

Report and Financial Statements Adroddiad a Datganiad o Gyfrifon

For the year ending 31st December 2023

Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2023



Esgobaeth Llandaf Diocese of Llandaff

Mae Ffydd Yn Cyfrif | Faith Matters

Faith Matters Mae Ffydd yn Cyfrif

Llandaff Diocesan Board of Finance
Bwrdd Cyllid Esgobaeth Llandaf

*Llandaff Diocesan Board of Finance is a company
limited by guarantee and not having a share capital.
Registered in England and Wales No. 488549 Registered charity No. 242452*

LLANDAFF DIOCESAN BOARD OF FINANCE

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 December 2023. The trustees have adopted the provisions of 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).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects of the charity are contained in its Memorandum, namely to organise and provide funds for work in the following areas:

- training for the ministry of The Church in Wales
- maintenance of clergy and other persons of the ministry
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and other persons of the ministry plus widows, widowers, orphans and dependents
- provision of sites for churches and church halls
- religious education
- other purposes within the mission and ministry of the Church in Wales in the Diocese of Llandaff

The Board provides financial support to the Diocese of Llandaff whose Vision Statement is "Faith Matters". Our shared aims are: Telling a joyful story, Growing the kingdom of God and Building our capacity for good.

The Board's main continuing function is to finance the provision of parochial clergy within the Diocese. The policies concerning clergy, their remuneration, pension, benefits and housing provision are determined by the Bench of Bishops and the Representative Body of the Church in Wales. The Board's responsibility is largely to finance the costs out of funds received both from the Ministry Areas within the Diocese by means of Fairer Share and from grants received from the Representative Body of the Church in Wales. During 2023 the DBF announced an intention to change Fairer Share and entered into a consultation into how funds raised in the Ministry Areas could be distributed more fairly and transparently, in order to fund the ministry of the church together, distributing funds throughout the diocese and from year to year. This was named Common Fund and further rolled out during 2024.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Common Fund increases to a minimum. The Board has a secondary function in maintaining the provision of Church Schools within the Diocese by the administration and control of capital expenditure on buildings. The Board plays no part in the determination of the amount of such capital expenditure but acts as trustee of the properties.

The Board is able to raise, expend, invest and accumulate funds for the foregoing purposes; and to acquire and hold real and personal property.

OBJECTIVES AND ACTIVITIES

Key Events of 2023

Mission

Although the Diocesan Vision strap-line has changed from 'Where Faith Matters' to 'Faith Matters' the focus of attention on being outward looking as the church has not. The Young Faith Matters (YFM) agenda attracted funding from the Church in Wales's Evangelism Fund (awarded in 2020 and drawn down over 5 years), and a significant contribution from the DBF. The Evangelism Fund enabled us to establish Citizen Church in Cardiff and employ 5 YFM engagement workers. The diocesan match funding enabled us to employ Growth Enablers and a lead for Social Justice and Outreach. During 2023, we have also partnered with Monmouth Diocese and the Southeast Wales Deaf Association to employ a Deaf Community Outreach worker who has already launched two more accessible services in Cardiff and Newport.

Citizen Church (citizenchurch.org.uk/, [instagram.com/citizenchurchuk/](https://www.instagram.com/citizenchurchuk/), [facebook.com/Citizen-Church-Cardiff-114774650297239/](https://www.facebook.com/Citizen-Church-Cardiff-114774650297239/), [youtube.com/channel/UC542JrqBD9npZ6N7G0fld5Q](https://www.youtube.com/channel/UC542JrqBD9npZ6N7G0fld5Q)):

Citizen Church has continued to thrive over this period securing a new Curate in the summer of 2023 to support the work over the three sites. Towards the end of 2023 it became apparent that the pace of growth had outstripped the structures and processes of Citizen Church, so the Representative Body of the Church in Wales and the Bishop, Diocese and Board of Finance of Llandaff provided extra support to Dominic Jewel (COO) in terms of cashflow and human resources to strengthen the governance and management infrastructure. Citizen also saw some changes in staff and clergy in early 2024.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Meanwhile the work continues on the ground. Opportunities to reach out are constantly programmed as well as using Citizen Coffee, special events and regular parent and toddler groups to provide access points so that people can belong before they believe. Intentional invites to Alpha from all of these types of activities resulted in Alpha being run across all three sites during the year. Many found faith either for the first time or came back to faith, some of whom then declared their faith through Baptism.

Social justice and outreach are key elements within the vision of Citizen Church. Slowly, relationships have been developing within the community of Senghenydd and often children and young people attend the services without their parents. Clearly this has needed to be managed carefully. However, the result of this relationship building has been attendance at special events topping 150. Re-engaging a community is a long-term strategy and slowly the church is growing in regular attendance to around 40.

Citizen has continued its regular work in the two prisons in the Diocese. Close partnership working with such organisations as the Salvation Army, Embrace and Oasis has enabled staff and lay people to offer support and help to many others.

The Pontypridd Campus has become well established over this period. Their Curate Amber Baker has done amazingly well in developing a worship community which includes a more traditional eucharist at 8:45 each Sunday which has regular attendees as well as around 150 who attend the service later in the morning. Relationships with the Pontypridd MA have also been very strong.

YFM engagement workers:

Two of the YFM team left their posts during 2023. Amelia Walters secured a job with Flourish and Philip Burman secured a place to train for the priesthood. Fortunately, we were able to employ Rowena Roper and Caitlin Sandry who have continued on with the superb work started by Amelia and Philip. The team have worked across the Ministry Areas (MAs) with 10,985 people involved with faith including Flourish. Flourish has continued to be very impactful across the Diocese both in Church schools and in Community schools. This success has bred its own challenges in that the demand for training, and schools reaching out for support is much greater than the capacity available from the YFM team, the school staff, lay and clergy that we have been able to train.

The team have focused on establishing activities that the MAs can take over and run themselves. It has become very apparent throughout the year that the greatest problem for MAs suffering from the 'missing generation', is that the parents of the young people and children are just not there as volunteers. All MAs have struggled with recruiting people to support this vital work. However, some activities have been very successful such as Experience Christmas, Easter and Pentecost. Across the Diocese this has helped to maintain a focus on sustainability and enabling the MAs to deliver these projects themselves, but with some YFM involvement. Nevertheless, Youth Alpha has been run in secondary schools and MAs are finding renewed confidence to explore how they can reach out to the families of their communities in new ways such as in East Vale MA. Unfortunately, in too many cases it remains the situation that the MAs are too dependent on the YFM team to keep them going.

Two significant partnerships have been maintained:

Diocesan Youth groups attended Message Wales' prayer night event with over 300 young people. Message Wales also used Citizen Church as a venue for their LIFT event, a worship and word night for those young people who are already Christians. This was a positive, relationship building event. The Message bus which has been used across the Diocese by YFM and the Growth Enablers can be impactful so long as the Church is ready to launch a regular Youth focused event to invite the young people to.

The Flourish Project (developed by Christians addressing mental health and wellbeing issues in schools) has continued to run widely across the Diocese too as mentioned above. 10 Flourish projects (8 week courses) have been delivered by the YFM Team alone in schools. The Diocese ran a Flourish training cohort in November with 8 teachers and 3 Diocesan clergy/youth workers being trained to deliver Flourish but this is still insufficient. As noted above, this course is having a profound impact across many of our schools. There are already many stories of transformed lives and a growing demand for courses to be run in lots of schools.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

The DBF funding has allowed us to employ 3 people as Growth Enablers, supporting churches who are endeavouring to grow their congregations. These people have been in post since June 2022 and have visited every ministry area. Several projects have started because of these visits such as the Llanharan Flock in the Llan MA featured at Conference. During this year it became apparent that gradually as MAs were managing to feel more secure about their administrative structures and the 'modus operandi' of the MA, support has been sought from this team. Useful support and advice on developing nurture across the MA as well as new forms of worship communities have been explored.

Our Social Justice and Outreach Lead, Christoph Auckland, has worked closely with a number of MAs supporting such activities as CAP. The excellent toolkits on issues such as the Cost of Living Crisis, Ukraine appeal, or Domestic abuse (available on the website) have been used widely. During the year we were also able to employ a part-time outreach worker who had significant experience working with young children and families to support this work. A number of MAs have used this support to re-engage with young families particularly after the Covid years.

The Diocese also partners with the Church Army 'Centre for Mission'. The 'lead evangelist' Andy Settle retired during this year and so a new appointment needed to be made. We were able to offer the post to Hannah Seal who had already worked in our Diocese and during the latter part of the year we worked with the Church Army to reimagine what it could look like in Llandaff. Consequently, towards the end of this year the Centre of Mission relocated to St John's Church in central Cardiff. It still has a trainee pioneer evangelist and a lead evangelist.

The Leads for each of these teams are members of our 'Integrated Mission Team', which was established towards the end of the year and includes our Head of Education, Rebecca Morteo, our Diocesan lead children's advisor, Rev Dr Angela Cooper and Nicola Bennett the Diocesan Head of Communications. The Rev Canon Tim Jones, Director of Ministry and Discipleship is also a part of this team to ensure that the connection between mission and ministry is secure. This team continually reviews the deployment of resources across the Diocese.

The Integrated Mission Team has used the framework mentioned last year called the 'spheres of society' or, increasingly, 'spheres of influence'. Each sphere sees itself as having a unique purpose and set of characteristics that set it apart, but the general concept is gaining traction as the conversation around reforming society seeks a simple way to look at the complexity of social issues. Nobody sits within a single sphere: everyone is a mix of many of them. But most people tend to be devoted to some more than others. The spheres are family, celebration, media, education, religion, economics and government. As the Integrated Mission Team has used this it has mapped the following trajectory over it as a way of assessing how effective our delivery is. The well researched trajectory drawn from different academic studies identifies the need for the church to: engage, invite, welcome and nurture. It became quickly apparent that we have quite a lot of engagement across the Diocese but that we were less strong on the other three elements. This has given a steer for the Diocesan conference theme this year as we begin to address this.

Archdeacons' visitations took place once again this year. The settling period for MAs became more apparent as many MAs expressed more confidence and ideas as to how they wished to move forward in their MAs. This will continue to grow over time, but it is reassuring to see how many of the projects identified last year have continued to grow and thrive. Indeed, other new projects have been birthed and the increasing number of applications to the Mission Fund grants has been heartening. The thinking outlined above from the Integrated Mission Team has also influenced the way that we are asking people to frame their applications. MAs need to be able to clearly demonstrate the 'pathways' (engage, invite, welcome, nurture) that create opportunities for people to explore faith at many levels.

It continues to be an exciting time for us all as we continue our focus on being more intentionally missional as God's church. As part of the Anglican communion, we endorse the five Marks of Mission: The mission of the Church is the mission of Christ. As a Diocese we have historically demonstrated some very good work on Marks 3 -5, however we recognise the need to refocus on Marks 1 and 2 particularly focused, but not exclusively, on the younger generations.

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

OBJECTIVES AND ACTIVITIES

Ministry & Discipleship

The serious collapse in vocations to ordained ministry which has been a feature of post-pandemic Church across the world has been particularly acute in the Church in Wales. Early in 2023 Ryan Green began his ministry as Llandaff Diocesan Director of Ordinands, and Canon Theologian of Llandaff Cathedral. He moved quickly to generate vocational activity and momentum, drawing together a Fellowship of Vocations meeting at the Cathedral with a range of guest speakers. The work done fostering vocations to ordained ministry over 2023 led to a very large number of candidates being assessed by diocesan and provincial discernment panels in 2024 (13) compared with 2023 (2). Although there is much work yet to be done, it has been clearly established that purposeful vocations engagement yields fruit.

The DDO has undertaken the vocations development ministry in close partnership with Dr Julie Davies, the Ministry Development Officer. Julie has a wealth of experience regarding vocations discernment and ministry training, which she has brought to her role with great effect. Much of her work over 2023 was with Newly Licensed Ministers, most of whom had received their pre-ordination / licensing training under pandemic restrictions. Julie has worked well to anticipate and meet the extra training needs that would be encountered. She oversees the supervision and monitoring of some 20-24 curates each year.

Much attention was paid to issues of clergy welfare and well-being over the course of the year. This ranged from bespoke personal mentoring and encouragement, to work with Ministry Area teams still seeking to navigate the challenges of the new ministry structures following the transition to Ministry Areas. In the summer of 2023, a third Clergy Survey was undertaken. Although there is much work still to be done, the survey provided quantifiable evidence that clergy morale had generally showed very significant improvement over the year since the summer of 2022.

Sponsored by the Clergy Support Trust, the Church in Wales piloted a Clergy Family Support weekend in September 2023, providing an 'outward bound' style weekend for a dozen early secondary-school age children from clergy households. This sought to counter the sense of social isolation that many such young adults report later in life. Led by Rachel Bunting (Swansea & Brecon Diocese) most of the staff (and half of the children) were from the Diocese of Llandaff, and the event took place within the diocese. It was tremendously successful: the pilot is to be repeated and expanded for 2024 and beyond.

It was, however, perhaps a little too 'outward-bound' for the elderly: on the first evening the Llandaff Diocesan Director of Ministry was injured and went to hospital, beginning six weeks of sick leave. Ryan Green and Julie Davies stepped in to pick up much of the workload over that period, including some vital initial planning for the 2024 Clergy School.

The Reader ministry in the Diocese faced a difficult year. Colin Finney, the Diocesan Warden of Readers, continued to receive treatment for cancer. Colin's cheerful wisdom was always available, even when his treatment was challenging or indeed exhausting. Penny Williams served extremely well as Deputy Warden of Readers, keeping a keen eye on things. Sadly, Colin died in May 2024.

For various reasons we did not appoint a Lay Ministry Officer, originally planned for early summer 2023. The 2023 provincial relaunch of the three-principle commissioned lay ministries (Worship Leader, Pastoral Visitor, and Catechist) was therefore somewhat subdued in the Llandaff Diocese. Debbie Orriss CA, one of the diocesan Growth Enabler team, did sterling work in organizing the training for the Lay Visitor programme, from the autumn of 2023 well into 2024.

There were several theological events organized by the Ministry Team. The four Convocations saw days led by Mark Simpson, Rupert Shortt, Julia Mourant and Helen Johnson. The Very Revd Richard Peers, Dean of Llandaff, led a Lent Quiet Day for ministers (lay and ordained) at Llandaff Cathedral, and the Revd Mark Greenaway-Robbins led a remarkable Advent day retreat at Ewenny Abbey.

Charitable activities

The main charitable activities undertaken were those described under the objectives and activities section of this report and have been grouped under the generic headings of support for ministry, support for Ministry Areas, church property, grants and other financial support and communication. In 2023, the total cost of the Board's unrestricted charitable activities was £5.2 million compared with a budget of approximately £7.2 million and was mainly funded by grants from the Representative Body and by means of the Fairer Share from Ministry Areas.

Approximately 76% of the Board's unrestricted income came through Fairer Share in 2023 and the support of parishioners thus occupies an important position in the Board's financial affairs. The Board has resourced the diocese with a wide range of diocesan officers, who support all aspects of ministry.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Financial review

Financial position

The principal aim of the Board is to generate sufficient income to fund its activities, predominantly the support of ministry within the Diocese which constituted approximately 83% of its unrestricted expenditure in 2023. Conscious of the need to keep demands on Ministry Areas to that which is perceived as affordable by those Ministry Areas, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2022 from its reserves. As in previous years the Board intended to use its reserves to fund the Diocesan Vision so the Fairer Share requirement is likely to rise year on year. In 2022 we used reserves to continue to employ existing staff for the delivery of the Vision and additional Vision posts whose employment had been delayed due to the Covid pandemic. We gratefully benefited from continued financial support from the Representative Body to cover costs of clergy stipends and contributions to the Parsonage Board Improvement Fund during 2022. The DBF disbursed these funds to the Ministry Areas as direct grants in proportion to the Ministry Areas' Fairer Share contributions.

Total incoming resources of £7.17 million included: approximately £0.5 million received from the Representative Body; £4.4 million collected by Fairer Share and £1.7 million grants received for investment in new and improved church school buildings. Total resources expended were £7.97 million and included £4.4 million for support of the ministry, £0.87 million in support of Ministry Areas, £1 million on church property including church schools and £1.09 million in grants.

All funds have sufficient income to meet their obligations.

From time to time the charity reviews its fixed assets to ensure that they are all in good condition. This process is ongoing and in the Board's opinion there is no need to amend the value of the fixed assets.

The Board's investments are under the discretionary management of the stockbrokers i.e. movement within the portfolio is undertaken by them without prior reference to the Board. The Board's Budget & Investment Committee is responsible for monitoring investments. Appropriate benchmarks are set against which performance of the funds is measured. Reasons for any shortfall are discussed at quarterly meetings held with the investment managers.

Investment policy and objectives

The trustees, having regard to the liquidity requirements of the diocese have kept funds that are required at short notice with the Charities' Official Investment Fund (COIF) and with the Board's bankers. Further deposits are held with several banks on various instant access and fixed term deposits. Long-term investments, which include money held in trust, are in government stock and equities. The stockbrokers produce a quarterly report and attend sub-committee meetings as required to answer questions on the performance of the portfolio and their activities in the preceding period.

The brief to stockbrokers in their handling of all long-term funds is to make such investments as will produce growth in the capital base by either capital appreciation or reinvestment of income. Instructions in respect of specific trusts are dictated by the requirements of each individual trust.

The Board adopts the same ethical policy in regard to its investments as does the Representative Body of the Church in Wales, in that it does not invest in companies with a significant involvement in armaments, tobacco, pornography, gambling, the production of alcoholic beverages, oil & gas, or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 13). Investments are recorded at their market value. All gains and losses are recorded in the Statement of Financial Activities.

The investment policy document is reviewed and updated annually by the Board.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Financial review

Reserves policy and going concern

General reserves are held specifically to ensure that expenditure requirements are met, principally stipends, salaries and property costs. The level of reserves holding is monitored and reviewed annually by the trustees, and the policy is kept under regular review in the light of changing financial market conditions, which affect both the resources available and the calls upon them. The level of reserve holding as at 31st December 2023 is £25.3 million. This total includes £15.2 million of restricted and endowment income. The Board therefore holds £10.1 million of unrestricted reserves.

The unrestricted reserves include designated reserves of £2.4 million and fixed asset value of £0.362 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Diocesan Vision: These funds are set aside by the Diocesan Board of Finance to implement the Diocesan Vision over 5 years from 2020-2025.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to cover housing costs of newly ordained stipendiary curates.
- Clergy School: Annually designated funds are set aside to fund the triennial Clergy School, which was held in May 2024. The next Clergy School is due to be held in 2027.
- Ministry Area Transition Support Fund: These funds are set aside by the Diocesan Board of Finance to provide support required to facilitate the transformation from parishes to Ministry Areas.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2023 is £7.3 million which represents 12 months of unrestricted expenditure.

The trustees believe that a level equivalent to a minimum of six months' expenditure should be maintained. The current excess over the minimum six months' policy is to ease the expected reduction in the Representative Body block grant. This was restructured during 2023, and from 2024 was delivered in two parts, as Partnership Funding (£170,000 per diocese) and Structural Resilience Funding (allocated by formula considering diocesan population, church buildings, schools and deprivation). These will be reviewed in 2027.

The trustees consider that there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern. The DBF is in the fortunate position of holding substantial reserves which are in excess of the charity's reserves policy, giving the Trustees confidence in the DBF as a going concern.

Grant making policy

Grants are allocated by the Board in pursuance of its objects. A new Grant Committee was introduced towards the end of 2020. The Committee meets on a quarterly basis and makes decisions on grant distributions.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT

Future plans

The Board will continue to undertake its main functions as described in the objectives and activities. Ministry Areas continue to grow together and develop greater senses of working as teams to deliver effective ministry and mission in their areas. The Board continues to deploy clergy as appointed by the Bishop and agreed by Archdeacons and senior staff to care for congregations in the Ministry Areas (MAs) and reach out to new members, and to provide appropriate housing, and funding to the Representative Body to cover their stipends. A continuous review of requirements for clergy is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the needs and opportunities for the training of new ordinands.

In the Diocesan Conference in September 2023, the Diocesan Secretary outlined a revised process for raising and distributing funds to pay for clerical ministry, which had been mentioned in the Diocesan Conference in September 2022 and discussed in meetings of senior staff, clergy and lay leaders throughout the diocese during 2023. It was further discussed at Archdeacons Visitations in October - November 2023, and following Diocesan Conference Standing Committee approval it was rolled out in consultation with Ministry Area Councils (MACs) in April - July 2024. The new process informed MAs of what it costs to deploy each cleric including stipend, on-costs, training, recruitment, welfare and property, which totals £55,000 per cleric. MACs then had the opportunity to consider how much they could reasonably pledge towards the costs of ministry led by clergy, taking into account the numbers of clergy, church and other buildings, size of the MA in geography and population, church attendance, social deprivation and the MA's own financial circumstances. When all the pledges have been received this will inform the diocesan budget, to be submitted for final approval by the Board and confirmed at Diocesan Conference in September 2024.

Diocesan Vision and Rebuilding the Church for the Future

The Diocese remains committed to its Vision, adjusted by our new Bishop to Faith Matters. During 2023 the DBF recruited a Ministry Area Finance Advisory Officer to support the financial management of Ministry Areas, and in 2024 intends to recruit book-keepers or financial administrators to work closely with MAs on their accounts. The Board intends to appoint a Stewardship and Fundraising Officer to help MAs with their generosity plans and stewardship, and also to recruit a joint Property team working across the Dioceses of Monmouth and Llandaff to help MAs care for their church buildings. As well as the current Diocesan Advisory Committee (DAC) secretary, this will include a Senior and Junior Church Buildings Surveyor to undertake Quinquennial inspections and advise MAs on works required to maintain and improve their church buildings and halls, and a Grants & Fundraising Officer to help MAs raise the funds needed for these works.

2025 will be the final year of the current Vision budget and Evangelism Fund grant (from the Representative Body of the Church in Wales) so in 2024 the Board will review the activities and impact of the projects implemented in that budget, including church planting in Citizen Church, as well as initiatives facilitated by the YFM Engagement Workers, Mission Enablers, Outreach Workers, and Communications to help Ministry Areas in evangelism and mission, and in service to the community. . This will inform the future direction of the diocesan Vision, along with discussions at Diocesan Conference and in deaneries at the autumn Archdeacon's Visitations, developing plans that are reflective of local needs, desires and capacity. From those consultations we will develop projects and workstreams, applying to the Church Growth Fund of the Representative Body of the Church in Wales as appropriate, to work further towards our goal of transforming lives and societies in the love of Jesus, building a future in Llandaff because Faith Matters.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Llandaff Diocesan Board of Finance is a registered charity and a company limited by guarantee. It is governed in its activities by its Memorandum and Articles of Association dated 8th January 2021.

Principal Objective

Its principal objective is to promote, aid, and further assist the charitable objects and work of the Church in Wales within the Diocese of Llandaff.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Membership

The membership of the company is a maximum of 19 members, being:

- Up to six Ex-Officio Trustees being: the Bishop, (and his or her Assistant Bishop), the Archdeacons of the Diocese and the Chair of Llandaff Diocesan Parsonage Board whilst they respectively hold such offices;
- The Chair of the Charity appointed by the Bishop
- Up to six Elected Trustees, elected in accordance with "Election Rules" made by the Charity to regulate their election. Elected Trustees shall serve for a term of 3 years. Each of the two Archdeaconries of the Diocese of Llandaff shall each elect two people to be Lay Members and one cleric to be a Clerical Member of the DBF
- Up to six Co-opted Trustees appointed by the Trustees and who shall hold office for a term of three years after their appointment.

The number of Trustees shall not be less than 6.

The members of the Board each hold one guarantee share of £1.

Appointment of Trustees

The trustees are such members of the Board as are appointed at the Annual General Meeting. All members of the Board shall be trustees unless the Board resolves otherwise.

New trustees have the opportunity to attend an induction course in relation to their trustee responsibilities and are provided with Charity Commission guidance including "CC3: The Essential Trustee" and Church in Wales publications about the structure and governance of the Church. They may also avail themselves of the opportunity to visit the diocesan offices for informal briefings on the day-to-day work of the organisation and are encouraged to attend relevant external training courses.

The Board of Trustees meets four times a year and appoints committees where appropriate. Day-to-day management of the charity's affairs is delegated to the Secretary to the Board.

All decisions made by staff are made within policies determined by the Board which are reviewed annually. Any decisions required outside of existing policies are made by reference to the Board Chair and/or other senior trustees and are endorsed at subsequent Board meetings.

Related Parties

Llandaff Diocesan Board of Finance is committed at all times to maintaining the highest standards of honesty, openness and accountability to ensure that transactions are not influenced by board members or senior staff that would be to interests other than those of the charity.

The charity has a policy which includes that all trustees must declare an interest if a related party transaction occurs. The policy was reviewed and agreed by the Board in November 2023.

The Board additionally maintains a conflict of interest register which is updated annually by trustees and senior staff which records any conflicts that could potentially arise. Also, at the start of each meeting of the Board, any conflicts of interest are noted in relation to the business to be discussed and are recorded within the minutes of that meeting.

All financial transactions are made within an agreed financial policy framework which was reviewed and agreed in November 2023. The only trustees with the ability to approve financial transactions within this framework are the Chair of the Board and the Chair of the Property Group in her capacity as Chair of the Llandaff Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The Board is one of six Boards of Finance operating within the Province of the Church in Wales, and annual meetings of the Board Chairs and Secretaries with the Representative Body of the Church in Wales are held to discuss matters of mutual concern and where a commonality of approach is required. Other meetings at officer level are held as necessary during the year.

Much of the policy for the Church in Wales is determined under its Constitution by the Bench of Bishops, the Governing Body of the Church in Wales, and the Representative Body of the Church in Wales (who are responsible for the management of the Church's central funds, out of which grants are made to the six Diocesan Boards of Finance). The Board works closely with these bodies and, in its main functions concerned with the maintenance of ministers and clergy, parsonages and churches, it is largely responsible for administering the policies developed by them.

Public Benefit

The trustees confirm that they have complied with the duty in section 4(1) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit, "Charities and Public Benefit".

The Board believes that by promoting the work of the Church in Wales in the Diocese of Llandaff 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 Ministry Areas, and that in doing so it provides a benefit to the public by:

- 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; and
- 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.

Key management remuneration

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.

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 and finances of the diocese. During 2023 they were considered to be the Diocesan Secretary and Director of Finance, HR and Administration.

The Trustees have agreed a remuneration policy the objective of which is to ensure that all its staff team are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to the success of the organisation. The appropriateness and relevance of the remuneration policy is reviewed and updated by the People Committee as necessary and at least annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

LLANDAFF DIOCESAN BOARD OF FINANCE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The Trustees have a risk management strategy which comprises:

- An annual review by the full Board of the principal risks and uncertainties that the Board face,
- The establishment of policies, systems and procedures to mitigate those risks,
- The implementation of procedures designed to minimise or manage any potential impact on the charity should they materialise.

The Board allocates the risks to its Committees who have responsibility for reviewing the risks, assessing the controls in place and amending them as appropriate in their sphere of operation. Committees also agree on actions to mitigate the risk and allocate actions to individual risk holders. The risk holder is also responsible for reporting back to the Committee on the current status of the risk.

The Board reviews the overall register (of risks as raised to it by the Committees) and undertakes a detailed review of any key risks as deemed necessary.

The Trustees have assessed the major risks facing the Board and the mitigation of those risks:

- Falling congregational numbers and giving - diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship (planned) to assist Ministry Areas into growth. A continuing programme of Archdeacons Visitations in autumn 2023 provided support for Ministry Areas in development of their development plans, building plans and generosity plans, in order to continue building for growth in attendance, finances and impact.
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant Fairer Share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of fairer share default levels, regular discussions with provincial staff of the Representative Body of the Church in Wales, and investment diversification and management.

The Trustees recognise that the Board could face reputational risk as a result of independent bodies which are nevertheless associated with it in the public's mind.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00488549 (England and Wales)

Registered Charity number

242452

Registered office

The Diocesan Office
The Old Rectory The Court
Coychurch
Bridgend
CF35 5EH

LLANDAFF DIOCESAN BOARD OF FINANCE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Trustees

Llandaff Diocesan Board of Finance: Trustees and Directors

The Right Reverend Julie Osborne (resigned 31 December 2022)
The Venerable Rod Green
The Venerable Michael Komor (resigned 7 January 2024)
Mrs Marie Brousseau-Navarro (resigned 19 March 2024)
Ms Anna Cory
The Reverend Martyn Hywel Evans
Mr Martyn Haydn Evans
The Reverend Simon Freeman
The Reverend Michael Gable
Mr Gareth Jones
Mrs Jane Jones
Mr Michael Lawley
Mrs Catherine Nightingale
Mrs Jenna Shiells
Ms Catrin Walters
The Right Reverend Mary Stallard (appointed 19 April 2023)
The Venerable Mark Preece (appointed 7 January 2024)

Company Secretary

Mr James Laing

Key management personnel

The Secretary to the Board
Diocesan Director of Finance, HR and Administration

Mr James Laing
Miss Mair Henry

Auditors

Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Solicitors

Berry Smith
Haywood House, Dumfries Place,
Cardiff CF10 3GA

Advisers

Principal Bankers

National Westminster
Canton, Cardiff (B) Branch,
277 Cowbridge Road East, Cardiff CF5 1WX

Stockbrokers

Rathbones Investment Management
10 Queen Square, Bristol BS1 4NT

LLANDAFF DIOCESAN BOARD OF FINANCE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

REFERENCE AND ADMINISTRATIVE DETAILS

Funds held as custodian trustee

Below are the various trusts for which the Board acts as a custodian trustee:

Name of Trust	Nature of investments held
Aberdare - land for Sunday School	Equities and fixed interest stocks
Edward H Lee Bequest	Equities and fixed interest stocks
Ivor May Bequest	COIF deposit
Jane Minnie Reid Legacy	COIF deposit
Mariam Lucretia David Trust	COIF deposit
Mrs E M Haslewood Bequest	Equities and fixed interest stocks
Parish of Miskin	Unit trusts
Pearce Memorial Trust Fund	COIF deposit, equities and fixed interest stocks
Reverend J E Middlehurst Legacy	COIF deposit
St David's Ton Pentre (Parr Memorial)	COIF deposit
St David's Ton Pentre Endowment	COIF deposit
St David's Ton Pentre Trust	COIF deposit
Wingfield Trust	COIF deposit
Briton Ferry	COIF deposit
St Martin's Church Hall	COIF deposit (see note below)

All trusts are held for church or churchyard purposes. Funds held on deposit are held in separately identified accounts.

The St Martin's Church Hall Trust holds money received in November 2011 from the sale of the church hall. The apportionment of the proceeds between the Ministry Area and the Educational Endowment Fund is under review by the Charity Commission. The value of the deposit at 31st December 2023 was £527,705. The appropriate proceeds will be added to the Schools Fund at a date once a decision is reached.

LLANDAFF DIOCESAN BOARD OF FINANCE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Llandaff Diocesan Board Of Finance for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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.

AUDITORS

The auditors, Bevan Buckland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on the board's behalf by:

.....
M A Lawley – Chair

.....
Right Revd Mary Stallard, Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Opinion

We have audited the financial statements of Llandaff Diocesan Board Of Finance (the 'charitable company') for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (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 at 31 December 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LLANDAFF DIOCESAN BOARD OF FINANCE

Responsibilities of trustees

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

Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to;
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
- discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas;
- Management override of controls; and
- obtaining an understanding of the legal and regulatory frameworks that the charity operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the charity. The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE**

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;
- enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date:

LLANDAFF DIOCESAN BOARD OF FINANCE

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	2	5,520,626	1,128,910	-	6,649,536	5,705,444
Charitable activities	4	7,483	141,381	-	148,864	413,949
Charitable activities						
Investment income	3	<u>247,033</u>	<u>118,406</u>	<u>7,148</u>	<u>372,587</u>	<u>396,544</u>
Total		<u>5,775,142</u>	<u>1,388,697</u>	<u>7,148</u>	<u>7,170,987</u>	<u>6,515,937</u>
EXPENDITURE ON						
Raising funds	5	46,743	5,485	874	53,102	52,493
Charitable activities	6	5,211,956	2,701,391	-	7,913,347	7,403,969
Charitable activities						
Total		<u>5,258,699</u>	<u>2,706,876</u>	<u>874</u>	<u>7,966,449</u>	<u>7,456,462</u>
Net gains/(losses) on investments		<u>537,453</u>	<u>6,197</u>	<u>(260)</u>	<u>543,390</u>	<u>(675,669)</u>
NET INCOME/(EXPENDITURE)		1,053,896	(1,311,982)	6,014	(252,072)	(1,616,194)
Transfers between funds	20	<u>(985,521)</u>	<u>992,669</u>	<u>(7,148)</u>	<u>-</u>	<u>-</u>
Net movement in funds		68,375	(319,313)	(1,134)	(252,072)	(1,616,194)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>10,086,890</u>	<u>15,263,427</u>	<u>209,224</u>	<u>25,559,541</u>	<u>27,175,735</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>10,155,265</u></u>	<u><u>14,944,114</u></u>	<u><u>208,090</u></u>	<u><u>25,307,469</u></u>	<u><u>25,559,541</u></u>

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

**BALANCE SHEET
31 DECEMBER 2023**

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS						
Tangible assets	12	362,504	13,661,604	-	14,024,108	14,530,477
Investments						
Investments	13	8,151,467	114,134	186,023	8,451,624	7,264,596
Investment property	14	<u>220,000</u>	<u>260,000</u>	-	<u>480,000</u>	<u>480,000</u>
		8,733,971	14,035,738	186,023	22,955,732	22,275,073
CURRENT ASSETS						
Debtors: amounts falling due within one year	15	296,756	114,537	-	411,293	661,049
Debtors: amounts falling due after more than one year	15	923,303	-	-	923,303	1,180,178
Cash at bank		<u>1,010,206</u>	<u>1,639,975</u>	<u>22,067</u>	<u>2,672,248</u>	<u>2,937,861</u>
		2,230,265	1,754,512	22,067	4,006,844	4,779,088
CREDITORS						
Amounts falling due within one year	16	<u>(436,571)</u>	<u>(846,136)</u>	-	<u>(1,282,707)</u>	<u>(1,029,765)</u>
NET CURRENT ASSETS		<u>1,793,694</u>	<u>908,376</u>	<u>22,067</u>	<u>2,724,137</u>	<u>3,749,323</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,527,665	14,944,114	208,090	25,679,869	26,024,396
CREDITORS						
Amounts falling due after more than one year	17	<u>(372,400)</u>	-	-	<u>(372,400)</u>	<u>(464,855)</u>
NET ASSETS		<u>10,155,265</u>	<u>14,944,114</u>	<u>208,090</u>	<u>25,307,469</u>	<u>25,559,541</u>
FUNDS	20					
Unrestricted funds					10,155,265	10,086,890
Restricted funds					14,944,114	15,263,427
Endowment funds					<u>208,090</u>	<u>209,224</u>
TOTAL FUNDS					<u>25,307,469</u>	<u>25,559,541</u>

The financial statements were approved by the Board of Trustees and authorised for issue on
and were signed on its behalf by:

.....
M A Lawley – Chair

.....
Right Revd Mary Stallard, Trustee

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	2022 £
Cash flows from operating activities			
Cash generated from operations	1	<u>125,211</u>	<u>(1,094,327)</u>
Net cash provided by/(used in) operating activities		<u>125,211</u>	<u>(1,094,327)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,818)	-
Purchase of fixed asset investments		(3,485,438)	(385,107)
Sale of fixed asset investments		2,841,800	554,552
Interest received		372,587	396,544
Repayment of investment loans		<u>(22,500)</u>	<u>(49,137)</u>
Net cash (used in)/provided by investing activities		<u>(298,369)</u>	<u>516,852</u>
Cash flows from financing activities			
Loan repayments in year		<u>(92,455)</u>	<u>(60,000)</u>
Net cash used in financing activities		<u>(92,455)</u>	<u>(60,000)</u>
Change in cash and cash equivalents in the reporting period			
		(265,613)	(637,475)
Cash and cash equivalents at the beginning of the reporting period			
		<u>2,937,861</u>	<u>3,575,336</u>
Cash and cash equivalents at the end of the reporting period			
		<u>2,672,248</u>	<u>2,937,861</u>

The notes form part of these financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(252,072)	(1,616,194)
Adjustments for:		
Depreciation charges	511,187	511,191
(Gain)/losses on investments	(543,390)	675,669
Interest received	(372,587)	(396,544)
Decrease/(increase) in debtors	529,131	(321,077)
Increase in creditors	<u>252,942</u>	<u>52,628</u>
Net cash provided by/(used in) operations	<u>125,211</u>	<u>(1,094,327)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.23 £	Cash flow £	At 31.12.23 £
Net cash			
Cash at bank	<u>2,937,861</u>	<u>(265,613)</u>	<u>2,672,248</u>
	<u>2,937,861</u>	<u>(265,613)</u>	<u>2,672,248</u>
Debt			
Debts falling due after 1 year	<u>(464,855)</u>	<u>92,455</u>	<u>(372,400)</u>
	<u>(464,855)</u>	<u>92,455</u>	<u>(372,400)</u>
Total	<u>2,473,006</u>	<u>(173,158)</u>	<u>2,299,848</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity'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.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Cash donations (including those raised through volunteer fundraising) are recognised when income has been received. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Gift Aid income on donations is accrued when there is a valid declaration from the donor.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust 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 charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Expenditure is classified by activity. The costs of each activity are made up of total direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

:

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases

Tangible fixed assets

Office premises	2.5% per annum on cost
Land	No depreciation
Fixtures and fittings	10% and 25% per annum on cost
School buildings	2% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of financial activities.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

1. ACCOUNTING POLICIES - continued

business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Employee benefits

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

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

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

2. DONATIONS AND LEGACIES

	Unrestricted funds	Restricted funds	Total	Total
	2023	2023	2023	2022
	£	£	£	£
Donations and gifts	<u>5,520,626</u>	<u>1,128,910</u>	<u>6,649,536</u>	<u>5,705,444</u>
Donations and gifts				
Fairer Share	4,383,179	-	4,400,832	4,286,624
RB Block grant	495,215	-	495,215	495,271
Other grants	598,982	1,117,829	1,716,811	859,815
Ministry Area and school contributions	375	87	462	384
Donations and external grants	<u>42,875</u>	<u>10,994</u>	<u>53,869</u>	<u>63,350</u>
	<u>5,520,626</u>	<u>1,128,910</u>	<u>6,649,536</u>	<u>5,705,444</u>

3. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Endowment funds general	Total	Total
	2023	2023	2023	2023	2022
	£	£	£	£	£
Rental income	20,000	115,882	-	135,882	186,671
Income from listed investments	201,887	2,524	7,148	211,559	199,119
Interest receivable	<u>25,147</u>	<u>-</u>	<u>-</u>	<u>25,147</u>	<u>10,754</u>
	<u>247,034</u>	<u>118,406</u>	<u>7,148</u>	<u>372,588</u>	<u>396,544</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Support for ministry 2023 £	Support for Ministry Areas 2023 £	Church property 2023 £	Total 2023 £	Total 2022 £
Stipend secondment	3,643	-	-	3,643	18,554
Staff recharges	-	34,521	-	34,521	35,553
Schools receipts	-	17,715	-	17,715	18,435
Performance related grants	10,070	-	-	10,070	269,672
Schools contributions to insurances	-	-	82,075	82,075	71,735
Licence income	-	840	-	-	-
	<u>13,713</u>	<u>53,076</u>	<u>82,075</u>	<u>148,864</u>	<u>413,949</u>
Analysis by fund					
Unrestricted funds	6,643	840	-	6,643	248,902
Restricted funds	<u>7,070</u>	<u>52,236</u>	<u>82,075</u>	<u>141,381</u>	<u>165,047</u>
	<u>13,713</u>	<u>53,076</u>	<u>82,075</u>	<u>148,864</u>	<u>413,949</u>
Performance related grants					
Grants for work on parsonages	10,070	-	-	10,070	9,019
Grants for schools capital projects	-	-	-	-	260,653
	<u>10,070</u>	<u>-</u>	<u>-</u>	<u>10,070</u>	<u>269,672</u>

5. RAISING FUNDS

Raising donations and legacies

	2023 £	2022 £
Investment management	<u>53,102</u>	<u>52,493</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

6. CHARITABLE ACTIVITIES COSTS

	2023 £	2022 £
Support for ministry	4,377,184	4,307,089
Support for Ministry Areas	874,936	840,309
Support for other church property	994,073	1,296,320
Grants and other financial support	1,090,492	536,861
Communications and publications	<u>182,128</u>	<u>80,963</u>
	7,518,813	7,061,542
Share of support costs (see note 9)	324,878	231,565
Share of governance costs (see note 9)	<u>69,656</u>	<u>110,862</u>
	<u>7,913,347</u>	<u>7,403,969</u>
Analysis by fund		
Unrestricted funds	5,211,956	4,874,212
Restricted funds	<u>2,701,391</u>	<u>5,529,757</u>
	<u>7,913,347</u>	<u>7,403,969</u>

7. SUPPORT COSTS

	Support costs £	Governance costs £	2023 £	2022 £
Staff costs	227,885	-	227,885	182,646
General office costs	96,993	-	96,993	75,024
Audit fees	-	12,000	12,000	6,930
Legal and professional fees	-	1,775	1,775	20,288
Diocesan conference costs	-	7,587	7,587	7,444
Meeting and other sundry costs	-	24,294	24,294	26,215
Diocesan Registrar	<u>-</u>	<u>24,000</u>	<u>24,000</u>	<u>23,880</u>
	<u>324,878</u>	<u>69,656</u>	<u>394,534</u>	<u>342,427</u>
Analysed between charitable activities	<u>324,878</u>	<u>69,656</u>	<u>394,534</u>	<u>342,427</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2023 £	2022 £
Auditors' remuneration	12,000	6,930
Depreciation - owned assets	<u>511,187</u>	<u>511,191</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 December 2023 nor for the year ended 31 December 2022.

Trustees' expenses

During the year, expenses totalling £5,911 were paid to two trustees (2022: £nil).

10. STAFF COSTS

The average monthly number of employees during the year was:

	2023	2022
	<u>26</u>	<u>22</u>

	2023 £	2022 £
Employment costs		
Wages and salaries	800,348	652,828
Social security costs	70,915	66,006
Other pension costs	<u>62,517</u>	<u>43,924</u>
	<u>933,780</u>	<u>762,758</u>

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 2023 they were considered to be the Diocesan Secretary and Accountant.

Total employee costs (including salaries, pension and national insurance costs) of the key management personnel of the Board were £139,562 (2022: £119,305).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023	2022
£70,000 to £79,999	<u>1</u>	<u>1</u>

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	5,105,802	599,642	-	5,705,444
Charitable activities				
Charitable activities	248,902	165,047	-	413,949
Investment income	<u>219,230</u>	<u>171,736</u>	<u>5,578</u>	<u>396,544</u>
Total	<u>5,573,934</u>	<u>936,425</u>	<u>5,578</u>	<u>6,515,937</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
EXPENDITURE ON				
Raising funds	51,221	360	912	52,493
Charitable activities	<u>4,874,213</u>	<u>2,529,756</u>	<u>-</u>	<u>7,403,969</u>
Total	<u>4,925,434</u>	<u>2,530,116</u>	<u>912</u>	<u>7,456,462</u>
Net gains/(losses) on investments	<u>(655,002)</u>	<u>(9,006)</u>	<u>(11,661)</u>	<u>(675,669)</u>
NET INCOME/(EXPENDITURE)	<u>(6,502)</u>	<u>(1,602,697)</u>	<u>(6,995)</u>	<u>(1,616,194)</u>
Transfers between funds	<u>(667,695)</u>	<u>673,199</u>	<u>(5,504)</u>	<u>-</u>
Net movement in funds	<u>(674,197)</u>	<u>(929,498)</u>	<u>(12,499)</u>	<u>(1,616,194)</u>
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>10,761,087</u>	<u>16,192,925</u>	<u>221,723</u>	<u>27,175,735</u>
TOTAL FUNDS CARRIED FORWARD	<u>10,086,890</u>	<u>15,263,427</u>	<u>209,224</u>	<u>25,559,541</u>

12. TANGIBLE FIXED ASSETS

	Freehold property £	Land £	School buildings £	Fixtures and fittings £	Totals £
COST					
At 1 January 2023	629,053	61,757	24,586,148	36,237	25,313,195
Additions	<u>4,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,818</u>
At 31 December 2023	<u>633,871</u>	<u>61,757</u>	<u>24,586,148</u>	<u>36,237</u>	<u>25,318,013</u>
DEPRECIATION					
At 1 January 2023	260,436	-	10,494,578	27,704	10,782,718
Charge for year	<u>15,728</u>	<u>-</u>	<u>491,723</u>	<u>3,736</u>	<u>511,187</u>
At 31 December 2023	<u>276,164</u>	<u>-</u>	<u>10,986,301</u>	<u>31,440</u>	<u>11,293,905</u>
NET BOOK VALUE					
At 31 December 2023	<u>357,707</u>	<u>61,757</u>	<u>13,599,847</u>	<u>4,797</u>	<u>14,024,108</u>
At 31 December 2022	<u>368,617</u>	<u>61,757</u>	<u>14,091,570</u>	<u>8,533</u>	<u>14,530,477</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

13. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 January 2023	7,264,596
Additions	3,485,438
Disposals	(2,841,800)
Revaluations	<u>543,390</u>
At 31 December 2023	<u>8,451,624</u>
NET BOOK VALUE	
At 31 December 2023	<u>8,451,624</u>
At 31 December 2022	<u>7,264,596</u>

There were no investment assets outside the UK.

Cost or valuation at 31 December 2023 is represented by:

	Listed investments £
Valuation	<u>8,451,624</u>

The original cost of the above investments at 31 December 2023 was £6,463,085 (2022: £6,086,067). The above investments are valued at mid-market valuation on 31 December 2023. All investments are in listed securities and the investments are all less than 20% of the appropriate listed company. In 2014 an additional fund was set up with the stockbrokers to hold funds on a medium term basis for income yield, but which is realisable to cash on short notice.

14. INVESTMENT PROPERTY

	£
FAIR VALUE	
At 1 January 2023 and 31 December 2023	<u>480,000</u>
NET BOOK VALUE	
At 31 December 2023	<u>480,000</u>
At 31 December 2022	<u>480,000</u>

The property of Heol Fair is valued on an open market valuation basis as defined under current RICS Practice statements and guidelines subject to the existing lease for educational purposes, based on professional valuation by Cooke & Arkwright as at 17 January 2018. The property on Cowbridge Road was transferred to the Board at historic depreciated cost in 2017 and revalued in 2018. The current valuations are considered to be reasonably stated.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. DEBTORS

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	287,979	20,505
Other debtors	24,790	640,544
Prepayments and accrued income	<u>98,524</u>	<u>-</u>
	<u>411,293</u>	<u>661,049</u>
Amounts falling due after more than one year:		
Other loans	<u>923,303</u>	<u>1,180,178</u>
Aggregate amounts	<u>1,334,596</u>	<u>1,841,227</u>

Loans from The Representative Body Of The Church In Wales

The loans to the Ministry Areas and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the Ministry Areas and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to Ministry Areas and retired clergy, shown above.

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	742,008	16,605
Other creditors	508,963	997,160
Accruals and deferred income	<u>31,736</u>	<u>16,000</u>
	<u>1,282,707</u>	<u>1,029,765</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other loans (see note 18)	<u>372,400</u>	<u>464,855</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due between two and five years:		
Retired clergy loans	<u>372,400</u>	<u>464,855</u>

Loans from The Representative Body Of The Church In Wales

The loans to the Ministry Areas and retired clergy are received from the Representative Body of the Church in Wales and capital repayments are made to the Representative Body of the Church in Wales when they are received from the Ministry Areas and retired clergy. The Diocesan Board of Finance pays the same rates of interest to the Representative Body as is received from the loans to Ministry Areas and retired clergy, shown above.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. LOANS - continued

Security is held over the properties.

Governor Loans

Loans are provided to Governors of diocesan schools to assist with the management of their 15% liability to school capital projects, and for other large projects. No interest is charged on such loans, with the length of term usually 5 or 10 years. Loans which are as a result of 15% liability capital projects with contribution received from the Welsh Government are matched with a deferred income provision.

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	<u>-</u>	<u>15</u>

20. MOVEMENT IN FUNDS

	At 1.1.23	Net movement in funds	Transfers between funds	At 31.12.23
	£	£	£	£
Unrestricted funds				
General fund	7,015,327	1,754,971	(985,521)	7,784,777
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,534,176	(582,936)	-	1,951,240
Designated fund - Clergy School	46,000	(27,000)	-	19,000
Designated fund - Covid Support Fund	357,015	(91,139)	-	265,876
Designated fund - Curate Housing Pilot	<u>116,100</u>	<u>-</u>	<u>-</u>	<u>116,100</u>
	10,086,890	1,053,896	(985,521)	10,155,265
Restricted funds				
Retired clergy	63,467	-	5,539	69,006
Parsonage board	(141,343)	(741,921)	883,264	-
External grants	14,550,523	(591,633)	-	13,958,890
Accumulated funds	358,720	66,684	-	425,404
Sundry trusts	60,656	(1,949)	-	58,707
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	(48,309)	(50,557)	98,866	-
Community Development	343,257	22,562	-	365,819
RB Evangelism fund	9,672	(15,276)	-	(5,604)
W.O.D.S.	<u>66,774</u>	<u>108</u>	<u>5,000</u>	<u>71,882</u>
	15,263,427	(1,311,982)	992,669	14,944,114
Endowment funds				
Restricted clergy fund	125,279	1,583	(5,539)	121,323
Miss DJN Evans Trust	41,629	2,072	(1,609)	42,092
Anonymous fund	<u>42,316</u>	<u>2,359</u>	<u>-</u>	<u>44,675</u>
	<u>209,224</u>	<u>6,014</u>	<u>(7,148)</u>	<u>208,090</u>
TOTAL FUNDS	<u>25,559,541</u>	<u>(252,072)</u>	<u>-</u>	<u>25,307,469</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,773,809	(4,556,291)	537,453	1,754,971
Designated fund - Vision Funding	-	(582,936)	-	(582,936)
Designated fund - Clergy School	3,000	(30,000)	-	(27,000)
Designated fund - Covid Support Fund	<u>(1,667)</u>	<u>(89,472)</u>	<u>-</u>	<u>(91,139)</u>
	5,775,142	(5,258,699)	537,453	1,053,896
Restricted funds				
Parsonage board	61,954	(803,875)	-	(741,921)
External grants	-	(591,633)	-	(591,633)
Accumulated funds	179,613	(112,929)	-	66,684
Sundry trusts	1,374	(7,840)	4,517	(1,949)
Church Improvement fund	42,500	(93,057)	-	(50,557)
Community Development	25,836	(3,274)	-	22,562
RB Evangelism fund	1,075,329	(1,090,605)	-	(15,276)
W.O.D.S.	<u>2,091</u>	<u>(3,663)</u>	<u>1,680</u>	<u>108</u>
	1,388,697	(2,706,876)	6,197	(1,311,982)
Endowment funds				
Restricted clergy fund	5,539	(635)	(3,321)	1,583
Miss DJN Evans Trust	1,609	(239)	702	2,072
Anonymous fund	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>2,359</u>
	<u>7,148</u>	<u>(874)</u>	<u>(260)</u>	<u>6,014</u>
TOTAL FUNDS	<u><u>7,170,987</u></u>	<u><u>(7,966,449)</u></u>	<u><u>543,390</u></u>	<u><u>(252,072)</u></u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.22 £
Unrestricted funds				
General fund	6,912,011	771,011	(667,695)	7,015,327
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,834,972	(300,796)	-	2,534,176
Designated fund - Clergy School	43,000	3,000	-	46,000
Designated fund - Covid Support Fund	836,732	(479,717)	-	357,015
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,761,087	(6,502)	(667,695)	10,086,890
Restricted funds				
Retired clergy	59,468	-	3,999	63,467
Parsonage board	17,644	(823,187)	664,200	(141,343)
External grants	15,196,859	(646,336)	-	14,550,523
Accumulated funds	414,948	(56,228)	-	358,720
Sundry trusts	72,827	(12,171)	-	60,656
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	24,081	(72,390)	-	(48,309)
Community Development	321,383	21,874	-	343,257
RB Evangelism fund	8,165	1,507	-	9,672
W.O.D.S.	77,540	(15,766)	5,000	66,774
	16,192,925	(1,602,697)	673,199	15,263,427
Endowment funds				
Restricted clergy fund	130,756	(1,478)	(3,999)	125,279
Miss DJN Evans Trust	43,689	(555)	(1,505)	41,629
Anonymous fund	47,278	(4,962)	-	42,316
	221,723	(6,995)	(5,504)	209,224
TOTAL FUNDS	<u>27,175,735</u>	<u>(1,616,194)</u>	<u>-</u>	<u>25,559,541</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	5,570,934	(4,144,921)	(655,002)	771,011
Designated fund - Vision Funding	-	(300,796)	-	(300,796)
Designated fund - Clergy School	3,000	-	-	3,000
Designated fund - Covid Support Fund	-	(479,717)	-	(479,717)
	5,573,934	(4,925,434)	(655,002)	(6,502)
Restricted funds				
Parsonage board	102,586	(925,773)	-	(823,187)
External grants	87,292	(733,628)	-	(646,336)
Accumulated funds	125,737	(181,965)	-	(56,228)
Sundry trusts	1,448	(8,147)	(5,472)	(12,171)
Church Improvement fund	42,500	(114,890)	-	(72,390)
Community Development	33,276	(11,402)	-	21,874
RB Evangelism fund	542,632	(541,125)	-	1,507
W.O.D.S.	954	(13,186)	(3,534)	(15,766)
	936,425	(2,530,116)	(9,006)	(1,602,697)
Endowment funds				
Restricted clergy fund	4,052	(663)	(4,867)	(1,478)
Miss DJN Evans Trust	1,526	(249)	(1,832)	(555)
Anonymous fund	-	-	(4,962)	(4,962)
	5,578	(912)	(11,661)	(6,995)
TOTAL FUNDS	<u>6,515,937</u>	<u>(7,456,462)</u>	<u>(675,669)</u>	<u>(1,616,194)</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1.1.22 £	Net movement in funds £	Transfers between funds £	At 31.12.23 £
Unrestricted funds				
General fund	6,912,011	2,525,982	(1,653,216)	7,784,777
Designated fund - Transformation Funds (DBF)	18,272	-	-	18,272
Designated fund - Vision Funding	2,834,972	(883,732)	-	1,951,240
Designated fund - Clergy School	43,000	(24,000)	-	19,000
Designated fund - Covid Support Fund	836,732	(570,856)	-	265,876
Designated fund - Curate Housing Pilot	116,100	-	-	116,100
	10,761,087	1,047,394	(1,653,216)	10,155,265
Restricted funds				
Retired clergy	59,468	-	9,538	69,006
Parsonage board	17,644	(1,565,108)	1,547,464	-
External grants	15,196,859	(1,237,969)	-	13,958,890
Accumulated funds	414,948	10,456	-	425,404
Sundry trusts	72,827	(14,120)	-	58,707
Landscapes/Journeys in Faith	10	-	-	10
Church Improvement fund	24,081	(122,947)	98,866	-
Community Development	321,383	44,436	-	365,819
RB Evangelism fund	8,165	(13,769)	-	(5,604)
W.O.D.S.	77,540	(15,658)	10,000	71,882
	16,192,925	(2,914,679)	1,665,868	14,944,114
Endowment funds				
Restricted clergy fund	130,756	105	(9,538)	121,323
Miss DJN Evans Trust	43,689	1,517	(3,114)	42,092
Anonymous fund	47,278	(2,603)	-	44,675
	221,723	(981)	(12,652)	208,090
TOTAL FUNDS	<u>27,175,735</u>	<u>(1,868,266)</u>	<u>-</u>	<u>25,307,469</u>

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	11,344,743	(8,701,212)	(117,549)	2,525,982
Designated fund - Vision Funding	-	(883,732)	-	(883,732)
Designated fund - Clergy School	6,000	(30,000)	-	(24,000)
Designated fund - Covid Support Fund	<u>(1,667)</u>	<u>(569,189)</u>	<u>-</u>	<u>(570,856)</u>
	11,349,076	(10,184,133)	(117,549)	1,047,394
Restricted funds				
Parsonage board	164,540	(1,729,648)	-	(1,565,108)
External grants	87,292	(1,325,261)	-	(1,237,969)
Accumulated funds	305,350	(294,894)	-	10,456
Sundry trusts	2,822	(15,987)	(955)	(14,120)
Church Improvement fund	85,000	(207,947)	-	(122,947)
Community Development	59,112	(14,676)	-	44,436
RB Evangelism fund	1,617,961	(1,631,730)	-	(13,769)
W.O.D.S.	<u>3,045</u>	<u>(16,849)</u>	<u>(1,854)</u>	<u>(15,658)</u>
	2,325,122	(5,236,992)	(2,809)	(2,914,679)
Endowment funds				
Restricted clergy fund	9,591	(1,298)	(8,188)	105
Miss DJN Evans Trust	3,135	(488)	(1,130)	1,517
Anonymous fund	<u>-</u>	<u>-</u>	<u>(2,603)</u>	<u>(2,603)</u>
	<u>12,726</u>	<u>(1,786)</u>	<u>(11,921)</u>	<u>(981)</u>
TOTAL FUNDS	<u><u>13,686,924</u></u>	<u><u>(15,422,911)</u></u>	<u><u>(132,279)</u></u>	<u><u>(1,868,266)</u></u>

Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Transformation Fund

These funds are set aside by the Diocesan Board of Finance to match fund from reserves the grant receivable from the RB to fund 20:20 Vision fund initiatives.

DBF Vision Fund

These funds are set aside by the Diocesan Board of Finance to fund Diocesan Vision initiatives.

Clergy School

Annually designated funds are set aside to fund the triennial Clergy School. The next Clergy School is due to be held in 2022.

Covid-19 Support Fund

These funds are set aside by the Diocesan Board of Finance to provide support as a result of the Covid-19 pandemic.

Curate Housing Support

These funds are set aside by the Diocesan Board of Finance to run a new project to assist Ministry Areas with housing costs of newly ordained stipendiary curates.

An adjustment has been made to the prior year's designated fund balances

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. MOVEMENT IN FUNDS - continued

	Previously stated balance at 31.12.2022 £	Adjustment £	Restated balance at 31.12.2022 £
General	6,237,814	777,513	7,015,327
Designated Fund - Transformation Funds (DBF)	18,272	-	18,272
Designated Fund - Vision Funding	2,834,972	(300,796)	2,534,176
Designated Fund - Clergy School	43,000	3,000	46,000
Designated Fund - Covid Support Fund	836,732	(479,717)	357,015
Designated Fund - Curate Housing Pilot	116,100	-	116,100
	<u>10,086,890</u>	<u>-</u>	<u>10,086,890</u>

Restricted funds

The purposes of the restricted funds shown in the following analyses are as follows:

Retired clergy fund

This fund represents the accumulated unspent income from the endowment fund set up by the Diocese to assist with housing and expenses of retired clergy in need.

Parsonage Board fund

This fund is held for the purpose of maintaining and repairing parsonages in the Diocese. The Board of Finance provides the funding for parsonage maintenance agreed under the terms of the Constitution of the Church in Wales and this sum is included as a transfer from unrestricted funds to the Parsonage Board fund.

Schools funds

This fund is held in two parts:

- Grants received from external sources, mainly Welsh Government, for the purpose of building or extending church schools; and
- Accumulated funds from the sale or rental income of properties no longer used as schools. The rental income in this part of the fund may be spent on insurance and maintenance of schools, together with administration and management costs.

Widows', Orphans' and Dependents' Society (W.O.D.S.)

Monies are held to provide financial assistance to the widows and dependents of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.

Sundry trusts

These are several smaller trusts in respect of which the Diocesan Board of Finance are managing trustees. All the funds have assets adequate for the requirements of the individual funds.

Bishop's Mission and General Fund

Donations are made to this fund primarily from collections taken at induction and confirmation services, and Gift Aid is claimed where appropriate. All monies received are paid over to the Bishop to be used at her discretion.

Transformation Fund (Representative Body Grant)

The Representative Body of the Church in Wales committed to providing the Diocese with £500,000 over a three year period from 2015-2017 to be used for 20:20 Vision initiatives.

Community Development Fund

The assets of the Llandaff Diocesan Board For Social Responsibility were transferred to Llandaff Diocesan Board of Finance early 2017 and are to be used for the same charitable purposes focusing on community development projects within Ministry Areas.

Community Mental Health Chaplaincy

This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese. The project ended in 2019, with all restricted funds being utilized in 2018.

LLANDAFF DIOCESAN BOARD OF FINANCE

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. MOVEMENT IN FUNDS - continued

Landscapes/Journeys in Faith

This fund represents grant monies received from All Churches Trust and Visit Wales to provide projects in the diocese in the areas of building a picture of the landscapes of faith across the diocese. The projects will result in key areas being identified throughout Wales and will engage with Ministry Areas on a diocesan level.

Church Improvement Fund

The Representative Body of the Church in Wales provide an annual allocation to the diocese to be used specifically for church improvements which are allocated to Ministry Areas in the form of grants by the Diocesan Advisory Committee.

Restricted Donations

This fund represents donations received to the diocese for special campaigns which are utilized for the purposes stated within the campaign.

RB Evangelism Fund

The Representative Body of the Church in Wales have committed to provide the diocese with a grant award payable in tranches over a 5 year period to invest in Young Faith initiatives and Citizen Church.

21. RELATED PARTY DISCLOSURES

During the year the following related party transactions took place

- Reverend Mary Stallard and Michael Lawley are both trustees of The Llangasty Retreat House Trust. During the year payments of £13,695 were made to them. The is also an outstanding loan debtor of £163,125.
- Roderick Green, Michael Lawley and Michael Komor are trustees of the Representative Body of the Church in Wales. During the year there was income of £1,216,774 and expenditure of £2,372,620. At the year-end there is an outstanding debtor balance of £146,566 and an outstanding creditor balance of £612,750.
- Reverend Michael Gable is a trustee of the Port Talbot Ministry Area Council. During the year there was income of £218,802 and expenditure of £12,150. At the year-end there was an outstanding debtor of £69,191.
- Reverend Martyn Evans is a trustee of Llynfi and Upper Afan Valleys Ministry Area. During the year there was income of £87,166 and expenditure of £10,326. At the year-end there was an outstanding debtor balance of £49,584.
- Anna Cory is a trustee of East Vale Ministry Area. During the year there was income of £70,326 and expenditure of £7,236.

LLANDAFF DIOCESAN BOARD OF FINANCE
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
INCOME AND ENDOWMENTS		
Donations and legacies		
Donations	6,649,536	5,705,444
Investment income		
Rents received	135,809	186,671
Deposit account interest	25,219	10,755
Current asset investment income	<u>211,559</u>	<u>199,118</u>
	372,587	396,544
Charitable activities		
Grants	<u>148,864</u>	<u>413,949</u>
Total incoming resources	7,170,987	6,515,937
EXPENDITURE		
Raising donations and legacies		
Investment management	53,102	52,493
Charitable activities		
Stipend fees and pensions	3,094,881	2,844,545
Property costs	1,092,023	1,051,521
Clergy expenses	145,891	170,722
Training	44,389	82,316
Support for Ministry Areas	874,936	998,294
Parsonages	29,936	15,102
Property costs - churches	311,264	290,675
Church schools	652,873	990,744
Grants to Church in Wales	1,079,498	497,320
Grants to others	10,994	39,541
Communication	<u>182,128</u>	<u>80,963</u>
	7,518,813	7,061,743
Support costs		
Support costs		
Wages	227,885	182,445
Auditors' remuneration	12,000	6,930
Legal fees	1,775	20,288
General office costs	96,993	75,024
Diocesan conference expenses	7,587	7,444
Diocesan registrar	24,000	23,880
Meetings and other sundry cost	<u>24,294</u>	<u>26,215</u>
	<u>394,534</u>	<u>342,226</u>
Total resources expended	<u>7,966,449</u>	<u>7,456,462</u>
Net expenditure before gains and losses	(795,462)	(940,525)
Realised recognised gains and losses		
Realised gains/(losses) on fixed asset investments	<u>543,390</u>	<u>(675,669)</u>
Net expenditure	<u>(252,072)</u>	<u>(1,616,194)</u>

This page does not form part of the statutory financial statements