

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

**Swansea and Brecon Diocesan
Board of Finance Limited (The)**

**Annual report
for the year ended 31 December 2021**

FRIDAY



ABD5I49L

A05

23/09/2022

#252

COMPANIES HOUSE

Swansea and Brecon Diocesan Board of Finance Limited (The)

Annual Report for the year ended 31 December 2021

Contents	Pages
Trustees' report	1 - 12
Independent auditors' report	13 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20 – 37

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Chair's Report

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

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

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

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

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

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

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

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

Legal and administrative details

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

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

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

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

Our Purposes and Aims

The purposes of the charity are:

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

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

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

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

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

Objectives and Activities for the Public Benefit

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

The trustees/directors believe that by promoting, facilitating, and supporting the work of the Church in Wales in the Diocese of Swansea and Brecon, it helps to promote the whole mission of the Church (pastoral, evangelistic, social, and ecumenical) more effectively, both in the Diocese as a whole and in its individual parishes, and that by doing so it provides a benefit to the public by:

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

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

Review of Achievements and Performance

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

The main activities are:

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



Monitoring Achievements

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

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

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

1 individual trained and commissioned as Lay Pastoral Visitors (2020 – 13)

13 individuals trained and commissioned as Lay Worship Leaders (2020 – 24)

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

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

Financial Review

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

Income

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

Expenditure

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

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

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

Support Costs – Management and Administration

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

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

Designated Funds

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

Restricted Funds

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

Two new restricted designated funds were established during the year.

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

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

Parsonage

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

Net Income

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

Investments

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

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

Investment Policy and Performance

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

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

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

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

COVID -19

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

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

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

Block Grant

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

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

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

Reserves Policy

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Plans for the Future.

For 2022, the main objectives are:

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

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

Structure, Governance and Management

Membership – Composition

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

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

Executive Committee

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

Other Committees

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

Parsonage Board

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

Churches and Pastoral Committee

The Committee is responsible for:

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Assistance Committee

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

Investment Committee

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

Funding Committees

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

Widows, Orphans and Dependants Committee

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

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

Induction and Training of Trustees

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

Risk Management

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

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

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

Pay policy for senior staff

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Key performance indicators

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

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

Charity Commission Annual Return

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Reference and administrative details

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

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

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

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

Board of Trustees/Directors

The Ven Jonathan Byron Davies
The Most Revd John David Edward Davies (ex President) (resigned 2nd May 2021)
The Ven Alan Neil Jevons
Sonia Jones
Sir Andrew McLeod Brooks Large
Gwynfor Lewis, FCA
The Right John Derrick Percy Lomas (President) (appointed 24th February 2022)
The Very Revd Albert Paul Shackerley
Sir Paul Silk (ex Chairman) (resigned 31st July 2022)

Consultants

The Ven Alfred James Randolph Thomas

Company Secretary

Louise Anne Pearson

Registered Office

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

Independent Auditors

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

Principal Bankers

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

Investment Managers

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

The trustees (who are also directors of the Swansea and Brecon Diocesan Board of Finance Limited for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the strategic report and directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

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

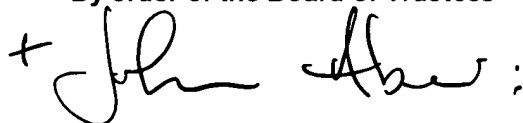
The trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

In so far as the trustees are aware:

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board of Trustees

A handwritten signature in black ink, appearing to read 'John Lomas', with a small cross-like mark to the left.

The Right Reverend John Lomas
Trustee

Date: 13/09/2022

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Opinion

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 December 2021 and of its incoming resources and application of resources, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

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

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

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

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

Use of our report.

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Azets Audit Services

22-9-2022

**Chartered Accountants
Statutory Auditor**

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

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2021 (including income and expenditure account)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income Funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£	£	£
Income from:													
Donations and legacies	5.1	3,199,815	-	-	98,110	3,000	3,300,925	3,534,334	-	-	23,783	5,977	3,564,094
Charitable activities	5.2	13,780	-	-	61,960	-	75,740	10,651	-	-	44,154	-	54,805
Investments	5.3	94,132	-	-	-	29,968	124,100	104,448	-	-	19	22,741	127,208
Other income	5.4	-	-	-	190,558	-	190,558	-	-	-	23,490	-	23,490
Total income		3,307,727	-	-	350,628	32,968	3,691,323	3,649,433	-	-	91,446	28,718	3,769,597
Expenditure:													
Raising funds:													
Investment management costs		19,600	-	-	-	-	19,600	17,860	-	-	-	-	17,860
		19,600	-	-	-	-	19,600	17,860	-	-	-	-	17,860
Charitable activities:													
Support for Ministry	6.1	1,891,528	-	-	691,460	16,060	2,599,048	2,218,916	-	-	379,762	16,058	2,614,736
Support for Parishes	6.2	311,948	-	115,475	6,066	-	433,489	284,246	-	150,346	9,536	27	444,155
Church property	6.3	62,531	-	-	-	-	62,531	58,307	-	-	-	-	58,307
Other financial support	6.4	195,640	-	-	7,538	7,125	210,303	217,297	-	-	6,939	12,830	237,066
Communications	6.5	39,828	-	-	-	-	39,828	41,885	-	-	211	-	42,096
Governance costs	6.7	67,890	-	-	-	-	67,890	60,816	-	-	-	-	60,816
Other resources expended	8	150,353	-	-	-	-	150,353	179,909	-	-	-	-	179,909
		2,719,718	-	115,475	705,064	23,185	3,563,442	3,061,376	-	150,346	396,448	28,915	3,637,085
Total expenditure		2,739,318	-	115,475	705,064	23,185	3,583,042	3,079,236	-	150,346	396,448	28,915	3,654,945
Net income/(expenditure) carried forward		568,409	-	(115,475)	(354,436)	9,783	108,281	570,197	-	(150,346)	(305,002)	(197)	114,652

Swansea and Brecon Diocesan Board of Finance Limited (The)

Statement of Financial Activities for the year ended 31 December 2021 (including income and expenditure account) (continued)

	Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
		2021	2021	2021	2021	2021	2021	2020	2020	2020	2020	2020	2020
		£	£	£	£	£	£	£	£	£	£	£	£
Net income/expenditure brought forward		568,409	-	(115,475)	(354,436)	9,783	108,281	570,197	-	(150,346)	(305,002)	(197)	114,652
Gains on disposal of investments	10	180,016	-	-	-	-	180,016	39,188	-	-	-	-	39,188
Net Income / (expenditure)	9	748,425	-	(115,475)	(354,436)	9,783	288,297	609,385	-	(150,346)	(305,002)	(197)	153,840
Transfers between funds													
Transfers to/from Restricted funds		(626,395)	-	-	626,395	-	-	(398,638)	-	-	398,638	-	-
Net income/(expenditure) before other recognised gains and losses	16	122,030	-	(115,475)	271,959	9,783	288,297	210,747	-	(150,346)	93,636	(197)	153,840
Other recognised gains/(losses)													
Gains/(losses) on revaluation of investments	16	342,189	-	-	-	128,456	470,645	(97,456)	-	-	-	18,136	(79,320)
Net movements in funds for the year		464,219	-	(115,475)	271,959	138,239	758,942	113,291	-	(150,346)	93,636	17,939	74,520
Reconciliation of funds													
Total funds brought forward at 1 January	16	4,441,004	146,431	179,867	15,662	1,194,402	5,977,366	4,327,713	146,431	330,213	(77,974)	1,176,463	5,902,846
Total funds carried forward at 31 December	16,20	4,905,223	146,431	64,392	287,621	1,332,641	6,736,308	4,441,004	146,431	179,867	15,662	1,194,402	5,977,366

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

All income and expenditure is derived from continuing activities.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Balance sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed Assets			
Investments	10	5,634,059	5,027,416
Long Term Loans	11	<u>335,000</u>	<u>335,000</u>
		<u>5,969,059</u>	<u>5,362,416</u>
Current Assets			
Debtors: due within one year	12	364,634	130,405
Cash at bank and in hand	13	<u>1,247,414</u>	<u>1,432,278</u>
Total current assets		<u>1,612,048</u>	<u>1,562,683</u>
Liabilities			
Creditors falling due within one year	14	<u>(509,799)</u>	<u>(612,733)</u>
Net current assets		<u>1,102,249</u>	<u>949,950</u>
Total assets less current liabilities			
Creditors falling due after more than one year	15	<u>(335,000)</u>	<u>(335,000)</u>
Net assets		<u>6,736,308</u>	<u>5,977,366</u>
The funds of the charity			
Unrestricted Funds	16	4,905,223	4,441,004
Designated Funds	16	<u>146,431</u>	<u>146,431</u>
Total unrestricted funds		<u>5,051,654</u>	<u>4,587,435</u>
Restricted funds			
Ministry Area Transformation Fund	16	64,392	179,867
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	16	287,621	15,662
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	16	1,332,641	1,194,402
Total restricted funds		<u>1,684,654</u>	<u>1,389,931</u>
Total Charity funds		<u>6,736,308</u>	<u>5,977,366</u>

The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476. These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

+ John Lomas:

The Right Reverend John Lomas
Trustee

Date: 13/09/2022

Swansea and Brecon Diocesan Board of Finance Limited (The)

Cash flow statement for the year ended 31 December 2021

	2021 £	2020 £
Net cash flows from operating activities	<u>(333,382)</u>	<u>323,851</u>
Net cash flows generated from investing activities		
Dividend and interest from investments	124,100	127,208
Purchase of investments	(1,169,307)	(1,501,807)
Proceeds from sale of investments	1,244,037	1,555,809
Investment Management Fees	(19,600)	(17,860)
Net (increase) in cash balances held by Investment Managers	<u>(30,712)</u>	<u>(43,296)</u>
Net cash provided by / (used in) investing activities	<u>148,518</u>	<u>120,054</u>
Cash flow from financing activities		
Repayments of loans receivable	-	15,000
Repayments of loans repayable	-	<u>(15,000)</u>
Net cash provided by/ (used in) generated by financing activities	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the year	<u>(184,864)</u>	<u>443,915</u>
Cash and cash equivalents at the beginning of the reporting period	<u>1,432,278</u>	<u>988,363</u>
Cash and cash equivalents at the end of the reporting period	<u>1,247,414</u>	<u>1,432,278</u>
Reconciliation of net income to net cash flow generated from operating activities		
Net Income for the reporting period (as per statement of financial activities)	288,297	153,840
(Increase)/Decrease in debtors	(234,229)	134,166
Increase/(Decrease) in creditors	(102,934)	184,392
Realised Gain on investments	(180,016)	(39,189)
Dividends and Interest from investments	(124,100)	(127,208)
Investment management fees	19,600	17,860
Net cash flows generated from operating activities	<u>(333,382)</u>	<u>323,861</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021

1 Principal accounting policies

Charity Information

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

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

a) Accounting convention

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

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

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

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

c) Income recognition policies

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

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

For legacies, entitlement is taken as the earlier of:

- the date on which the Company is aware that probate has been granted.
- the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made; or
- when a distribution is received from the estate.

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

d) Block Grant

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

e) Donated services and facilities

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

f) Interest receivable

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

g) Fund accounting

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

h) Expenditure

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

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

i) Allocation of support costs

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

j) Debtors

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

k) Cash at bank and in hand

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

l) Creditors and provisions

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

m) Financial instruments

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

n) Fixed asset investments

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

o) Employee benefits

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

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

p) Pension contributions

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

An amount for clergy pension contributions is recharged to the Company from the RBCIW. This arrangement has applied since 2008 and is expected to apply for subsequent years. The amount charged to the company for clergy pension contributions is included within the charge for stipends and allowances. This is included in the heading of Support for Ministry in the Statement of Financial Activities. The total amount of stipends and allowances is charged to the Statement of Financial Activities as incurred. Since 2008 a Block grant provided by the RBCIW has enabled the clergy pension contributions charge to be financed.

q) Taxation

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

r) Concessionary loans

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

2 Legal status of the company

The Company charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

3 Critical accounting estimates and judgements

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

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

4 Turnover

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

5 Income

	Total Funds 2021 £	Total Funds 2020 £
5.1 Donations and legacies		
Ministry Share assessed by the DBF	1,680,664	1,800,865
Contributions from the Representative Body:		
Block Grant	615,270	850,663
COVID-19 Financial Support	778,665	788,881
Church Improvement Grant	37,500	22,500
Church Improvement Grant – Historic Sales Fund	39,000	-
Diocesan Advisory Committee	8,333	8,333
Widows, Orphans and Dependents Grant	4,300	2,740
Parsonage Improvement Interest (restricted fund see note 17)	388	1,283
Grants and Donations received:		
Eastmoor Trust	62,958	32,169
Allchurches Trust	19,925	19,925
Isla Johnson Trust	3,000	3,000
Diocesan Trust	33,929	33,248
Parsonage Repair Grants (restricted fund see note 17)	16,685	-
Widows, Orphans & Dependents	237	237
Other Grants and Donations	71	250
	3,300,925	3,564,094

Grants received for church improvement of £76,500 (2020: £22,500), for parsonage repair of £16,685 (2020: £Nil), parsonage improvement fund interest of £388 (2020: £1,283), and Widows Orphans and Dependents Support £4,537.50 (£2,978) are credited to the restricted income funds.

Grants received for educational purposes and training of clergy £3,000 (2020: £3,000) are credited to the restricted capital endowment income funds

All other income is credited to unrestricted funds.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Total Funds 2021 £	Total Funds 2020 £
5.2 Charitable Activities		
<i>Resource Centres – Administrative Services</i>		
Eastmoor Resource Centre, Swansea	-	597
Diocesan Centre, Brecon	1,502	473
<i>Resource Centres - Room Lettings</i>		
Eastmoor Resource Centre, Swansea	-	-
Diocesan Centre, Brecon	-	22
<i>Parsonage Rental Income</i> (restricted fund - see note 17)	61,960	42,886
<i>Contribution from Parishes</i>	4,948	5,187
<i>Contributions from Diocesan organisations</i>	2,890	2,640
<i>Marriage Licence Fees</i>	4,440	3,000
	75,740	54,805

Incoming resources from Charitable Activities includes Parsonage Rental Income of £61,960 (2020: £42,886) and Contributions from Parishes towards expenditure on parsonages £Nil (2020: £1,267) which are credited to a restricted income fund.

	Total Funds 2021 £	Total Funds 2020 £
5.3 Investments:		
<i>Fixed Asset Investments and Banks</i>		
Income from fixed asset investments - listed	91,797	102,039
Income from Representative Body Common Investment Fund Units	1,180	911
Bank and money market interest	67	397
Other interest	385	533
<i>Income from Investment of Bequests</i> (£19 (2020: £19) restricted fund - see note 17)	30,671	23,328
	124,100	127,208

Incoming resources from investment of bequests amounting to £Nil (2020: £19) is credited to the Parsonage restricted income fund whilst £29,968 (2020: £22,741) is credited to Restricted Capital Endowment Funds.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Total Funds 2021 £	Total Funds 2020 £
5.4 Other Income		
Insurance Claims - restricted	184,492	13,438
Job Retention Scheme Grant - restricted	6,066	10,052
	<u>190,558</u>	<u>23,490</u>
 6 Expenditure		
	Total Funds 2021 £	Total Funds 2020 £
6.1 Support for Ministry		
<i>Stipends & Fees</i>		
Stipends and allowances	1,609,778	1,956,550
Vacancy fees	1,381	3,605
Council Tax	129,366	121,994
<i>Parsonages</i>		
Maintenance of Parsonages (restricted fund see note 17)	635,014	322,989
Insurance of Parsonage Houses	13,831	13,403
Custodians' expenses	9,378	5,455
<i>Clergy Expenses</i>		
Archdeacons' expenses	5,181	4,582
Area Deans' expenses	157	583
Removal and disturbance allowances	19,291	15,364
Travel and other expenses	3,966	127
<i>Training</i>		
Ordinands	8,052	11,242
Continuing Ministerial Education	3,855	7,164
Readers	380	204
<i>Support Costs</i>		
General Fund (see note 6.6)	102,972	94,701
Restricted Parsonage Fund	56,446	56,773
	<u>2,599,048</u>	<u>2,614,736</u>

Of the above costs, costs for the maintenance of parsonages of £635,014(2020: £322,989) and support costs of £56,446 (2020: £56,773) are charged to the restricted income fund. Further costs of £16,060 (2020: £16,058) are funded by Legacy income and are charged to Restricted Capital Endowment Funds.

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Total Funds 2021 £	Total Funds 2020 £
6.2 Support for Parishes		
Sector Ministries		
Rural Life Ministry	16,187	18,508
Social Responsibility	21,215	21,004
World Mission	134	45
Christian Deliverance	-	35
Spirituality	78	-
Older People	996	1,869
Eco Church	116	87
Intercession	72	-
Evangelism and Outreach	20,454	13,221
Statutory Education	42,286	40,820
Children, Youth and Family	144,054	141,481
Diocesan Expenses		
Ministry Area Development Support	48,355	47,739
Safeguarding	-	19
Diocesan Archivist	200	200
Eastmoor Centre	12,900	29,832
Diocesan Centre	29,591	37,067
Support Costs (see note 6.6)	96,851	92,228
	433,489	444,155

Of the above costs £115,475 (2020: £150,346) is funded by the Transformation Fund, £6,066 is funded by Job Retention Scheme grants (2020: £9,536) and £Nil (2020: £27) is funded by legacy income and is charged to Restricted Capital Endowment Funds.

	Total Funds 2021 £	Total Funds 2020 £
6.3 Church Property		
Inspections of Churches and Halls	9,548	10,862
Diocesan Advisory Committee expenses	16,067	14,220
Churches and Pastoral Committee expenses	1,606	1,349
Support Costs (see note 6.6)	35,310	31,876
	62,531	58,307

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Total Funds 2021 £	Total Funds 2020 £
6.4 Other Financial Support		
<i>Diocesan Bodies</i>		
Bishop's Fund	12,000	12,000
Brecon Cathedral Grant	41,190	41,190
Diocesan Mission Fund	15,789	40,616
Church Repair Grants	14,290	30,250
Representative Body - Emergency Repairs Fund	16,667	16,667
Parish Assistance Fund	20,125	10,000
Social Responsibility Grants	35,357	35,008
Widows Orphans & Dependants Grants	11,663	12,830
Curate Support Grant to Parishes	7,500	4,500
Retired Clergy	209	153
<i>Anglican, Ecumenical, and other bodies</i>		
World Mission Grants	21,500	20,000
Llangasty Retreat House Grant	5,000	5,000
Other Grants	1,000	1,000
<i>Support Costs (see note 6.6)</i>	<u>8,013</u>	<u>7,852</u>
	<u>210,303</u>	<u>237,066</u>

Of the above costs £3,000 (2020: £6,939) is funded by the restricted income Church Improvement Fund, and £11,663 (2020: £12,830) is funded by endowment income and is charged to Restricted Capital Endowment Funds.

Material grants in the context of total expenditure are: -

	2021 £	2020 £
Faith in Families (Social Responsibility Grants)	56,572	56,012
Brecon Cathedral	41,190	41,190
Representative Body - Emergency Repairs Fund	16,667	16,667
Mission Fund – St Thomas Swansea, Student Pastor	-	15,000
Bishop of Swansea & Brecon Fund	12,000	12,000
	Total Funds 2021 £	Total Funds 2020 £
6.5 Communications		
Communications and Media	1,550	3,655
Newsletters and Diocesan Publications	874	-
<i>Support Costs (see note 6.6)</i>	<u>37,404</u>	<u>38,441</u>
	<u>39,828</u>	<u>42,096</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

	Total Funds 2021 £	Total Funds 2020 £
6.6 Support Costs - Management and Administration		
Salaries including pensions and pension scheme contributions (see note 7.1)	279,898	269,744
Staff and Office expenses	52,350	44,667
	<u>332,248</u>	<u>314,411</u>

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

	Total Funds 2021 £	Total Funds 2020 £
Support for Ministry	102,972	94,701
Support for Parishes	96,851	92,228
Church Property	35,310	31,876
Other Financial Support	8,013	7,852
Communication	37,404	38,440
Governance Costs	51,698	49,314
	<u>332,248</u>	<u>314,411</u>

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

6.7 Governance Costs

	Total Funds 2021 £	Total Funds 2020 £
Staff and Administrative Costs (see note 6.6)	51,698	49,314
Company expenses	13	48
Audit fees	10,092	10,273
Diocesan Conference and Standing Committee	141	157
Governing Body Meeting expenses	5,946	1,024
	<u>67,890</u>	<u>60,816</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Analysis of staff costs and trustees' remuneration and expenses

	Total Funds 2021 £	Total Funds 2020 £
7.1 Salaries including pensions and pension scheme contributions		
Salaries	465,462	459,442
Social security costs	38,196	35,595
Pensions	5,029	4,984
Pension scheme defined contributions (see below)	63,366	60,000
	<u>572,053</u>	<u>560,021</u>

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

	Total Funds 2021 £	Total Funds 2020 £
Support costs (see note 6.6)	279,898	269,744
Support for Parishes:		
Diocesan Officers	207,160	195,871
Resource Centre Staff	21,913	30,954
Diocesan Archivist	200	200
Church Property:		
DAC Secretary	15,230	14,162
Parsonage Board	47,652	49,090
	<u>572,053</u>	<u>560,021</u>

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

No employees earned more (excluding employer pension costs) than £60,000 for the year ended 31 December 2021 (2020: nil).

The average weekly number of persons employed during the year was 19 (2020: 19).

7.2 Key management personnel

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

The total amount of employee benefits (including salaries) received by the key management personnel in 2021 was £122,361 (2020: £119,054).

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

None of the key management personnel (2020: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

The table below sets out the number of key management personnel whose total employee benefits (excluding employer pension costs) fell within the following bands:

	2021 No.	2020 No.
From £30,001 to £40,000	1	1
From £40,001 to £50,000	-	-
From £50,001 to £60,000	1	1
Total	<u>2</u>	<u>2</u>

7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2021 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2020 – £nil)

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their duties. For the year ended 31 December 2021 the expenses amounted to £4,886 (2020: £3,487).

For the year ended 31 December 2021 for clergy members of the Board of Trustees stipends amount to £116,923 (2020: £116,923), national insurance contributions of £10,523 (2020: £10,582) and pension contributions £21,338 (2020: £42,677). These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

8 Other Resources Expended

	Total Funds 2021 £	Total Funds 2020 £
Write off of uncollectable Ministry Share	50,681	-
Provision against unpaid Ministry Share	99,672	179,909
	<u>150,353</u>	<u>179,909</u>

9 Net income/(expenditure)

	2021 £	2020 £
Net income/(expenditure) is stated after charging:		
Audit fee	<u>10,105</u>	<u>10,273</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

10 Investments

	Investments UK - listed	Fixed interest debentures & corporate bonds	Unit trust investments	Other investments	Total investments
	£	£	£	£	£
Book and market value					
At 1 January 2021	1,534,448	438,711	1,757,023	1,297,234	5,027,416
Additions	182,353	228,153	994,582	30,712	1,435,800
Disposals	(578,681)	(90,617)	(810,520)	-	(1,479,818)
Gains on disposal	(11,170)	5,168	186,018	-	180,016
Gains on revaluation	295,973	5,017	34,562	135,093	470,645
At 31 December 2021	1,422,923	586,432	2,161,665	1,463,039	5,634,059

Fixed asset investments are held as follows:

	2021 £	2020 £
Held in General Unrestricted Funds		
Investment assets UK - listed	1,422,923	1,534,448
Fixed interest debentures and corporate bonds	586,432	438,711
Unit Trust investments	2,161,665	1,757,023
	4,171,020	3,730,182
Other investments comprise:		
Held in General Unrestricted Funds		
29,652 (2020: 29,652) Representative Body		
Investment Fund Units	69,424	62,788
Brewin Dolphin Cash Deposit Account	140,628	109,916
General Unrestricted Funds	210,052	172,704
Held in Restricted Capital, Endowment Funds		
Legacy and Benefactions Account and Trust Funds		
Held by Swansea and Brecon Diocesan Trust	641,509	570,624
Held by the Representative Body	602,246	544,674
Held by the Board of Finance	9,232	9,232
Restricted Capital, Endowment Funds	1,252,987	1,124,530
Total Other Investments	1,463,039	1,297,234
Total investments	5,634,059	5,027,416

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the RBCIW. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2021 are 336,495 (2020: 336,495).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2021 are 257,227 (2020: 257,227).

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

The historic cost of the above investments at 31st December 2021 was £3,744,731 (2020: £3,608,734)

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

11 Concessionary loans

	2021	2020
	£	£
General Unrestricted Funds		
Loans funded by representative body:		
Retired clergy equity linked housing loans	300,000	300,000
Retired clergy non equity linked housing loans	35,000	35,000
	<u>335,000</u>	<u>335,000</u>

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

12 Debtors: due within one year

	2021	2020
	£	£
General Unrestricted Funds		
Parish share	922,010	847,747
Payments in advance	18,947	18,750
Parochial loans	18,843	18,843
Bank interest and investment income	15,951	4,962
Miscellaneous	29,847	23,127
Provision for doubtful debts	(934,224)	(834,552)
	<u>71,374</u>	<u>78,777</u>
Restricted Funds:		
Parsonage Maintenance Fund		
Insurance claim income	184,492	-
Representative Body – Improvement Fund repayment	35,313	10,749
	<u>219,805</u>	<u>10,749</u>
Legacy and Benefactions Account and Trust Funds		
Restricted fund income receivable	73,455	40,779
	<u>73,455</u>	<u>40,779</u>
Debtors due within one year	<u><u>364,634</u></u>	<u><u>130,405</u></u>

These are analysed as follows:

	2021	2020
	£	£
Other debtors	256,281	65,914
Prepayments and accrued income	108,353	64,491
	<u>364,634</u>	<u>130,405</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

13 Cash at bank and in hand

	2021	2020
	£	£
CAF Gold Account	793,500	574,175
Other cash balances	453,914	858,103
	<u>1,247,414</u>	<u>1,432,278</u>

For further analysis see note 20.

14 Creditors falling due within one year

	2021	2020
	£	£
General Unrestricted Funds		
Creditors Control	3,561	13,781
Representative Body of Church in Wales	285,273	317,195
Ministry Share Paid in Advance	97,898	157,084
Internally invested Restricted Funds	9,232	9,232
Quinquennial Inspections	-	1,730
Sundry creditors	72,482	73,579
	<u>468,446</u>	<u>572,601</u>
Restricted Funds:		
Parsonage Maintenance Fund (restricted income fund)		
Creditors Control	4,854	17,863
Sundry creditors	36,499	22,269
	<u>41,353</u>	<u>40,132</u>
Creditors falling due within one year	<u><u>509,799</u></u>	<u><u>612,733</u></u>

	2021	2020
	£	£
These are analysed as follows:		
Trade creditors	293,688	350,570
Other creditors and accruals	216,111	262,163
	<u>509,799</u>	<u>612,733</u>

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

15 Creditors falling due after more than one year

	2021 £	2020 £
General Unrestricted Funds		
Loans from the RBCIW		
Retired clergy equity linked housing loans	300,000	300,000
Retired clergy non equity linked housing loans	35,000	35,000
	<u>335,000</u>	<u>335,000</u>

Loans received from the RBCIW are applied to fund loans for Retired clergy housing and general support (see Note 11). Interest at 1.1% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

16 Accumulated Fund balances

	Accumulated fund balances at 1 January 2021 £	Net incoming resources for the year (see below) £	Gains/ (losses) arising on revaluation of fixed asset investments (see below) £	Accumulated Fund balances at 31 December 2021 £
General Unrestricted Income Funds				
General Fund Reserve	4,441,004	122,030	342,189	4,905,223
Designated Repair Fund	146,431	-	-	146,431
Restricted Funds				
Ministry Area Transformation Fund	179,867	(115,475)	-	64,392
Parsonage Maintenance Fund	101	25,998	-	26,099
Church Improvement Funds	15,561	73,500	-	89,061
Regeneration Fund	-	109,886	-	109,886
Ministry Share Assistance Fund	-	62,575	-	62,575
Legacy and Benefactions Account and Trust Funds				
Fund Balances	1,194,402	9,783	128,456	1,332,641
Total Charity Funds	<u>5,977,366</u>	<u>288,297</u>	<u>470,645</u>	<u>6,736,308</u>

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

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

17 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2021

	2021 £	2020 £
Income		
Contributions from Diocesan Board of Finance General		
Unrestricted Income Fund	453,934	398,638
Income from rented Properties	61,960	42,886
Interest on Improvement Fund	388	1,283
Insurance claims	184,492	13,439
Grants and Parochial contributions	16,684	1,267
Other Income	-	324
Total Income	717,458	457,837
Expenditure		
Maintenance of Parsonages	611,655	299,411
Maintenance contracts	23,359	23,578
	635,014	322,989
Administration	56,446	56,773
Total expenditure	691,460	379,762
Net surplus for the year	25,998	78,075
Fund balance brought forward at 1 January	101	(77,974)
Fund balance carried forward at 31 December	26,099	101

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

The total spent on improvements and maintenance is as follows:

	2021 £	2020 £
Maintenance costs	635,014	322,989
Improvement costs (borne by the Representative Body)	83,463	60,202
	718,477	383,191

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

18 Related party transactions

In addition to transactions with the RBCIW, there were the following related party transactions in the year ended 31 December 2021 and 2020.

Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2020: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £26,429 (2020 - £25,998) towards the Education costs incurred by the Company in the year.

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

The Most Revd John David Edward Davies (Resigned 2nd May 2021)

The Ven Jonathan Byron Davies

The Ven Alan Neil Jevons

Gwynfor Lewis FCA

The Right Rev'd John Lomas (Appointed 24th February 2022)

The Very Revd Albert Paul Shackerley

19 Financial instruments comprise the following:

	2021 £	2020 £
Financial assets		
Investments measured at market value through the statement of financial activity	5,634,059	5,027,416

Swansea and Brecon Diocesan Board of Finance Limited (The)

Notes to the financial statements for the year ended 31 December 2021 (continued)

20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	4,381,072	-	1,252,987	5,634,059
Long Term Loans	335,000	-	-	335,000
Debtors due within one year	71,374	-	293,260	364,634
Cash	921,223	146,431	179,760	1,247,414
Creditors due within one year	(468,446)	-	(41,353)	(509,799)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,905,223	146,431	1,684,654	6,736,308

Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,902,886	-	1,124,530	5,027,416
Long Term Loans	335,000	-	-	335,000
Cash	1,031,842	146,431	254,005	1,432,278
Debtors due within one year	78,877	-	51,528	130,405
Creditors due within one year	(572,601)	-	(40,132)	(612,733)
Creditors due in more than one year	(335,000)	-	-	(335,000)
Total	4,441,004	146,431	1,389,931	5,977,366