

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2019

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust) are pleased to present their annual report together with the audited financial statements of the charity for the year ended 30 June 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Chair's Report

Following the addition of three new trustees to the Board and changes to our officer roles in 2018, the 12 months to 30th June 2019 has seen a period of stability in both trustee and officer appointments.

With the support of our auditors and the Audit Committee, the Trust officers have continued their programme of review and update of the processes and procedures to strengthen the administration of the Trust. A number of small-value custodian trustee funds and endowments have been liquidated and the funds returned to the beneficiaries.

Through the Education Trust the Custodians continue to support our 6 VA schools and 8 VC schools across the Diocese. We continue to insure our school buildings and to manage the Capital Repair and Maintenance Programme (CRAMP) for our schools, in line with directive from the Welsh Assembly Government. Two further schools have indicated their interest in converting to a Church in Wales school; discussions are ongoing and various options are being explored. Following his appointment in 2017 our Director of Diocesan Education (DDE) John Meredith increased his working hours from 2.5 to 4 days per week.

The board are pleased to be working with Baldwins Audit Services in their first year as auditors of the Diocesan Trust. In consultation with Baldwins the Board have taken the opportunity to undertake a review of the information presented in the financial statements. The outcome of the review is that Custodian Funds have now been excluded from the financial statements and Education properties owned by the Trust have been valued and the value has been included in the financial statements under fixed assets. Further information is provided in the Financial Review (page 3).

The Trust continues to have the benefit of financial advice from its investment managers, and this is borne out by the income levels it continues to achieve of over 3% p.a. whilst the growth in the capital value of the funds has exceeded the FTSE All-Share index.

My thanks go to the various officers of the Trust and their assistants, for their support of and care for Trust matters during the year.



The Most Reverend John D.E. Davies
Chairman

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Our purposes and aims

The principal purpose of the charity is the management of those church trusts in the Diocese of Swansea and Brecon as vested in the charity as Trustees.

The charity acts as custodian trustee for:

- Land and buildings held under these trusts.
- Funds held under these trusts and also ensures that the individual funds are managed and invested to the benefit of the respective administrative trustees.

The charity achieves its objectives of the management of the church trusts through regular meetings of the trustees and regular investment reports. Returns on investment are monitored in line with market conditions using benchmarking and the FTSE indices.

Objectives and activities for the public benefit

During the year the Trust has continued to support both its Voluntary Aided and Voluntary Controlled Schools with their financial and educational needs by the provision of grants and advice. Through this medium the children of the areas in which the schools are located are nurtured in a safe and caring environment. The admissions policies applied by the Governing Bodies at each of the schools are approved by the local education authorities concerned and provide the appropriate level of opportunity for those not affiliated to the Church in Wales to obtain admittance to the schools.

Church property is made available to the public through community use which is encouraged. The trust is of the opinion that it should assist communities, particularly in rural areas where facilities are either not otherwise available or are inadequate to provide suitable property.

Through these actions the Trust considers that it fulfils its responsibility to have regard to the public benefit in its operation.

The trustees have had regard to the Charity Commission's guidance on public benefit in planning and carrying out the charity's programme.

Fundraising activities

The Trust does not engage in fundraising activities to finance its activities.

Achievements and performance

The charity continues to support its Voluntary Aided and Voluntary Controlled Schools with their educational and financial needs as described above. It also continues to act as custodian trustee for individual trusts vested with the charity and custodian trustees of land owned by parishes. A full list of custodian trust funds and/or Funds held on behalf of Diocesan organisations is provided on pages 7-8.

The charity has devolved the management of investments to Brewin Dolphin plc as described in the Investment Policy and Performance section. The Investment portfolio achieved its benchmark returns set by the investment committee and the trustees are satisfied with investment performance.

The charity has supported its Voluntary Aided and Voluntary Controlled Schools with School visits and financial assistance. The Trust is awaiting the completion and submission to the Welsh Government by Powys CC of the Closure Report in relation to the Archdeacon Griffiths VA Church in Wales School in Llyswn prior to finalising the value of the contribution payable by the Diocesan Trust (see Financial Review for further details).

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Following a review of accounting policies by the trustees the 2019 financial statements have been prepared on an amended basis to prior years. The major changes are: -

- Education properties owned by the Diocesan Trust have been valued and included in the financial statements.
- Custodian trustee funds have been excluded from the financial statements.

Prior year schedules and disclosures have been restated in line with the amended policies described above.

Restricted funds had net income for the year of £45,129 (2018 net expenditure: £359,447) before gains on investments and property revaluations. The main activities being: -

- Education properties were valued at £2,331,750 (2018: £2,311,750). The properties are valued by applying a 7.5 multiplier to the rateable value of each property.
- Beguildy Old School was sold during the year raising net funds of £66,174 which will be used to support both Voluntary Aided and Voluntary Controlled Schools (2018: Net School Sales £145,906).
- The Welsh Assembly Government provided grants of £16,787 (2018: £15,837) through its Capital Repairs and Maintenance Programme for Voluntary Aided Schools.
- A second tranche of £515,346 towards the 15% contribution for the costs of the new 150-place Archdeacon Griffiths VA Church in Wales School in Llyswn recorded in the accounts in previous year continues to be shown as a liability. The total contribution payable by the Trust is estimated at £583,344 and the Trust is awaiting a copy of the Closure Report that Powys County Council is preparing for submission to the Welsh Government to confirm the final amount payable.
- The principal funding source comes from the Trust's investments. The continuing volatility in the markets and the regime of low interest rates remains a challenge. Despite the volatility in the markets there was an increase in the recorded values of the Trust's investments. The trustees' advisers continue to actively monitor the funds so that they may be insulated from any excessive fluctuations in value. Investment income remains at a similar level to the previous year.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Key performance indicators

The trustees/directors consider the key performance indicators to be net income/expenditure before gains on investments for the financial year and the total funds carried forward at 30 June 2019.

	2019	2018
Net income/(expenditure) for the year before gains on investments	45,129	(359,447)
Total funds carried forward as at 30 June	4,075,143	4,024,798

Results – Unrestricted Funds

The net movements for the year on unrestricted funds are as follows: -

	2019 £
Net income	-
Balance brought forward	2,825
Balance carried forward	<u>2,825</u>

Results – Restricted Funds

The net movements for the year on restricted funds are as follows:

	2019 £
Net income before gains on investments	45,129
Gain on revaluation and disposals of fixed asset investments and education properties	5,216
Net income	<u>50,345</u>
Balance brought forward (restated)	4,024,798
Balance carried forward	<u>4,075,143</u>

The financial statements are drawn up to comply with the Companies Act 2006 and UK GAAP (FRS102).

The trustees are of the opinion that the results for the year are satisfactory and that the financial position of the charity remains sound.

Investment Policy and Performance

The charity has devolved the management of the investments to Brewin Dolphin. The board has requested that the sums are invested in low to medium risk investments whilst maximising the return they generate so as to provide income for the charity so that it can achieve its objectives. An investment committee is responsible for the setting and reviewing the strategy of the Trust's investments, and for monitoring the performance of the Trust's portfolios.

Reserves Policy

The charity aims to maintain its level of Diocesan Church Schools and Religious Education reserves in future years to enable it to continue to effectively support its Voluntary Aided and Voluntary Controlled Schools with their educational and financial needs.

The charity aims to maintain the level of Diocesan Trust reserves in future years to enable it to continue to effectively manage the church trust in the Diocese of Swansea and Brecon and to enable it to generate and distribute sufficient income in accordance with the terms of the trust.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Principal risks and uncertainties

The recommendations of the report to review governance matters by the Diocesan Audit Committee, that was commissioned and accepted by the Trustees in 2016, continue to be implemented.

In the light of the report, the trustees have reviewed the major risks to which the charity is exposed, and systems have been put in place to mitigate those risks. The process of reviewing risks is an ongoing process and regular reports are planned to the trustees.

Delivery of a high-quality service continues to be a high priority for the trustees and there is ongoing dialogue with the beneficiaries of the charity's funds to ensure the services provided are done so in an efficient manner.

The trustees consider that the principle risk is a significant fall in global stock market prices and deterioration of general economic conditions.

Structure, Governance and Management

Standing Committee

The charity is managed by the standing committee. All members of the standing committee are trustees of the charity and also directors of the charitable company.

Method of appointing Trustees

The Standing Committee consists of the Bishop (ex-officio) and up to nine members elected at the Annual General Meeting. Members of the charity are appointed by the Bishop and are selected for their expertise and experience. All members of the Standing Committee are trustees and members of the charity.

Induction and Training of Trustees

Following the Diocesan Committee Report, induction packs will be available for new trustees.

Training available from external providers is continually reviewed and offered to Trustees as appropriate. During the year trustees were invited to attend the annual *All Wales Charity Governance, Law & Finance Conference* which included guidance on being a trustee together with a wide variety of informative sessions, offering practical advice and guidance from a range of experts.

Custodian Trustee

The Trust holds various assets as custodian trustee.

The trustees monitor the risks associated with each asset and are in the process of putting in place a series of controls to safeguard the assets. The controls are regularly reviewed and updated or amended accordingly when it is considered necessary.

Plans for the Future

The long-term plans of the trust are to continue with the investment policy of ensuring sufficient returns, both income and capital growth, to be able to maintain a steady income stream for education purposes and the various trusts for which such investments are held.

Financial statements

The company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the Trustees/directors consider it inappropriate to present a Profit and Loss Account in one of the formats set out in the Companies Act 2006. As permitted by the Companies Act, in order to reflect the special nature of the company's activities, a Statement of Financial Activities has been presented.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Reference and administrative details

The full name of the charity is Swansea & Brecon Diocesan Trust Incorporated.

The Swansea & Brecon Diocesan Trust (the company) is a multi-faceted structure. It is: -

- A registered charity (No.235831)
- A company limited by guarantee (No. 00211214)
- A trust established under the Constitution of the Church in Wales.

The Swansea & Brecon Diocesan Trust ("the Company") was set up under the provisions of the Constitution of the Church in Wales, Chapter IV, and Paragraph 16. The company was incorporated as a charity limited by guarantee on 20 January 1926.

The charity was registered with the Charity Commission on 13 January 1965 and is exempt from United Kingdom income and corporation tax. The governing document of the Company is the Memorandum and Articles of Association.

The company meets in general meeting three times per annum. The day to day management of the company is delegated to the executive committee, whose members are the trustees of the charity and directors of the company for the purpose of company law.

The company does not have a share capital. The trustees/directors guarantee to contribute to the assets of the Company, such amount as may be required not exceeding £1 per guarantor. The number of guarantors at 30 June 2019 was 11 (2018: 11).

Board of Trustees/Directors

Mrs F Barrow
 District Judge V S Batcup
 The Venerable J B Davies
 The Most Rev'd J D E Davies
 The Venerable A N Jevons
 Mrs. C. Kirby
 Mr G Lewis
 Dr S Mitchell
 The Very Rev'd Dr A P Shackerley
 Mr N O Tyler
 Mr R Wigley

Company Secretary

Mrs L A Pearson

Registered Office

Swansea & Brecon Diocesan Centre, Cathedral Close, Brecon, LD3 9DP

Independent Auditors

Baldwins Audit Services, Waters Lane Chambers, 1-3 Waters Lane, Newport, NP20 1LA

Principal Bankers

CAF Bank Limited, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent, ME19 4JQ.

Investment Managers

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

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Funds Held as Custodian Trustee on Behalf of Others

The various trusts and funds for which the Board acts as custodian trustee and/or invests funds on behalf of the Diocesan organisation are listed below:

Name of Fund	Nature of Investment
Mrs Margaret Jones (Hirwaun)	Managed portfolio comprising equities, fixed interest stocks and cash
James Hamer (Hengwm) Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Canon James Griffiths Settlements	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Jane Watkins (Monument) Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Thomas Williams Bequest No 1	Managed portfolio comprising equities, fixed interest stocks and cash
Thomas Williams Bequest No 2	Managed portfolio comprising equities, fixed interest stocks and cash
Miss AM H Games Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Elizabeth Williams Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Miss MA Lewis Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Bishop EL Bevan Fabric Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Bishop EL Bevan Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Diocesan Moral Welfare Council	Managed portfolio comprising equities, fixed interest stocks and cash
Mrs MA Rees Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Miss ME Lerrigo Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Colonel Sir JJ Jones Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Colonel Sir JJ Jones Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
WR Lewis Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Hay Parish Hall Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Henry Radcliffe Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Miss FE Davies Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
CE Cleaves Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
EW Morgan Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
EW Morgan Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Thomas Williams Bequest No 3	Managed portfolio comprising equities, fixed interest stocks and cash
Llewelyn House Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
FW Gilbertson's Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
ID Thomas (Maesygylynen) Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Bishop EW Williamson's Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Rev DH Picton Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Miss EA James Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Holy Trinity Hall, Gorseinon	Managed portfolio comprising equities, fixed interest stocks and cash
Reynoldston Church Hall	Managed portfolio comprising equities, fixed interest stocks and cash
JM Munro Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Canon TW Thomas Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Miss MC Bowen Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Bertha Duncan Trust No 2	Managed portfolio comprising equities, fixed interest stocks and cash
Croft Meadow, Norton Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Muriel Duncan Trust, Port Eynon	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Muriel Duncan Trust, Reynoldston	Managed portfolio comprising equities, fixed interest stocks and cash
Penllergaer Sunday School Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Llanddettty Talybont Church Hall Trust	Managed portfolio comprising equities, fixed interest stocks and cash
K Glasnook Trust (Penllergaer)	Managed portfolio comprising equities, fixed interest stocks and cash
S&B Diocesan Council for Social Work	Managed portfolio comprising equities, fixed interest stocks and cash
All Saints Church Hall Trust, Ponterdawe	Managed portfolio comprising equities, fixed interest stocks and cash
TW Gordon Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Enoch Miles Legacy Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Margaret Graves Smith Legacy Fund	Managed portfolio comprising equities, fixed interest stocks and cash
RE Vaughan Price Bequest, Coelbren	Managed portfolio comprising equities, fixed interest stocks and cash

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

College of St Mary Swansea	Managed portfolio comprising equities, fixed interest stocks and cash
Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Llywel Sunday School Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Whitton Church Hall Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Talybont-on-Usk School Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Eastmoor Trust Fund	Managed portfolio comprising equities, fixed interest stocks and cash
The Ayres Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Bryngwyn Church Hall land Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Oystermouth Church School Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Gilwern Education Trust	Managed portfolio comprising equities, fixed interest stocks and cash
St Mary's Church Swansea Parochial Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Dean & Chapter	Managed portfolio comprising equities, fixed interest stocks and cash
Llanrhidian Parish Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Oystermouth 'TAP' Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Reynoldston Church Hall Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Glasbury Parish Endowment	Managed portfolio comprising equities, fixed interest stocks and cash
Glasbury Parish Investment	Managed portfolio comprising equities, fixed interest stocks and cash
AE Gough Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Diocesan Board of Finance	Managed portfolio comprising equities, fixed interest stocks and cash
Llansamlet land & Church Hall Fund	Managed portfolio comprising equities, fixed interest stocks and cash
St Mary's Church House Brecon	Managed portfolio comprising equities, fixed interest stocks and cash
Llangattock Community Education Trust - Cash	Managed portfolio comprising equities, fixed interest stocks and cash
Land at Blackpill - Cash	Managed portfolio comprising equities, fixed interest stocks and cash
St Barnabas Church Hall Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Dr Susan Rice-Edwards Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Llanbister Church Hall	Managed portfolio comprising equities, fixed interest stocks and cash
Parish of Penllergaer	Managed portfolio comprising equities, fixed interest stocks and cash
Diocesan Housing Association - Investment Fund	Managed portfolio comprising equities, fixed interest stocks and cash
St Gabriel's, Swansea - Investment Fund	Managed portfolio comprising equities, fixed interest stocks and cash
Llanbadarn House & Hall Net Sale Proceeds	Cash
Brynmawr Church Hall Net Sale Proceeds	Cash
Norton Old School Room Net Sale Proceeds	Cash
Coed y Bolyn Common Net Sale Proceeds	Cash

Managed portfolio funds are held in separately identified accounts by the Investment Manager Brewin Dolphin. Cash funds are held in the Diocesan Trust's bank accounts.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019 (INCLUDING DIRECTORS REPORT) (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of the Swansea and Brecon Trust Incorporated 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 regulation.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

The trustees are responsible for the maintenance and integrity of 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.

Disclosure of information to auditors

In so far as we 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.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by the Companies Act 2006.

By order of the Board of Trustees



The Most Reverend John D E Davies
Chairman
24th March 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Swansea & Brecon Trust Incorporated (the 'charity') for the year ended 30 June 2019 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (continued)

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (continued)**

Use of our report

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

Sarah Case

**Sarah Case FCA DChA
For and on behalf of
Baldwins Audit Services**

25/3/2020
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**Chartered Accountants
Statutory Auditor**

Waters Lane Chambers
1-3 Waters Lane
NEWPORT
UK
NP20 1LA

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

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**
YEAR ENDED 30 JUNE 2019

Company Number: 00211214

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £ Restated
<u>Income from:</u>					
Donations and legacies	5	-	16,787	16,787	15,837
Charitable activities	6	-	68,189	68,189	156,000
Investments	7	-	54,452	54,452	52,076
Total Income			139,428	139,428	223,913
<u>Expenditure on:</u>					
Raising funds:					
Investment management costs		-	(7,649)	(7,649)	(7,806)
Charitable Activities:					
Funds Distributed		-	(79,691)	(79,691)	(567,091)
Support Costs	8	-	(3,624)	(3,624)	(4,057)
Governance Costs	9	-	(3,335)	(3,335)	(4,406)
Total charitable activities		-	(86,650)	(86,650)	(575,554)
Total expenditure		-	(94,299)	(94,299)	(583,360)
Other recognised gains/losses	10	-	5,216	5,216	415,623
Net movement in funds		-	50,345	50,345	56,176
Reconciliation of funds:					
Total funds brought forward		2,825	4,021,973	4,024,798	3,968,622
Total funds carried forward		2,825	4,072,318	4,075,143	4,024,798

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

All income and expenditure is derived from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

BALANCE SHEET AS AT 30 JUNE 2019

Company Number: 00211214
Charity Number: 235831

	Notes	2019 £	2018 £ Restated
Fixed assets			
Tangible Assets	12	2,331,750	2,331,750
Investments	13	<u>1,587,562</u>	<u>1,589,995</u>
Total Fixed Assets		3,919,312	3,921,745
Current assets			
Debtors	14	27,706	24,394
Cash at Bank and in hand		<u>664,871</u>	<u>608,617</u>
Total current assets		692,577	633,011
Creditors: Amounts falling due within one year	15	<u>(536,746)</u>	<u>529,958</u>
Net current assets		155,831	103,053
Net assets		<u>4,075,143</u>	<u>4,024,798</u>
The funds of the charity:			
Restricted funds	16	4,072,318	4,021,973
Unrestricted funds		<u>2,825</u>	<u>2,825</u>
Total charity funds	20	<u>4,075,143</u>	<u>4,024,798</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30 June 2019, although an audit has been carried out under section 145 of the Charities Act 2011.

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

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

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

The financial statements were approved by the Board of Trustees on 24th March 2020.



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The Most Reverend John D E Davies
(Chairman)

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1 GENERAL INFORMATION

The Swansea & Brecon Diocesan Trust Incorporated is a charity, incorporated in England and Wales. The registered address is Swansea & Brecon Diocesan Centre, Cathedral Close, Brecon, LD3 9DP, Wales.

2 PRINCIPAL ACCOUNTING POLICIES

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

a) Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention, modified to include certain financial instruments at fair value. 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 £.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

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

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

c) Income recognition policies

Turnover is the amount derived from ordinary activities, and stated after trade discounts, other sales taxes and net of VAT.

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

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

For legacies, entitlement is taken as the earlier of:

- the date on which the 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

d) Grants receivable

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

e) Donated services and facilities

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

f) Interest receivable

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

g) Fund accounting

General Funds – these are funds which can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted Funds – these are funds which can 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.

h) Expenditure

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

- Costs of raising funds comprise the costs of investment managers
- Expenditure on charitable activities includes the distribution of funds, support costs and governance costs.

i) 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 salary and related expenditure that support the Charity's activities. These costs have been allocated between activity headings based on time spent.

j) Cash at bank and in hand

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

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

k) Financial instruments

The charity 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 charity's balance sheet when the charity 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.

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 charity 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.

Basic financial liabilities

Basic financial liabilities, including creditors and 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations 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 charity's contractual obligations expire or are discharged or cancelled.

l) 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.

m) Land and buildings

- **Education Properties**

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

Revaluation gains and losses are recognised in other recognised gains and losses and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in net income/(expenditure) or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in net income/(expenditure) for the year.

All land and buildings held by the charity for education purposes are valued by applying a multiplier of 7.5 to the property's rateable value. The valuation methodology has been adopted with reference to the RICS Valuation – Global Standards published by the Royal Institute of Chartered Surveyors which provides guidelines for the valuation of properties with anticipated marketing constraints and the valuation of non-trading properties.

- **Reverters**

Where on the disposal of schools held by the charity as custodian trustee reverters exist, the proceeds of disposal, net of all costs and taxation, are remitted to the revertee. Investigation into the reverter status is made as and when local education authorities return such schools to the custodian trustee.

n) **Taxation**

As a registered charity, the charity 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.

o) **Restatement of Prior Year**

The 2018 figures have been restated due to an error in the previous years relating to the omission of recognising the ownership of land and buildings, and incorrectly recognising investments held as a custodian trustee. The effect of the restatement is reflected in note 20.

3 **LEGAL STATUS OF THE COMPANY**

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

4 **JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The trustees are required to make judgements and 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 any 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 reviewed if the revision affects only that period or in the period of revision and future periods if the revision affects both current future periods.

- The company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the ageing profile of debtors and historical experience. See note 14 for the net carrying amount of the debtors and the associated impairment provision.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (continued)

5	DONATIONS AND LEGACIES	2019	2018
		£	Restated £
	Grants	16,787	15,837
		<u>16,787</u>	<u>15,837</u>
6	CHARITABLE ACTIVITIES	2019	2018
		£	Restated £
	Rents	689	-
	Property Sales	67,500	156,000
		<u>68,189</u>	<u>156,000</u>
7	INVESTMENTS	2019	2018
		£	Restated £
	Investment Income - Listed	52,929	48,964
	Bank Interest	1,523	3,112
		<u>54,452</u>	<u>52,076</u>
8	SUPPORT COSTS	2019	2018
		£	Restated £
	Honorarium	-	435
	Administration Fee	3,000	3,000
	Professional Fees	604	600
	Other Support Costs	20	22
		<u>3,624</u>	<u>4,057</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (continued)

9	GOVERNANCE COSTS	2018	
		2019	Restated
		£	£
	Honorarium	-	290
	Administration Fee	750	750
	Auditors' Remuneration	2,351	3,020
	Companies House and Bank Services	52	44
	Professional Indemnity Insurance	182	302
		<u>3,335</u>	<u>4,406</u>
10	OTHER RECOGNISED GAINS AND LOSSES	2018	
		2019	Restated
		£	£
	Gains on investments	5,216	27,498
	Property Revaluations	-	388,125
		<u>5,216</u>	<u>415,623</u>
11	TOTAL EXPENDITURE	2018	
		2019	Restated
		£	£
	Diocesan Church		
	Schools and		
	Religious		
	Education		
	Funds		
	£	£	£
	Stockbroker's Charges	7,649	7,806
	Education Property	28,443	543,218
	Education Support Costs	35,087	16,223
	Professional fees and other costs incurred in relation to the sale of properties	16,161	7,650
	Support Costs	3,624	4,057
	Governance Costs	3,335	4,406
		<u>94,299</u>	<u>583,360</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (continued)**

12 TANGIBLE FIXED ASSETS

	2019 Education Properties £
At 1 July 2018	<u>2,331,750</u>
At 30 June 2019	<u>2,331,750</u>
Carrying amount	
30 June 2019	<u><u>2,331,750</u></u>
30 June 2018	<u><u>2,331,750</u></u>

No depreciation is provided for property as the trustees are of the opinion that these buildings are maintained in such a state of repair that their residual value is at least equal to their fair value. As a result the corresponding depreciation charge would not be material and is therefore not charged to the SOFA.

Trustees are satisfied that the book value represents the fair value of the schools.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

13 INVESTMENTS

	Investments are divided into various trusts as shown below:			
	2019 Book Value £	Market Value £	Restated 2018 Book Value £	Restated 2018 Market value £
Diocesan Church Schools and Religious Education Fund	1,230,738	1,577,889	1,155,540	1,580,187
Diocesan Trusts	7,052	9,673	6,578	9,808
	<u>1,237,790</u>	<u>1,587,562</u>	<u>1,162,118</u>	<u>1,589,995</u>

The above investments can be analysed as follows:

	2019 £	Restated 2018 £
Listed investments	1,565,877	1,574,580
Cash held by investment managers	21,685	15,415
	<u>1,587,562</u>	<u>1,589,995</u>

	2019 Listed investments £
The movement year on year is as follows:	
At 1 July 2018	1,589,995
Additions	330,640
Disposals	(344,560)
Gain on disposals	79,330
Unrealised loss	(74,113)
Cash movement	6,270
At 30 June 2019	<u>1,587,562</u>

The market value of investments has been taken at 30 June 2019 and includes all monies held on deposit at cost.

In accordance with FRS102 the figures in the financial statements are the market value of the investments at 30 June 2019.

Gains on investments include realised gains of £79,330 (2018 gain £15,532) and unrealised loss of £74,114 (2018 gain £11,829), giving rise to a net gain of £5,216 (2018: net gain of £27,498).

14 DEBTORS

	2019 £	Restated 2018 £
Other debtors and prepayments	<u>27,706</u>	<u>24,394</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (continued)

15	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2019	Restated 2018
		£	£
	Other Creditors and Accruals	536,746	529,958
16	FINANCIAL INSTRUMENTS	2019	Restated 2018
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through profit or loss	1,587,562	1,589,995
17	RESTRICTED FUNDS	2019	Restated 2018
		£	£
	Trust funds vested in the trust		
	Diocesan Church Schools and Religious Education Fund	4,015,636	3,965,396
	Diocesan Trust	9,673	9,808
		4,025,309	3,975,204
	Trust income accounts		
	Diocesan Church Schools and Religious Education Funds	43,472	43,654
	Diocesan Trust	3,537	3,115
		47,009	46,769
		4,072,318	4,021,973

The capital of a group of individual trusts and funds has been invested en bloc in order to achieve a steady income and allowing for capital growth. Investment decisions are taken in accordance with advice given by the Trust's Stockbrokers.

The use of these funds for their designated purposes are as follows:

- Group Trusts M: Diocesan Trusts
- Group Trusts E: Diocesan Church Schools and Religious Educational Funds: For the construction and/or repairs to church schools in the Diocese.

18 TRUSTEES AND EMPLOYEES

No payments were made to trustees during the year. The only key management personnel are the Trustees.

An honorarium of £Nil (2018: £725) was paid to the previous Secretary Gwyn Lewis.

There were no employees during the year (2018: Nil).

No expenses were incurred by the Trustees (2018: £Nil) in connection with their duties.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (continued)

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restated Restricted	Restated Total
	2019	2019	2019	2018	2018	2018
	£	£	£	£	£	£
Fund balances at 30 June 2019 are represented by:						
Tangible assets	-	2,331,750	2,331,750	-	2,331,750	2,331,750
Investments	-	1,587,562	1,587,562	-	1,589,995	1,589,995
Current assets/(liabilities)	2,825	153,006	155,831	2,825	100,228	103,053
	<u>2,825</u>	<u>4,072,318</u>	<u>4,075,143</u>	<u>2,825</u>	<u>4,021,973</u>	<u>4,024,798</u>

20 MOVEMENT IN FUNDS

	<u>Funds vested in the trust</u>		<u>Trust income funds</u>		<u>Unrestri cted funds</u>	
	Religious education £	Diocesan £	Religious Education £	Diocesan £	General funds £	Total £
Balance at 1 July 2018 as previously reported	1,633,645	3,218,931	43,655	349,745	2,825	5,248,801
Prior year adjustment - inclusion of Education properties	2,331,750	-	-	-	-	2,331,750
Prior year adjustment - exclusion of custodian trustee funds	-	(3,209,123)	-	(346,630)	-	(3,555,753)
As restated at 1 July 2018	<u>3,965,395</u>	<u>9,808</u>	<u>43,655</u>	<u>3,115</u>	<u>2,825</u>	<u>4,024,798</u>
Income	74,052	-	70,305	422	-	144,779
Expenditure	(23,811)	(135)	(70,488)	-	-	(94,434)
At 30 June 2019	<u>4,015,636</u>	<u>9,673</u>	<u>43,472</u>	<u>3,537</u>	<u>2,825</u>	<u>4,075,143</u>

The comparative figures have been restated due to an error in the prior year financial statements. The effect of which is to increase tangible fixed assets by £2,331,750, decrease fixed asset investments by £3,349,484, decrease net current assets by £206,269, decrease income by £148,562, decrease expenditure by £348,159 and increase other recognised gains by £329,960. This has reduced restricted reserves from £5,245,976 to £4,021,973.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (continued)

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2018: £3,750) was paid to the Swansea & Brecon Diocesan Board of Finance Limited for administration fees which is disclosed in administration expenses in the Statement of Financial Activities.

The following directors are also directors of the Swansea & Brecon Diocesan Board of Finance Limited:

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

The current secretary, Louise Pearson, is an employee of this related company and did not receive remuneration from the Trust or payment for services to the Trust. T. J. P. Davenport is the solicitor for the company. An amount of £1,307 (2018: £2,788) was paid to his firm, Red Kite Solicitors, in respect of solicitor's fees.

22 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted 2018 Funds £	Restricted 2018 Funds (Restated) £	Total Funds 2018 (Restated) £
<u>Income from:</u>			
Donations and legacies	-	15,837	15,837
Charitable activities	-	156,000	156,000
Investments	-	52,076	52,076
Total Income	-	223,913	223,913
<u>Expenditure on:</u>			
Raising funds:			
Investment management costs	-	(7,806)	(7,806)
Charitable Activities:			
Funds Distributed	-	(567,091)	(567,091)
Support Costs	-	(4,057)	(4,057)
Governance Costs	-	(4,406)	(4,406)
Total charitable activities	-	(575,554)	(575,554)
Total expenditure	-	(583,360)	(583,360)
Other recognised gains/losses	-	415,623	415,623
Net movement in funds	-	56,176	56,176
Reconciliation of funds:			
Total funds brought forward	2,825	3,965,797	3,968,622
Total funds carried forward	2,825	4,021,973	4,024,798