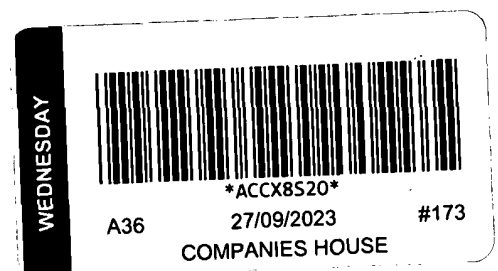


**Registered Company Number: 924565**  
**Registered as a Charity (Number: 249810)**

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

**Annual report  
for the year ended 31 December 2022**



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

## **Annual Report for the year ended 31 December 2022**

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

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

### **Secretary's Report**

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

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

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

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

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

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

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

**Mrs Louise Pearson**

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

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

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

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

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

### Legal and administrative details

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

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

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

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

### Our Purposes and Aims

The purposes of the Charity are:

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

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

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

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

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

### Objectives and Activities for the Public Benefit

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

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

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

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

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

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

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

### Review of Achievements and Performance

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

The main activities are:

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

### Monitoring Achievements

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

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

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

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

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

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

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

During 2022, our lay training programme supported:

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

It is expected that training numbers will increase in 2023.

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

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

### Financial Review

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

### Income

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

### Expenditure

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

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

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

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

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

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

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

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

### **Support Costs – Management and Administration**

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

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

### **Designated Funds**

#### **Designated Repair Fund**

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

#### **Regeneration Fund**

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

#### **Ministry Share Assistance**

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

### **Restricted Funds**

#### **Transformation Fund**

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

#### **Ministry Share Assistance**

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

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

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

### **Parsonage**

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

### **Net Income**

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

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

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

### **Investments**

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

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

### **Investment Policy and Performance**

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

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

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

### **COVID -19**

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

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

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

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



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

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

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

### **Block Grant**

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

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

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

### **Reserves Policy**

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

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

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

### **Plans for the Future.**

For 2023, the main objectives are:

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

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

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

### **Structure, Governance and Management**

#### **Membership – Composition**

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

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

#### **Executive Committee**

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

#### **Other Committees**

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

#### **Parsonage Board**

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

#### **Churches and Pastoral Committee**

The Committee is responsible for:

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

#### **Assistance Committee**

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

#### **Investment Committee**

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

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

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

### **Funding Committees**

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

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

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

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

### **Induction and Training of Trustees**

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

### **Risk Management**

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

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

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

### **Pay policy for senior staff**

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

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

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

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

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

#### Key performance indicators

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

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

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

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

### **Reference and administrative details**

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

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

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

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

### **Board of Trustees/Directors**

The Ven Jonathan Byron Davies

The Ven Alan Neil Jevons

Sonia Jones (resigned 28<sup>th</sup> February 2023)

Sir Andrew McLeod Brooks Large (resigned 31<sup>st</sup> May 2022)

Gwynfor Lewis, FCA

The Right John Derrick Percy Lomas (appointed 24<sup>th</sup> February 2022)

The Very Revd Albert Paul Shackerley

Sir Paul Silk (ex Chairman) (resigned 31<sup>st</sup> July 2022)

### **Consultants**

The Ven Alfred James Randolph Thomas

### **Company Secretary**

Louise Anne Pearson

### **Registered Office**

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

### **Independent Auditors**

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

### **Principal Bankers**

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

### **Investment Managers**

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

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

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

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

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

By order of the Board of Trustees

The Right Reverend John Lomas  
Trustee

+ John Aber.

Date: 21<sup>st</sup> Sept. 2023

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

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

### **Opinion**

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 December 2022 and of its incoming resources and application of resources, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

We have nothing to report in this regard.

# **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*

Azets Audit Services

26-9-2023

Chartered Accountants  
Statutory Auditor

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

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

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

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

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

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

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

	Note	Unrestricted funds	Unrestricted designated funds	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Total Charity Funds Restated 2021
		2022	2022	2022	2022	2022	2022	2021
		£	£	£	£	£	£	£
Net income/expenditure brought forward		446,018	(18,894)	(64,392)	(344,194)	-	18,538	108,281
Net (loss)/gains on of investments	8	(522,386)	-	-	-	(136,731)	(659,117)	650,661
Net (outgoing)/incoming resources before transfers	8	(76,388)	(18,894)	(64,392)	(344,194)	(136,731)	(640,579)	758,942
Gross transfers between funds		(437,829)	20,000	-	417,829	-	-	-
Net movements in funds	15	(514,197)	1,106	(64,392)	73,635	(136,731)	(640,579)	758,942
Total funds brought forward at 1 January	15	4,905,223	318,892	64,392	124,943	1,322,858	6,736,308	5,977,366
Total funds carried forward at 31 December	15, 19	4,391,026	319,998	-	198,578	1,186,127	6,095,729	6,736,308

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

All income and expenditure is derived from continuing activities.

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

## Balance sheet as at 31 December 2022

	Note	2022 £	2021 Restated £
<b>Fixed Assets</b>			
Investments	9	4,932,415	5,634,059
Long Term Loans	10	335,000	335,000
		<u>5,267,415</u>	<u>5,969,059</u>
<b>Current Assets</b>			
Debtors: due within one year	11	553,439	364,634
Cash at bank and in hand	12	1,081,153	1,247,414
<b>Total current assets</b>		<u>1,634,592</u>	<u>1,612,048</u>
<b>Liabilities</b>			
Creditors falling due within one year	13	(471,278)	(509,799)
<b>Net current assets</b>		<u>1,163,314</u>	<u>1,102,249</u>
<b>Total assets less current liabilities</b>		<u>6,430,729</u>	<u>7,071,308</u>
Creditors falling due after more than one year	14	(335,000)	(335,000)
<b>Net assets</b>		<u>6,095,729</u>	<u>6,736,308</u>
<b>The funds of the charity</b>			
Unrestricted Funds	15	4,391,026	4,905,223
Designated Funds	15	319,998	318,892
<b>Total unrestricted funds</b>		<u>4,711,024</u>	<u>5,224,115</u>
<b>Restricted funds</b>			
Ministry Area Transformation Fund	15	-	64,392
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Funds)	15	198,578	124,943
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	15	1,186,127	1,322,858
<b>Total restricted funds</b>		<u>1,384,705</u>	<u>1,512,193</u>
<b>Total Charity funds</b>		<u>6,095,729</u>	<u>6,736,308</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<sup>st</sup> December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

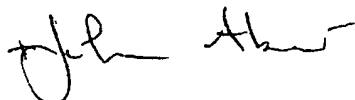
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 21 September 2022

The Right Reverend John Lomas  
Trustee



Date: 21<sup>st</sup> Sept 2023

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

## Cash flow statement for the year ended 31 December 2022

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

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

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

### 1 Principal accounting policies

#### Charity Information

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

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

#### a) Accounting convention

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

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

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

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

#### c) Income recognition policies

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

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

For legacies, entitlement is taken as the earlier of:

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

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is 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 2022 (continued)

### d) Block Grant

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

### e) Donated services and facilities

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

### f) Interest receivable

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

### g) Fund accounting

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

### h) Expenditure

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

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

### i) Allocation of support costs

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

### j) Debtors

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

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

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

### k) Cash at bank and in hand

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

### l) Creditors and provisions

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

### m) Financial instruments

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

### n) Fixed asset investments

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

### o) Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### p) Pension contributions

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

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

### q) Taxation

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



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

## **Notes to the financial statements for the year ended 31 December 2022 (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.

### **s) Restatement of Prior Year**

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

The re-classification of income includes:

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

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

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

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

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

## **2 Legal status of the company**

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

## **3 Critical accounting estimates and judgements**

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

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

## **4 Turnover**

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

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

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

### 5 Income

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

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

All other income is credited to unrestricted funds.

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

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

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

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

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

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

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

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

	Total Funds 2022 £	Total Funds 2021 £
<b>5.4 Other Income</b>		
Insurance Claims – restricted	172,340	184,492
Job Retention Scheme Grant – restricted	-	6,066
	<u>172,340</u>	<u>190,558</u>
<b>6 Expenditure</b>		
	Total Funds 2022 £	Total Funds 2021 restated £
<b>6.1 Support for Ministry</b>		
<b>Stipends &amp; Fees</b>		
Stipends and allowances	1,406,737	1,609,778
Vacancy fees	6,299	1,381
Council Tax	126,479	129,366
<b>Parsonages</b>		
Maintenance of Parsonages (restricted fund see note 16)	571,625	635,014
Insurance of Parsonage Houses	15,610	13,831
Custodians' expenses	16,070	9,378
Property Rental	9,944	-
<b>Clergy Expenses</b>		
Archdeacons' expenses	9,250	5,181
Area Deans' expenses	962	157
Removal and disturbance allowances	27,553	19,291
Travel and other expenses	2,297	3,966
<b>Training</b>		
Ordinands	8,357	8,052
Continuing Ministerial Education	(13,142)	3,855
Readers	267	380
<b>Support Costs</b>		
Provision against uncollected Ministry Share	292,227	99,672
Write off of uncollectable Ministry Share	38,686	50,681
General Fund (see note 6.6)	125,462	124,613
Restricted Parsonage Fund	54,603	56,446
	<u>2,699,286</u>	<u>2,771,041</u>

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

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

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

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

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

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

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

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

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

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

Material grants in the context of total expenditure are: -

	2022 £	2021 £
Faith in Families (Social Responsibility Grants)	58,269	56,572
Brecon Cathedral	41,190	41,190
Representative Body - Emergency Repairs Fund	16,667	16,667
Bishop of Swansea & Brecon Fund	-	12,000
	Total Funds 2022 £	Total Funds 2021 restated £
<b>6.5 Communications</b>		
Communications and Media	1,311	1,550
Newsletters and Diocesan Publications	3,831	874
<i><b>Support Costs (see note 6.6)</b></i>	<b>48,986</b>	<b>45,265</b>
	<b>54,128</b>	<b>47,689</b>

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

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

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

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

	Total Funds	Total Funds
	2022	2021 restated
	£	£
Support for Ministry	125,462	124,613
Support for Parishes	132,343	126,135
Church Property	42,128	42,730
Other Financial Support	9,458	9,698
Communication	48,986	45,264
	<u>358,377</u>	<u>348,440</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	Total Funds
	2022	2021 restated
	£	£
Company expenses	13	13
Audit fees	12,059	10,092
Diocesan Conference and Standing Committee	1,678	141
Bishop's Enthronement	3,032	-
Governing Body Meeting expenses	25,931	5,946
	<u>42,713</u>	<u>16,192</u>

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

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

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

### 7 Analysis of staff costs and trustees' remuneration and expenses

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

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

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

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

### 7.2 Key management personnel

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

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



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

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

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

### 7.3 Trustees' Emoluments

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

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

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

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

### 8 Net income/(expenditure)

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

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

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

### 9 Investments

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

Fixed asset investments are held as follows:

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

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

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

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

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

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

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

### 10 Concessionary loans

	2022	2021
	£	£
<b>General Unrestricted Funds</b>		
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.

### 11 Debtors: due within one year

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

These are analysed as follows:

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

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

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

### 12 Cash at bank and in hand

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

For further analysis see note 19.

### 13 Creditors falling due within one year

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

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

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

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

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

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

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

	2022 £	2021 £
<b>General Unrestricted Funds</b>		
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 10). Interest ranging between 1.25% and 4.5% was payable on the non-equity linked housing loans, to the Company. The Company pays an equivalent amount of interest to the RBCIW. There are no specific terms for the repayment after more than one year of the loans due to the Representative Body. The liability to repay the Representative Body is independent of the recovery of loans made to Parishes and Clergy.

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

### 15 Accumulated Fund balances

2022

#### Movement of Funds

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

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

### 15 Accumulated Fund balances (continued)

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

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

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

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

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

The impact of these adjustments has been to:

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

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



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

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

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

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

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

The total spent on improvements and maintenance is as follows:

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

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

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

### 17 Related party transactions

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

#### Swansea & Brecon Diocesan Trust Incorporated

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

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

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

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

#### Eastmoor Trust Fund

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

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

### 18 Financial instruments comprise the following:

	2022	2021
	£	£
<b>Financial assets</b>		
Investments measured at market value through the statement of financial activity	4,932,415	5,634,059

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

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

### 19 Analysis of net assets between funds

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

### Previous year (Restated)

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

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

## 20 Restated Statement of Financial Activities 2021

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