

Registered no: 924565
Registered as a Charity (no: 249810)

**Swansea and Brecon Diocesan
Board of Finance Limited
Annual report
for the year ended 31 December 2003**



Swansea and Brecon Diocesan Board of Finance Limited

Annual Report for the year ended 31 December 2003

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Swansea and Brecon Diocesan Board of Finance Limited

Legal and administrative details

The full name of the charity is Swansea and Brecon Diocesan Board of Finance Limited. It is constituted as an incorporated company limited by guarantee and not having a share capital. The company registration number is 924565 and the charity registration number is 249810. Details of directors currently holding office, secretary, registered office, registered auditors, principal bankers and stockbrokers are set out below. The company's directors are the trustees of the charitable company.

Board of Directors

The Rt Revd Anthony Edward Pierce (**President**).
Mr William Nigel Henry Legge-Bourke (**Chairman**).
The Ven Alfred James Randolph Thomas.
The Ven Robert John Williams.
The Very Revd John David Edward Davies.
The Revd Peter John Williams.
Mr Clive Rees.
Mr Gwynfor Lewis.
Mr David Arthur Morris.

Secretary

Mrs Heather Price.

Registered Office

8a High Street, Brecon, Powys, LD3 7AL.

Registered Auditors

PricewaterhouseCoopers LLP, Princess House, Princess Way, Swansea, SA1 5LH.

Bankers

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

Stockbrokers

Brewin Dolphin Securities Ltd, 5 Giltspur Street, London, EC1A 9BD

Swansea and Brecon Diocesan Board of Finance Limited

Directors' report for the year ended 31 December 2003

The directors have pleasure in submitting their annual report and the audited financial statements of the company for the year ended 31 December 2003.

Legal and administrative details

The legal and administrative details of the company and details of the directors currently holding office, secretary, registered office, registered auditors, principal bankers and stockbrokers are shown on page 1. The Governing document of the company is the Memorandum and Articles of Association.

The Swansea and Brecon Diocesan Board of Finance Limited ('the Board of Finance') was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, paragraph 16, with the general remit of supporting the ministry and mission of the Church in the Diocese of Swansea and Brecon and further afield as necessary.

The Board of Finance has ex officio members which include the Bishop of the Diocese, senior clergy and Diocesan officers, and one cleric and two lay members elected by each Area Deanery Conference. In addition, the Bishop may nominate up to ten members and the Board of Finance may co-opt up to ten members. The Board of Finance generally meets twice annually, the management of the company being under the direction of a Board of Directors which meets as and when required. There is a small salaried staff which also administers to the Diocesan Trust and Llangasty Retreat House Trust.

Principal activities and review of activities for the year

The principal activities of the company are the management of such finances of the Diocese of Swansea and Brecon as are vested in, or are payable to, the Swansea and Brecon Diocesan Board of Finance Limited.

Once more your Board is pleased to report a surplus of income over expenditure against budget. Nevertheless, as in last year this only occurred through difficulties in filling incumbencies in the diocese (£105,000) and this year because work on Parsonages had been contracted but not begun, or been paid for by 31 December (£106,000). The picture is therefore not as rosy as might be assumed from first sight, although we are particularly pleased that administrative and management costs of running the diocese have been held to a level even below last year's. Our thanks are due to Heather Price and her staff, particularly in this respect.

Whilst not wishing to repeat many of the caveats in last year's report, which still exist, this is nevertheless likely to be the last year when we shall be able to report such a surplus. The continuing reduction in the grants by the Representative Body, towards stipends and the costs of Maintenance of the Ministry, by 4% per annum until they cease completely in 2009 will mean even more of a challenge to Parishes. Unlike several other dioceses, we have managed to hold the annual increase of the Parish share to 7% per annum, even though for every 4% reduction in the RB's contribution, our costs rise by exactly double the figure, ie 8%. Past surpluses achieved on very much the same basis as last year's, have made this possible. Such surpluses are not expected to be achieved in the foreseeable future however. Currently, the level of the company's reserves at 31 December 2003 is considered by your Board to be adequate, and for the reasons set out above the reserves are expected to be required to meet the needs of the company in the future.

Swansea and Brecon Diocesan Board of Finance Limited

Principal activities and review of activities for the year (continued)

Your Board would again like to thank the Parishes, most of whom are making valiant efforts to provide their share – on time. This helps enormously in managing our cash flow efficiently and cost effectively. However, we do continue to reserve a Hardship Fund to help those Parishes who have either one-off or (less often) continuing problems in funding their share, as a result of special circumstances.

Both the Diocese and the Church in Wales as a whole face a future that must see many changes to what is regarded as “normal” or “historic” practice, both in Ministry and administration.

You may be aware that both the Archdeacon of Brecon and your Chairman accepted the invitation of the Archbishop and the Chairman of the Representative Body, Sir David Rowe-Beddoe, to be members of the Steering Group looking into all aspects of the finances and administration of the Church in Wales, which is reporting to the RB in September 2004. The practical experience of membership of your Board will, we trust, be reflected in the many proposals to be presented to the wider Church, however controversial these may appear.

The fact remains that the RB's funds can no longer match the commitments which it has historically undertaken and it must balance its own annual deficit in the future. This will mean less and less funding to the diocese, who will in turn have to cut our own cloth in deciding what priorities in levels of support can be given to every aspect of diocesan and parish finance. This will not be easy but, providing we can be given time to plan such changes, we are confident that they can be managed successfully for the long term future of the work of our Church. It will be a great opportunity and challenge to ensure that the 21st Century continues the Church's mission in a viable and enduring way. That will always be your Board's enduring aim.

Whilst looking forward to the future, we also commend this Report of your Directors on the past stewardship of the Diocesan finances in the year 2003, and we would like to thank all those who have given their time and efforts to achieving these results, not least to the Vice Chairman for having stood in during the latter part of the year at very short notice; to our Parsonage Board and our staff.

Results - Unrestricted Funds

The net movements for the year on unrestricted income funds are as follows:

	Net incoming resources for the year after transfers £	Gains on revaluation and disposal of fixed asset investments £	Total movements for the year £
General Fund Reserve	-	9,311	9,311
General Fund Reserve for future expenditure increases	125,966	-	125,966
	125,966	9,311	135,277

Swansea and Brecon Diocesan Board of Finance Limited

Results – Restricted Funds

The net movements for the year on restricted funds are as follows:

	Net incoming resources for the year after transfers £	Gains on revaluation and disposal of fixed asset investments £	Total movements for the year £
Parsonage Maintenance Fund (restricted income fund)	85,165	-	85,165
Legacy and Benefactions Account and Trust Funds (restricted capital, endowment funds)	-	42,778	42,778
	85,165	42,778	127,943

Directors

The directors who currently hold office are shown on page 1.

There were no changes to directors during the year ended 31 December 2003. Since the balance sheet date the following change has occurred:

Mr Timothy John Parry Davenport (resigned on 24 February 2004)

Method of Appointing Trustees

The directors of the company also act as trustees for the charitable activities of the company.

Trustees are appointed by the Diocesan Board of Finance annually at the Annual General Meeting, and all persons appointed as trustees must be members of the Board of Finance.

Management of Investments

The Board, whilst retaining overall responsibility for the company's investments, has devolved the management of the investments to Brewin Dolphin Securities Limited. The Board has requested that the sums are invested in low to medium risk investments, within parameters set by the Board, whilst maximising the return they generate. Part of the Board's portfolio is invested in growth stocks, and on taking the long term view there should not be a need to transfer part of the income to capital. The investments are made in accordance with the Representative Body Ethical Investment Policy.

Financial statements

The Company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the directors consider that it would be inappropriate to present a Profit and Loss Account in one of the formats set out in the Companies Act 1985. Therefore, as permitted by the Companies Act, in order to reflect the special nature of the company's activities, a Statement of Financial Activities has been presented.

Swansea and Brecon Diocesan Board of Finance Limited

Charitable status

The Board of Finance is a registered charity (No 249810) and as such is not subject to United Kingdom taxation.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning the reappointment will be proposed at the annual general meeting.

Risk management in the company

A key element in the care and diligence expected of the Board of Finance, and therefore one of the main responsibilities of the directors, is to assess the risks affecting the company as carefully and comprehensively as possible. This obligation includes careful consideration and assessment of risks affecting the company's assets, its financial position, and its results. The directors have in place a risk management system to permanently cover significant risks (ensuring suitable assessment of the risks), providing reports to the directors as appropriate, in order to ensure that risks are taken into account in the context of all relevant decisions. Factors carefully examined and assessed include for example the impact of the share of incoming resources expected to be provided by the Representative Body of The Church in Wales in future periods, and the effect this is likely to have on the company's budgets for future periods (see pages 2 and 3).

Statement of directors' responsibilities for preparing the financial statements

The directors are required by UK company law to prepare financial statements for each financial year 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 the surplus or deficit and total recognised gains or losses of the company for that year.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 31 December 2003. The directors also confirm that applicable accounting standards have been followed and that the going concern basis is appropriate.

The directors are responsible for maintaining adequate accounting records, for safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities.

By order of the board



Secretary
4 May 2004

Swansea and Brecon Diocesan Board of Finance Limited

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

We have audited the financial statements on pages 7 to 20 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet and the related notes, which have been prepared under the historical cost convention (as modified by the revaluation of fixed asset investments), and the accounting policies set out in the statement of accounting policies on page 11.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of the Swansea and Brecon Diocesan Board of Finance Limited. Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the directors' report.

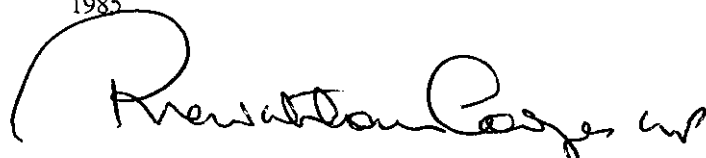
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs at 31 December 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Chartered Accountants and Registered Auditors
Swansea, 4 May 2004**

Swansea and Brecon Diocesan Board of Finance Limited

Statement of Financial Activities for the year ended 31 December 2003

	Notes	Unrestricted Funds 2003	Restricted Income Fund 2003	Restricted Capital, Endowment Funds 2003	Total Funds 2003	Total Funds 2002
		£	£	£	£	£
Incoming Resources						
From operating activities in furtherance of the charity's objectives						
Contributions from Representative Body	4.1	479,522	102,224	-	581,746	621,818
Contributions from Parishes	4.2	1,551,615	-	-	1,551,615	1,470,733
Income for Maintenance of Parsonages	13	-	247,941	-	247,941	50,574
		2,031,137	350,165	-	2,381,302	2,143,125
Other incoming resources						
Income from bequests		-	46	21,619	21,665	21,464
Other income	4.3	59,991	-	-	59,991	62,676
Investment income	4.4	53,654	-	-	53,654	45,143
Total Incoming Resources		2,144,782	350,211	21,619	2,516,612	2,272,408
Resources Expended						
Direct charitable expenditure in furtherance of the charity's objectives						
Maintenance of the Ordained Ministry	5.1	1,539,971	-	396	1,540,367	1,516,602
Diocesan Ministry expenses	5.2	23,462	-	7,089	30,551	22,216
Diocesan Mission expenses	5.3	59,789	-	7	59,796	56,490
Diocesan Education expenses	5.4	20,505	-	26	20,531	16,559
Diocesan and General Grants	5.5	52,534	-	14,101	66,635	63,115
Maintenance of Parsonages	13	-	408,967	-	408,967	336,881
Diocesan Expenses	5.6	96,951	-	-	96,951	86,290
Diocesan Housing Loan expenditure		7,200	-	-	7,200	1,994
		1,800,412	408,967	21,619	2,230,998	2,100,147
Other expenditure						
Management and administration	5.7	74,483	-	-	74,483	75,422
Total Resources Expended		1,874,895	408,967	21,619	2,305,481	2,175,569
Net Incoming/(Outgoing) Resources for the year before transfers						
		269,887	(58,756)	-	211,131	96,839
Transfer from Unrestricted Funds to Parsonage Maintenance Fund - restricted income fund						
		(143,921)	143,921	-	-	-
Net Incoming Resources for the year c/f before revaluations and disposals of fixed asset investments						
	12	125,966	85,165	-	211,131	96,839

Swansea and Brecon Diocesan Board of Finance Limited

Statement of Financial Activities for the year ended 31 December 2003 (continued)

	Note	Unrestricted Funds 2003	Restricted Income Fund 2003	Restricted Capital, Endowment Funds 2003	Total Funds 2003	Total Funds 2002
		£	£	£	£	£
Net Incoming Resources for the year b/f before revaluations and disposals of fixed asset investments		125,966	85,165	-	211,131	96,839
 Gains/(losses) on revaluation and on disposal of fixed asset investments	12	9,311	-	42,778	52,089	(154,089)
Net movement in funds for the year		135,277	85,165	42,778	263,220	(57,250)
 Total funds brought forward at 1 January 2003		920,480	20,527	517,828	1,458,835	1,516,085
Total funds carried forward at 31 December 2003		1,055,757	105,692	560,606	1,722,055	1,458,835

All the company's operations are continuing.

The statement of financial activities includes the company's income and expenditure for the year. A summary income and expenditure account for the year for the aggregate of the unrestricted funds and the restricted income fund is set out on page 9. The net income for the year and previous year on the historical cost basis of accounting for those funds is also referred to on page 9.

The net movements on the Restricted, Capital, Endowment Funds for the year ended 31 December 2003 comprise only gains on revaluation of fixed asset investments. Further details are given on page 19.

There are no recognised gains and losses for the year ended 31 December 2003 or for the previous year other than those included above and on page 7, (gains and losses from which the net movement in funds are derived). As a consequence, no separate statement of total recognised gains and losses for the year has been presented.

A detailed analysis of the incoming and outgoing resources is given on page 7 and in the respective notes to the financial statements. The notes on pages 11 to 20 form part of the financial statements.

Swansea and Brecon Diocesan Board of Finance Limited

Summary income and expenditure account for the year ended 31 December 2003

A summary income and expenditure account in respect of the unrestricted funds and the restricted income fund is set out below:

	2003 £	2002 £
Continuing operations		
Income		
From operating activities in furtherance of the charities objectives (see page 7)	2,381,302	2,143,125
Other incoming resources (see page 7):		
Income from bequests	46	47
Other income	59,991	62,676
Investment income	53,654	45,143
	113,691	107,866
	2,494,993	2,250,991
Expenditure		
Direct charitable expenditure in furtherance of the charity's objectives (see page 7)	2,209,379	2,078,730
Expenditure on management and administration (see page 7)	74,483	75,422
	2,283,862	2,154,152
Net income for the year before losses on fixed asset investments (see page 19)	211,131	96,839
Gains/(losses) arising on fixed asset investments (see page 19)	(8,563)	(62,153)
Net income for the year	202,568	34,686

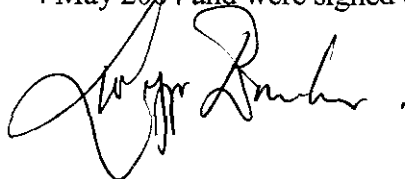
The net income on the historical cost basis of accounting for the unrestricted funds and the restricted income fund, for the year ended 31 December 2003 and for the previous year, is equivalent to the figures set out above.

Swansea and Brecon Diocesan Board of Finance Limited

Balance sheet at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Investments	6	<u>1,309,305</u>	<u>1,256,989</u>
Current assets			
Debtors: due after more than one year	7	570,154	630,535
Debtors: due within one year	8	148,652	122,942
Short term deposits	9	481,883	286,044
Bank and cash balances		<u>37,882</u>	<u>22,117</u>
		<u>1,238,571</u>	<u>1,061,638</u>
Creditors: amounts falling due within one year	10	<u>(255,213)</u>	<u>(229,353)</u>
Net current assets		<u>983,358</u>	<u>832,285</u>
Total assets less current liabilities		<u>2,292,663</u>	<u>2,089,274</u>
Creditors: amounts falling due after more than one year	11	<u>(570,608)</u>	<u>(630,439)</u>
Net assets		<u>1,722,055</u>	<u>1,458,835</u>
Funds			
Unrestricted income funds	12	<u>1,055,757</u>	<u>920,480</u>
Restricted funds			
Parsonage Maintenance Fund (restricted income fund)	12	105,692	20,527
Legacy and Benefactions Account and Trust Funds	12	<u>560,606</u>	<u>517,828</u>
		<u>666,298</u>	<u>538,355</u>
Total funds		<u>1,722,055</u>	<u>1,458,835</u>

The financial statements on pages 7 to 20 were approved by the board of directors on 4 May 2004 and were signed on its behalf by:



Chairman

Swansea and Brecon Diocesan Board of Finance Limited

Notes to the financial statements for the year ended 31 December 2003

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, and in compliance with the Statement of Recommended Practice (Accounting and Reporting by Charities) revised in October 2000 and in accordance with the Companies Act 1985. A summary of the more important accounting policies is set out below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis of accounting as modified by the revaluation of fixed asset investments.

Statement of Financial Activities

In accordance with the Statement of Recommended Practice (Accounting and Reporting by Charities), a Statement of Financial Activities has been included in the financial statements on pages 7 and 8.

Fixed asset investments

Fixed asset investments are stated at market value or at the 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. This accounting policy is in accordance with the SORP.

Grants receivable

Grants are credited as incoming resources in the Statement of Financial Activities at the time when the grant becomes receivable and receipt is reasonably certain.

Liabilities (including grants payable and provisions)

Liabilities including grants payable and provisions are recognised in the financial statements when a present obligation exists at the balance sheet date, which gives rise to the probability of a transfer of economic benefits occurring in future periods to settle the obligation.

Income

Income is accounted for on an accruals basis, except for donations (other than Parochial Share) which are accounted for when received. Legacies are credited to the Statement of Financial Activities at the time of receipt, and bequests in the form of investments are included at their estimated value at the time of receipt.

Pension scheme contributions

Contributions are made to defined contribution (money purchase) pension arrangements, the assets of which 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.

Swansea and Brecon Diocesan Board of Finance Limited

2 Cash flow Statement

The company qualifies as a small company under the Companies Act 1985. It has therefore taken advantage of the exemption in FRS1 "Cash flow Statements" and has not prepared a cash flow statement.

3 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.

4 Incoming Resources

	2003	2002
	£	£
4.1 Contributions from the Representative Body		
Maintenance of Ministry Fund	452,635	495,108
Maintenance of Parsonages (restricted income fund – see note 13)	102,224	99,189
Council Tax	26,887	27,521
	<u>581,746</u>	<u>621,818</u>
4.2 Contributions from Parishes	£	£
Parish Share assessed by the DBF	<u>1,551,615</u>	<u>1,470,733</u>
4.3 Other income	£	£
Grants received:		
Diocesan Trust – for Statutory Education	500	500
Representative Body – Diocesan Advisory Committee	8,334	8,333
Allchurches Trust	10,450	10,450
Resource Centres:		
Eastmoor Resource Centre, Swansea	21,206	20,943
Diocesan Centre, Brecon	6,860	7,231
Widows, Orphans and Dependents	609	824
Miscellaneous	232	215
Contributions from Diocesan and other organisations	<u>11,800</u>	<u>14,180</u>
	<u>59,991</u>	<u>62,676</u>
4.4 Investment income	£	£
Income from fixed asset investments - listed	43,061	32,177
Income from Representative Body Common Investment Fund Units	1,191	1,208
Bank and money market interest	9,388	11,592
Other interest	14	166
	<u>53,654</u>	<u>45,143</u>

Swansea and Brecon Diocesan Board of Finance Limited

5 Resources Expended

	2003	2002
	£	£
5.1 Maintenance of the Ordained Ministry		
Stipends and Allowances	1,413,882	1,387,364
Maintenance of Services	12,581	11,919
Removal and Disturbance Allowances	15,090	26,200
Custodians Expenses	4,424	4,594
Death in service insurance	12,734	12,118
Council Tax	81,656	74,407
	<u>1,540,367</u>	<u>1,516,602</u>
5.2 Diocesan Council for Ministry	£	£
Ministry – general expenditure	1,588	(1,033)
Shared Ministerial training	7,398	1,920
Ordinands training	14,116	16,570
Rural Life Ministry	-	93
Reader's Association	2,449	666
Clergy School	5,000	4,000
	<u>30,551</u>	<u>22,216</u>
5.3 Diocesan Council for Mission	£	£
Mission – general expenditure	631	-
Evangelism	817	360
Stewardship	943	753
Social Responsibility	34,201	32,734
The Church Worldwide	20,868	20,599
Communications and Media	2,298	1,995
Ecumenism	38	-
Tourism	-	49
	<u>59,796</u>	<u>56,490</u>
5.4 Diocesan Council for Education	£	£
Education – general expenditure	1,257	1,173
Statutory education	8,456	5,489
Children's work	4,430	4,446
Youth work	3,293	3,574
Higher education chaplaincy expenses	3,095	1,877
	<u>20,531</u>	<u>16,559</u>

Swansea and Brecon Diocesan Board of Finance Limited

5 Resources Expended (continued)

	2003	2002
	£	£
5.5 Diocesan and General Grants		
Bishop's Fund	7,550	7,350
Brecon Cathedral	8,550	8,350
Church Repair Grants	10,000	8,500
Parish Mission Grants	4,000	4,000
Parish Assistance Fund	12,000	10,000
Llangasty Retreat House	7,590	12,020
Widows, orphans and dependants (see below)	13,745	9,695
Other grants	3,200	3,200
	66,635	63,115
5.6 Diocesan Expenses	£	£
Diocesan Conference and Elections	1,384	2,204
Newsletters and Diocesan Directory	6,305	7,429
Area Deans' expenses of office	1,824	1,194
Quinquennial Inspections	18,000	8,000
Diocesan Advisory Committee expenses	8,333	8,333
Churches and Pastoral Committee expenses	160	-
Essential Repairs at Cathedral Close	5,000	5,000
Child Protection	-	1,639
Contingency Expenditure	667	1,070
Eastmoor Centre	33,401	30,109
Diocesan Centre	21,877	21,312
	96,951	86,290
5.7 Management and administration	£	£
Salaries including pensions and pension scheme contributions (see also Note 5.8)	57,074	56,216
Staff expenses	552	1,627
Office expenses	11,584	12,148
Auditors' remuneration for audit	3,496	3,008
Company expenses	1,777	2,423
	74,483	75,422

Swansea and Brecon Diocesan Board of Finance Limited

5 Resources Expended (continued)

	2003	2002
5.8 Salaries including pensions and pension scheme contributions	£	£
Salaries	97,484	95,343
Social security costs	6,804	6,124
	<u>104,288</u>	<u>101,467</u>
Pensions	1,873	1,828
Pension scheme contributions	6,186	5,516
	<u>112,347</u>	<u>108,811</u>

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

	£	£
Management and administration	49,830	49,362
Parsonage Maintenance expenditure	16,358	13,685
Diocesan Officers – Mission	317	178
Diocesan Officers – Education	6,742	6,577
Resource Centres and DAC Secretaries	31,041	30,027
Child Protection Officer	-	1,638
	<u>104,288</u>	<u>101,467</u>

No remuneration was paid to directors for the year ended 31 December 2003 or for the previous year. For the year ended 31 December 2003, two directors were reimbursed travelling expenses, which amounted to £793. For the previous year ended 31 December 2002, three directors were reimbursed travelling expenses amounting to £1,385.

The pension scheme contributions are defined contributions payable by the company to funds, the assets of which are held separately from those of the company.

No employees earned £50,000 or more for the year ended 31 December 2003 or for the previous year.

The average weekly number of persons employed during the year was 6 (2002: 7).

Swansea and Brecon Diocesan Board of Finance Limited

6 Fixed asset investments

	Investments - listed £	Other investments £	Total investments £
Book and market value			
At 1 January 2003	675,613	581,376	1,256,989
Additions less disposals	35,802	(35,575)	227
Gain on revaluation	7,204	44,885	52,089
At 31 December 2003	718,619	590,686	1,309,305

Book and market value of fixed asset investments comprise:

	2003 £	2002 £
Investments – listed:		
General Unrestricted Funds		
Investment assets – listed (see below)	<u>718,619</u>	<u>675,613</u>
Other Investments:		
General Unrestricted Funds		
4,735 (2002: 4,735) Representative Body Common Investment Fund Units	28,614	26,506
Brewin Dolphin Securities Deposit Account	<u>1,466</u>	<u>37,042</u>
General Unrestricted Funds	<u>30,080</u>	<u>63,548</u>
Legacy and Benefactions Account and Trust Funds		
- Restricted Capital, Endowment Funds		
Held by Swansea and Brecon Diocesan Trust	325,006	303,569
Held by the Representative Body	226,368	205,027
Held by the Board of Finance	<u>9,232</u>	<u>9,232</u>
Restricted Capital, Endowment Funds	<u>560,606</u>	<u>517,828</u>
Total Other Investments	<u>590,686</u>	<u>581,376</u>
Total Investments	<u>1,309,305</u>	<u>1,256,989</u>

At 31 December 2003 the market value of investment assets - listed includes an amount of £529,609 for investments in the UK (2002: £468,961).

Swansea and Brecon Diocesan Board of Finance Limited

7 Debtors due after more than one year

	2003	2002
General Unrestricted Funds	£	£
Representative Body of The Church in Wales loans:		
Parishes	57,346	62,727
Retired clergy housing	512,258	567,258
	<u>569,604</u>	<u>629,985</u>
Diocesan loans to parishes	550	550
	<u>570,154</u>	<u>630,535</u>

8 Debtors due within one year

General Unrestricted Funds	£	£
Parish Share	86,556	67,549
Representative Body of The Church in Wales	117	-
Group Insurance Scheme	1,644	2,841
Payment in advance	1,763	-
Interest on Loans	754	1,406
Parochial Loans	39,694	39,694
Bank interest and Charities Official Investment Fund income	6,721	3,978
Miscellaneous	6,637	9,261
Provision for doubtful debts	(30,000)	(30,000)
	<u>113,886</u>	<u>94,729</u>
Restricted Funds		
Parsonage Maintenance Fund (restricted income fund)		
Grants and Insurance claims	29,670	8,309
Legacy and Benefactions Account and Trust Funds		
Trust fund income held by Diocesan Trust	5,096	19,904
	<u>34,766</u>	<u>28,213</u>
Debtors due within one year	<u>148,652</u>	<u>122,942</u>

9 Short term deposits

	£	£
General Unrestricted Funds		
CAF Gold Account	481,883	286,044

Swansea and Brecon Diocesan Board of Finance Limited

10 Creditors: amounts falling due within one year

	2003	2002
	£	£
General Unrestricted Funds		
Representative Body of The Church in Wales	-	7,742
Parish Share contributions received in advance	338	236
Group Insurances received in advance	1,596	1,954
Parish Share Assistance Fund	17,029	11,645
Diocesan Advisory Committee Fund	17,526	17,499
Quinquennial Inspections	6,914	1,580
Group Insurance Rebate Fund	25,918	25,909
Essential Repair Fund	28,638	23,638
Clergy School	14,400	7,400
Other tax and social security	2,297	2,126
Other creditors and accruals	86,645	67,446
	<u>201,301</u>	<u>167,175</u>
Restricted Funds		
Parsonage Maintenance Fund (restricted income fund)		
Sundry creditors	13,864	25,954
Legacy and Benefactions Account and Trust Funds		
Trust income payable	40,048	36,224
	<u>53,912</u>	<u>62,178</u>
Creditors: amounts falling due within one year	<u>255,213</u>	<u>229,353</u>

11 Creditors: amounts falling due after more than one year

	£	£
General Unrestricted Funds		
Loans from the Representative Body of The Church in Wales:		
General Loan Fund at 5%	21,741	23,367
Curates Houses Loans at 3.5%	36,609	39,814
Houses for retired clergy:		
Provincial Loan Fund at 6%	92,258	117,258
Equity linked loan - interest free	420,000	450,000
	<u>570,608</u>	<u>630,439</u>

Loans received from the Representative Body of The Church in Wales are granted to Parishes and for Retired clergy housing. These loans are included in debtors falling due after more than one year (see Note 7 on page 17).

Interest at the rates shown above is payable by the recipients of the respective loans, and is paid 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 of The Church in Wales.

Swansea and Brecon Diocesan Board of Finance Limited

12 Accumulated Fund balances

	Accumulated fund balances at 1.1.2003 £	Net incoming resources for the year (see below) £	Gains/(losses) arising on fixed asset investments (see below) £	Accumulated Fund balances at 31.12.2003 £
General Unrestricted Income Funds				
General Fund Reserve:				
Accumulated fund balance	607,645	-	(8,563)	599,082
Reserve for surplus arising on the revaluation of fixed asset investments	-	-	17,874	17,874
	607,645	-	9,311	616,956
General Fund Reserve for future expenditure increases	312,835	125,966	-	438,801
Total General Unrestricted Income Funds	920,480	125,966	9,311	1,055,757
Restricted Funds				
Parsonage Maintenance Fund (restricted income fund)	20,527	85,165	-	105,692
Trust Funds	517,828	-	42,778	560,606
Total Funds	1,458,835	211,131	52,089	1,722,055

The net incoming resources for the year as shown in the second column of the above table is stated after recording transfers but before including gains/(losses) arising on fixed asset investments.

The gains/(losses) arising on fixed asset investments include gains/(losses) arising on the revaluation of and on the disposal of fixed asset investments.

The accumulated fund balance at 31 December 2003 on the general unrestricted income funds includes an amount of £17,874 arising from the surplus on the revaluation of certain fixed asset investments over the cost of those investments. Investments included in those funds, where the aggregate valuation at 31 December 2003 is lower than cost, gives an aggregate cumulative deficit of £35,020. This cumulative deficit is already deducted in arriving at the General Fund Reserve accumulated fund balance at 31 December 2003.

The Trust Funds record a gain of £42,778 on revaluation of fixed asset investments during the year ended 31 December 2003. This gain partly reverses deficits which arose in previous periods on the revaluation of investments on the Restricted Capital Endowment Funds. The accumulated fund balance on the Trust Funds amounts to £560,606 at 31 December 2003. This balance is stated after deducting a cumulative deficit arising from revaluation of fixed asset investments of £12,646 (2002: cumulative deficit of £55,424).

Swansea and Brecon Diocesan Board of Finance Limited

13 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2003

	2003	2002
	£	£
Expenditure		
Maintenance:		
Brecon Parsonages	182,805	112,318
Gower Parsonages	174,055	172,043
Maintenance agreements etc	16,600	18,571
	<u>373,460</u>	<u>302,932</u>
Administration:		
Diocesan Board of Finance	10,000	7,500
Inspector	12,366	10,082
Secretarial salaries	6,358	6,185
Miscellaneous	6,783	10,182
	<u>408,967</u>	<u>336,881</u>
Total expenditure		
	<u>408,967</u>	<u>336,881</u>
Income		
Contributions from Diocesan Board of Finance General Unrestricted Income Fund (see page 7)	143,921	207,598
Contribution from the Representative Body	102,224	99,189
Income from bequests	46	47
Insurance claims	8,371	3,922
Parochial contributions	2,712	29,462
Grants	8,940	17,190
Sundry income	690	-
Improvement Fund	227,228	-
	<u>494,132</u>	<u>357,408</u>
Total income		
	<u>494,132</u>	<u>357,408</u>
Surplus for the year	85,165	20,527
Fund balance brought forward at 1 January 2003	20,527	-
Fund balance carried forward at 31 December 2003	<u>105,692</u>	<u>20,527</u>