis

After making appropriate enquiries, the trustees are of the view that the charity is a going concern.

c) Income recognition policies

Items of income are recognised and included in the financial statements when all the following criteria are met:

- the Company has entitlement to the funds.
- any performance conditions attached to the items of income have been met or are fully within the control of the Company.
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity 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 Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Notes to the financial statements for the year ended 31 December 2020 (continued)

d) Block Grant

A block grant is provided to the Company by the Representative Body of the Church in Wales. This arrangement has applied since 2008 and is expected to apply for subsequent years. The provision of a block grant has enabled certain additional outgoings by the Company to be financed. The block grant is credited to the Statement of Financial Activities in the year to which it relates.

e) Donated services and facilities

Donated services or facilities are recognised as income when the Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Company which is the amount the Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

f) Interest receivable

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

g) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Company. Designated funds are unrestricted funds of the Company which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Company's work or for specific projects being undertaken by the Company.

h) Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the costs of supporting the ministry, support for parishes, and other financial support costs to further the purpose of the Company.
- Other expenditure represents those items not falling into any other heading.

i) Allocation of support costs

Support costs are those functions that assist the work of the Company but do not directly undertake charitable activities. Support costs include salary and related expenditure that support the Company's activities. These costs have been allocated between activity headings based on time spent.

j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid after taking account of any trade discounts due.

Notes to the financial statements for the year ended 31 December 2020 (continued)

k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account

l) Creditors and provisions

Creditors and provisions are recognised where the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their market value.

n) Fixed asset investments

Fixed asset investments, (including those investments held in the Restricted Capital, Endowment Funds), are stated at market value or at Trustees/directors best estimate of market value at the balance sheet date, with gains or losses on revaluation being included in the Statement of Financial Activities.

o) Employee benefits

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.

p) Pension contributions

Contributions are made to defined contribution (money purchase) pension arrangements in respect of certain employees of the company. The assets of the money purchase pension arrangements are held separately from those of the company in independently administered funds. The defined contributions to the money purchase pension arrangements are charged to the Statement of Financial Activities as incurred.

An amount for clergy pension contributions is recharged to the Company from the Representative Body of the Church in Wales. This arrangement has applied since 2008 and is expected to apply for subsequent years. The amount charged to the company for clergy pension contributions is included within the charge for stipends and allowances. This is included in the heading of Support for Ministry in the Statement of Financial Activities. The total amount of stipends and allowances is charged to the Statement of Financial Activities as incurred. Since 2008 a Block grant provided by the Representative Body of the Church in Wales has enabled the clergy pension contributions charge to be financed.

q) Taxation

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

r) Concessionary loans

Concessionary loans received from the Representative Body Church in Wales and payable to clergy are initially recognised at the amount received or paid with the carrying amount adjusted in subsequent years to reflect repayment, and any accrued interest and adjusted, if necessary, for impairment.

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. 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.

3 Critical accounting estimates and judgements

In the application of the Company'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.

4 Turnover

The Company does not undertake trading on its own account. The activity of the Company is the management of such finances of the Diocese of Swansea and Brecon as are vested in or are payable to the company.

5 Income

		Total Funds 2020	Total Funds 2019
5.1	**Donations and legacies**	**£**	£
	Ministry Share assessed by the DBF	**1,800,865**	2,596,335
	Contributions from the Representative Body:		
	Block Grant	**850,663**	850,663
	COVID-19 Financial Support	**788,881**	-
	Church Improvement Grant	**22,500**	22,500
	Diocesan Advisory Committee	**8,333**	8,333
	Widows, Orphans and Dependents Grant	**2,740**	2,858
	Parsonage Improvement Interest (restricted fund see note 17)	**1,283**	2,781
	Grants received:		
	Eastmoor Trust	**32,169**	-
	Allchurches Trust	**19,925**	19,925
	Isla Johnson Trust	**3,000**	3,000
	Diocesan Trust	**33,248**	34,199
	Parsonage Repair Grants (restricted fund see note 17)	**-**	500
	Widows, Orphans & Dependents	**237**	388
	Other Grants and Donations	**250**	-
		3,564,094	3,541,482

Grants received for church improvement of £22,500 (2019: £22,500). for parsonage repair of £Nil (2019: £500), parsonage improvement fund interest of £1,283 (2019: £2,781) are credited to the restricted income funds.

Grants received for educational purposes and training of clergy £3,000 (2019: £3,000) and Widows Orphan's & Dependents £2,977 (2019: £nil).

All other income is credited to unrestricted funds.

		Total Funds 2020	Total Funds 2019
5.2	**Charitable Activities**	£	£
	Resource Centres - Reprographics		
	Eastmoor Resource Centre, Swansea	**597**	2,851
	Diocesan Centre, Brecon	**473**	2,437
	Resource Centres - Room Lettings		
	Eastmoor Resource Centre, Swansea	**-**	-
	Diocesan Centre, Brecon	**22**	552
	Parsonage Rental Income (restricted fund - see note 17)	**42,886**	32,659
	Contribution from Parishes	**5,187**	2,286
	Contributions from Diocesan organisations	**2,640**	2,640
	Marriage Licence Fees	**3,000**	600
		54,805	44,025

Incoming resources from Charitable Activities includes Parsonage Rental Income of £42,886 (2019: £32,659) and Contributions from Parishes towards expenditure on parsonages £1,267 (2019: £2,286) which are credited to a restricted income fund.

		Total Funds 2020	Total Funds 2019
5.3	**Investments:**	£	£
	Fixed Asset Investments and Banks		
	Income from fixed asset investments - listed	**102,039**	139,398
	Income from Representative Body Common Investment Fund Units	**911**	1,750
	Bank and money market interest	**397**	1,156
	Other interest	**533**	874
	Income from Investment of Bequests		
	(£19 (2019: £25) restricted fund - see note 17)	**23,328**	49,416
		127,207	192,594

Incoming resources from investment of bequests amounting to £19 (2019: £25) is credited to the Parsonage restricted income fund whilst £22,741 (2019: £45,922) is credited to Restricted Capital Endowment Funds.

Notes to the financial statements for the year ended 31 December 2020 (continued)

		Total Funds 2020	Total Funds 2019
5.4	**Other Income**	£	£
	Insurance Claims - restricted	**13,438**	30,233
	Job Retention Scheme Grant - restricted	**10,052**	1,397
		23,490	31,630

6 Expenditure

		Total Funds 2020	Total Funds 2019
6.1	**Support for Ministry**	£	£
	Stipends & Fees		
	Stipends and allowances	**1,956,550**	1,953,886
	Vacancy fees	**3,605**	9,819
	Council Tax	**121,994**	116,355
	Parsonages		
	Maintenance of Parsonages (restricted fund see note 17)	**322,989**	858,990
	Insurance of Parsonage Houses	**13,403**	13,167
	Custodians' expenses	**5,455**	13,563
	Clergy Expenses		
	Archdeacons' expenses	**4,582**	7,606
	Director of Ministry expenses	**-**	631
	Area Deans' expenses	**583**	1,633
	Removal and disturbance allowances	**15,364**	27,964
	Nomination Board expenses	**-**	533
	Travel and other expenses	**127**	5,263
	Training		
	Ordinands	**11,242**	13,236
	Continuing Ministerial Education	**7,164**	16,253
	Readers	**204**	704
	Support Costs		
	General Fund (see note 6.6)	**94,701**	102,623
	Restricted Parsonage Fund	**56,773**	55,489
		2,614,736	3,197,715

Of the above costs, costs for the maintenance of parsonages of £322,989 (2019: £858,990) and support costs of £56,773 (2019: £55,489) are charged to the restricted income fund. Further costs of £16,058 (2019: £21,894) are funded by Legacy income and are charged to Restricted Capital Endowment Funds. £Nil (2019: £2,752) is funded by the Designated Repair Fund.

		Total Funds 2020	Total Funds 2019
6.2	**Support for Parishes**	**£**	£
	Sector Ministries		
	Rural Life Ministry	**18,508**	21,251
	Social Responsibility	**21,004**	20,805
	World Mission	**45**	-
	Tourism	**-**	68
	Christian Deliverance	**35**	596
	Interfaith	**-**	500
	Older People	**1,869**	369
	Eco Church	**87**	-
	Evangelism and Outreach	**13,221**	-
	Statutory Education	**40,820**	48,110
	Children, Youth and Family	**141,481**	108,084
	Diocesan Expenses		
	Ministry Area Development Support	**47,739**	49,651
	Safeguarding	**19**	451
	Diocesan Archivist	**200**	200
	Eastmoor Centre	**29,832**	20,008
	Diocesan Centre	**37,067**	67,532
	Support Costs (see note 6.6)	**92,228**	98,941
		444,155	436,566

Of the above costs £150,346 (2019: £146,769) is funded by the Transformation Fund, £Nil (2019: £45,464) is funded by the Designated Repair Fund, £9,536 is funded by Job Retention Scheme grants (2019: £Nil) and £27 (2019: £34) is funded by legacy income and is charged to Restricted Capital Endowment Funds.

		Total Funds 2020	Total Funds 2019
6.3	**Church Property**	**£**	£
	Inspections of Churches and Halls	**10,862**	28,708
	Diocesan Advisory Committee expenses	**14,220**	13,610
	Churches and Pastoral Committee expenses	**1,349**	1,368
	Support Costs (see note 6.6)	**31,876**	23,985
		58,307	67,671

Of the above costs £Nil (2019: £821) is funded by the Designated Repair Fund.

		Total Funds 2020	Total Funds 2019
6.4	**Other Financial Support**	**£**	£
	Diocesan Bodies		
	Bishop's Fund	**12,000**	12,000
	Brecon Cathedral Grant	**41,190**	41,190
	Diocesan Mission Fund	**40,616**	43,582
	Church Repair Grants	**30,250**	25,102
	Representative Body - Emergency Repairs Fund	**16,667**	16,667
	Parish Assistance Fund	**10,000**	10,000
	Social Responsibility Grants	**35,008**	33,685
	Widows Orphans & Dependants Grants	**12,830**	11,262
	Curate Support Grant to Parishes	**4,500**	-
	Retired Clergy	**153**	337
	Transformation Fund	**-**	9,467
	Anglican, Ecumenical, and other bodies		
	World Mission Grants	**20,000**	21,500
	Llangasty Retreat House Grant	**5,000**	5,000
	Other Grants	**1,000**	1,000
	Support Costs (see note 6.6)	**7,852**	8,303
		237,066	239,095

Of the above costs £Nil (2019: £9,467) is funded by the Transformation Fund, £6,939 (2019: £22,500) is funded by the restricted income Church Improvement Fund, £Nil (2019: £284) is funded by the Designated Repair Fund and £12,830 (2019: £11,262) is funded by endowment income and is charged to Restricted Capital Endowment Funds.

Material grants in the context of total expenditure are: -

	2020 £	2019 £
Faith in Families (Social Responsibility Grants)	**56,012**	54,190
Brecon Cathedral	**41,190**	41,190
Representative Body - Emergency Repairs Fund	**16,667**	16,667
Mission Fund – St Thomas Swansea, Student Pastor	**15,000**	-
Bishop of Swansea & Brecon Fund	**12,000**	12,000

		Total Funds 2020	Total Funds 2019
6.5	**Communications**	**£**	£
	Communications and Media	**3,655**	3,767
	Newsletters and Diocesan Publications	**-**	4,000
	Support Costs (see note 6.6)	**38,441**	37,353
		42,096	45,120

Of the above costs £Nil (2019: £1,416) is funded by the Designated Repair Fund and £211 is funded by Job Retention Scheme grants (2019: £Nil).

6.6 Support Costs - Management and Administration	Total Funds 2020 £	Total Funds 2019 £
Salaries including pensions and pension scheme contributions (see note 7.1)	**269,744**	251,702
Staff and Office expenses	**44,667**	71,393
	314,411	323,095

Total support costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2020 £	Total Funds 2019 £
Support for Ministry	**94,701**	102,623
Support for Parishes	**92,228**	98,941
Church Property	**31,876**	23,985
Other Financial Support	**7,852**	8,303
Communication	**38,440**	37,353
Governance Costs	**49,314**	51,890
	314,411	323,095

Other than for support costs which are specific to the activities shown, the support costs, including salaries and related costs, are allocated to activity headings based on time spent.

6.7 Governance Costs

	Total Funds 2020 £	Total Funds 2019 £
Staff and Administrative Costs (see note 6.6)	**49,314**	51,890
Company expenses	**48**	13
Audit fees	**10,273**	10,138
Diocesan Conference and Standing Committee	**157**	3,110
Governing Body Meeting expenses	**1,024**	16,455
	60,816	81,606

Of the above costs £Nil (2019: £1,498) is funded by the Designated Repair Fund.

7 Analysis of staff costs and trustees' remuneration and expenses

		Total Funds 2020 £	Total Funds 2019 £
7.1	**Salaries including pensions and pension scheme contributions**		
	Salaries	**459,442**	392,559
	Social security costs	**35,595**	31,758
	Pensions	**4,984**	4,839
	Pension scheme defined contributions (see below)	**60,000**	52,809
		560,021	481,965

Total salaries and related costs are charged to the Statement of Financial Activities as follows:

	Total Funds 2020 £	Total Funds 2019 £
Support costs (see note 6.6)	**269,744**	251,702
Support for Parishes:		
Diocesan Officers	**196,091**	144,406
Resource Centre Staff	**30,954**	24,752
Diocesan Archivist	**200**	200
Church Property:		
DAC Secretary	**14,162**	13,499
Parsonage Board	**49,090**	47,406
	560,021	481,965

Pension scheme defined contributions are made in respect of certain employees of the charity. The contributions are payable by the company to funds, the assets of which are held separately from those of the company.

No employees earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2020 (2019: nil).

The average weekly number of persons employed during the year was 19 (2019: 17).

7.2 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 the Finance Officer.

The total amount of employee benefits (including salaries) received by the key management personnel in 2020 was £119,054 (2019: £113,390).

None of the key management personnel (2019: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

The table below sets out the number of key management personnel whose total employee benefits (excluding employer pension costs) fell within the following bands:

	2020 No.	2019 No.
From £30,001 to £40,000	1	1
From £40,001 to £50,000	-	-
From £50,001 to £60,000	1	1
Total	2	2

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2020 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2019 – £133 one trustee, travel expenses)

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their duties. For the year ended 31 December 2020 the expenses amounted to £3,487 (2019: £7,606).

For the year ended 31 December 2020 for clergy members of the Board of Trustees stipends amount to £116,923 (2019: £114,518), national insurance contributions of £10,582 (2019: £10,307) and pension contributions £42,677 (2019: £44,433). These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Other Resources Expended

	Total Funds 2020 £	Total Funds 2019 £
Write off of uncollectable Ministry Share	-	201,693
Provision against unpaid Ministry Share	179,909	40,941
	179,909	242,634

9 Net income/(expenditure)

	2020 £	2019 £
Net income/(expenditure) is stated after charging:		
Audit fee	10,273	10,138

10 Investments

	Investments UK - listed	Fixed interest debentures & corporate bonds	Unit trust investments	Other investments	Total investments
	£	£	£	£	£
Book and market value					
At 1 January 2020	1,379,885	599,263	1,885,894	1,213,211	5,078,253
Additions	**814,845**	-	**667,968**	**62,292**	**1,545,105**
Disposals	**(582,266)**	**(140,988)**	**(832,555)**	**-**	**(1,555,809)**
Gains on disposal	**(99,194)**	**(5,597)**	**143,980**	**-**	**39,189**
Gains on revaluation	**21,177**	**(13,967)**	**(108,264)**	**21,732**	**(79,322)**
At 31 December 2020	**1,534,447**	**438,711**	**1,757,023**	**1,297,234**	**5,027,416**

Fixed asset investments are held as follows:

	2020	2019
	£	£
Held in General Unrestricted Funds		
Investment assets UK - listed	**1,534,447**	1,379,885
Fixed interest debentures and corporate bonds	**438,711**	599,262
Unit Trust investments	**1,757,023**	1,885,894
	3,730,182	3,865,041
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2019: 29,652) Representative Body Investment Fund Units	**62,788**	59,194
Brewin Dolphin Cash Deposit Account	**109,916**	66,618
General Unrestricted Funds	**172,704**	125,812
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	**570,624**	583,664
Held by the Representative Body	**544,674**	494,504
Held by the Board of Finance	**9,232**	9,232
Restricted Capital, Endowment Funds	**1,124,530**	1,087,400
Total Other Investments	**1,297,234**	1,213,212
Total investments	**5,027,416**	5,078,253

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the Representative Body of the Church in Wales. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2020 are 336,495 (2019: 336,495).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2020 are 257,227 (2019: 247,710).
The carrying value of investments held in the Restricted Capital, Endowment Funds is stated in accordance with the accounting policy in note 1 of these financial statements.
The historic cost of the above investments at 31st December 2020 was £3,608,734 (2019: £3,580,251)

11 Concessionary loans

General Unrestricted Funds	2020 £	2019 £
Loans funded by representative body:		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	50,000
	335,000	350,000

Funds received from the Representative Body of The Church in Wales are applied to provide loans for retired clergy housing (see Note 15). Interest is receivable by the Company and the Company pays an equivalent amount of interest to the Representative Body of the Church in Wales. There are no specific terms for the repayment of the loans.

12 Debtors: due within one year

	2020 £	2019 £
General Unrestricted Funds		
Parish Share	**847,747**	762,971
Payments in Advance	**18,750**	19,068
Parochial Loans	**18,843**	18,843
Bank interest and investment income	**4,962**	28,155
Miscellaneous	**23,127**	22,693
Provision for doubtful debts	**(834,552)**	(654,643)
	78,777	197,087
Restricted Funds:		
Parsonage Maintenance Fund		
Representative Body – Improvement Fund Repayment	**10,749**	56,317
Legacy and Benefactions Account and Trust Funds		
Restricted Fund Income Receivable	**40,779**	11,167
Debtors due within one year	**130,405**	264,571

These are analysed as follows:

	2020 £	2019 £
Other debtors	**65,914**	217,348
Prepayments and accrued income	**64,491**	47,223
	130,405	264,571

13 Cash at bank and in hand

	2020	2019
	£	£
CAF Gold Account	**574,175**	584,125
Other cash balances	**858,103**	404,238
	1,432,278	988,363

For further analysis see note 20.

14 Creditors falling due within one year

	2020	2019
General Unrestricted Funds	£	£
Creditors Control	**13,781**	18,205
Representative Body of Church in Wales	**317,195**	343,765
Ministry Share Paid in Advance	**157,084**	-
Internally invested Restricted Funds	**9,232**	9,232
Quinquennial Inspections	**1,730**	6,090
Church Repair Grants	**-**	2,729
Sundry creditors	**73,579**	33,360
	572,601	413,381
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	**17,863**	6,733
Sundry creditors	**22,269**	8,227
	40,132	14,960
Creditors falling due within one year	**612,733**	428,341

	2020	2019
These are analysed as follows:	£	£
Trade creditors	**350,570**	370,023
Other creditors and accruals	**262,163**	58,318
	612,733	428,341

15 Creditors falling due after more than one year

	2020	2019
	£	£
General Unrestricted Funds		
Loans from the Representative Body of The Church in Wales		
Retired clergy equity linked housing loans	**300,000**	300,000
Retired clergy non equity linked housing loans	**35,000**	50,000
	335,000	350,000

Loans received from the Representative Body of The Church in Wales are applied to fund loans for Retired clergy housing and general support (see Note 11). Interest at 1.1% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the Representative Body of the Church in Wales. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

16 Accumulated Fund balances

	Accumulated fund balances at 1 January 2020	Net incoming resources for the year (see below)	Gains/ (losses) arising on revaluation of fixed asset investments (see below)	Accumulated Fund balances at 31 December 2020
	£	£	£	£
General Unrestricted Income Funds				
General Fund Reserve	4,327,713	**210,747**	**(97,456)**	**4,441,004**
Designated Repair Fund	146,431	-	-	**146,431**
Restricted Funds				
Ministry Area Transformation Fund	330,213	**(150,346)**	-	**179,867**
Parsonage Maintenance Fund	(77,974)	**78,075**	-	**101**
Church Improvement Fund	-	**15,561**	-	**15,561**
Legacy and Benefactions Account and Trust Funds				
Fund Balances	1,176,463	**(197)**	**18,136**	**1,194,402**
Total Charity Funds	5,902,846	**153,840**	**(79,320)**	**5,977,366**

The Repair fund is designated for the purposes of repair and maintenance of the Diocesan Centre building including any associated costs incurred to ensure the staff can continue to work remotely if the building becomes inaccessible.

17 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2020

	2020	2019
	£	£
Income		
Contributions from Diocesan Board of Finance General Unrestricted Income Fund	**398,638**	803,215
Income from rented Properties	**42,886**	32,659
Interest on Improvement Fund	**1,283**	2,781
Insurance claims	**13,439**	30,233
Grants and Parochial contributions	**1,267**	3,490
Other Income	**324**	25
Total Income	**457,837**	872,403
Expenditure		
Maintenance of Parsonages	**299,411**	844,616
Maintenance contracts	**23,578**	14,374
	322,989	858,990
Administration	**56,773**	55,489
Total expenditure	**379,762**	914,479
Net surplus/(deficit) for the year	**78,075**	(42,076)
Fund balance brought forward at 1 January	**(77,974)**	(35,898)
Fund balance carried forward at 31 December	**101**	(77,974)

The parsonages are owned by the Representative Body of the Church in Wales and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2020	2019
	£	£
Maintenance costs	**322,989**	858,990
Improvement costs (borne by the Representative Body)	**60,202**	56,317
	383,191	916,267

18 Related party transactions

In addition to transactions with the Representative Body of the Church in Wales, there were the following related party transactions in the year ended 31 December 2020 and 2019.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2019: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £25,998 (2019 - £26,699) towards the Education costs incurred by the Company in the year.

The following directors are also directors of the Swansea & Brecon Diocesan Trust Incorporated:

The Most Revd John David Edward Davies
The Ven Alan Neil Jevons
The Very Revd Albert Paul Shackerley
Gwynfor Lewis, FCA
The Ven Jonathan Byron Davies

19 Financial instruments comprise the following:

	2020	2019
	£	£
Financial assets		
Investments measured at market value though the statement of financial activity	**5,027,416**	5,078,253

Notes to the financial statements for the year ended 31 December 2020 (continued)

20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	**3,902,886**	**-**	**1,124,530**	**5,027,416**
Long Term Loans	**335,000**	**-**	**-**	**335,000**
Cash	**1,031,482**	**146,431**	**254,005**	**1,432,278**
Debtors due within one year	**78,877**	**-**	**51,528**	**130,405**
Creditors due within one year	**(572,601)**	**-**	**(40,132)**	**(612,733)**
Creditors due in more than one year	**(335,000)**	**-**	**-**	**(335,000)**
Total	**4,441,004**	**146,431**	**1,389,931**	**5,977,366**

Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	4,340,853	-	1,087,400	5,428,253
Cash	553,154	146,431	288,778	988,363
Debtors due within one year	197,087	-	67,484	264,571
Creditors due within one year	(413,381)	-	(14,960)	(428,341)
Creditors due in more than one year	(350,000)	-	-	(350,000)
Total	4,327,713	146,431	1,428,702	5,902,846

21 Post Balance Sheet Events

We have been advised by the Representative Body of the Church in Wales that it is prepared to offer financial support to Dioceses to help mitigate the impact of COVID-19 on the collection of Ministry Share up to a similar level to the amount provided in 2020. The value of the financial support provided in 2020 was £0.79m.