



Report and Financial Statements Adroddiad a Datganiad o Gyfrifon

For the year ending 31st December 2018

Ar gyfer y flwyddyn a ddaeth i ben 31 Rhagfyr 2018



**Where Faith Matters
Lle 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
(a company limited by guarantee and not having a share capital)
REPORT AND FINANCIAL STATEMENTS 2018

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REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31st December 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The directors/trustees are one and the same and in signing as trustees they are also signing the strategic report sections in their capacity as directors.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (as amended for accounting periods commencing from 1 January 2016).

The combined report therefore satisfies the legal requirements for:

- A directors' report of a charitable company,
- A strategic report under the Companies Act 2006 and
- A trustees' annual report under the Charities Act 2011

OBJECTIVES AND ACTIVITIES

STRATEGIC REPORT (OBJECTIVES, ACTIVITIES AND RISKS)

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
- maintenance of clergy
- provision and upkeep of parsonages
- support and provision of pensions for the clergy and their widows
- 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 "Where 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 Parishes within the Diocese by means of the Parish Share and from grants received from the Representative Body of the Church in Wales. Parish Share is a vehicle for allocating to Parishes the projected unfunded costs from year to year.

Within the limits imposed by this situation the Board seeks to administer its affairs as economically as possible in order to keep Parish Share 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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

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

ACHIEVEMENTS AND PERFORMANCE
STRATEGIC REPORT (ACHIEVEMENTS AND PERFORMANCE)

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 parishes, church property, grants and other financial support and communication. In 2018, the total cost of the Board's unrestricted charitable activities was £5.21 million compared with a budget of approximately £5.74 million and was mainly funded by grants from the Representative Body and by means of the Parish Share from parishes.

Approximately 69.0% of the Board's unrestricted income came through Parish Share in 2018 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 parish life.

FINANCIAL REVIEW

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 83.3% of its unrestricted expenditure in 2018. Conscious of the need to keep demands on parishes to that which is perceived as affordable by those parishes, all expenditure is rigorously scrutinised. The Board budgeted to cover any shortfall in income in 2018 from its reserves. In future years the Board intends to use its reserves to fund the new Diocesan Vision so the Parish Share requirement is likely to rise year on year.



Total incoming resources of £6.3 million included: approximately £1.50 million received from the Representative Body; £4.02 million collected by Parish Share and £176k grants received for investment in new and improved church school buildings. Total resources expended were £7.22 million and included £5.2 million for support of the ministry, £763k in support of parishes, £870k on church property including church schools and £313k in grants.

The proceeds in the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings together with its related interest, is being held awaiting transfer to the revertee.

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. 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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

FINANCIAL REVIEW (Continued)

Key events of 2018

Diocesan Vision

Following an extensive consultation process, the Diocesan Vision was unveiled at the Diocesan Conference in September 2018. Nineteen objectives support the three main areas of the Vision and a series of Delivery Groups are working on action plans for those objectives. The Vision will be launched formally across the Diocese in Lent 2019.

Diocesan Officer Support Changes

Key posts filled during 2018 were those of the Diocesan Director of Education and the Parish Resources Advisor.

PLANS FOR THE FUTURE

The Board will continue to undertake its main functions as described in the objectives and activities. This includes taking responsibility for areas of expenditure previously paid directly by the Representative Body. The grant receivable from the Representative Body is based on numbers of clergy, both actual and required. Parish share for 2019 is being increased by 2%, but the Board's projections for the next five years suggest further increases will be necessary. This will bring the Parish Share income closer to the support for ministry costs and allow the Board's reserves to be used to fund the Diocesan Vision.



The Board is aware of the difficult financial circumstances faced by the UK government and their impact on both the valuation of reserves held by the charity and on the ability of the parishioners to continue their considerable financial support through the Parish Share. Through its sub-committees the Board will review the effects of this changing situation and adjust plans where appropriate.

As expenditure also follows closely in line with clergy numbers, a continuous review of requirements in that area is undertaken by the Bishop and her senior staff, together with a consideration of the age profile of serving clerics and the opportunities for the training of new ordinands.

Diocesan Vision and Evangelism Fund

The 2019 budget and beyond will be compiled with a view to the implementation of the enhanced Vision. Other funds available to support the Vision include the Board's reserves and a new £10.00 million Evangelism Fund launched by the Representative Body, to which the Board will make an application in 2019. Parishes will also continue to be supported with the implementation of new initiatives through the various support funds available by application including the Community Development Fund, Parish Transformation Fund, and the Mission Fund. Applications and criteria documents are available on the diocesan website. (<https://llandaff.churchinwales.org.uk/grants-and-funding/>)



REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

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 24th October 1950 and amended by special resolutions passed on 24th September 2003 and 24 September 2008.

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.

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 parishes, 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.

Membership

The membership of the company is a maximum of 22 members, being:

- eleven members (three clerical, eight lay) elected by the members of the Llandaff Diocesan Conference
- six ex-officio officers of the Diocese of Llandaff: (the Bishop, the Assistant Bishop (when such an appointment exists), three Archdeacons, and the Chairman of the Parsonage Board)
- one appointed member, being the Chairman of the Board appointed by the Bishop of the Diocese of Llandaff
- four co-opted members



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

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

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. They may also avail themselves of the opportunity to visit the diocesan office 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 sub-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. Any decisions required outside of existing policies are made by reference to the Board Chairman 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 updated policy was agreed by the Board in November 2018.

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 comprehensively re-written and agreed by the Board in November 2015 and updated in November 2018. The only trustees with the ability to approve financial transactions within this framework are the Chairman of the Board and the Chairman of the Parsonage Board. None of the trustees receive remuneration or any other benefit from their work with the charity, and there have been no related party transactions during the year.

During the year the charity contracted Cooke & Arkwright to carry out professional valuations on the behalf of the charity. Mr Lawley is a Chairman of the Board of Trustees and also Chairman of Cooke & Arkwright. Mr Lawley took no part in the decision making process to appoint Cooke & Arkwright. The value of the contracts was £2,623 with £1,543 outstanding at the year end.

During the year the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and also trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Remuneration policy for senior management

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 of the diocese. During 2018 they were considered to be the Diocesan Secretary and Accountant.

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 annually for any immediate issues that may impact on staff retention and/or recruitment. Note 15 provides further information in relation to staff costs.

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 has in place a Risk Sub Committee whose role it is to:

- Provide scrutiny of the identified key risks on the register
- Allocate the risks to other committees/individuals who have responsibility for reviewing the risk, assessing the controls in place and amending them as appropriate. The risk holder is also responsible for reporting back to the Committee on the current status of the risk
- Monitor the responses of the risk holders and provide a report on those findings (key areas of risk and mitigation) to the Board annually
- Undertake a detailed review of 3 key risks each year, as identified by the Board

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

- Falling congregational numbers – diocesan officers have been appointed in key areas of mission, discipleship, vocations and stewardship to assist parishes into growth
- Financial sustainability including Representative Body of the Church in Wales block grant reduction, significant parish share default, failure of investment returns all of which are mitigated against through increased financial reserve holdings, quarterly review of parish share default levels, 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.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

Investment powers and policies

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. 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.

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 or predatory lending.

Details of investments are disclosed in the notes to the financial statements (note 17). 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.

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 2018 is £26.59 million. This total includes £17.85 million of restricted and endowment income. The Board therefore holds £8.74 million of unrestricted reserves.

The unrestricted reserves include designated reserves of £400k and fixed asset value of £1.66 million which would not be quickly realisable to liquid funds. The current designated reserves are:

- Transformation Fund: The Representative Body allocated the diocese £500,000 over a three year period which was match funded by the DBF to implement 20:20 Vision initiatives. The funds have been designated for this purpose. The transformation funds it is anticipated will be spent within the next 3 years.
- Community Mental Health Chaplain: These funds are set aside by the Diocesan Board of Finance to match fund a grant received from All Churches Trust for a three year project to fund a Community Mental Health Chaplain which will run to 2019.
- Curate Housing Support: These funds are set aside by the Diocesan Board of Finance to run a pilot project for three years to assist parishes with housing costs of newly ordained stipendiary curates.

Therefore, the level of free reserve (excluding fixed assets and revaluation reserve) holding at the 31st December 2018 is £6.49 million which represents 15 months of unrestricted expenditure.

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

STRUCTURE, GOVERNANCE AND MANAGEMENT (Continued)

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 known future reduction in the Representative Body block grant, and to implement the diocesan vision.

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.

Grant making policy

Grants are allocated by the Board in pursuance of its objects and the nature of those grants are indicated in note II. Grants are considered by the Budget Sub Committee on an annual basis as part of the budget setting process. The quarterly distribution of the annual mission fund grant, community development fund grant, and parish transformation fund grant allocation is by committee decision.



**LLE MAE FFYDD
YN CYFRIF**

**WHERE FAITH
MATTERS**

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name	Llandaff Diocesan Board of Finance
Charity Registration Number	242452
Company Registration Number	488549
Registered Office	The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH
Website	http://llandaff.churchinwales.org.uk/

Directors and trustees

The directors of the charitable company are its trustees for the purposes of charity law. The trustees and officers serving during the year and since the year end were as follows:

Llandaff Diocesan Board of Finance: Trustees and Directors:

The Right Reverend June Osborne
The Venerable Christopher Smith
The Venerable Frances Jackson
The Venerable Michael Komor (appointed 25 September 2018)
The Reverend Robert Davies (resigned 28 June 2018)
The Reverend Jon Ormrod
The Reverend Andrew Meredith
Mr Michael Lawley
Mr Anthony Davies
Mr Geoffrey Moses
Mr Adrian Parker
Mr Peter Umbleja
Ms Anna Cory
Mrs Deryn McAndrew
Mrs Julia Lewis
Mr Phillip Hopkins

The Secretary to the Board Mrs Rowena Small

Key management personnel:

The Secretary to the Board Mrs Rowena Small
Diocesan Accountant Mrs Jan Boyce

Advisers:

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

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

**LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

Registered Auditors	Baldwin Audit Services Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA
Stockbrokers	Rathbones Investment Management 10 Queen Square, Bristol, BS1 4NT

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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 Parish and the Educational Endowment Fund is under review by The Charity Commission. The value of the deposit at 31st December 2018 was £496,466. The appropriate proceeds will be added to the Schools Fund at a future date once a decision is reached.

In approving this Trustees' Report, the Trustees are also approving the Strategic Report included on pages 2 - 9 within their capacity as company directors.

Approved by the Board of Trustees on
and signed on behalf of the Board

**R M Small
Secretary**

REPORT OF THE TRUSTEES FOR THE YEAR ENDING 31st DECEMBER 2018

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the trustees are aware:

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

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

Statement as to disclosure to our auditors

In so far as the trustees are aware at the time of approving the trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware; and
- the trustees, having made enquiries of fellow directors and the auditors that they ought to have individually taken, have each taken all steps that they are obliged to take as a director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Approved by the Board of Trustees on and signed on behalf of the Board

R M Small
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

Opinion

We have audited the financial statements of Llandaff Diocesan Board of Finance (the "Charity") for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cashflow 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).



This report is made solely to the Charity'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 Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 December 2018 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
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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 auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) 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 Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement set out on page 12, the trustees 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)**

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

A further description of our responsibilities 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 auditor's report.

Sarah Case FCA DChA
Senior Statutory Auditor

For and on behalf of Baldwins Audit Services
Accountants
Statutory Auditor
Waters Lane Chambers
1 - 3 Waters Lane
Newport
NP20 1LA

Dated

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating the INCOME AND EXPENDITURE ACCOUNT)
Year ended 31 December 2018

	Note	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds 2018	Total Funds 2017
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	4	5,569,156	20,929	-	5,590,085	5,738,713
Charitable activities	5	30,302	263,049	-	293,351	267,558
Investments	6	226,908	184,288	6,472	417,668	477,634
Other Income	7	1,460	301	-	1,761	661,955
Total income and endowments		5,827,826	468,567	6,472	6,302,865	7,145,860
Expenditure on:						
Raising funds		46,067	18,044	908	65,019	56,776
Charitable activities						
Support for ministry	8	4,343,323	814,965	-	5,158,288	5,035,693
Support for parishes	9	524,579	239,207	-	763,786	493,687
Church property	10	110,398	759,787	-	870,185	1,545,700
Grants and other financial support	11	138,921	173,688	-	312,609	305,945
Communication	12	51,119	-	-	51,119	56,331
Total expenditure		5,214,407	2,005,691	908	7,221,006	7,494,132
Net gains/(losses) on investments		(442,471)	(7,121)	(16,932)	(466,524)	556,231
Net income/(expenditure)		170,948	(1,544,245)	(11,368)	(1,384,665)	207,959
Transfers between funds		(675,261)	681,733	(6,472)	-	-
Other recognised gains/(losses):						
Loss on revaluation of investment property/loans		31,875	29,044	-	60,919	45,000
Net movement in funds		(472,438)	(833,468)	(17,840)	(1,323,746)	252,959
Reconciliation of funds:						
Total funds brought forward	3,24,28	9,212,892	18,491,633	211,450	27,915,975	27,663,016
Total funds carried forward	3,24,28	8,740,454	17,658,165	193,610	26,592,229	27,915,975

The notes on pages 19 to 37 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

BALANCE SHEET
Year ended 31 December 2018

	Note	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total funds 2018 £	Total funds 2017 £
Fixed assets:						
Tangible assets	16	452,537	16,120,219	-	16,572,756	17,076,453
Investment property	17	220,000	260,000	-	480,000	450,956
Investments	17	6,768,412	112,157	164,263	7,044,832	7,480,281
Long-term loans	18	988,344	129,288	-	1,117,632	1,136,087
<i>Total fixed assets</i>		<u>8,429,293</u>	<u>16,621,664</u>	<u>164,263</u>	<u>25,215,220</u>	<u>26,143,777</u>
Current assets:						
Debtors	19	78,243	317,505	-	395,748	338,882
Cash at bank and in hand		1,329,954	1,941,827	29,577	3,301,358	3,736,961
<i>Total current assets</i>		<u>1,408,197</u>	<u>2,259,332</u>	<u>29,577</u>	<u>3,697,106</u>	<u>4,075,843</u>
Liabilities:						
Creditors: amounts falling due within one year	20	(414,267)	(1,074,660)	(230)	(1,489,157)	(1,332,377)
<i>Net current assets</i>		<u>993,930</u>	<u>1,184,672</u>	<u>29,347</u>	<u>2,207,949</u>	<u>2,743,466</u>
<i>Total assets less current liabilities</i>		<u>9,423,223</u>	<u>17,806,336</u>	<u>193,610</u>	<u>27,423,169</u>	<u>28,887,243</u>
Creditors: amounts falling due after more than one year:						
Loans from the Representative Body of the Church in Wales	18	(677,400)	-	-	(677,400)	(730,034)
Parish Grants	21	(5,369)	(46,216)	-	(51,585)	(70,269)
Clergy School	21	-	-	-	-	(60,700)
Governor Loans		-	(101,955)	-	(101,955)	(110,265)
<i>Total net assets</i>		<u>8,740,454</u>	<u>17,658,165</u>	<u>193,610</u>	<u>26,592,229</u>	<u>27,915,975</u>
The funds of the Charity:						
Endowment funds	24	-	-	193,610	193,610	211,450
Restricted income funds	3	-	17,629,121	-	17,629,121	18,491,633
Unrestricted funds:						
Designated	23	400,202	-	-	400,202	386,288
General		8,154,093	-	-	8,154,093	8,672,320
Revaluation Reserve		186,159	29,044	-	215,203	154,284
<i>Total charity funds</i>	28	<u>8,740,454</u>	<u>17,658,165</u>	<u>193,610</u>	<u>26,592,229</u>	<u>27,915,975</u>

These financial statements were approved and authorised by the Board of Directors on

Signed on behalf of the Board of Directors

Director

Director

The notes on pages 19 to 37 form part of the financial statements

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

CASHFLOW STATEMENT
Year ended 31 December 2018

	£	2018 £	£	2017 £
Cash flows from operating activities:				
Net cash provided by operating activities		(814,878)		477,964
Cash flows from investing activities:				
Dividends, interest and rents from investments	416,161		477,634	
Purchase of property, plant and equipment	(5,811)		(9,434)	
Proceeds from sale of investments	671,540		337,956	
Purchase of investments	(702,615)		(713,419)	
Net cash provided by investing activities		379,275		92,737
Cash flows from financing activities:				
Change in cash and cash equivalents in the reporting period		(435,603)		570,701
Cash and cash equivalents at the beginning of the reporting period		3,736,961		3,166,260
Cash and cash equivalents at the end of the reporting period		3,301,358		3,736,961
Reconciliation of net income/(expenditure) to net cash flow from operating activities		2018		2017
		£		£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)		(1,384,665)		207,959
Adjustments for:				
Depreciation charges		509,508		508,457
(Gains)/losses on investments		466,524		(556,231)
Dividends, interest and rents from investments		(416,161)		(477,634)
Decrease/(Increase) in debtors		(6,536)		94,166
Increase/ (decrease) in creditors		16,452		701,247
Net cash provided by (used in) operating activities from operating activities		(814,878)		477,964
Analysis of cash and cash equivalents		2018		2017
		£		£
Cash in hand		2,290,937		2,726,539
Notice deposits (less than 3 months)		1,010,421		1,010,422
Total cash and cash equivalents		3,301,358		3,736,961

The notes on pages 19 to 37 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

All activities derive from continuing operations. There are no recognised gains and losses for the current financial year or the prior financial period other than as stated in the Statement of Financial Activities and, accordingly, no separate total of recognised gains and losses is presented.

1. ACCOUNTING POLICIES

Charity information

Llandaff Diocesan Board of Finance is a private company limited by guarantee incorporated in England and Wales. The registered office is The Diocesan Office, The Court, Coychurch, Bridgend, CF35 5EH.

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. Llandaff Diocesan Board of Finance met the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The accounts have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

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 £.

Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

b) Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds is charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Permanent endowment funds are those which have been donated to the Board with the express wish that capital not be expended. Income on these funds is paid out in accordance with the wishes of the donor.

Investment income and gains are allocated to the appropriate fund.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. ACCOUNTING POLICIES (CONTINUED)

d) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Income arising from permanent endowments is credited to unrestricted funds or restricted funds in accordance with the trust provisions.

e) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Governance costs are the costs associated with the governance arrangements of the charity which relate to the general running of the charity.

Resources expended are included in the Statement of Financial Activities at the time they become due.

Income and expenditure are stated gross.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

f) Charitable activities

This includes all costs relating to the furtherance of the charity's objectives as stated in the Trustees' Report.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll, gains/losses on disposal of fixed assets and governance costs which support the Board's activities. These costs have been allocated between areas of expenditure. The bases on which support costs have been allocated are set out in note 13.

h) Tangible fixed assets

Tangible fixed assets costing in excess of £1,000 are stated at cost less accumulated depreciation. Depreciation is provided on fixed assets in order to write them off in equal annual instalments over their estimated useful lives. The charity employs the principle of charging no depreciation in the year of addition and full in the year of disposal. The following rates are used:

School buildings	-	2% per annum on cost
Office premises	-	2.5% per annum on cost
Office furniture and fittings	-	10% per annum on cost
Office equipment	-	25% per annum on cost

No depreciation is provided on land.

i) Gifted properties

When the Board was incorporated in 1950, responsibility for a number of properties was transferred to it 'en bloc'. The number and nature of such properties was unclear; in some cases the Board is not the legal owner but merely custodian trustee. The records are sparse and difficult to determine but the registration of titles is now almost complete. The properties include church halls and old school buildings; no value has ever been placed upon any for which the Board may be the beneficial owner and it is impractical to place any such value until the nature and ownership are determined.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. ACCOUNTING POLICIES (CONTINUED)

j) Investments

Investments held as fixed assets are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

k) Investment property

Premises at Heol Fair, Llandaff previously used as the Diocesan office are included in the balance sheet as an investment property at valuation provided by Cooke & Arkwright at 17th January 2018.

Investment property is shown at its open market value as defined under the current RICS Practice statements and guidelines, and then measured at its fair value at the balance sheet date. The surplus or deficit arising from the revaluation is recognised in the Statement of Financial Activities for the year.

Premises at Cowbridge Road which were transferred in 2017 from the Llandaff Diocesan Board for Social Responsibility are included in the balance sheet as an investment property at a valuation provided by Cooke & Arkwright at 4th December 2018.

Investment property is held for its investment potential and not for use by the company and so its current market value is of prime importance. The departure from the provisions of the Companies Act 2006 to depreciate assets is required in order to give a true and fair view.

l) Pension costs

Pension contributions are made to stakeholder pension arrangements for the benefit of employees. Pension costs are charged to expenditure in the Statement of Financial Activities as they fall due. The pension costs of the clergy, although charged to the Board, are paid by it as agent rather than employer.

m) Operating leases

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid.

n) Financial Instruments

Financial assets and financial liabilities are recognised when the Board becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at transaction price (including transaction costs). The Board only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

o) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated at the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated at the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of 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.

3. RESTRICTED FUNDS

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

- a) 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.
- b) 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.
- c) 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.
- d) Widows', Orphans' and Dependants' Society (W.O.D.S.)
Monies are held to provide financial assistance to the widows and dependants of clerics in the Diocese. Where a grant is made from unrestricted funds it is shown as a transfer between funds.
- e) 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.
- f) 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.
- g) 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.
- h) Community Development Fund
The assets of the Llandaff Diocesan Board for Social Responsibility were transferred to Llandaff Diocesan Board of Finance early in 2017 and are to be used for the same charitable purposes focussing on community development projects within parishes.
- i) Community Mental Health Chaplaincy
This fund represents grant money received from All Churches Trust to provide a Community Mental Health Chaplain in the diocese.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

3. RESTRICTED FUNDS (CONTINUED)

j) Movements on Restricted Funds

	Balance 1 January 2018 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/(losses) £	Balance 31 December 2018 £
Retired clergy	43,773	4,102	275	-	-	48,150
Parsonage board	27,765	672,631	101,809	(802,205)	-	-
Schools funds:						
External grants	16,395,565	-	176,710	(469,002)	-	16,103,273
Accumulated funds	993,131	-	119,747	(290,851)	-	822,027
Penarth school proceeds	-	-	3,467	(3,467)	-	-
Sundry trusts	80,371	-	2,538	(3,043)	(5,926)	73,940
Bishop's mission fund	-	-	8,891	(8,891)	-	-
Community Mental Health						
Chaplaincy	4,135	-	20,000	(24,135)	-	-
Transformation fund	371,713	-	-	(205,038)	-	166,675
Community Development	504,362	-	32,054	(196,416)	29,044	369,044
W.O.D.S.	70,818	5,000	3,076	(2,643)	(1,195)	75,056
	<u>18,491,633</u>	<u>681,733</u>	<u>468,567</u>	<u>(2,005,691)</u>	<u>21,923</u>	<u>17,658,165</u>

The transfer into the Parsonage Board fund from unrestricted funds is as described in note 3(b) above. In 2018 the budgeted contribution to the Parsonage Board was £612,960. Substantial vacancy work was required in the year which has meant that the Board of Finance had to make an additional contribution of £59,671, to avoid the restricted fund being in deficit at the year end.

The proceeds in the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings together with its related interest, is being held awaiting transfer to revertee. Balance as at 31st December is £752,167..

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

3. RESTRICTED FUNDS (CONTINUED)

k) Movements on Restricted Funds (prior year comparative)

	Balance 1 January 2017 £	Transfer of funds £	Incoming resources £	Outgoings £	Investment gains/ (losses) £	Balance 31 December 2017 £
Retired clergy	42,470	-	4,343	(3,040)	-	43,773
Parsonage board	45,968	621,750	114,241	(754,194)	-	27,765
Schools funds:						
External grants	16,722,162	-	138,805	(465,402)	-	16,395,565
Accumulated funds	1,091,288	-	116,125	(214,282)	-	993,131
Penarth school proceeds	754,088	-	2,099	(756,187)	-	-
Sundry trusts	73,326	-	3,447	(3,593)	7,191	80,371
Bishop's mission fund	-	-	4,154	(4,154)	-	-
Community Mental Health Chaplaincy	13,021	-	20,000	(28,886)	-	4,135
Transformation fund	333,334	-	166,666	(128,287)	-	371,713
Community Development	-	-	691,312	(186,950)	-	504,362
W.O.D.S.	57,992	5,000	8,561	(2,618)	1,883	70,818
	<u>19,133,649</u>	<u>626,750</u>	<u>1,269,753</u>	<u>(2,547,593)</u>	<u>9,074</u>	<u>18,491,633</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Grants from the Representative Body of the Church in Wales						
Block grant	1,489,782	-	1,489,782	1,490,268	-	1,490,268
Other	8,333	-	8,333	8,333	166,667	175,000
	<u>1,498,115</u>	<u>-</u>	<u>1,498,115</u>	<u>1,498,601</u>	<u>166,667</u>	<u>1,665,268</u>
Parish Share	4,023,508	-	4,023,508	4,003,726	-	4,003,726
Parish & School contributions	-	2,369	2,369	-	7,911	7,911
Donations	47,533	18,560	66,093	47,533	14,275	61,808
	<u>5,569,156</u>	<u>20,929</u>	<u>5,590,085</u>	<u>5,549,860</u>	<u>188,853</u>	<u>5,738,713</u>

The Board benefits greatly from the involvement and enthusiastic support of its many volunteers. In accordance with Charities SORP(FRS102), the economic contribution of general volunteers is not recognised in the accounts.

5. CHARITABLE ACTIVITIES INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
<i>Support for ministry</i>						
Hospital chaplaincies	245	-	245	1,125	-	1,125
Clergy school grant	3,000	-	3,000	3,000	-	3,000
Grants for work on parsonages	-	948	948	-	11,210	11,210
Insurance claims	-	-	-	4,518	-	4,518
<i>Support for parishes</i>						
Staff recharges	7,072	-	7,072	7,040	-	7,040
Schools receipts	19,145	-	19,145	18,467	-	18,467
Community Mental Health Chaplaincy	-	20,000	20,000	-	20,000	20,000
Licence income	840	-	840	1,440	-	1,440
<i>Church property</i>						
Grants for schools capital projects	-	176,710	176,710	-	138,805	138,805
Schools contributions to insurances	-	65,391	65,391	-	61,938	61,938
<i>Communications</i>						
Directory sales, copying charges	-	-	-	15	-	15
	<u>30,302</u>	<u>263,049</u>	<u>293,351</u>	<u>35,605</u>	<u>231,953</u>	<u>267,558</u>

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

6. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Bank and other interest	10,644	8,562	19,206	10,853	4,801	15,654
Dividend and trust income	194,499	3,295	197,794	258,477	8,403	266,880
Rental income	21,765	172,431	194,196	21,312	173,788	195,100
	<u>226,908</u>	<u>184,288</u>	<u>411,196</u>	<u>290,642</u>	<u>186,992</u>	<u>477,634</u>
Permanent Endowment			<u>6,472</u>			
			<u>417,668</u>			

Permanent Endowment income of £6,472 relates to Investments.

7. OTHER INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Transfer of assets from Board for Social Responsibility	-	-	-	-	659,434	659,434
Community Development Fund sundry income	-	301	301	-	2,521	2,521
Other sundry income	1,460	-	1,460	-	-	-
	<u>1,460</u>	<u>301</u>	<u>1,761</u>	<u>-</u>	<u>661,955</u>	<u>661,955</u>

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

LLANDAFF DIOCESAN BOARD OF FINANCE
(a company limited by guarantee and not having a share capital)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

8. CHARITABLE ACTIVITIES: SUPPORT FOR MINISTRY

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
<i>Support for Ministry</i>						
<i>Stipends, fees and pensions</i>						
Stipends	2,125,797	-	2,125,797	2,083,307	-	2,083,307
Curates' stipends	210,740	-	210,740	219,058	-	219,058
National Insurance	236,101	1,579	237,680	230,340	1,538	231,878
Pension costs	998,885	6,589	1,005,474	980,740	6,415	987,155
Apprenticeship levy	10,166	-	10,166	7,425	-	7,425
Archdeacons	60,623	-	60,623	50,596	-	50,596
Cathedral staff costs	65,499	-	65,499	63,777	-	63,777
Sector ministry stipends	53,197	16,981	70,178	59,643	16,535	76,178
Bishop's Chaplain	27,898	-	27,898	15,693	-	15,693
University chaplains	31,716	-	31,716	30,806	-	30,806
Vacancy fees	29,226	-	29,226	28,583	-	28,583
	<u>3,849,848</u>	<u>25,149</u>	<u>3,874,997</u>	<u>3,769,968</u>	<u>24,488</u>	<u>3,794,456</u>
<i>Property costs</i>						
Council Tax	218,259	-	218,259	207,579	-	207,579
Parsonage maintenance costs	13,983	745,496	759,479	4,971	699,484	704,455
Rent of curate houses	4,800	-	4,800	-	-	-
Parsonage insurances	21,950	-	21,950	21,759	-	21,759
	<u>258,992</u>	<u>745,496</u>	<u>1,004,488</u>	<u>234,309</u>	<u>699,484</u>	<u>933,793</u>
<i>Clergy expenses</i>						
Area deans' expenses	3,321	-	3,321	2,533	-	2,533
Archdeacons' expenses	16,413	-	16,413	13,227	-	13,227
Removal costs	48,628	-	48,628	56,136	-	56,136
Bishop's discretionary fund	19,095	-	19,095	19,095	-	19,095
Miscellaneous	9,034	-	9,034	24,104	-	24,104
	<u>96,491</u>	<u>-</u>	<u>96,491</u>	<u>115,095</u>	<u>-</u>	<u>115,095</u>
<i>Training</i>						
Training costs of ordinands	1,994	-	1,994	43,720	-	43,720
Robes for Deacons	3,611	-	3,611	3,035	-	3,035
Continuing ministerial education	9,850	-	9,850	11,203	-	11,203
Readers	917	-	917	968	-	968
Clergy school	40,000	-	40,000	4,000	-	4,000
	<u>56,372</u>	<u>-</u>	<u>56,372</u>	<u>62,926</u>	<u>-</u>	<u>62,926</u>
<i>Support costs (note 13)</i>	65,400	44,320	109,720	68,203	44,833	113,036
<i>Governance costs (note 13)</i>	16,220	-	16,220	16,387	-	16,387
	<u>81,620</u>	<u>44,320</u>	<u>125,940</u>	<u>84,590</u>	<u>44,833</u>	<u>129,423</u>
	<u>4,343,323</u>	<u>814,965</u>	<u>5,158,288</u>	<u>4,266,888</u>	<u>768,805</u>	<u>5,035,693</u>

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Year ended 31 December 2018

9. CHARITABLE ACTIVITIES: SUPPORT FOR PARISHES

	Unrestricted Funds	Restricted Funds	Total 2018	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£	£	£	£
Parish Share refund to parishes	197,209	-	197,209	196,762	-	196,762
Debt provision	27,972	(5)	27,967	(20,188)	-	(20,188)
Uppsala link	808	-	808	344	-	344
Community Mental Health Chaplaincy	7,087	24,135	31,222	-	28,886	28,886
Sector ministry costs	182,678	10,039	192,717	193,269	6,761	200,030
Transformation funds	-	205,038	205,038	-	128,287	128,287
Release of Strategic Fund provision	-	-	-	(151,746)	-	(151,746)
Loan interest	23	-	23	24	(5)	19
<i>Support costs (note 13)</i>	65,503	-	65,503	67,548	-	67,548
<i>Governance costs (note 13)</i>	43,299	-	43,299	43,745	-	43,745
	524,579	239,207	763,786	329,758	163,929	493,687

10. CHARITABLE ACTIVITIES: CHURCH PROPERTY

	Unrestricted Funds	Restricted Funds	Total 2018	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£	£	£	£
<i>Parsonages</i>						
Custodian expenses	8,739	5,680	14,419	11,716	2,207	13,923
<i>Property costs re churches and church halls</i>						
Diocesan Advisory Committee	50,781	-	50,781	50,790	-	50,790
Church Inspections	33,524	-	33,524	29,772	-	29,772
<i>Church schools</i>						
Depreciation	-	491,723	491,723	-	491,723	491,723
Insurances	-	67,610	67,610	-	65,129	65,129
Option appraisal, enabling and maintenance costs	-	155,688	155,688	-	101,805	101,805
Bad debt provision	-	4,234	4,234	-	77	77
Schools proceeds release	-	1,318	1,318	-	750,849	750,849
<i>Support costs (note 13)</i>	7,853	21,696	29,549	7,783	21,227	29,010
<i>Governance costs (note 13)</i>	9,501	11,838	21,339	9,599	3,023	12,622
	110,398	759,787	870,185	109,660	1,436,040	1,545,700

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II. CHARITABLE ACTIVITIES: GRANTS AND OTHER FINANCIAL SUPPORT

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
<i>Grants to Church in Wales Bodies</i>						
Retired clergy and widows	-	2,642	2,642	-	2,620	2,620
Churches fund	4,000	-	4,000	7,000	-	7,000
Mission fund grants to parishes	32,225	-	32,225	17,959	-	17,959
Support of retreat facilities	5,000	-	5,000	5,000	-	5,000
Llandaff Cathedral	60,000	-	60,000	60,000	-	60,000
Bishop's mission & general fund	-	8,891	8,891	-	4,154	4,154
University Chaplaincies	14,479	-	14,479	17,045	-	17,045
Trecco Bay Mission	1,250	-	1,250	1,250	-	1,250
RB Emergency Aid Fund	16,667	-	16,667	16,667	-	16,667
	133,621	11,533	145,154	124,921	6,774	131,695
<i>Grants to Anglican, Ecumenical and other bodies</i>						
Penrhys Ecumenical Mission	3,500	-	3,500	2,500	-	2,500
Additional Curates Society	-	-	-	200	-	200
The Friends of the Clergy Corporation	300	-	300	300	-	300
The Trussell Trust	300	-	300	300	-	300
Citizens UK	-	10,000	10,000	10,000	-	10,000
Community development grants	-	149,685	149,685	-	153,878	153,878
Miscellaneous	1,200	2,470	3,670	1,000	6,072	7,072
	5,300	162,155	167,455	14,300	159,950	174,250
	138,921	173,688	312,609	139,221	166,724	305,945

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

12. CHARITABLE ACTIVITIES: COMMUNICATION

	Unrestricted Funds Total 2018	Unrestricted Funds Total 2017
Diocesan directory costs	-	3,342
Communication officer and IT expenses	23,501	22,167
Craeso	6,413	8,342
<i>Support costs (note 13)</i>	14,220	15,422
<i>Governance costs (note 13)</i>	6,985	7,058
	<u>51,119</u>	<u>56,331</u>

13. SUPPORT COSTS

Support costs are allocated on the basis of time spent by staff members on each activity, together with the diocesan office floor area relating to those employees, as shown below

	Note	Unrestricted General Support £	Unrestricted Governance £	Restricted General Support £	Restricted Governance £	Total 2018 £
Support for Ministry	8	65,400	16,220	44,320	-	125,940
Support for Parishes	9	65,503	43,299	-	-	108,802
Church property	10	7,853	9,501	21,696	11,838	50,888
Communication	12	14,220	6,985	-	-	21,205
		<u>152,976</u>	<u>76,005</u>	<u>66,016</u>	<u>11,838</u>	<u>306,835</u>

The Board identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the four key areas of charitable activities undertaken in the year. The table below details the basis of apportionment and analysis of support and governance costs.

	General Support	Governance	Total	Basis of apportionment
Salary Costs	143,741	24,255	167,996	Time spent on activity
General Office costs	75,251	4,535	79,786	Time spent on activity and floor space
Diocesan conference expenses	-	3,520	3,520	Governance
Audit	-	5,300	5,300	Governance
Diocesan registrar	-	24,000	24,000	Governance
Meeting and other sundry costs	-	14,376	14,376	Governance
Legal fees	-	19	19	Governance
Legal fees (restricted)	-	11,838	11,838	Governance
	<u>218,992</u>	<u>87,843</u>	<u>306,835</u>	

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

14. NET INCOME FOR THE YEAR

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
This is after charging						
Auditors' remuneration - audit fees	5,300	-	5,300	5,440	-	5,440
Depreciation	17,785	491,723	509,508	16,735	491,723	508,458

15. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to any trustee or any person connected with a trustee during the year (2017 - £nil).

No expenses were paid to any trustee, other than for travel to meetings where claimed.

	Unrestricted £	Restricted £	Total 2018 £	Unrestricted £	Restricted £	Total 2017 £
Employee costs during the year were:						
Wages and salaries	358,229	31,837	390,066	350,517	31,000	381,517
Social security costs	30,915	2,667	33,582	29,440	2,592	32,032
Pension contributions	29,885	4,380	34,265	30,277	4,265	34,542
	<u>419,029</u>	<u>38,884</u>	<u>457,913</u>	<u>410,234</u>	<u>37,857</u>	<u>448,091</u>

During the year, the Board employed 17 staff (2017 - 19). This equates to an average of 11.7 (2017 - 12.5) full-time staff.

No employee had employee benefits in excess of £60,000 (2017: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to relevant funds.

The charity trustees were not paid nor received any other benefits from employment with the Board in the year (2017: £nil). Meeting travel costs claimed in the year were £206 (2017 £108). No charity trustee received payment for professional or other services supplied to the charity (2017: £nil).

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 2018 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 £114,308 (2017: £111,300).

Pension costs

The company contributes a percentage of salary to funds held in a grouped personal pension plan to which each employee also contributes. The plan is operated under the stakeholder pension provisions. The contributions paid in the year amounted to £34,265 (2017: £34,542). At the year end contributions of £nil were due (2017: £nil).

Taxation

As a registered charity, Llandaff Diocesan Board of Finance is entitled to the exemption from taxation in respect of income and capital gains received with sections 478-489 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects purposes only.

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NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

16. TANGIBLE FIXED ASSETS

	Unrestricted funds			Restricted funds		Total £
	Office Premises £	Office equipment £	Furniture and fittings £	Land £	Schools £	
Cost						
At 1 January 2018	629,053	20,642	20,603	61,757	24,586,148	25,318,203
Additions	-	5,811	-	-	-	5,811
Disposal /Written off	-	(12,807)	-	-	-	(12,807)
At 31 December 2018	<u>629,053</u>	<u>13,646</u>	<u>20,603</u>	<u>61,757</u>	<u>24,586,148</u>	<u>25,311,207</u>
Accumulated depreciation						
At 1 January 2018	181,806	20,642	3,339	-	8,035,963	8,241,750
Disposal / Written off	-	(12,807)	-	-	-	(12,807)
Charge for year	15,726	-	2,059	-	491,723	509,508
At 31 December 2018	<u>197,532</u>	<u>7,835</u>	<u>5,398</u>	<u>-</u>	<u>8,527,686</u>	<u>8,738,451</u>
Net book value						
At 31 December 2018	<u>431,521</u>	<u>5,811</u>	<u>15,205</u>	<u>61,757</u>	<u>16,058,462</u>	<u>16,572,756</u>
At 31 December 2017	<u>447,247</u>	<u>-</u>	<u>17,264</u>	<u>61,757</u>	<u>16,550,185</u>	<u>17,076,453</u>

17. INVESTMENTS HELD AS FIXED ASSETS

Property	Unrestricted funds £	Restricted funds £	Total £
Investment Properties	<u>220,000</u>	<u>260,000</u>	<u>480,000</u>

The property at 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 at 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.

Listed Securities

	Unrestricted funds £	Restricted funds £	Permanent endowment funds £	Total £
Balance at 1 January 2018	7,170,423	118,032	191,826	7,480,281
Additions	662,894	8,981	30,740	702,615
Disposals	(497,127)	(6,147)	(30,396)	(533,670)
Revaluation to market value	(567,778)	(8,709)	(27,907)	(604,394)
Balance at market value at 31 December 2018	<u>6,768,412</u>	<u>112,157</u>	<u>164,263</u>	<u>7,044,832</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

17. INVESTMENTS HELD AS FIXED ASSETS (CONTINUED)

The original cost of the above investments at 31 December 2018 was £4,816,684 (2017 - £4,615,863). The above investments are valued at mid-market valuation on 31 December 2018. 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.

18. LONG-TERM LOANS

(a) LOANS-FIXED ASSETS

	Balance 1 January 2018 £	New loans/ Revaluation £	Capital repaid £	Balance 31 December 2018 £
i Unrestricted funds				
Loans to parishes and retired clergy				
Curates houses	1,079	-	(1,079)	-
Retired clergy general loans	201,555	-	(30,555)	171,000
Retired clergy equity linked loans	527,400	-	(21,000)	506,400
	<u>730,034</u>	<u>-</u>	<u>(52,634)</u>	<u>677,400</u>
Total equals amount of loans received from the Representative Body of the Church in Wales				
General C loans	139,905	40,000	(11,741)	168,164
Loan to Llangasty Retreat House Trust	131,250	31,875	-	163,125
	<u>1,001,189</u>	<u>71,875</u>	<u>(64,375)</u>	<u>1,008,689</u>
<i>Split as follows:</i>				
Amount due within one year (current asset)	20,367	-	-	20,345
Amount due after one year (fixed asset)	980,822	-	-	988,344
ii Restricted Funds				
Governor Loans	<u>224,139</u>	<u>27,942</u>	<u>(63,874)</u>	<u>188,207</u>
<i>Split as follows:</i>				
Amount due within one year (current asset)	68,874	-	-	58,919
Amount due after one year (fixed asset)	155,265	-	-	129,288
	<u>1,225,328</u>	<u>99,817</u>	<u>(128,249)</u>	<u>1,196,896</u>
<i>Split as follows:</i>				
Amount due within one year (current asset)	89,241			79,264
Amount due after one year (fixed asset)	1,136,087			1,117,632

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Year ended 31 December 2018

18. LONG-TERM LOANS (continued)

(b) Loans from The Representative Body Of The Church In Wales

The loans to the parishes 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 parishes and retired clergy. The Board pays the same rates of interest to the Representative Body as is received from the loans to parishes and retired clergy, shown above.

(c) 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 Welsh Government are matched with a deferred income provision.

19. DEBTORS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £
Parish share in arrears	82,873	-	-	82,873	54,119	-	-	54,119
Provisions	(79,912)	-	-	(79,912)	(51,950)	-	-	(51,950)
	2,961	-	-	2,961	2,169	-	-	2,169
Loans due within one year (see note 18)	20,345	58,919	-	79,264	20,367	68,874	-	89,241
Other debtors (due within one year)	54,937	258,586	-	313,523	58,527	187,180	38	245,745
Other debtors (due after one year)	-	-	-	-	1,727	-	-	1,727
	<u>78,243</u>	<u>317,505</u>	<u>-</u>	<u>395,748</u>	<u>82,790</u>	<u>256,054</u>	<u>38</u>	<u>338,882</u>

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2017 £
Parish Share rebates	189,382	-	-	189,382	189,337	-	-	189,337
		1,049,40						
Other creditors	124,609	8	230	1,174,247	139,114	960,945	273	1,100,332
Clergy school	85,276	-	-	85,276				
Strategic development fund	15,000	-	-	15,000	15,000	-	-	15,000
Deferred Income Governor Loans	-	25,252	-	25,252	-	27,708	-	27,708
	<u>414,267</u>	<u>1,074,660</u>	<u>230</u>	<u>1,489,157</u>	<u>343,451</u>	<u>988,653</u>	<u>273</u>	<u>1,332,377</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

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

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Parish Grant Commitments	5,369	46,216	51,585	19,130	51,139	70,269
Clergy School	-	-	-	60,700	-	60,700
	<u>5,369</u>	<u>46,216</u>	<u>51,585</u>	<u>79,830</u>	<u>51,139</u>	<u>130,969</u>

22. CONTINGENT LIABILITIES

There are no contingent liabilities as at 31 December 2018. The proceeds of the Schools Fund from the sale of the Penarth Church in Wales primary school land and buildings, together with its related interest, is being held awaiting transfer to the revertee. Balance awaiting transfer as at 31st December is £752,167 which is held within creditors due within one year (Note 20).

23. DESIGNATED FUNDS

	Balance at 1 January 2018 £	New designations £	Utilised/ released £	Balance at 31 December 2018 £
Ordination training	139,000	-	(139,000)	-
Transformation Funds (DBF)	187,288	-	-	187,288
Community Mental Health Chaplaincy	60,000	-	(7,086)	52,914
Curate Housing Support	-	160,000	-	160,000
	<u>386,288</u>	<u>160,000</u>	<u>(146,086)</u>	<u>400,202</u>

Ordination training:

These funds are set aside to meet the course costs of ordinands in training at 31 December. The funds were released in the year as training costs at St Padarns have been transferred to the Representative Body.

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.

Community Mental Health Chaplaincy:

These funds are set aside by the Diocesan Board of Finance to match fund a grant received from All Churches Trust for a three year project to fund a Community Mental Health Chaplain

Curate Housing Support:

These funds are set aside by the Diocesan Board of Finance to run a pilot project for three years to assist parishes with housing costs of newly ordained stipendiary curates.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

23. DESIGNATED FUNDS (CONTINUED)

Prior year comparative - 2017

	Balance at 1 January 2017 £	New designations £	Utilised/ released £	Balance at 31 December 2017 £
Ordination training	108,400	94,500	(63,900)	139,000
Transformation Funds (DBF)	187,288	-	-	187,288
Community Mental Health Chaplaincy	60,000	-	-	60,000
	<u>355,688</u>	<u>94,500</u>	<u>(63,900)</u>	<u>386,288</u>

24. ENDOWMENT FUNDS

	Balance at 1 January 2018 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2018 £
Retired Clergy Fund	130,795	4,102	(658)	(11,082)	(4,102)	119,055
Miss DJN Evans Trust	43,702	1,507	(250)	(4,172)	(1,507)	39,280
Anonymous Fund	36,953	863	-	(1,678)	(863)	35,275
	<u>211,450</u>	<u>6,472</u>	<u>(908)</u>	<u>(16,932)</u>	<u>(6,472)</u>	<u>193,610</u>

The income generated by the funds can be used to further the aims of the charity. The income is transferred to general funds on its receipt, with the exception of the Retired Clergy Fund which is transferred to the Retired Clergy Restricted fund.

Prior year comparative - 2017

	Balance at 1 January 2017 £	Incoming Resources £	Resources Expended £	Investment Gains/Losses £	Transfers £	Balance at 31 December 2017 £
Retired Clergy Fund	123,317	4,213	(677)	8,155	(4,213)	130,795
Miss DJN Evans Trust	40,885	1,615	(254)	3,071	(1,615)	43,702
Anonymous Fund	34,309	847	-	2,644	(847)	36,953
	<u>198,511</u>	<u>6,675</u>	<u>(931)</u>	<u>13,870</u>	<u>(6,675)</u>	<u>211,450</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

25. FINANCIAL COMMITMENTS (OPERATING LEASES NOTE)

Total financial commitments under non-cancellable operating leases are as follows as at 31st December 2018.

	2019 £	2018 £
Operating leases expiring:		
Within one year of the balance sheet date	7,170	7,170
In two to five years of the balance sheet date	13,665	20,835
After five years	-	-
	<u>20,835</u>	<u>28,005</u>

26. COMPANY STATUS

The company is limited by guarantee to the extent of £1 per member, the maximum number of members being 22; the actual number at 31 December 2018 was 15 (2017: 15).

27. RELATED PARTY TRANSACTIONS

During the year the charity contracted Cooke & Arkwright to carry out professional valuations on the behalf of the charity. Mr Lawley is a Chairman of the Board of Trustees and also Chairman of Cooke & Arkwright. Mr Lawley took no part in the decision making process to appoint Cooke & Arkwright. The value of the contracts was £2,623 with £1,543 outstanding at the year end. (2017: £nil)

During the year the charity received £16,000 of income from Cardiff Womens Aid. The Venerable Frances Jackson is a trustee of the Board and also trustee of Cardiff Womens Aid. She did not participate in any of the rental agreement decisions. (2017: £16,000)

An assessment of trustee waived expenses has been made and the value is not material for disclosure.

28. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	2018				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	452,537	-	16,120,219	-	16,572,756
Investments	7,976,756	-	501,445	164,263	8,642,464
Net current assets	593,728	400,202	1,184,672	29,347	2,207,949
Due after one year	<u>(682,769)</u>	<u>-</u>	<u>(148,171)</u>	<u>-</u>	<u>(830,940)</u>
	<u>8,340,252</u>	<u>400,202</u>	<u>17,658,165</u>	<u>193,610</u>	<u>26,592,229</u>
	2017				
	Unrestricted £	Designated £	Restricted £	Endowment £	Total £
Tangible fixed assets	464,511	-	16,611,942	-	17,076,453
Investments	8,371,245	-	504,253	191,826	9,067,324
Net current assets	800,712	386,288	1,536,842	19,624	2,743,466
Due after one year	<u>(809,864)</u>	<u>-</u>	<u>(161,404)</u>	<u>-</u>	<u>(971,268)</u>
	<u>8,826,604</u>	<u>386,288</u>	<u>18,491,633</u>	<u>211,450</u>	<u>27,915,975</u>