

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

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

**Annual report  
for the year ended 31 December 2020**



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

## **Annual Report for the year ended 31 December 2020**

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

## Trustees' and Directors' report for the year ended 31 December 2020

### Chair's Report

As with many organisations, the primary concern for us in 2020 was the impact of the COVID-19 global pandemic. When were our churches last all closed on Easter Day? But as we closed the doors to our churches and offices, we adapted with compassion and agility, supporting our isolating communities, and embracing technology through phone trees and online services, events, meetings, and fund-raising. In this way, we mirrored the camaraderie evidenced throughout the UK, and proved our relevance and worth to our communities. Many of our planned activities for the year were halted due to the lockdown restrictions, resulting in a reduction of planned expenditure. But we also saw a diminution in direct receipts by our churches whose congregations were mostly absent.

Although the early part of 2020 was concerned with adapting to our new environment, the later months allowed us to resume work in developing our Ministry Area structures. The pandemic has focused many minds on future sustainability, both financial and physical. Although no Ministry Area was commissioned during the year, three of our four Deaneries have undertaken some form of re-structuring.

A significant amount of work was completed to review the financial viability of our Ministry Areas during the pandemic. Thanks to financial assistance received from the Representative Body of the Church in Wales and assistance from DBF reserves, we were able to provide support to all areas of the Diocese. We aimed to target especially those most in need.

During the year, receipt of ministry share arrears increased to £117,514 (£107,209 in 2019). In addition, a pre-payment of £165,078 was received against share payments for 2021. This is attributable to the timing of assistance distribution, but also to many parishes increasing digital income donations. Regrettably a further £151,624 was added to arrears during the year. We are proactively working with these parishes and Ministry Areas to enable their future sustainability. The Board keenly supports our Ministry Areas in their efforts to re-structure for growth and long-term sustainability. We are particularly grateful for the thoughtful consideration, the cooperative working, the willingness to share one another's burdens, and the selflessness that is being shown by the great majority of our parishes, and particularly by their Treasurers. We are also grateful to the Gower Deanery for their generous continuation of subsidy to the Afon Tawe, Radnor & Builth and Brecon Deaneries.

Collection of Ministry Share for 2020 was 100.5%. This figure was, however, only made possible by the assistance received from the Representative Body of the Church in Wales. As the pandemic continues into 2021, we are extremely grateful for their continued assistance.

We were pleased to appoint our Evangelism Enablement Officer during the year and to progress our bid to the Evangelism Committee. Our vision is to enable all parts of the Diocese to build on the community colleagueship experienced during this pandemic and enable all to *Go Out in the power of the Spirit*; to demonstrate the love and work of God in our everyday life. We are looking forward to presenting this work for approval and having the opportunity to deliver it.

I write this having just read the Collect for the Fifth Sunday of Easter in which we asked God who is the vine-grower to prune our lives and our ministries so that we can bring new growth and fresh fruit. As we emerge from the restriction phases of the pandemic, we must work towards the Recovery, Reconstruction and Regeneration of the Church. There is work ahead for all of us in evaluating which elements of our pre-pandemic life should be retained and enhanced and which elements should be put down. Will our congregations wish to resume worship in a cold and draughty church, without bathroom facilities during the winter months? Will we move forward with a blended approach of in-person and digital church and online donations? Which buildings do we need? How do we deploy our human resources?

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

There are likely to be difficult decisions that we will need to confront. Every area in our heterogenous diocese, each with its unique settings, strengths, gifts, and burdens, will have its role in strengthening our foundations and sustaining our Church for future generations.

I end by paying a warm tribute to Bishop John, who, of course, retired in 2021 rather than 2020. However, this is an opportunity for the DBF to join with so many others in the diocese to say how much we will miss his wisdom and humour. We wish him and Jo a long and happy retirement, and we are delighted that he will continue to live in the diocese.

**Sir Paul Silk**

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

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

## Trustees' and Directors' report for the year ended 31 December 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

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

### Legal and administrative details

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

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

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

The Company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 31 December 2020 was 8.

### Our Purposes and Aims

The purposes of the charity are:

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

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

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

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

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

### Objectives and Activities for the Public Benefit

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

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

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

## Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

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

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

The memorandum of association of the Company permits it to make grants in pursuance of its objects, and the nature of grants made in 2020 is indicated in note 6.4 to the financial statements.

### Review of Achievements and Performance

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

The main activities are:

- The management of diocesan funds in the support of clergy, parishes, and their communities
- Securing and providing the finance for the development and implementation of the Diocesan Vision to encourage mission and church growth strategies
  - Contributing to the national work of the Church in Wales
  - Securing funds in support of wider Diocesan and Worldwide Mission
  - For 2020, the main objectives were:
    - To sustain Diocesan ministry by maintaining financial stability
    - To support the formation of Ministry Areas
    - Training and Support of Ordained and Lay Ministries
    - To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for Ministry Areas.
    - To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.



### Monitoring Achievements

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

The Company's investment portfolio was affected by the financial impact of the COVID-19 pandemic on global stock markets during the year. By the end of the year however the investment portfolio values had largely recovered to pre-pandemic levels and the value of investments was £5,027,416 (2019: £5,078,253)

As a result of the financial support and the recovery of investment portfolio values by the end of the year, the financial statements show a small increase in the value of total net assets to £5,977,366 (2019: £5,902,846).

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

## Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

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

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

During 2020, our lay training programme supported:

- 13 individuals trained and commissioned as Lay Pastoral Visitors (2019 – 3)
- 24 individuals trained and commissioned as Lay Worship Leaders (2019 – 10)
- 0 individuals trained and commissioned as Eucharistic Assistants (2019 – 24)
- 0 individuals trained and licensed as a Reader (2019 – 2)
- 0 individuals received as Readers from other dioceses (2019 – 2)
- 0 individuals in training as Readers (2019 – 2)

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

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

### Financial Review

The principal aim of the Company is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which represented approximately 72% (2019: 74%) of unrestricted expenditure for 2020.

### Income

The Company's major income sources and receipts were affected by the impact of the COVID-19 pandemic in 2020. Total incoming resources of £3.80m (2019: £3.80m) include £1.80m (2019: £2.60m) collectable Ministry Share, £0.85m (2019: £0.85m) in the form of the Representative Body annual Block Grant, £0.79m (2019: £0.00m) COVID-19 Financial Support Grants from the Representative Body of the Church in Wales and Investment Income of £0.13m (2019: £0.19m).

### Expenditure

Total resources expended were £3.65m (2019: £4.33m).

Support for ministry continues to be the major area of expenditure for the Company with total costs of £2.6m (2019: £3.20m). With the exception of Parsonage Board expenditure, support for ministry costs £2.23m (2019: £2.28m) were consistent with previous years. The cost of maintaining Parsonage Board properties was reduced to £380k (2019: £914k). The major contributory factor was a reduction in the number of on-going major renovation projects compared to the previous year.

Support for Parishes expenditure increased to £444k (2019: £436k). Costs significantly increased in the year for the Children Youth and Family Ministry to £141,181 (2019: £108,084) reflecting the fact that all four Children Youth and Family Officers were in role for the whole of the year. There was also an increase in Evangelism and Outreach costs following the appointment of a part time Bishop's Officer for this sector in August 2020. Following a number of major building repairs in 2019 Brecon Diocesan Centre costs were lower at £37,067 (2019: £67,532) in 2020. The costs of the Eastmoor Resource Centre were higher in 2020 at £29,832 (2019: £20,008) mainly reflecting the Company's share of the costs of the broadly installation a new boiler.

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

## **Trustees' and Directors' report for the year ended 31 December 2020 (Continued)**

Church property costs decreased to £0.58m (2019 £0.68m) as the number of inspections of churches and halls was reduced from the previous year as a result of the restrictions on activity due to COVID-19 pandemic.

Other financial support costs were consistent with 2019 at £237k (2019: £239k) reflecting the commitment of the Company to continue to support Diocesan, Anglican, and Ecumenical bodies in the current challenging financial environment.

Other resources costs decreased to £179k (2019 £243k). The provision for unpaid ministry share as a percentage of unpaid share at the year-end was increased in the 2019 financial accounts in comparison with previous years reflecting the expected financial challenges and uncertainties associated with the COVID -19 pandemic in 2020.

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

Management and administration support costs (see note 6.6) were consistent in total with the previous year. The rise in salaries and associated costs reflects the increase in average weekly employee numbers. Staff and office costs were lower in 2020 following the completion of essential Diocesan Centre repair and improvement work and the provision of IT equipment to enable off-site working in 2019.

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

### **Designated Funds**

An unrestricted designated repair fund of £200k was established in 2015 to provide a fund to meet the costs of renovating and repairing the Diocesan Centre building and the temporary relocation of staff during the period of renovations. In 2019 £53k was allocated from this Fund. No charges were made against this Fund in 2020.

### **Restricted Funds**

Total funding of £150k was transferred from the Restricted Ministry Area Transformation Fund during 2020(2019: £156k) and used to meet Children, Youth and Family Ministry costs and Ministry Area Development costs.

### **Parsonage**

The Restricted Income Fund relating to the activities of the Parsonage Board has a surplus balance of £101 at the year end (2019: deficit £78k). The funding of the deficit was achieved partly by the reduction in maintenance activities resulting from the restrictions associated with the COVID-19 pandemic and partly by strictly limiting maintenance work to the budgeted funding available. Approved additional funding for long-term renovation works in designated key properties that became vacant due to clerical turnover reduced to £55k (2019: £492k) reflecting the completion of a number of major projects in 2019.

### **Net Income**

Net income before other recognised gains/(losses) on unrestricted funds showed a surplus of £211k (2019: deficit £206k). The Company does not plan or budget with the intention of reporting significant deficits or surpluses.

The impact of the COVID-9 pandemic has severely impacted many areas of activity during the year, and this is reflected in financial results. The Board notes that the reported surplus was achieved only by virtue of the £0.79m COVID-19 related financial support provided by the Representative Body of the Church in Wales and that without this funding the Company would be reporting a substantial deficit for the year.

The budgets and forecasts will continue to be reviewed and monitored to ensure the costs of Ministry recharged to the Deaneries are as fair and as accurate as possible. However, the Board are aware that the ongoing impact of the COVID-19 pandemic during the current financial year will lead to a variance between the actual costs of ministry and the funds Ministry Areas are able to generate.



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

## **Trustees' and Directors' report for the year ended 31 December 2020 (Continued)**

### **Investments**

Total net realised and unrealised losses on investments during the year were £40k (2019: gain £492k). 2020 was a turbulent year for global financial markets and during the course of the year the value of the Company's investments varied significantly. The trustees/directors are pleased with the position as at the 31<sup>st</sup> of December and are satisfied that investments continue to be managed prudently and in line with parameters set by the Investment Sub-Committee. They do however, remain aware of the risk of further COVID-19 related market volatility in the short to medium term future.

Overall, the financial position of the Diocese on 31<sup>st</sup> December 2020 is considered to be satisfactory.

### **Investment Policy and Performance**

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

The Executive Committee has stipulated that investments are limited to medium risk assets, within parameters set by the Investment Sub-Committee, whilst generating a target level of current income. The investments are made in full accordance with the Ethical Investment Policy adopted by the Church in Wales.

The Investment Sub Committee reviewed the investment management policy during the year in the light of the evolving market conditions and recommended the modification of the current policy to permit distribution of an element of profit from capital gains to contribute towards the target level of cash distribution. The recommendation was approved by the Executive Committee.

### **COVID -19**

COVID-19 has had a significant financial and non-financial impact on the Company.

In the financial terms the main challenges to have confronted the Company are a reduction in collectable Ministry Share, and a reduction in investment income. A number of initiatives were undertaken in 2020 to mitigate the impact of these factors: -

- The Company has worked with the Representative Body of the Church in Wales and Ministry Areas in the Diocese to implement a financial support programme offered by the Representative Body to assist in meeting the costs of ministry in the Diocese. The Ministry Share contribution that Benefices were asked to pay to the Company were reduced for the year. The shortfall between the costs of ministry and the funding received from the Benefices was met by financial support grants received from the Representative Body of the Church in Wales and internal funding from the Company's reserves.
- The Company's Investment Sub-Committee met with the DBF's Investment Managers to review the impact of COVID-19 on investment income and investment values and to identify and implement measures to mitigate the impact.
- The Company's senior management team reviewed the 2020 budgets to identify costs that can be removed, reduced, or deferred to a later date.
- Coronavirus Job Retention Scheme. Where statutory measures introduced by the Government to curtail the spread of the COVID-19 virus meant that employees are unable to fulfil their work duties the employees affected were furloughed and a claim for financial support made under the Coronavirus Job Retention Scheme.
- The Company has worked with Ministry Areas to provide guidance and encouragement with fund-raising and achieving long term financial sustainability.

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

## **Trustees' and Directors' report for the year ended 31 December 2020 (Continued)**

It is recognised that many of the challenges associated with the impact of the COVID-19 pandemic in 2020 will continue to impact on the activities of the Company in 2021. To mitigate the financial risks going forward the Company: -

- Has accepted the generous offer of further financial support in 2021 from the Representative Body of the Church in Wales.
- Will not ask Benefices to meet the full costs of ministry in 2021 and will fund the shortfall between the costs of ministry and the funding received from the Benefices with financial support grants received from by the Representative Body of the Church in Wales and internal funding from the Company's reserves.
- Has prepared budgets for 2021 on the basis that activity levels for the first half of the year are limited to what was permitted under the strictest "lockdown" conditions in 2020 and that normal conditions will resume from July 2021.
- Is monitoring the financial impact on reserves of operating under on COVID-19 restrictions on an-ongoing basis.
- Continues to work with Ministry Areas to assist them in their efforts to minimise the impact of the loss of income resulting from COVID-19 related restrictions.

### **Reserves Policy**

The Representative Body funded a block grant to the Company of £850,663 in 2020, representing approximately 23% of total income. It has been confirmed that this level of grant support will be maintained until 2021 but there is no certainty that the level of this grant will be maintained after 2021. Therefore, the Company aims to maintain a prudent level of reserves.

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

At 31 December 2020, the balance held in unrestricted funds was £4,441,004, which includes unrealised gains on the value of investments amounting to £982,775; this figure represents the equivalent of 15 months expenditure at 2020 levels. The current level of reserves is considered appropriate to meet the stated reserves policy while also considering the impact of inflation.

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

For 2021, the main objectives are:

- To sustain Diocesan Ministry by maintaining financial stability
- To actively support the transition to Ministry Areas
- To provide a programme of training and support of Ordained and Lay Ministries
- To provide support and advice for Parishes in all aspects of their activities, specifically in their preparation for, and transition to, Ministry Areas.
- To continue to support the allocation of Ministry Share apportionment at Deanery level.
- To continue to support a Diocesan Mission fund to provide funding for mission projects which aim to reflect the Diocesan Vision.
- To establish a strategy for evangelism and outreach for the whole Diocese.

It is expected that the statutory restrictions put in place to limit the spread of COVID -19 will continue to impact to a greater or lesser degree on the ability and opportunities to progress the objectives above however the Dioceses remains committed to progressing all these initiatives where this is practical and possible.

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

#### **Membership – Composition**

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

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

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

## **Trustees' and Directors' report for the year ended 31 December 2020 (Continued)**

### **Executive Committee**

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

### **Other Committees**

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

### **Parsonage Board**

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

### **Churches and Pastoral Committee**

The Committee is responsible for:

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

### **Assistance Committee**

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

### **Investment Committee**

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

### **Funding Committee**

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

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

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

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

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

## Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

### Induction and Training of Trustees

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

### Risk Management

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

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

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

### Pay policy for senior staff

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

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

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

### Key performance indicators

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

	2020	2019
Ministry Share Collection	91.6%	92.2%
Net income/(expenditure) for the year on unrestricted funds before unrealised gains	210,747	(206,426)
Value of unrestricted reserves	4,441,004	4,327,713
<b>Clergy positions:</b>		
Stipendiary	51	56
Non-stipendiary	17	13.5
House for duty	-	-

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

## **Trustees' and Directors' report for the year ended 31 December 2020 (Continued)**

### **Reference and administrative details**

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

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

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

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

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

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

Sir Paul Silk (Chairman)

The Ven Alan Neil Jevons

The Very Revd Albert Paul Shackerley

Gwynfor Lewis, FCA

Sir Andrew McLeod Brooks Large

The Ven Jonathan Byron Davies

Sonia Jones

### **Consultants**

The Ven Alfred James Randolph Thomas

Tim Davenport (Diocesan Registrar) resigned 31<sup>st</sup> December 2020

James Davenport (Diocesan Registrar) appointed 31<sup>st</sup> December 2020

### **Company Secretary**

Louise Anne Pearson

### **Registered Office**

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

### **Independent Auditors**

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

### **Principal Bankers**

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

### **Investment Managers**

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

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

## Trustees' and Directors' report for the year ended 31 December 2020 (Continued)

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

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

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

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

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

In so far as the trustees are aware:

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

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

**By order of the Board of Trustees**



**Sir Paul Silk**  
**Chair of the Swansea and Brecon Diocesan Board of Finance Limited**

Date: 26 July 2021.....

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

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

### **Opinion**

We have audited the financial statements of Swansea and Brecon Diocesan Board of Finance (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as of 31 December 2020 and of its incoming resources and application of resources, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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.

*Sarah Case*

**Sarah Case FCA DChA**  
Senior Statutory Auditor  
For and on behalf of  
**Azets Audit Services**  
Chartered Accountants and Statutory Auditors  
Ty Derw  
Lime Tree Court  
Cardiff Gate Business Park  
Cardiff  
CF23 8AB

Date 5-8-2021

Azets Audit Services is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

### Statement of Financial Activities for the year ended 31 December 2020 (including income and expenditure account)

Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted Income Funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	£	£	£	£	£	£	£	£	£	£	£	£
<b>Income from:</b>												
Donations and legacies	5.1	3,534,334	-	-	23,783	5,977	3,564,094	3,512,701	-	-	25,781	3,541,482
Charitable activities	5.2	10,651	-	-	44,154	-	54,805	9,080	-	-	34,945	44,025
Investments	5.3	104,448	-	-	19	22,741	127,208	146,647	-	-	25	192,594
Other income	5.4	-	-	-	23,490	-	23,490	1,397	-	-	30,233	31,630
<b>Total Income</b>		<b>3,649,433</b>	<b>-</b>	<b>-</b>	<b>91,446</b>	<b>28,718</b>	<b>3,769,597</b>	<b>3,669,825</b>	<b>-</b>	<b>-</b>	<b>90,984</b>	<b>3,809,731</b>
<b>Expenditure:</b>												
<b>Raising funds:</b>												
Investment management costs		17,860	-	-	-	-	17,860	18,775	-	-	-	18,775
		<b>17,860</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,860</b>	<b>18,775</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,775</b>
<b>Charitable activities:</b>												
Support for Ministry	6.1	2,218,916	-	-	379,762	16,058	2,614,736	2,258,590	2,752	-	914,479	3,197,715
Support for Parishes	6.2	284,246	-	150,346	9,536	27	444,155	244,299	45,464	146,769	-	436,566
Church property	6.3	58,307	-	-	-	-	58,307	66,850	821	-	-	67,671
Other financial support	6.4	217,297	-	-	6,939	12,830	237,066	195,582	284	9,467	22,500	239,095
Communications	6.5	41,885	-	-	211	-	42,096	43,704	1,416	-	-	45,120
Governance costs	6.7	60,816	-	-	-	-	60,816	80,108	1,498	-	-	81,606
Other resources expended	8	179,909	-	-	-	-	179,909	242,634	-	-	-	242,634
		<b>3,061,376</b>	<b>-</b>	<b>150,346</b>	<b>396,448</b>	<b>28,915</b>	<b>3,637,085</b>	<b>3,131,767</b>	<b>52,235</b>	<b>156,236</b>	<b>936,979</b>	<b>4,310,407</b>
<b>Total expenditure</b>		<b>3,079,236</b>	<b>-</b>	<b>150,346</b>	<b>396,448</b>	<b>28,915</b>	<b>3,654,945</b>	<b>3,150,542</b>	<b>52,235</b>	<b>156,236</b>	<b>936,979</b>	<b>4,329,182</b>
<b>Net income/(expenditure) carried forward</b>		<b>570,197</b>	<b>-</b>	<b>(150,346)</b>	<b>(305,002)</b>	<b>(197)</b>	<b>114,652</b>	<b>519,283</b>	<b>(52,235)</b>	<b>(156,236)</b>	<b>(845,995)</b>	<b>(519,451)</b>

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

### Statement of Financial Activities for the year ended 31 December 2020 (including income and expenditure account) (continued)

Note	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity funds	Unrestricted funds	Unrestricted designated repair fund	Restricted ministry area transformation fund	Restricted income funds	Restricted capital endowment funds	Total Charity Funds
	2020	2020	2020	2020	2020	2020	2019	2019	2019	2019	2019	2019
	£	£	£	£	£	£	£	£	£	£	£	£
Net income/expenditure brought forward	570,197	-	(150,346)	(305,002)	(197)	114,652	519,283	(52,235)	(156,236)	(845,995)	15,732	(519,451)
Gains on disposal of investments	39,188	-	-	-	-	39,188	77,506	-	-	-	1,571	79,077
Net income / (expenditure)	9	609,385	-	(150,346)	(305,002)	(197)	596,789	(52,235)	(156,236)	(845,995)	17,303	(440,374)
Transfers between funds												
Transfers to/from Restricted funds		(398,638)	-	398,638	-	-	(803,215)	(704)	-	803,919	-	-
Net Income/(expenditure) before other recognised gains and losses	16	210,747	-	(150,346)	93,636	(197)	(206,426)	(52,939)	(156,236)	(42,076)	17,303	(440,374)
Other recognised gains/(losses)												
Gains/(losses) on revaluation of investments	16	(97,456)	-	-	-	18,136	304,196	-	-	-	108,891	413,087
Net movements in funds for the year		113,291	-	(150,346)	93,636	17,939	97,770	(52,939)	(156,236)	(42,076)	126,194	(27,287)
Reconciliation of funds												
Total funds brought forward at 1 January	16	4,327,713	146,431	330,213	(77,974)	1,176,463	4,229,943	199,370	486,449	(35,898)	1,050,269	5,930,133
Total funds carried forward at 31 December	16,20	4,441,004	146,431	179,867	15,662	1,194,402	4,327,713	146,431	330,213	(77,974)	1,176,463	5,902,846

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

All income and expenditure is derived from continuing activities.

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

## Balance sheet as at 31 December 2020


	Note	2020 £	2019 £
<b>Fixed Assets</b>			
Investments	10	5,027,416	5,078,253
Long Term Loans	11	335,000	350,000
		<u>5,362,416</u>	<u>5,428,253</u>
<b>Current Assets</b>			
Debtors: due within one year	12	130,405	264,571
Cash at bank and in hand	13	1,432,278	988,363
<b>Total current assets</b>		<u>1,562,683</u>	<u>1,252,934</u>
<b>Liabilities</b>			
Creditors falling due within one year	14	(612,733)	(428,341)
<b>Net current assets</b>		<u>949,950</u>	<u>824,593</u>
<b>Total assets less current liabilities</b>			6,252,846
Creditors falling due after more than one year	15	(335,000)	(350,000)
<b>Net assets</b>		<u>5,977,366</u>	<u>5,902,846</u>
<b>The funds of the charity</b>			
Unrestricted funds	16	4,441,004	4,327,713
Designated Repair Fund	16	146,431	146,431
<b>Total unrestricted funds</b>		<u>4,587,435</u>	<u>4,474,144</u>
<b>Restricted funds</b>			
Ministry Area Transformation Fund	16	179,867	330,213
Restricted Income Funds (Parsonage Maintenance Fund and Church Maintenance Fund)	16	15,662	(77,974)
Legacy and Benefactions Account and Trust Funds (Restricted Capital Endowment Funds)	16	1,194,402	1,176,463
<b>Total restricted funds</b>		<u>1,389,931</u>	<u>1,428,702</u>
<b>Total Charity funds</b>		<u>5,977,366</u>	<u>5,902,846</u>

The Company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

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

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

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

  
Sir Paul Silk

Chair of the Swansea and Brecon Diocesan Board of Finance Limited

26 July 2021  
Date: .....

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

## Cash flow statement for the year ended 31 December 2020

	2020 £	2019 £
<b>Net cash flows from operating activities</b>	<b>323,851</b>	<b>(391,850)</b>
<b>Net cash flows generated from investing activities</b>		
Dividend and interest from investments	127,208	192,595
Purchase of investments	(1,501,807)	(589,588)
Proceeds from sale of investments	1,555,809	621,949
Investment Management Fees	(17,860)	(18,775)
Net (increase)/decrease in cash balances held by Investment Managers	(43,296)	(11,646)
<b>Net cash provided by / (used in) investing activities</b>	<b>120,054</b>	<b>194,535</b>
<b>Cash flow from financing activities</b>		
Repayments of loans receivable	15,000	30,000
Repayments of loans repayable	(15,000)	(30,000)
<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>443,915</b>	<b>(197,315)</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>988,363</b>	<b>1,185,678</b>
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,432,278</b>	<b>988,363</b>
<b>Reconciliation of net income to net cash flow generated from operating activities</b>		
<b>Net Income for the reporting period (as per statement of financial activities)</b>	<b>153,840</b>	<b>(440,374)</b>
(Increase)/Decrease in debtors	134,166	34,178
Increase/(Decrease) in creditors	184,392	267,243
Realised (Gain)/Loss on investments	(39,189)	(79,077)
Dividends and Interest from investments	(127,208)	(192,595)
Investment management fees	17,860	18,775
<b>Net cash flows generated from operating activities</b>	<b>323,861</b>	<b>(391,850)</b>

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

## Notes to the financial statements for the year ended 31 December 2020

### 1 Principal accounting policies

#### Charity Information

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

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

#### a) Accounting convention

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

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

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

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

#### c) Income recognition policies

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

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

For legacies, entitlement is taken as the earlier of:

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

Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the Company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the Company, or the Company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is 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 2020 (continued)

### d) Block Grant

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

### e) Donated services and facilities

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

### f) Interest receivable

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

### g) Fund accounting

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

### h) Expenditure

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

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

### i) Allocation of support costs

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

### j) Debtors

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

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

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **k) Cash at bank and in hand**

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

### **l) Creditors and provisions**

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

### **m) Financial instruments**

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

### **n) Fixed asset investments**

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

### **o) Employee benefits**

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

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

### **p) Pension contributions**

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

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

### **q) Taxation**

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



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

## **Notes to the financial statements for the year ended 31 December 2020 (continued)**

### **r) Concessionary loans**

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

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

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

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

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

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

### **4 Turnover**

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

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 5 Income

	Total Funds 2020 £	Total Funds 2019 £
<b>5.1 Donations and legacies</b>		
Ministry Share assessed by the DBF	1,800,865	2,596,335
<b>Contributions from the Representative Body:</b>		
Block Grant	850,663	850,663
COVID-19 Financial Support	788,881	-
Church Improvement Grant	22,500	22,500
Diocesan Advisory Committee	8,333	8,333
Widows, Orphans and Dependents Grant	2,740	2,858
Parsonage Improvement Interest (restricted fund see note 17)	1,283	2,781
<b>Grants received:</b>		
Eastmoor Trust	32,169	-
Allchurches Trust	19,925	19,925
Isla Johnson Trust	3,000	3,000
Diocesan Trust	33,248	34,199
Parsonage Repair Grants (restricted fund see note 17)	-	500
Widows, Orphans & Dependents	237	388
Other Grants and Donations	250	-
	<b>3,564,094</b>	<b>3,541,482</b>

Grants received for church improvement of £22,500 (2019: £22,500), for parsonage repair of £Nil (2019: £500), parsonage improvement fund interest of £1,283 (2019: £2,781) are credited to the restricted income funds.

Grants received for educational purposes and training of clergy £3,000 (2019: £3,000) and Widows Orphan's & Dependents £2,977 (2019: £nil).

All other income is credited to unrestricted funds.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

	Total Funds 2020 £	Total Funds 2019 £
<b>5.2 Charitable Activities</b>		
<b><i>Resource Centres - Reprographics</i></b>		
Eastmoor Resource Centre, Swansea	597	2,851
Diocesan Centre, Brecon	473	2,437
<b><i>Resource Centres - Room Lettings</i></b>		
Eastmoor Resource Centre, Swansea	-	-
Diocesan Centre, Brecon	22	552
<b><i>Parsonage Rental Income</i></b> (restricted fund - see note 17)	42,886	32,659
<b><i>Contribution from Parishes</i></b>	5,187	2,286
<b><i>Contributions from Diocesan organisations</i></b>	2,640	2,640
<b><i>Marriage Licence Fees</i></b>	3,000	600
	<b>54,805</b>	<b>44,025</b>

Incoming resources from Charitable Activities includes Parsonage Rental Income of £42,886 (2019: £32,659) and Contributions from Parishes towards expenditure on parsonages £1,267 (2019: £2,286) which are credited to a restricted income fund.

	Total Funds 2020 £	Total Funds 2019 £
<b>5.3 Investments:</b>		
<b><i>Fixed Asset Investments and Banks</i></b>		
Income from fixed asset investments - listed	102,039	139,398
Income from Representative Body Common Investment Fund Units	911	1,750
Bank and money market interest	397	1,156
Other interest	533	874
<b><i>Income from Investment of Bequests</i></b> (£19 (2019: £25) restricted fund - see note 17)	23,328	49,416
	<b>127,207</b>	<b>192,594</b>

Incoming resources from investment of bequests amounting to £19 (2019: £25) is credited to the Parsonage restricted income fund whilst £22,741 (2019: £45,922) is credited to Restricted Capital Endowment Funds.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

	Total Funds 2020 £	Total Funds 2019 £
<b>5.4 Other Income</b>		
Insurance Claims - restricted	13,438	30,233
Job Retention Scheme Grant - restricted	10,052	1,397
	<u>23,490</u>	<u>31,630</u>
<b>6 Expenditure</b>		
	Total Funds 2020 £	Total Funds 2019 £
<b>6.1 Support for Ministry</b>		
<b>Stipends &amp; Fees</b>		
Stipends and allowances	1,956,550	1,953,886
Vacancy fees	3,605	9,819
Council Tax	121,994	116,355
<b>Parsonages</b>		
Maintenance of Parsonages (restricted fund see note 17)	322,989	858,990
Insurance of Parsonage Houses	13,403	13,167
Custodians' expenses	5,455	13,563
<b>Clergy Expenses</b>		
Archdeacons' expenses	4,582	7,606
Director of Ministry expenses	-	631
Area Deans' expenses	583	1,633
Removal and disturbance allowances	15,364	27,964
Nomination Board expenses	-	533
Travel and other expenses	127	5,263
<b>Training</b>		
Ordinands	11,242	13,236
Continuing Ministerial Education	7,164	16,253
Readers	204	704
<b>Support Costs</b>		
General Fund (see note 6.6)	94,701	102,623
Restricted Parsonage Fund	56,773	55,489
	<u>2,614,736</u>	<u>3,197,715</u>

Of the above costs, costs for the maintenance of parsonages of £322,989 (2019: £858,990) and support costs of £56,773 (2019: £55,489) are charged to the restricted income fund. Further costs of £16,058 (2019: £21,894) are funded by Legacy income and are charged to Restricted Capital Endowment Funds. £Nil (2019: £2,752) is funded by the Designated Repair Fund.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

	Total Funds 2020 £	Total Funds 2019 £
<b>6.2 Support for Parishes</b>		
<b>Sector Ministries</b>		
Rural Life Ministry	18,508	21,251
Social Responsibility	21,004	20,805
World Mission	45	-
Tourism	-	68
Christian Deliverance	35	596
Interfaith	-	500
Older People	1,869	369
Eco Church	87	-
Evangelism and Outreach	13,221	-
Statutory Education	40,820	48,110
Children, Youth and Family	141,481	108,084
<b>Diocesan Expenses</b>		
Ministry Area Development Support	47,739	49,651
Safeguarding	19	451
Diocesan Archivist	200	200
Eastmoor Centre	29,832	20,008
Diocesan Centre	37,067	67,532
<b>Support Costs (see note 6.6)</b>	<b>92,228</b>	<b>98,941</b>
	<b>444,155</b>	<b>436,566</b>

Of the above costs £150,346 (2019: £146,769) is funded by the Transformation Fund, £Nil (2019: £45,464) is funded by the Designated Repair Fund, £9,536 is funded by Job Retention Scheme grants (2019: £Nil) and £27 (2019: £34) is funded by legacy income and is charged to Restricted Capital Endowment Funds.

	Total Funds 2020 £	Total Funds 2019 £
<b>6.3 Church Property</b>		
Inspections of Churches and Halls	10,862	28,708
Diocesan Advisory Committee expenses	14,220	13,610
Churches and Pastoral Committee expenses	1,349	1,368
<b>Support Costs (see note 6.6)</b>	<b>31,876</b>	<b>23,985</b>
	<b>58,307</b>	<b>67,671</b>

Of the above costs £Nil (2019: £821) is funded by the Designated Repair Fund.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

	Total Funds 2020 £	Total Funds 2019 £
<b>6.4 Other Financial Support</b>		
<i><b>Diocesan Bodies</b></i>		
Bishop's Fund	12,000	12,000
Brecon Cathedral Grant	41,190	41,190
Diocesan Mission Fund	40,616	43,582
Church Repair Grants	30,250	25,102
Representative Body - Emergency Repairs Fund	16,667	16,667
Parish Assistance Fund	10,000	10,000
Social Responsibility Grants	35,008	33,685
Widows Orphans & Dependants Grants	12,830	11,262
Curate Support Grant to Parishes	4,500	-
Retired Clergy	153	337
Transformation Fund	-	9,467
<i><b>Anglican, Ecumenical, and other bodies</b></i>		
World Mission Grants	20,000	21,500
Llangasty Retreat House Grant	5,000	5,000
Other Grants	1,000	1,000
<i><b>Support Costs (see note 6.6)</b></i>	<u>7,852</u>	<u>8,303</u>
	<u><b>237,066</b></u>	<u><b>239,095</b></u>

Of the above costs £Nil (2019: £9,467) is funded by the Transformation Fund, £6,939 (2019: £22,500) is funded by the restricted income Church Improvement Fund, £Nil (2019: £284) is funded by the Designated Repair Fund and £12,830 (2019: £11,262) is funded by endowment income and is charged to Restricted Capital Endowment Funds.

Material grants in the context of total expenditure are: -

	2020 £	2019 £
Faith in Families (Social Responsibility Grants)	56,012	54,190
Brecon Cathedral	41,190	41,190
Representative Body - Emergency Repairs Fund	16,667	16,667
Mission Fund – St Thomas Swansea, Student Pastor	15,000	-
Bishop of Swansea & Brecon Fund	12,000	12,000
	Total Funds 2020 £	Total Funds 2019 £
<b>6.5 Communications</b>		
Communications and Media	3,655	3,767
Newsletters and Diocesan Publications	-	4,000
<i><b>Support Costs (see note 6.6)</b></i>	<u>38,441</u>	<u>37,353</u>
	<u><b>42,096</b></u>	<u><b>45,120</b></u>

Of the above costs £Nil (2019: £1,416) is funded by the Designated Repair Fund and £211 is funded by Job Retention Scheme grants (2019: £Nil).

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
<b>6.6 Support Costs - Management and Administration</b>		
Salaries including pensions and pension scheme contributions (see note 7.1)	<b>269,744</b>	<b>251,702</b>
Staff and Office expenses	<b>44,667</b>	<b>71,393</b>
	<b><u>314,411</u></b>	<b><u>323,095</u></b>

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

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Support for Ministry	<b>94,701</b>	<b>102,623</b>
Support for Parishes	<b>92,228</b>	<b>98,941</b>
Church Property	<b>31,876</b>	<b>23,985</b>
Other Financial Support	<b>7,852</b>	<b>8,303</b>
Communication	<b>38,440</b>	<b>37,353</b>
Governance Costs	<b>49,314</b>	<b>51,890</b>
	<b><u>314,411</u></b>	<b><u>323,095</u></b>

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

	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Staff and Administrative Costs (see note 6.6)	<b>49,314</b>	<b>51,890</b>
Company expenses	<b>48</b>	<b>13</b>
Audit fees	<b>10,273</b>	<b>10,138</b>
Diocesan Conference and Standing Committee	<b>157</b>	<b>3,110</b>
Governing Body Meeting expenses	<b>1,024</b>	<b>16,455</b>
	<b><u>60,816</u></b>	<b><u>81,606</u></b>

Of the above costs £Nil (2019: £1,498) is funded by the Designated Repair Fund.

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

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

	Total Funds 2020 £	Total Funds 2019 £
<b>7.1 Salaries including pensions and pension scheme contributions</b>		
Salaries	459,442	392,559
Social security costs	35,595	31,758
Pensions	4,984	4,839
Pension scheme defined contributions (see below)	60,000	52,809
	<u>560,021</u>	<u>481,965</u>

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

	Total Funds 2020 £	Total Funds 2019 £
Support costs (see note 6.6)	269,744	251,702
Support for Parishes:		
Diocesan Officers	196,091	144,406
Resource Centre Staff	30,954	24,752
Diocesan Archivist	200	200
Church Property:		
DAC Secretary	14,162	13,499
Parsonage Board	49,090	47,406
	<u>560,021</u>	<u>481,965</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 2020 (2019: nil).

The average weekly number of persons employed during the year was 19 (2019: 17).

### 7.2 Key management personnel

Key management personnel are deemed to be those having authority and responsibility, delegated to them by the trustees for planning, directing, and controlling the activities of the diocese. During 2020 they were considered to be the Diocesan Secretary, and the Finance Officer.

The total amount of employee benefits (including salaries) received by the key management personnel in 2020 was £119,054 (2019: £113,390).



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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

None of the key management personnel (2019: nil) received employee benefits (excluding employer pension costs) of more than £60,000.

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

	2020 No.	2019 No.
From £30,001 to £40,000	1	1
From £40,001 to £50,000	-	-
From £50,001 to £60,000	1	1
Total	<u>2</u>	<u>2</u>

### 7.3 Trustees' Emoluments

No remuneration was paid to members of the Board of Trustees for the year ended 31 December 2020 or for the previous year.

Except for as described below no trustees' expenses were claimed in the year (2019 – £133 one trustee, travel expenses)

For clergy who are members of the Board of Trustees, expenses were incurred by the charity in connection with their duties. For the year ended 31 December 2020 the expenses amounted to £3,487 (2019: £7,606).

For the year ended 31 December 2020 for clergy members of the Board of Trustees stipends amount to £116,923 (2019: £114,518), national insurance contributions of £10,582 (2019: £10,307) and pension contributions £42,677 (2019: £44,433). These amounts are included in the total for stipends and allowances which is shown in Note 6.1.

### 8 Other Resources Expended

	Total Funds 2020 £	Total Funds 2019 £
Write off of uncollectable Ministry Share	-	201,693
Provision against unpaid Ministry Share	<u>179,909</u>	<u>40,941</u>
	<u>179,909</u>	<u>242,634</u>

### 9 Net income/(expenditure)

	2020 £	2019 £
Net income/(expenditure) is stated after charging:		
Audit fee	<u>10,273</u>	<u>10,138</u>

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 10 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 2020	1,379,885	599,263	1,885,894	1,213,211	5,078,253
Additions	814,845	-	667,968	62,292	1,545,105
Disposals	(582,266)	(140,988)	(832,555)	-	(1,555,809)
Gains on disposal	(99,194)	(5,597)	143,980	-	39,189
Gains on revaluation	21,177	(13,967)	(108,264)	21,732	(79,322)
<b>At 31 December 2020</b>	<b>1,534,447</b>	<b>438,711</b>	<b>1,757,023</b>	<b>1,297,234</b>	<b>5,027,416</b>

Fixed asset investments are held as follows:

	2020 £	2019 £
<b>Held in General Unrestricted Funds</b>		
Investment assets UK - listed	1,534,447	1,379,885
Fixed interest debentures and corporate bonds	438,711	599,262
Unit Trust investments	1,757,023	1,885,894
	<b>3,730,182</b>	<b>3,865,041</b>
Other investments comprise:		
<b>Held in General Unrestricted Funds</b>		
29,652 (2019: 29,652) Representative Body		
Investment Fund Units	62,788	59,194
Brewin Dolphin Cash Deposit Account	109,916	66,618
<b>General Unrestricted Funds</b>	<b>172,704</b>	<b>125,812</b>
<b>Held in Restricted Capital, Endowment Funds</b>		
<b>Legacy and Benefactions Account and Trust Funds</b>		
Held by Swansea and Brecon Diocesan Trust	570,624	583,664
Held by the Representative Body	544,674	494,504
Held by the Board of Finance	9,232	9,232
<b>Restricted Capital, Endowment Funds</b>	<b>1,124,530</b>	<b>1,087,400</b>
<b>Total Other Investments</b>	<b>1,297,234</b>	<b>1,213,212</b>
<b>Total investments</b>	<b>5,027,416</b>	<b>5,078,253</b>

Restricted Capital, Endowment Funds include investments held by the Swansea and Brecon Diocesan Trust and by the Representative Body of the Church in Wales. Of the aggregate investments held by the Swansea and Brecon Diocesan Trust, units are allocated as being held on behalf of Company. The carrying value shown under this heading above represents this allocation. Units held at 31 December 2020 are 336,495 (2019: 336,495).

Investments held by the Representative Body on behalf of the Company are in respect of Legacies and Trust Funds. These investments are held as a number of units in the Representative Body Funds. The aggregate number of units at 31 December 2020 are 257,227 (2019: 247,710).

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

The historic cost of the above investments at 31<sup>st</sup> December 2020 was £3,608,734 (2019: £3,580,251)

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 11 Concessionary loans

	2020	2019
	£	£
<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	50,000
	<u>335,000</u>	<u>350,000</u>

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

### 12 Debtors: due within one year

	2020	2019
	£	£
<b>General Unrestricted Funds</b>		
Parish Share	847,747	762,971
Payments in Advance	18,750	19,068
Parochial Loans	18,843	18,843
Bank interest and investment income	4,962	28,155
Miscellaneous	23,127	22,693
Provision for doubtful debts	(834,552)	(654,643)
	<u>78,777</u>	<u>197,087</u>
<b>Restricted Funds:</b>		
<b>Parsonage Maintenance Fund</b>		
Representative Body – Improvement Fund Repayment	10,749	56,317
<b>Legacy and Benefactions Account and Trust Funds</b>		
Restricted Fund Income Receivable	40,779	11,167
<b>Debtors due within one year</b>	<u>130,405</u>	<u>264,571</u>

These are analysed as follows:

	2020	2019
	£	£
Other debtors	65,914	217,348
Prepayments and accrued income	64,491	47,223
	<u>130,405</u>	<u>264,571</u>

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 13 Cash at bank and in hand

	2020	2019
	£	£
CAF Gold Account	574,175	584,125
Other cash balances	858,103	404,238
	<u>1,432,278</u>	<u>988,363</u>

For further analysis see note 20.

### 14 Creditors falling due within one year

	2020	2019
	£	£
<b>General Unrestricted Funds</b>		
Creditors Control	13,781	18,205
Representative Body of Church in Wales	317,195	343,765
Ministry Share Paid in Advance	157,084	-
Internally invested Restricted Funds	9,232	9,232
Quinquennial Inspections	1,730	6,090
Church Repair Grants	-	2,729
Sundry creditors	73,579	33,360
	<u>572,601</u>	<u>413,381</u>

#### Restricted Funds:

#### Parsonage Maintenance Fund (restricted income fund)

Creditors Control	17,863	6,733
Sundry creditors	22,269	8,227
	<u>40,132</u>	<u>14,960</u>

### Creditors falling due within one year

	<u>612,733</u>	<u>428,341</u>
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	2020	2019
	£	£
These are analysed as follows:		
Trade creditors	350,570	370,023
Other creditors and accruals	262,163	58,318
	<u>612,733</u>	<u>428,341</u>

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

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

	2020 £	2019 £
<b>General Unrestricted Funds</b>		
Loans from the Representative Body of The Church in Wales		
Retired clergy equity linked housing loans	300,000	300,000
Retired clergy non equity linked housing loans	35,000	50,000
	<u>335,000</u>	<u>350,000</u>

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

### 16 Accumulated Fund balances

	Accumulated fund balances at 1 January 2020 £	Net incoming resources for the year (see below) £	Gains/ (losses) arising on revaluation of fixed asset investments (see below) £	Accumulated Fund balances at 31 December 2020 £
<b>General Unrestricted Income Funds</b>				
General Fund Reserve	4,327,713	210,747	(97,456)	4,441,004
Designated Repair Fund	146,431	-	-	146,431
<b>Restricted Funds</b>				
<b>Ministry Area Transformation Fund</b>	330,213	(150,346)	-	179,867
<b>Parsonage Maintenance Fund</b>	(77,974)	78,075	-	101
<b>Church Improvement Fund</b>	-	15,561	-	15,561
<b>Legacy and Benefactions Account and Trust Funds</b>				
Fund Balances	1,176,463	(197)	18,136	1,194,402
<b>Total Charity Funds</b>	<u>5,902,846</u>	<u>153,840</u>	<u>(79,320)</u>	<u>5,977,366</u>

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

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 17 Summary of Parsonage Maintenance Fund (restricted income fund) for the year ended 31 December 2020

	2020	2019
	£	£
<b>Income</b>		
Contributions from Diocesan Board of Finance General		
Unrestricted Income Fund	398,638	803,215
Income from rented Properties	42,886	32,659
Interest on Improvement Fund	1,283	2,781
Insurance claims	13,439	30,233
Grants and Parochial contributions	1,267	3,490
Other Income	324	25
<b>Total Income</b>	<b>457,837</b>	<b>872,403</b>
<b>Expenditure</b>		
Maintenance of Parsonages	299,411	844,616
Maintenance contracts	23,578	14,374
	322,989	858,990
Administration	56,773	55,489
<b>Total expenditure</b>	<b>379,762</b>	<b>914,479</b>
Net surplus/(deficit) for the year	78,075	(42,076)
Fund balance brought forward at 1 January	(77,974)	(35,898)
<b>Fund balance carried forward at 31 December</b>	<b>101</b>	<b>(77,974)</b>

The parsonages are owned by the Representative Body of the Church in Wales and improvements are funded from the Parsonage Improvement Fund.

The total spent on improvements and maintenance is as follows:

	2020	2019
	£	£
Maintenance costs	322,989	858,990
Improvement costs (borne by the Representative Body)	60,202	56,317
	<b>383,191</b>	<b>916,267</b>

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 18 Related party transactions

In addition to transactions with the Representative Body of the Church in Wales, there were the following related party transactions in the year ended 31 December 2020 and 2019.

#### Swansea & Brecon Diocesan Trust Incorporated

The Swansea & Brecon Diocesan Trust Incorporated paid the Company £7,500 (2019: £7,500) for administrative and accountancy services provided to the Trust.

The Swansea & Brecon Diocesan Trust Incorporated contributed £25,998 (2019 - £26,699) towards the Education costs incurred by the Company in the year.

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

The Most Revd John David Edward Davies  
The Ven Alan Neil Jevons  
The Very Revd Albert Paul Shackerley  
Gwynfor Lewis, FCA  
The Ven Jonathan Byron Davies

### 19 Financial instruments comprise the following:

	2020 £	2019 £
<b>Financial assets</b>		
Investments measured at market value though the statement of financial activity	5,027,416	5,078,253

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

## Notes to the financial statements for the year ended 31 December 2020 (continued)

### 20 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	3,902,886	-	1,124,530	5,027,416
Long Term Loans	335,000	-	-	335,000
Cash	1,031,482	146,431	254,005	1,432,278
Debtors due within one year	78,877	-	51,528	130,405
Creditors due within one year	(572,601)	-	(40,132)	(612,733)
Creditors due in more than one year	(335,000)	-	-	(335,000)
<b>Total</b>	<b>4,441,004</b>	<b>146,431</b>	<b>1,389,931</b>	<b>5,977,366</b>

### Previous year

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Investments	4,340,853	-	1,087,400	5,428,253
Cash	553,154	146,431	288,778	988,363
Debtors due within one year	197,087	-	67,484	264,571
Creditors due within one year	(413,381)	-	(14,960)	(428,341)
Creditors due in more than one year	(350,000)	-	-	(350,000)
<b>Total</b>	<b>4,327,713</b>	<b>146,431</b>	<b>1,428,702</b>	<b>5,902,846</b>

### 21 Post Balance Sheet Events

We have been advised by the Representative Body of the Church in Wales that it is prepared to offer financial support to Dioceses to help mitigate the impact of COVID-19 on the collection of Ministry Share up to a similar level to the amount provided in 2020. The value of the financial support provided in 2020 was £0.79m.