

BRECON CATHEDRAL CHOIR TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

BRECON CATHEDRAL CHOIR TRUST

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BRECON CATHEDRAL CHOIR TRUST

YEAR ENDED 31 DECEMBER 2020

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Very Rev Dr P Shackerley
Mr G Davies
Mrs G Jones-Powell
The Most Rev J D E Davies
Mr J M Greateorex
Mr M Parry
Mrs R Lloyd
Mr H M Smith FCA
Rev Canon D Roberts

Address of the Trustees

Diocesan Centre
Cathedral Close
Brecon
Powys
LD3 9DP

Registered Charity Number

1093670

Independent Examiners

W J James & Co
Bishop House
10 Wheat Street
Brecon
Powys
LD3 7DG

Bankers

Lloyds Bank
38 High Street
Brecon
Powys
LD3 7AR

BRECON CATHEDRAL CHOIR TRUST

REPORT OF THE TRUSTEES

for the year ended 31 December 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is governed by a Declaration of Trust dated 20 March 2002. It is registered as a charity with the Charity Commission.

The Charity operates from the cathedral church of St John the Evangelist, Brecon, in the Diocese of Swansea and Brecon.

Organisation

The Trustees who have served during the year and since the year-end are set out on page 1.

Objectives and activities

The objects of the charity are to offer all choristers, from the time of their admission as full choristers until the end of their full-time statutory education, tuition on a musical instrument or singing lessons in addition to their choral training in the cathedral choir.

The Charity specifically intends to contribute towards a full-time Director of Music and a part-time assistant employed by the Dean and Chapter of Brecon Cathedral.

In order to be able to achieve these objectives, the Charity intends to maintain its investments at over £1.2 million-plus achieving returns from income and capital appreciation to compensate for increasing costs.

Achievements and performance

The 2020 financial year has been dominated by the effects of the Covid 19 pandemic. For most of the year the Cathedral Choir has been in lockdown so many of the normal activities of the choir which the Trust supports have not occurred. Some chorister tuition has been done via the use of technology such as zoom and the internet. The Trust has continued its support of the Musical staff at the Cathedral. At £25,600 this has been the major expenditure in the year.

Income from investments has fallen by over 25% compared with 2019 whilst our expenditure has fallen by just under 20% giving a deficit before investment values of £2,695.

As agreed with our investment advisors the Trust continues to receive a fixed monthly sum of £3,500 comprising dividends and capital. The capital contribution has been £6,000.

Investments and cash held by our investment advisors Brewin Dolphin is £1.33 million compared with £1.37 million in 2019 a small overall fall and an improvement from March 2020 when the value had fallen to £1.10million. Brewin Dolphin are re organising the Trust's portfolio to target increases in capital values to replace some dividend income which is expected to fall by 15% in 2021.

The Trust has free cash of £48,899 and is expecting to operate on an income deficit in the medium term with the anticipation that capital growth in investments will enable the Trust's free cash to stabilise at the level of £25,000.

Report of the Chair

Like many Cathedrals, charities and businesses, the Cathedral music department had to face unexpected challenges and demands in 2020. I am grateful to the trustees, Director of Music and Assistant Organist for their persistence and patience in a challenging year.

BRECON CATHEDRAL CHOIR TRUST

REPORT OF THE TRUSTEES (CONTINUED)

for the year ended 31 December 2020

Managing the finances of the music department has required robust management. In the first quarter of 2020 the investment income was estimated at £36,116, but the actual income was £30,166. In December, the Cathedral Choirs' Emergency Fund granted £25,800 to the Dean and Chapter to assist the music department in facilitating the 'return of full choral services as existed before Covid-19 restrictions were imposed'. While the grant period was for seven months ending 31 July 2021, it is likely the emergency fund will extend beyond this period.

The Director of Music and Assistant Organist have been on the Coronavirus Job Retention Scheme since April 2020. This largely prevented them from working while on the scheme. There has been no musical activity for most of 2020 since the end of March. However, there was a period of activity later in the year, allowing musicians and choirs to perform in the Cathedral. The choristers and parents also enjoyed a Deanery picnic on Sunday 20 September, socially distanced and bringing their own food and drinks. The following day, with portable electric piano in the South grounds, choristers gathered for the first time since March 2020 to rehearse before beginning to sing in the Cathedral the following Sunday. Musicians and choirs have not only missed singing but also the friendships and social events that are very much part of the Cathedral's musical tradition.

Throughout September the musicians and choirs also prepared for the BBC filming of Songs of Praise for Remembrance Sunday and BBC Morning Worship for Advent Sunday. The filming took place in the Cathedral on 19th and 20th October. Because the services were 'productions', not 'services', different guidelines and laws applied, allowing the BBC to film, making it possible for choirs to sing. Then, several weeks before Christmas, further changes meant choirs were prevented from singing in the Cathedral due to another national lockdown. This was very disappointing for everyone involved in Cathedral worship and everyone looking forward to Christmas.

Finally, I would like to thank the team at Brecon Cathedral, both employees and volunteers, the Choir Trustees and Treasurer, for their support and commitment in a difficult and challenging year. They have shown considerable resilience. We look forward with renewed hope to the reintroduction of singing and music to the Cathedral later in 2021.

Funding policy

The Trustees anticipate that the Charity is now funded sufficiently to enable it to carry out its long-term objectives, at least for the time being, and does not intend to be engaging in further core fundraising in the near future.

Investment and reserves policy

Two Trustees sit on the Diocesan Investment Committee which meets with the Charity's brokers, Brewin Dolphin, and seeks to balance income with outgoings. A cash balance of between £10,000 and £30,000 is maintained by the Trustees for running expenses and a buffer for capital.

Plans for future periods

The trustees intend to carry out the Charity's stated objectives within an annual revenue budget of £50,000.

Risk Management

The Trustees consider their investment portfolio and anticipated returns to be their largest risk. They recognise the fact that financial assets are volatile and that their value can go down as well as up, and they want to avoid any degradation of capital and income relating to their investments. They manage this risk by adopting a policy of investing in a portfolio with a diverse range of ethical investments.

BRECON CATHEDRAL CHOIR TRUST

REPORT OF THE TRUSTEES (CONTINUED) for the year ended 31 December 2020

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on 1 March 2021 on their behalf by :



The Very Rev Dr Paul Shackerley
Chair

BRECON CATHEDRAL CHOIR TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF BRECON CATHEDRAL CHOIR TRUST

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 December 2020 which are set out on pages 6 to 11.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

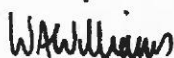
I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



W A Williams BSc, FCA
W J James & Co
Chartered Accountants
Bishop House
10 Wheat Street
Brecon
Powys

1 March 2021

BRECON CATHEDRAL CHOIR TRUST

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Notes	Unrestricted funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS				
Donations, legacies and similar income	2	3,850	3,850	1,986
Investment income	3	36,010	36,010	49,273
TOTAL INCOME		<u>39,860</u>	<u>39,860</u>	<u>51,259</u>
EXPENDITURE:				
<i>Costs of raising funds</i>				
Investment management costs	4	6,132	6,132	8,108
Charitable activities	5	35,604	35,604	43,421
Other	6	819	819	776
TOTAL EXPENDITURE		<u>42,555</u>	<u>42,555</u>	<u>52,305</u>
NET INCOME EXPENDITURE		(2,695)	(2,695)	(1,046)
Net (losses)/gains on investment assets	7	(29,595)	(29,595)	133,217
NET MOVEMENT IN FUNDS		<u>(32,290)</u>	<u>(32,290)</u>	<u>132,171</u>
<i>Reconciliation of funds:</i>				
Balances brought forward at 1 January 2020		1,404,830	1,404,830	1,272,659
Balances carried forward at 31 December 2020		<u>1,372,540</u>	<u>1,372,540</u>	<u>1,404,830</u>

BRECON CATHEDRAL CHOIR TRUST

BALANCE SHEET as at 31 December 2020

		2020	2019
		£	£
FIXED ASSETS	Note		
Investments	7	1,287,913	1,342,567
CURRENT ASSETS			
Debtors	8	366	419
COIF deposit account	9	1,311	1,307
Brewin Dolphin Capital and Income accounts		41,010	28,077
Cash at bank		48,900	35,910
		<u>91,587</u>	<u>65,713</u>
CREDITORS: Amounts falling due within one year	10	<u>6,960</u>	<u>3,450</u>
NET CURRENT ASSETS		<u>84,627</u>	<u>62,263</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,372,540</u>	<u>1,404,830</u>
FUNDS			
Unrestricted	11	<u>1,372,540</u>	<u>1,404,830</u>

Approved by the Board of Trustees on 1 March 2021 and signed on its behalf by



The Very Rev Dr P Shackerley
Trustee

The notes on pages 8 to 11 form part of these accounts

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market value.

Income recognition

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

Donations and collections

Donations, collections and all voluntary income is accounted for gross when received.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

Costs of raising funds

The costs of generating funds consist of investment management costs.

Fixed asset investments

Investments 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.

2. DONATIONS, LEGACIES AND SIMILAR INCOME

	2020 £	2019 £
Legacy from the late Pauline Matthews OBE	2,000	-
Pay Pal Giving Fund	21	145
Regular donations	1,463	1,473
Gift aid relief	366	368
	<u>3,850</u>	<u>1,986</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

3.	INVESTMENT INCOME AND INTEREST		2020	2019
			£	£
	Interest		5	7
	Dividends and interest from portfolio managed by Brewin Dolphin		36,005	49,266
			<u>36,010</u>	<u>49,273</u>
4.	COSTS OF RAISING FUNDS			
		Unrestricted Funds	2020	2019
		£	£	£
	Investment management fees	6,132	6,132	8,108
		<u>6,132</u>	<u>6,132</u>	<u>8,108</u>
5.	CHARITABLE ACTIVITIES			
		Unrestricted Funds	2020	2019
		£	£	£
	Office expenses	7	7	13
	Contribution to salaries paid by Dean and Chapter for:-			
	Director of Music	18,200	18,200	18,200
	Assistant Organist	7,400	7,400	7,400
	Music and singing lessons	4,620	4,620	6,552
	Other choir support	5,292	5,292	10,526
	Organ expenses	-	-	645
	Bank charges	85	85	85
		<u>35,604</u>	<u>35,604</u>	<u>43,421</u>
6.	OTHER COSTS			
		Unrestricted Funds	2020	2019
		£	£	£
	Accountants' charges	679	679	636
	Trustee indemnity insurance	140	140	140
		<u>819</u>	<u>819</u>	<u>776</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020

7. INVESTMENTS	2020	2019
	£	£
Market value at 1 January 2020	1,342,567	1,205,011
Additions to investments at cost	529,508	196,315
Disposals at carrying value	(554,567)	(191,976)
	<hr/>	<hr/>
Net (loss)/gain on revaluation in the year	1,317,508 (29,595)	1,209,350 133,217
	<hr/>	<hr/>
Market value at 31 December 2020	<u>1,287,913</u>	<u>1,342,567</u>
 Investments at market value comprised:	 2020	 2019
	£	£
Equities	1,119,511	1,131,681
Fixed interest securities	168,402	210,886
	<hr/>	<hr/>
	<u>1,287,913</u>	<u>1,342,567</u>
 All investments are carried at their market value. Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open ended investment companies are at the bid price. Asset sales and purchases are recognised at the date of trade at their transaction value.		
 8. DEBTORS	 2020	 2019
	£	£
Gift aid relief receivable	366	368
Accrued income	-	51
	<hr/>	<hr/>
	<u>366</u>	<u>419</u>
 9. SHORT TERM DEPOSITS	 2020	 2019
	£	£
COIF Deposit Account	1,311	1,307
	<hr/>	<hr/>
 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	 2020	 2019
	£	£
Accrued expenses	6,960	3,450
	<hr/>	<hr/>
	<u>6,960</u>	<u>3,450</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Total funds £
Fund balances at 31 December 2020 are represented by:		
Investment assets	1,287,913	1,287,913
Current assets	91,587	91,587
Current liabilities	(6,960)	(6,960)
	<u>1,372,540</u>	<u>1,372,540</u>

12. REMUNERATION OF TRUSTEES AND CONNECTED PERSONS

No remuneration or reimbursed expenses have been paid to Trustees or connected persons during the year.

