

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

**Swansea and Brecon Diocesan  
Board of Finance Limited**

**Annual report  
for the year ended 31 December 2011**

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# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Annual Report for the year ended 31 December 2011**

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

- A registered charity (Number 249810)
- A company limited by guarantee (Number 924565)
- A Board of Finance established under the Constitution of the Church in Wales

The members of the Company are elected or appointed in accordance with the Memorandum and Articles of Association of the Company The members meet twice each year and at the Annual General meeting held in June each year elect an Executive Committee to manage the day to day affairs of the Company The persons elected to the Executive Committee are also Trustees of the charity and directors and guarantors of the Company

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 Rt Revd John David Edward Davies (President)  
Mr David Peter Lloyd Davies, FCA, DL (Chairman)  
The Ven Alfred James Randolph Thomas  
The Ven Robert John Williams  
The Revd Canon Janet Mary Russell (appointed 6 September 2011)  
The Revd Canon Peter John Williams  
Mrs Gillian Brenda Knight, FCA  
Mr Gwynfor Lewis, FCA  
Mr John Richard Conway Lloyd  
Mr Nicolas Vincent Somerset Paravicini, DL  
Professor Peter Townsend (appointed 6 September 2011)  
Mr Clive Rees

## **Company Secretary**

Mrs Heather Price, FCA

## **Registered Office**

8a High Street, Brecon, LD3 7AL

## **Independent Auditors**

PricewaterhouseCoopers LLP, Lllys Tawe, Kings Road, SA1 Swansea Waterfront, Swansea, SA1 8PG

## **Principal Bankers**

HSBC, Portland Street Branch, Swansea, SA1 3DF

## **Stockbrokers**

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

# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Trustees' report for the year ended 31 December 2011**

The Trustee/directors have pleasure in submitting their report, together with the audited financial statements of the Company for the year ended 31 December 2011

### **Legal and administrative details**

The legal and administrative details of the Company and the details of the Trustee/directors currently holding office, company secretary, registered office, 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 Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, 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 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 2011 was 12.

### **Public Benefit**

The Trustees/directors acknowledge the Charity Commission's guidance on public benefit set out in *The Advancement of Religion for the Public Benefit* and have had regard to it in the administration of the Company. We have referred to the guidance in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and planning future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

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.

# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Principal activities and review for the year**

### **The aims of the Diocese can be summarised as follows:-**

To maintain a sustainable, led and transforming Christian presence in every community in the diocese to enable all to act justly, to love mercy and to walk humbly with God

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.

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 Board's 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 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 2011 the main objectives were**

- To sustain diocesan ministry by maintaining financial stability
- Review and refine the system for the allocation of the Parish Share to incumbencies
- Introduce assistance to parishes in meeting their objectives through a rolling programme of visits to parishes by the Stewardship Committee
- Develop and support the Diocesan Director of Mission in the role of encouraging new ventures and opportunities
- Development of lay ministries
- Support and advice for parishes on charity registration

## **Achievements, performance and financial review**

The financial out-turn for 2011 is considered satisfactory against the background of difficult economic conditions.

Parishes in the Diocese responded magnificently to the financial challenge to such effect that the overall collection of Parish Share, the shared cost of Ministry and Mission across the Diocese, exceeded 100% of that requested resulting in a welcome reduction in Parish Shares arrears in the year.

The surplus of £120,289 generated on Unrestricted Funds again resulted largely from clerical vacancies taking longer to fill than had been anticipated when the annual budget was set. The Restricted Income Fund relates to the activities of the Parsonage Board and the surplus of £91,404 results from an infusion of £100,000 into the Board's funds late in the year to help finance exceptional levels of back-log maintenance of the Board's properties. Not all of this money had been out-layed by the Board at the year end.

## Swansea and Brecon Diocesan Board of Finance Limited

The volatility of the financial markets impacted adversely on investment values at the year-end reversing in large measure the unrealised valuation gains recorded in 2010

Overall retained Reserves increased marginally and remain in a reasonably healthy state

The review of the system of allocating to Parishes the amount required to fund Ministry and Mission was progressed during the year to the point where proposals for refinement of the present system were published ahead of a comprehensive consultation process that took place early in the current year. It is anticipated that the final proposals for refinement of the system will be presented to the Annual Meeting of the Board in June this year

### Results – Unrestricted Funds

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

|                      | Net incoming<br>resources<br>for the year<br>after transfers | Gains on<br>disposal of<br>fixed asset<br>investments | Unrealised<br>loss on<br>revaluation of<br>fixed asset<br>investments | Total<br>movements<br>for the year |
|----------------------|--|---|---|------------------------------------|
|                      | £  | £   | £   | £                                  |
| General Fund Reserve | 120,289  | 13,486  | (143,675)   | (9,900)                            |

### Results - Restricted Funds

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

|   | Net incoming<br>resources<br>for the year<br>after transfers | Gains on<br>disposal of<br>fixed asset<br>investments | Unrealised<br>gain on<br>revaluation of<br>fixed asset<br>investments | Total<br>movements<br>for the year |
|---|--|---|---|------------------------------------|
|   | £  | £   | £   | £                                  |
| Parsonage Maintenance Fund  | 91,404   | -   | -   | 91,404                             |
| Legacy and Benefactions Account<br>and Trust Funds (restricted capital,<br>endowment funds) | -  | -   | (49,773)  | (49,773)                           |
|   | 91,404   | -   | (49,773)  | 41,631                             |

### Plans for the future

- To sustain diocesan ministry by maintaining financial stability
- Complete consultation on the proposals for refining the system for the allocation of the Parish Share to incumbencies with final proposals being placed before the Diocesan Board of Finance at the AGM in June 2012
- Support the Diocesan Directors of Mission and Ministry in their joint role of both encouraging new ventures and opportunities, and sustaining those initiatives that have already begun
- Training and support of lay ministries
- Support and advice for parishes on charity registration

# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Structure, Governance and Management**

### **Membership – Composition**

Members of the Company are appointed for a three-year term, and there are four categories of membership

- 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

The members of the Company meet twice a year to carry out the formal business of the Company. At its annual meeting the Company elects an Executive Committee to serve for the ensuing twelve months.

### **Executive Committee**

The day to day management of the Company has been delegated to the Executive Committee, whose members are the trustees of the charity and the directors of the company. The Executive Committee shall not exceed fifteen 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.

Induction packs are provided for new trustee/directors which include Charity Commission guidance on being a trustee together with appropriate information to convey the objectives and activities of the charity. Trustees are encouraged to attend appropriate training seminars of which details are circulated from time to time.

### **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 four sub-committees - Assistance Committee, Investment Committee, Staffing 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 parish share and/or church insurance premiums.

### **Investment Committee**

The Committee is responsible for setting and reviewing the strategy for the Board'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.

# Swansea and Brecon Diocesan Board of Finance Limited

## Staffing Committee

The Staffing Committee is responsible for advising the Board on developing policies and procedures for lay staff in line with legislation and good practice. This includes advising on the level of salaries and pension provision.

## 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 its sincere desire that no clergy widow should find themselves in any situation of financial need.

## Diocesan Board of Finance membership at 31 December 2011

**President** The Rt Revd The Bishop of Swansea and Brecon

**Life Hon Vice-President** BW Lillyman

**Chairman** DPL Davies

**Vice-Chairman** G Lewis

## Members ex officio:

The Rt Revd The Bishop of Swansea and Brecon

The Very Revd The Dean of Brecon

The Ven Archdeacon of Gower

The Ven Archdeacon of Brecon

The Chancellor of The Diocese

The Diocesan Registrar

The Secretary, Diocesan Council for Mission

The Secretary, Widows, Orphans and Dependants Committee

The Clerical Secretary of Diocesan Conference

The Lay Secretary of Diocesan Conference

The Secretary of the Council for Education

The Secretary of the Diocesan Trust

The Secretary of the Parsonage Board

The Area Deans

## Nominated by the Bishop:

R A Goodwin, J D Hughes, J R C Lloyd, Major N V S Paravicini, Dr G Todd,

Prof P Townsend, O Williams

## Co-opted by The Board:

C Rees, R J Wigley, The Revd Canon P J Williams, Mrs G B Knight

## Elected Members:

|             |   |
|-------------|---|
| BRECON      | Mrs A Jones, A J Moreton                                  |
| BUILTH      | The Revd B L T Griffith, A McArdle, N O Tyler             |
| CRICKHOWELL | The Revd C W Bowen, F G Davies, M James                   |
| HAY         | The Revd A N Jevons, Lt Col D P Garnons Williams, P Lloyd |
| MAELIENYDD  | R Atkins, W J T Powell                                    |
| CLYNE       | The Revd T J Williams, K Lewis, A Pickard                 |
| CWMTAWE     | The Revd G H Green, Miss M Honey, G Lewis                 |
| GOWER       | The Revd A J Pearce, D P L Davies, N E King               |
| LLWCHWR     | The Revd F A Bayes, J John, P Parsons                     |
| PENDERI     | The Revd D Jones, Mrs E Phillips, Mrs E M L Smith         |
| SWANSEA     | The Revd C P G Dickson, A J Lamb, R J Nedin               |

**Secretary** Mrs H Price



# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Committee membership at 31 December 2011**

(\* denotes non-Board member)

### **Executive Committee**

**Chairman:** D P L Davies

**Vice-Chairman:** G Lewis

The Rt Revd The Bishop of Swansea and Brecon, The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, The Revd Canon J M Russell, The Revd Canon PJ Williams, D P L Davies, Mrs G B Knight, G Lewis, J R C Lloyd, N V S Paravicini, C Rees and Prof P Townsend

**Consultant:** T J P Davenport

**Secretary:** Mrs H Price

### **Parsonage Board**

**Chairman:** C Rees

**Vice-Chairman:** E Jones

The Rt Revd The Bishop of Swansea and Brecon, The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, The Revd H M Lervy, D P L Davies, Mrs S Jevons\*, J D Hughes, E Jones\* and C Rees

**Inspector:** S Holland

**Consultant:** R Cowley

**Secretary:** Mrs H Price

### **Churches and Pastoral Committee**

**Chairman:** The Ven Archdeacon of Brecon

The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, The Very Revd The Dean of Brecon, The Revd Canon R T Edwards, The Revd Canon J W Griffin, The Revd M R Thomas\*, F G Davies, G Lewis, D J North\* and N Warrington\*

**Consultant:** Revd M T Beaton

**Secretary:** Mrs H Price

### **Investment Committee**

**Chairman:** D P L Davies

The Ven Archdeacon of Brecon, D P L Davies, G Lewis, J R C Lloyd and N V S Paravicini

**Secretary:** Mrs H Price

### **Assistance Committee**

**Chairman:** D P L Davies

The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, P M Bowen\*, D P L Davies, M Haines\*, M Nosworthy\* and J A Stoker\*

**Secretary:** Mrs H Price

### **Staffing Committee**

**Chairman:** D P L Davies

The Rt Revd The Bishop of Swansea and Brecon, The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, T J P Davenport, D P L Davies, G Lewis and C Rees

**Secretary:** Mrs H Price

### **Widows, Orphans and Dependants Committee**

**Chairman:** The Rt Revd The Bishop of Swansea and Brecon

The Rt Revd The Bishop of Swansea and Brecon, The Ven Archdeacon of Brecon, The Ven Archdeacon of Gower, Mrs J Cooper\*, P W Jenkins\*, Mrs G B Knight, and D H G Thomas\*

**Secretary:** Mrs H Price

# Swansea and Brecon Diocesan Board of Finance Limited

## Board of Trustees/directors

The Trustees/directors who held office during the financial year and who currently hold office are shown on page 1

No changes have taken place subsequent to the financial year end of 31 December 2011

## Induction and Training of Trustees

Induction packs are provided for new trustees which include Charity Commission guidance on being a trustee together with appropriate information to convey the objectives and activities of the charity. Trustees are encouraged to attend appropriate training seminars of which details are circulated from time to time

## Policy on risk management

A key element of the care and diligence expected of the Executive Committee and therefore one of the main responsibilities of the Trustees/directors is to assess the risks affecting the company as carefully and comprehensively as possible. The Executive Committee has in place 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 risk to which the Company is exposed is the effect of changes in equity prices and interest rates. The Executive Committee seeks to mitigate these risks by close monitoring of investment performance. Liquidity risk is mitigated through the maintenance of appropriate levels of bank and short term deposits

## Policy on reserves

The Representative Body funds a block grant to the Diocese, which in 2011 was £886,617, some 25% of the company's income. There is no certainty that the level of this grant will be maintained in future years. Therefore, the Executive Committee seeks to maintain a reasonable level of reserves. The current level of reserves is considered reasonable

## Policy on management of investments

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 Stockbrokers 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 accordance with the Ethical Investment Policy adopted by the Church in Wales

## 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 clergy in post within the diocese

|  | 2011       | 2010       |
|--|------------|------------|
| Parish Share – collection performance (Receipts are offset against oldest debt first)                    | 92.1%      | 90.6%      |
| Net incoming resources for the year before revaluations and disposal of investments – unrestricted funds | £120,289   | £137,032   |
| Level of unrestricted reserves held  | £2,456,795 | £2,466,695 |
| Clergy establishment   | 75         | 77         |
| Clergy budgeted for  | 72         | 75         |
| Actual number of clergy in post  | 70         | 70         |

# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Financial statements**

The Company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the Trustees/directors consider it inappropriate to present a Profit and Loss Account in one of the formats set out in the Companies Act 2006. 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.

## **Independent Auditors**

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

## **Statement of Trustees' responsibilities**

The trustees (who are also directors of Swansea and Brecon Diocesan Board of Finance Limited for the purposes of company law) are responsible for preparing the Trustees' Annual 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing 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 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 keeping proper accounting records that 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 auditor is 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 auditor is aware of that information.

**By order of the Board of Trustees**



**H Price**  
**Company Secretary**

# Swansea and Brecon Diocesan Board of Finance Limited

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

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance Limited for the year ended 31 December 2011 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

*Ian Clarke*

Ian Clarke (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Swansea,

*31 May 2012*

# Swansea and Brecon Diocesan Board of Finance Limited

## Statement of Financial Activities for the year ended 31 December 2011

|  | Notes | Unrestricted<br>Funds<br>2011 | Restricted<br>Income<br>Fund<br>2011 | Restricted<br>Capital<br>Endowment<br>Funds<br>2011 | Total<br>Funds<br>2011 | Total<br>Funds<br>2010 |
|--|-------|-------------------------------|--------------------------------------|---|------------------------|------------------------|
|  |       | £                             | £                                    | £   | £                      | £                      |
| <b>Incoming Resources</b>  |       |                               |                                      |   |                        |                        |
| <b>Incoming Resources from Generated Funds</b>   |       |                               |                                      |   |                        |                        |
| Voluntary Income   | 4 1   | 3,286,526                     | 21,658                               | -   | 3,308,184              | 3,231,460              |
| Activities for Generating Funds  | 4 2   | 947                           | 16,855                               | -   | 17,802                 | 37,414                 |
| Investment Income  | 4 3   | 72,404                        | 22                                   | 25,299  | 97,725                 | 97,846                 |
| <b>Income from Charitable Activities</b>   | 4 4   | 28,345                        | -                                    | -   | 28,345                 | 24,198                 |
| <b>Other Incoming Resources</b>  | 4 5   | 22,467                        | 10,938                               | -   | 33,405                 | 7,316                  |
| <b>Total incoming resources</b>  |       | 3,410,689                     | 49,473                               | 25,299  | 3,485,461              | 3,398,234              |
| <b>Resources Expended</b>  |       |                               |                                      |   |                        |                        |
| <b>Cost of Generating Funds</b>  |       |                               |                                      |   |                        |                        |
| Investment Management Costs  |       | 11,930                        | -                                    | -   | 11,930                 | 9,406                  |
| <b>Costs of Charitable Activities</b>  |       |                               |                                      |   |                        |                        |
| Support for Ministry   | 5 1   | 2,452,678                     | 383,419                              | 24,660  | 2,860,757              | 2,719,443              |
| Support for Parishes   | 5 2   | 162,977                       | -                                    | 34  | 163,011                | 163,569                |
| Church Property  | 5 3   | 41,614                        | -                                    | -   | 41,614                 | 42,756                 |
| Other Financial Support  | 5 4   | 155,321                       | -                                    | 605   | 155,926                | 179,399                |
| Communications   | 5 5   | 16,913                        | -                                    | -   | 16,913                 | 15,029                 |
| <b>Governance Costs</b>  | 6     | 48,617                        | -                                    | -   | 48,617                 | 45,203                 |
| <b>Other Resources Expended</b>  | 8     | (25,000)                      | -                                    | -   | (25,000)               | 25,000                 |
| <b>Total Resources Expended</b>  |       | 2,865,050                     | 383,419                              | 25,299  | 3,273,768              | 3,199,805              |
| <b>Net incoming/(outgoing) resources before transfers</b>                                  |       | 545,639                       | (333,946)                            | -   | 211,693                | 198,429                |
| Transfer from unrestricted funds to parsonage maintenance fund - restricted income fund    |       | (425,350)                     | 425,350                              | -   | -                      | -                      |
| <b>Net incoming resources before revaluations and disposals of fixed asset investments</b> | 15    | 120,289                       | 91,404                               | -   | 211,693                | 198,429                |
| Gains/(losses) on disposal of investment   | 15    | 13,486                        | -                                    | -   | 13,486                 | 42,095                 |
| Gains/(losses) on revaluation of investments   | 15    | (143,675)                     | -                                    | (49,773)  | (193,448)              | 211,537                |
| <b>Net movements in funds for the year</b>   |       | (9,900)                       | 91,404                               | (49,773)  | 31,731                 | 452,061                |
| Total funds brought forward at 1 January   |       | 2,466,695                     | 173,005                              | 739,800   | 3,379,500              | 2,927,439              |
| <b>Total funds carried forward at 31 December</b>  |       | 2,456,795                     | 264,409                              | 690,027   | 3,411,231              | 3,379,500              |

All the company's operations are continuing

The financial statements for the year ended 31 December 2011 have been prepared in accordance with Statement of Recommended Practice ("SORP"), "Accounting and Reporting by Charities" published in March 2005

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 12. 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 12.

The Restricted Capital, Endowment Funds include the company's Legacy and Benefactions Account. The net movements on the Restricted Capital, Endowment Funds for the year ended 31 December 2011 comprise only losses on revaluation of fixed asset investments. Further details can be found on page 13.

There are no recognised gains and losses for the year ended 31 December 2011 or for the previous year other than those included above, (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.

Detailed analyses of incoming and outgoing resources are given in the financial statements. The notes on page 14 to 27 form part of the financial statements.

# Swansea and Brecon Diocesan Board of Finance Limited

## Summary Income and Expenditure Account or the year ended 31 December 2011

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

|  | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| <b>Continuing operations</b>   |                                       |                                       |
| <b><i>Incoming Resources from Generated Funds</i></b>                  |                                       |                                       |
| Voluntary Income   | 3,308,184                             | 3,231,460                             |
| Activities for Generating Funds  | 17,802                                | 37,414                                |
| Investment Income  | 72,426                                | 62,460                                |
| <b><i>Income from Charitable Activities</i></b>                        | <b>28,345</b>                         | <b>24,198</b>                         |
| <b><i>Other Incoming Resources</i></b>                                 | <b>33,405</b>                         | <b>7,316</b>                          |
|  | <b>3,460,162</b>                      | <b>3,362,848</b>                      |
| <b>Resources Expended</b>  |                                       |                                       |
| <b><i>Cost of Generating Funds</i></b>                                 |                                       |                                       |
| Investment Management Costs  | 11,930                                | 9,406                                 |
| <b><i>Costs of Charitable Activities</i></b>                           |                                       |                                       |
| Support for Ministry   | 2,836,097                             | 2,694,402                             |
| Support for Parishes   | 162,977                               | 163,536                               |
| Church Property  | 41,614                                | 42,756                                |
| Other Financial Support  | 155,321                               | 169,087                               |
| Communications   | 16,913                                | 15,029                                |
| <b><i>Governance Costs</i></b>   | <b>48,617</b>                         | <b>45,203</b>                         |
| <b><i>Other Resources Expended</i></b>                                 | <b>(25,000)</b>                       | <b>25,000</b>                         |
|  | <b>3,248,469</b>                      | <b>3,164,419</b>                      |
| <b>Net income for the year before gains on fixed asset investments</b> | <b>211,693</b>                        | <b>198,429</b>                        |
| Profit/(loss) arising on fixed asset investments                       | 13,486                                | 42,095                                |
| <b>Net income for the year</b>   | <b>225,179</b>                        | <b>240,524</b>                        |

The financial statements for the year ended 31 December 2011 have been prepared in accordance with the Statement of Recommended Practice ("SORP"), "Accounting and Reporting by Charities" published in March 2005

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 2011 and for the previous year, is equivalent to the figures set out above

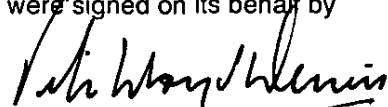
The net income for the year and previous year before gains/(losses) on fixed asset investments is equivalent to the total of net incoming resources shown in the Statement of Financial Activities on page 11 (ie before revaluations and disposals of fixed assets investments)

# Swansea and Brecon Diocesan Board of Finance Limited

## Balance sheet at 31 December 2011

|   | Notes | 2011<br>£        | 2010<br>£        |
|---|-------|------------------|------------------|
| <b>Fixed Assets</b>   |       |                  |                  |
| Investments   | 9     | 2,843,271        | 3,035,162        |
| <b>Current Assets</b>   |       |                  |                  |
| Debtors due after more than one year                          | 10    | 497,202          | 535,613          |
| Debtors due within one year                                   | 11    | 283,237          | 241,140          |
| Short term deposits   | 12    | 434,149          | 242,378          |
| Cash at bank and in hand                                      |       | 175,168          | 204,673          |
|   |       | <b>1,389,756</b> | <b>1,223,804</b> |
| <b>Creditors</b> amounts falling due within one year          | 13    | <b>(326,237)</b> | <b>(346,179)</b> |
| <b>Net current assets</b>                                     |       | <b>1,063,519</b> | <b>877,625</b>   |
| <b>Total assets less current liabilities</b>                  |       | <b>3,906,790</b> | <b>3,912,787</b> |
| <b>Creditors</b> amounts falling due after more than one year | 14    | <b>(495,559)</b> | <b>(533,287)</b> |
| <b>Net assets</b>   |       | <b>3,411,231</b> | <b>3,379,500</b> |
| <b>Funds</b>  |       |                  |                  |
| <b>Unrestricted income funds</b>                              | 15    | <b>2,456,795</b> | <b>2,466,695</b> |
| <b>Restricted funds</b>                                       |       |                  |                  |
| Parsonage Maintenance Fund (restricted income fund)           | 15    | 264,409          | 173,005          |
| Legacy and Benefactions Account and Trust Funds               | 15    | 690,027          | 739,800          |
|   |       | <b>954,436</b>   | <b>912,805</b>   |
| <b>Total charity funds</b>                                    |       | <b>3,411,231</b> | <b>3,379,500</b> |

The financial statements on pages 11 to 27 were approved by the board of directors on 23 May 2012 and were signed on its behalf by



D P L Davies  
Chairman

# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Notes to the financial statements for the year ended 31 December 2011**

### **1 Principal accounting policies**

The financial statements have been prepared on a going concern basis in accordance with applicable Accounting Standards in the United Kingdom, the Charities Act 2011, the Companies Act 2006 and the Statement of Recommended Practice (Accounting and Reporting by Charities) (SORP 2005) issued in March 2005. A summary of the more important accounting policies, which have been applied consistently, 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 page 11.

#### **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. 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 the future years to settle the obligation.

#### **Income**

Income, including Parish Share, is accounted for on an accruals basis, except for donations which are accounted for when received. Legacies are credited to the Statement of Financial Activities when receipt is certain. Bequests in the form of investments are included at their estimated value at the time of recognition.

#### **Block Grant**

A Block grant is provided to the charitable 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 charitable company to be financed. The Block grant is credited to the Statement of Financial Activities in the year to which it relates.



# **Swansea and Brecon Diocesan Board of Finance Limited**

## **Notes to the financial statements (continued)**

### **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 (see page 16).

### **Resources expended**

All expenditure is accounted for on an accruals basis. 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 the time spent. Governance costs are those incurred in connection with administration relating to compliance with constitutional and statutory requirements of the company.

## **2 Cash flow Statement**

The Company qualifies as a small company under the Companies Act 2006. 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.

# Swansea and Brecon Diocesan Board of Finance Limited

## 4 Incoming Resources

|  | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|--|-----------------------------|-----------------------------|
| <b>4.1 Voluntary Income</b>                                  |                             |                             |
| <i>Parish Share assessed by the DBF</i>                      | <b>2,345,673</b>            | 2,299,676                   |
| <i>Contributions from the Representative Body:</i>           |                             |                             |
| Block Grant  | <b>886,617</b>              | 853,069                     |
| Diocesan Advisory Committee                                  | <b>8,333</b>                | 8,333                       |
| Parsonage Improvement Interest (restricted fund see note 16) | <b>1,950</b>                | 3,560                       |
| <i>Grants received:</i>                                      |                             |                             |
| Parsonage Repair Grants (restricted fund see note 16)        | <b>19,708</b>               | 10,005                      |
| Allchurches Trust  | <b>18,062</b>               | 17,884                      |
| Swansea University   | <b>10,568</b>               | 10,443                      |
| Isla Johnson Trust   | <b>2,000</b>                | 2,000                       |
| H M Prison Chaplaincy  | <b>12,216</b>               | 23,269                      |
| Other Grants   | <b>147</b>                  | 166                         |
| <i>Widows Orphans &amp; Dependants</i>                       | <b>2,900</b>                | 3,055                       |
| <i>Miscellaneous</i>   | <b>10</b>                   | -                           |
|  | <b>3,308,184</b>            | 3,231,460                   |

Grants received for parsonage repair of £19,708 (2010 £10,005) and parsonage improvement fund interest of £1,950 (2010 £3,560) are credited to the restricted income fund

|  | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|--|-----------------------------|-----------------------------|
| <b>4.2 Activities for Generating Funds</b>                     |                             |                             |
| <i>Resource Centres - Room Lettings</i>                        |                             |                             |
| Eastmoor Resource Centre, Swansea                              | <b>782</b>                  | 922                         |
| Diocesan Centre, Brecon  | <b>165</b>                  | 889                         |
| <i>Parsonage Rental Income</i> (restricted fund - see note 16) | <b>16,855</b>               | 35,603                      |
|  | <b>17,802</b>               | 37,414                      |

Parsonage rental income of £16,855 (2010 £35,603) is credited to the restricted income fund

## Swansea and Brecon Diocesan Board of Finance Limited

|  | Total<br>Funds<br>2011 | Total<br>Funds<br>2010 |
|--|------------------------|------------------------|
| <b>4.3 Investment Income</b>                                 | £                      | £                      |
| <b><i>Fixed Asset Investments and Banks</i></b>              |                        |                        |
| Income from fixed asset investments - listed                 | 69,050                 | 58,510                 |
| Income from Representative Body Common Investment Fund Units | 1,281                  | 1,202                  |
| Bank and money market interest                               | 2,023                  | 2,698                  |
| Other interest   | 50                     | 30                     |
| <b><i>Income from Investment of Bequests</i></b>             |                        |                        |
| (including £22 (2010 £20) restricted fund - see note 16)     | 25,321                 | 35,406                 |
|  | <b>97,725</b>          | <b>97,846</b>          |

Incoming resources from investment of bequests amounting to £22 (2010 £20) is credited to the restricted income fund whilst £25,299 (2010 £35,386) is credited to Restricted Capital Endowment Funds

|  | Total<br>Funds<br>2011 | Total<br>Funds<br>2010 |
|--|------------------------|------------------------|
| <b>4.4 Incoming Resources from Charitable Activities</b> | £                      | £                      |
| <b><i>Resource Centres - Reprographics</i></b>           |                        |                        |
| Eastmoor Resource Centre, Swansea                        | 6,527                  | 5,289                  |
| Diocesan Centre, Brecon                                  | 4,823                  | 5,267                  |
| <b><i>Sale of Diocesan Publications</i></b>              | 1,660                  | 5                      |
| <b><i>Contribution from Parishes</i></b>                 | 1,335                  | -                      |
| <b><i>Contributions from Diocesan organisations</i></b>  | 11,600                 | 11,500                 |
| <b><i>Marriage Licence Fees</i></b>                      | 2,400                  | 2,137                  |
|  | <b>28,345</b>          | <b>24,198</b>          |

|   | Total<br>Funds<br>2011 | Total<br>Funds<br>2010 |
|---|------------------------|------------------------|
| <b>4.5 Other Income</b>   | £                      | £                      |
| <b><i>Ecclesiastical Insurance Group Rebate</i></b>             | 22,467                 | -                      |
| <b><i>Insurance Claims</i></b>                                  |                        |                        |
| (including £10,938 (2010 £7,316) restricted fund - see note 16) | 10,938                 | 7,316                  |
|   | <b>33,405</b>          | <b>7,316</b>           |

Incoming resources from insurance claims amounting to £10,938 (2010 £7,316) is credited to the restricted income fund

# Swansea and Brecon Diocesan Board of Finance Limited

## 5 Resources Expended

|  | Total<br>Funds<br>2011<br>£ | Total<br>Funds<br>2010<br>£ |
|--|-----------------------------|-----------------------------|
| <b>5.1 Support for Ministry</b>                                  |                             |                             |
| <b><i>Stipends &amp; Fees</i></b>                                |                             |                             |
| Stipends and allowances  | 2,115,145                   | 2,089,284                   |
| Vacancy fees   | 11,201                      | 8,653                       |
| Council Tax  | 117,358                     | 109,903                     |
| Death in service insurance                                       | 17,776                      | 17,679                      |
| <b><i>Parsonages</i></b>   |                             |                             |
| Maintenance of Parsonages (restricted fund see note 16)          | 337,838                     | 266,630                     |
| Property rentals   | 5,005                       | 10,254                      |
| Insurance of Parsonage Houses                                    | 14,622                      | 13,584                      |
| Custodians expenses  | 2,458                       | 4,530                       |
| <b><i>Clergy Expenses</i></b>                                    |                             |                             |
| Bishop's Expenses  | 979                         | 1,181                       |
| Archdeacons' expenses  | 10,587                      | 9,901                       |
| Director of Ministry expenses                                    | 6,315                       | 2,618                       |
| Director Of Mission expenses                                     | 5,595                       | 1,121                       |
| Area Deans' expenses   | 2,361                       | 1,958                       |
| University Chaplain's expenses                                   | 6,896                       | 5,759                       |
| Retired Clergy expenses  | 722                         | 819                         |
| Removal and disturbance allowances                               | 40,754                      | 21,576                      |
| Nomination Board expenses  | 2,831                       | 2,858                       |
| Travel and other expenses  | 1,510                       | 3,904                       |
| <b><i>Training</i></b>   |                             |                             |
| Vocations  | 2,943                       | 1,121                       |
| Ordinands  | 45,936                      | 40,327                      |
| Continuing Ministerial Education                                 | 4,811                       | 2,754                       |
| Clergy School  | 9,037                       | 8,173                       |
| Readers  | 3,036                       | 1,444                       |
| Lay  | -                           | 2,580                       |
| <b><i>Support Costs (see note 5.6)</i></b>                       |                             |                             |
| (including £45,581 (2010 £45,877) restricted fund - see note 16) | 95,041                      | 90,832                      |
|  | <b>2,860,757</b>            | <b>2,719,443</b>            |

Of the above costs, costs for the maintenance of parsonages of £337,838 (2010 £266,630) and support costs of £45,581 (2010 £45,877 ) are charged to the restricted income fund, and also costs of £24,660 (2010 £25,042) are charged to Restricted Capital Endowment Funds

## Swansea and Brecon Diocesan Board of Finance Limited

|  | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| <b>5.2 Support for Parishes</b>            |                                       |                                       |
| <b><i>Sector Ministries</i></b>            |                                       |                                       |
| Rural Life Ministry                        | 5,838                                 | 5,358                                 |
| Parish Development                         | -                                     | 1,549                                 |
| Stewardship                                | 1,388                                 | 862                                   |
| Social Responsibility                      | 20,645                                | 20,742                                |
| World Mission                              | 534                                   | 113                                   |
| Tourism                                    | 78                                    | 432                                   |
| Ecumenical                                 | 98                                    | -                                     |
| Christian Deliverance                      | 280                                   | -                                     |
| Statutory Education                        | 19,580                                | 19,603                                |
| Children and Youth                         | 5,508                                 | 4,336                                 |
| Prison Outreach Chaplaincy                 | 11,562                                | 22,525                                |
| <b><i>Diocesan Expenses</i></b>            |                                       |                                       |
| Safeguarding Committee                     | 645                                   | 303                                   |
| Diocesan Archivist                         | 200                                   | 200                                   |
| Eastmoor Centre                            | 20,812                                | 17,573                                |
| Diocesan Centre                            | 25,039                                | 23,839                                |
| <b><i>Support Costs (see note 5.6)</i></b> | <b>50,804</b>                         | <b>46,134</b>                         |
|  | <b>163,011</b>                        | <b>163,569</b>                        |

Of the above costs £34 (2010 £33) are charged to Restricted Capital Endowment Funds

|  | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| <b>5.3 Church Property</b>                 |                                       |                                       |
| Inspections of Churches and Halls          | 20,170                                | 20,723                                |
| Diocesan Advisory Committee expenses       | 8,333                                 | 8,333                                 |
| Churches and Pastoral Committee expenses   | 1,405                                 | 2,646                                 |
| <b><i>Support Costs (see note 5.6)</i></b> | <b>11,706</b>                         | <b>11,054</b>                         |
|  | <b>41,614</b>                         | <b>42,756</b>                         |

## Swansea and Brecon Diocesan Board of Finance Limited

|   | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| <b>5.4 Other Financial Support</b>                  |                                       |                                       |
| <b><i>Diocesan Bodies</i></b>                       |                                       |                                       |
| Bishop's Fund                                       | 12,000                                | 12,000                                |
| Brecon Cathedral Grants                             | 39,825                                | 39,044                                |
| Church Repair Grants                                | 10,000                                | 10,000                                |
| Parish Assistance Fund                              | 14,780                                | 41,507                                |
| Social Responsibility Grants                        | 30,000                                | 30,000                                |
| Widows Orphans & Dependants Grants                  | 15,008                                | 12,786                                |
| <b><i>Anglican, Ecumenical and other bodies</i></b> |                                       |                                       |
| World Mission Grants                                | 23,000                                | 22,800                                |
| Llangasty Retreat House Grant                       | 5,000                                 | 5,000                                 |
| Church Tourism Network Wales                        | 500                                   | 500                                   |
| Other Grants  | 1,000                                 | 1,000                                 |
| <b><i>Support Costs (see note 5.6)</i></b>          | <b>4,813</b>                          | <b>4,762</b>                          |
|   | <b>155,926</b>                        | <b>179,399</b>                        |

Of the above costs £605 (2010 £10,312) are charged to Restricted Capital Endowment Funds

|  | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| <b>5.5 Communications</b>                  |                                       |                                       |
| Communications and Media                   | 1,935                                 | 3,690                                 |
| Newsletters and Diocesan Publications      | 6,190                                 | 6,103                                 |
| <b><i>Support Costs (see note 5.6)</i></b> | <b>8,788</b>                          | <b>5,236</b>                          |
|  | <b>16,913</b>                         | <b>15,029</b>                         |

|   | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| <b>5.6 Support Costs - Management and Administration</b>                    |                                       |                                       |
| Salaries including pensions and pension scheme contributions (see note 7 1) | 163,745                               | 147,761                               |
| Staff expenses  | 2,039                                 | 5,270                                 |
| Office expenses   | 27,142                                | 27,173                                |
| Parsonage Board Administrative expenses                                     | 3,306                                 | 3,353                                 |
|   | <b>196,232</b>                        | <b>183,557</b>                        |

# Swansea and Brecon Diocesan Board of Finance Limited

## 5.6 Support Costs - Management and Administration (continued)

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

|                         | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|-------------------------|---------------------------------------|---------------------------------------|
| Support for Ministry    | 95,041                                | 90,832                                |
| Support for Parishes    | 50,804                                | 46,134                                |
| Church Property         | 11,706                                | 11,054                                |
| Other Financial Support | 4,813                                 | 4,762                                 |
| Communication           | 8,788                                 | 5,236                                 |
| Governance Costs        | 25,080                                | 25,539                                |
|                         | <b>196,232</b>                        | <b>183,557</b>                        |

Other than for support costs which are specified to the activities shown the support costs, including salaries and related costs are allocated to activity headings based on time spent. Support costs of £45,581 (2010 £45,877) relating to Support for Ministry are charged to the restricted income fund

## 6 Governance Costs

|   | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| Staff and Administrative Costs (see note 5.6) | 25,080                                | 25,539                                |
| Company expenses                              | 2,503                                 | 1,867                                 |
| Audit fees                                    | 9,357                                 | 9,000                                 |
| Diocesan Conference and Standing Committee    | 4,077                                 | 2,212                                 |
| Governing Body Meeting expenses               | 7,600                                 | 6,585                                 |
|   | <b>48,617</b>                         | <b>45,203</b>                         |

All costs are charged to unrestricted funds

## 7 Salary Costs

|   | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|---|---------------------------------------|---------------------------------------|
| <b>7.1 Salaries including pensions and pension scheme contributions</b> |                                       |                                       |
| Salaries  | 179,781                               | 174,217                               |
| Social security costs   | 14,023                                | 13,644                                |
|   | <b>193,804</b>                        | <b>187,861</b>                        |
| Pensions  | 6,515                                 | 6,386                                 |
| Pension scheme defined contributions (see below)                        | 20,356                                | 18,855                                |
|   | <b>220,675</b>                        | <b>213,102</b>                        |

# Swansea and Brecon Diocesan Board of Finance Limited

## 7.1 Salaries including pensions and pension scheme contributions (continued)

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

|  | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|--|---------------------------------------|---------------------------------------|
| Support costs (see note 5.6)                         | <b>163,745</b>                        | 147,761                               |
| Support for Parishes                                 |                                       |                                       |
| Diocesan Officers                                    | <b>10,700</b>                         | 11,614                                |
| Prison Outreach Chaplain                             | <b>11,238</b>                         | 22,052                                |
| Resource Centre Staff                                | <b>23,666</b>                         | 20,824                                |
| Diocesan Archivist, Webmaster & Conference Secretary | <b>1,075</b>                          | 700                                   |
| Church Property                                      |                                       |                                       |
| DAC Secretary  | <b>10,251</b>                         | 10,151                                |
|  | <b>220,675</b>                        | 213,102                               |

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2011 or for the previous year. For the year ended 31 December 2011 one Trustee was reimbursed travelling expenses which amounted to £808 (2010 £822).

For clergy who are members of the Board of Trustees expenses were incurred by the charitable company in connection with their duties. For the year ended 31 December 2011 the expenses amounted to £14,451 (2010 £12,050).

For the year ended 31 December 2011 for clergy members of the Board of Trustees stipends amounts to £94,717 (2010 £85,150), national insurance contributions of £9,904 (2010 £8,706) and pension contributions £25,763 (2010 £22,394). These amounts are included in the total for stipends and allowances which is shown in Note 5.1.

For the year ended 31 December 2011 Council tax in respect of the clergy members of the Board of Trustees amounts to £5,931 (£2010 £5,018). This amount is included under the Council tax heading in Note 5.1.

Pension scheme defined contributions are made in respect of certain employees of the charitable company. The contributions are 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 2011 or for the previous year.

The average weekly number of persons employed during the year was 7 (2010 7).

## 8 Other Resources Expended

|                                       | <b>Total<br/>Funds<br/>2011<br/>£</b> | <b>Total<br/>Funds<br/>2010<br/>£</b> |
|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision against unpaid Parish Share | <b>(25,000)</b>                       | 25,000                                |



# Swansea and Brecon Diocesan Board of Finance Limited

## 9 Fixed asset investments

|                                  | Investments<br>UK - listed | Fixed<br>interest<br>debentures<br>& corporate<br>bonds | Unit trust<br>investments | Other<br>investments | Total<br>investments |
|----------------------------------|----------------------------|---|---------------------------|----------------------|----------------------|
|                                  | £                          | £   | £                         | £                    | £                    |
| <b>Book and market value</b>     |                            |   |                           |                      |                      |
| At 1 January 2011                | 1,066,917                  | 329,748   | 752,023                   | 886,474              | 3,035,162            |
| Additions less disposals         | 61,635                     | (5,823)   | (12,843)                  | (54,898)             | (11,929)             |
| Gains/(Losses) on disposal       | 5,046                      | (2,879)   | 11,319                    | -                    | 13,486               |
| Gains/(Losses) on<br>revaluation | (85,343)                   | 5,630   | (62,154)                  | (51,581)             | (193,448)            |
| <b>At 31 December 2011</b>       | <b>1,048,255</b>           | <b>326,676</b>  | <b>688,345</b>            | <b>779,995</b>       | <b>2,843,271</b>     |

Fixed asset investments are held as follows

|  | 2011<br>£        | 2010<br>£        |
|--|------------------|------------------|
| <b>Held in General Unrestricted Funds</b>  |                  |                  |
| Investment assets UK - listed  | 1,048,255        | 1,066,917        |
| Fixed interest debentures and corporate bonds  | 326,676          | 329,748          |
| Unit Trust investments   | 688,345          | 752,023          |
|  | <b>2,063,276</b> | <b>2,148,688</b> |
| Other investments comprise   |                  |                  |
| <b>Held in General Unrestricted Funds</b>  |                  |                  |
| 4,735 (2010 4,735) Representative Body   |                  |                  |
| Investment Fund Units  | 35,078           | 36,887           |
| Brewin Dolphin Deposit Account   | 54,890           | 109,787          |
|  | <b>89,968</b>    | <b>146,674</b>   |
| <b>General Unrestricted Funds</b>  |                  |                  |
| <b>Held in Restricted Capital, Endowment Funds -<br/>Legacy and Benefactions Account and Trust Funds</b> |                  |                  |
| Held by Swansea and Brecon Diocesan Trust  | 395,835          | 430,914          |
| Held by the Representative Body  | 284,960          | 299,654          |
| Held by the Board of Finance   | 9,232            | 9,232            |
|  | <b>690,027</b>   | <b>739,800</b>   |
| <b>Restricted Capital, Endowment Funds</b>   |                  |                  |
| <b>Total Other Investments</b>   | <b>779,995</b>   | <b>886,474</b>   |
| <b>Total investments</b>   | <b>2,843,271</b> | <b>3,035,162</b> |

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 the Board of Finance. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2011 are 337,333 (2010 337,333).

Investments held by the Representative Body on behalf of the Board of Finance 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 2011 are 240,879 (2010 240,879).

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.

# Swansea and Brecon Diocesan Board of Finance Limited

## 10 Debtors due after more than one year

|  | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| <b>General Unrestricted Funds</b>                |                |                |
| Representative Body of The Church in Wales loans |                |                |
| Parishes   | 41,162         | 48,797         |
| Retired clergy housing                           | 454,397        | 484,490        |
|  | <u>495,559</u> | <u>533,287</u> |
| Diocesan loans to parishes                       | 1,643          | 2,326          |
|  | <u>497,202</u> | <u>535,613</u> |

## 11 Debtors due within one year

|  | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| <b>General Unrestricted Funds</b>                          |                |                |
| Parish Share   | 189,926        | 217,938        |
| Group Insurance Scheme                                     | -              | 389            |
| Payments in Advance  | 29,652         | 29,840         |
| Interest on Loans  | 1,043          | 1,302          |
| Parochial Loans  | 18,843         | 39,094         |
| Bank interest and investment income                        | 11,410         | 15,460         |
| Miscellaneous  | 13,911         | 25,971         |
| Provision for doubtful debts                               | (75,000)       | (100,000)      |
|  | <u>189,785</u> | <u>229,994</u> |
| <b>Restricted Funds:</b>                                   |                |                |
| <b>Parsonage Maintenance Fund (restricted income fund)</b> |                |                |
| Grants and insurance claims                                | 86,921         | 4,562          |
| <b>Legacy and Benefactions Account and Trust Funds</b>     |                |                |
| Trust fund income held by Diocesan Trust                   | 6,531          | 6,584          |
|  | <u>93,452</u>  | <u>11,146</u>  |
| <b>Debtors due within one year</b>                         | <u>283,237</u> | <u>241,140</u> |

## 12 Short term deposits

|                                   | 2011<br>£ | 2010<br>£ |
|-----------------------------------|-----------|-----------|
| <b>General Unrestricted Funds</b> |           |           |
| CAF Gold Account                  | 434,149   | 242,378   |

## Swansea and Brecon Diocesan Board of Finance Limited

### 13 Creditors: amounts falling due within one year

|  | 2011           | 2010           |
|--|----------------|----------------|
|  | £              | £              |
| <b>General Unrestricted Funds</b>                          |                |                |
| Representative Body of The Church in Wales                 | 96,625         | 50,746         |
| Parish Share contributions received in advance             | 1,716          | 1,399          |
| Diocesan Advisory Committee Fund                           | 702            | 4,063          |
| Quinquennial Inspections                                   | 8,000          | 8,000          |
| Church Repair Grants                                       | 23,256         | 31,956         |
| Group Insurance Rebate Fund                                | 1,000          | 23,796         |
| Essential Repair Fund                                      | 36,245         | 28,584         |
| Continuing Ministerial Education Grants                    | 20,033         | 20,136         |
| Other tax and social security                              | -              | 131            |
| Sundry creditors   | 53,474         | 78,036         |
|  | <b>241,051</b> | <b>246,847</b> |
| <b>Restricted Funds:</b>                                   |                |                |
| <b>Parsonage Maintenance Fund (restricted income fund)</b> |                |                |
| Sundry creditors   | 20,388         | 31,049         |
| <b>Legacy and Benefactions Account and Trust Funds</b>     |                |                |
| Trust income payable                                       | 64,798         | 68,283         |
|  | <b>85,186</b>  | <b>99,332</b>  |
| <b>Creditors: amounts falling due within one year</b>      | <b>326,237</b> | <b>346,179</b> |

### 14 Creditors: amounts falling due after more than one year

|  | 2011           | 2010           |
|--|----------------|----------------|
|  | £              | £              |
| <b>General Unrestricted Funds</b>                              |                |                |
| Loans from the Representative Body of The Church in Wales      |                |                |
| General Loan Fund at 5%  | 28,359         | 31,599         |
| Curates Houses Loans at 3.5%                                   | 12,803         | 17,197         |
| Houses for retired clergy - Provincial Loan @ 6%               | 94,397         | 94,491         |
| Houses for retired clergy - Equity linked loan - interest free | 360,000        | 390,000        |
|  | <b>495,559</b> | <b>533,287</b> |

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 10). Interest at the rates shown is payable by the recipients of the respective loans, to the Board of Finance. The Board of Finance 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.

# Swansea and Brecon Diocesan Board of Finance Limited

## 15 Accumulated Fund balances

|  | Accumulated<br>fund balances<br>at 1 January<br>2011 | Net incoming<br>resources for<br>the year<br>(see below) | Gains/(losses)<br>arising on<br>fixed asset<br>investments<br>(see below) | Accumulated<br>Fund<br>balances at<br>31 December<br>2011 |
|--|--|--|---|---|
|  | £  | £  | £   | £   |
| <b>General Unrestricted Income Funds</b> |  |  |   |   |
| General Fund Reserve                     | 2,466,695  | 120,289  | (130,189)   | <b>2,456,795</b>  |
| <b>Restricted Funds</b>                  |  |  |   |   |
| <b>Parsonage Maintenance Fund</b>        | 173,005  | 91,404   | -   | <b>264,409</b>  |
| <b>Trust Funds</b>                       |  |  |   |   |
| Fund Balances                            | 739,800  |  | (49,773)  | <b>690,027</b>  |
| <b>Total Funds</b>                       | <b>3,379,500</b>                                     | <b>211,693</b>   | <b>(179,962)</b>  | <b>3,411,231</b>  |

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

# Swansea and Brecon Diocesan Board of Finance Limited

## 16 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2011

|  | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| <b>Income</b>  |                |                |
| Contributions from Diocesan Board of Finance General |                |                |
| Unrestricted Income Fund (see page 11)               | 425,350        | 317,400        |
| Income from rented Properties                        | 16,855         | 35,603         |
| Interest on Improvement Fund                         | 1,950          | 3,560          |
| Insurance claims                                     | 10,938         | 7,316          |
| Grants and Parochial contributions                   | 19,708         | 10,005         |
| Income from Bequests                                 | 22             | 20             |
| <b>Total Income</b>                                  | <b>474,823</b> | <b>373,904</b> |
| <b>Expenditure</b>                                   |                |                |
| Maintenance of Parsonages                            | 324,134        | 247,674        |
| Maintenance contracts                                | 13,704         | 18,956         |
|  | <b>337,838</b> | <b>266,630</b> |
| Administration                                       | 45,581         | 45,877         |
| <b>Total expenditure</b>                             | <b>383,419</b> | <b>312,507</b> |
| Surplus (deficit) for the year                       | 91,404         | 61,397         |
| Fund balance brought forward at 1 January            | 173,005        | 111,608        |
| <b>Fund balance carried forward at 31 December</b>   | <b>264,409</b> | <b>173,005</b> |

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

|  | 2011<br>£      | 2010<br>£      |
|--|----------------|----------------|
| Maintenance costs                                    | 337,838        | 266,630        |
| Improvement costs (borne by the Representative Body) | 139,420        | (3,795)        |
|  | <b>477,258</b> | <b>262,835</b> |
| Brecon Parsonages                                    | 188,767        | 119,444        |
| Gower Parsonages                                     | 233,561        | 108,738        |
| Rented Properties                                    | 41,226         | 15,697         |
| Maintenance Contracts                                | 13,704         | 18,956         |
|  | <b>477,258</b> | <b>262,835</b> |