

BRECON CATHEDRAL CHOIR TRUST
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022

BRECON CATHEDRAL CHOIR TRUST

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BRECON CATHEDRAL CHOIR TRUST

YEAR ENDED 31 DECEMBER 2022

REFERENCE AND ADMINISTRATIVE INFORMATION

Trustees

The Very Rev Dr P Shackerley
Mr G Davies
Mrs G Jones-Powell
Mr J M Greateorex
Mr M Parry
Mrs R Lloyd
Mr H M Smith FCA
Rev S E Griffith (appointed 13 July 2022)
The Right Rev J D P Lomas (appointed 13 July 2022)

Address of the Trustees

Brecon Cathedral Office
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 2022

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 an Assistant Organist 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 2022 financial year has been influenced by the Covid 19 pandemic and worries over rising inflation causing a fall in the value of investments.

Additional support for the Cathedral's musical staff was contributed to the Dean and Chapter from the government Corona Virus Job Retention Scheme and from Cathedral Music Trust which enabled a restricted fund to be created by Brecon Cathedral Dean and Chapter from the Choir Trust contributions in 2020 and 2021. The fund is being used to pay for accommodation for the Assistant Organist whose housing at Christ College, Brecon ceased.

The Cathedral Choir still has a reduced number of choristers. The Trust has continued its support of the Musical staff and Choir at the Cathedral and will contribute for the cost of replacement robes for the choir to be delivered in 2023 expected to cost £9,625.

The Choir Trust expenditure has increased to £47,891 giving a deficit before investment reductions of £10,661.

As agreed with our investment advisors the Trust continues to receive a fixed monthly sum of £3,500 comprising dividends and capital. Dividends received in the year were £35,577.

The market value of investments and cash held by our investment advisors, Brewin Dolphin, has fallen from £1.49 million to £1.30 million reflecting market concerns over the war in Ukraine and rising inflation.

The Trust has free cash of £55,120 and is expecting to operate on an income deficit in the medium term. Exceptional expenditure may be needed in the short term to assist the choir to return to its pre covid operating levels leaving the Trust's planned free cash to stabilise between £30,000 and £25,000.

BRECON CATHEDRAL CHOIR TRUST

REPORT OF THE TRUSTEES (CONTINUED) **for the year ended 31 December 2022**

Report of the Chair

The year brought challenges with finding alternative accommodation for the Assistant Organist, who as part of his employment contract is provided with accommodation. Christ College Brecon provide this for many years for the services and work done by the organist. We secured a new rental property in Llanddew, paid for by the Choir Trust, through the Dean and Chapter accounts.

With the two new appointments of Bishop of Swansea & Brecon and Cathedral Precentor, the Bishop and Precentor were added as trustees of the Choir Trust. We welcomed Bishop John Lomas and Revd Canon Steven Griffith as trustees.

Recruitment of choristers continue to be difficult as numbers continued to decline. In July 2022 the Director of Music reported new leaflets and banners were produced to present to local schools in Brecon. This was accompanied by a professional recruitment video.

The summer monthly lunchtime concerts and organ recitals have attracted increased audience numbers, thanks to Jon Pilgrim, the Assistant Organist. In 2022 we said farewell to Robin Flower who left for university, who gave ten years faithful and committed service. The organ scholar, Gabriel Kennedy, also left for university. The new Organ Scholar, Peris Hernandez Panes, a former chorister now singing with the Lay Clerks, receives organ lessons from the Assistant Organist, did well in his Grade 5 organ exam and continues to develop his playing at the Cathedral. Peris is a year 13 pupil of Christ College Brecon.

Choristers performed in a concert in May, which included the Head Chorister performing on three instruments, and the Junior Choir performed a short concert after a Sunday service in the spring. Both concerts enable choristers to perform in front of wider audiences, assisting in building their confidence and affirming them in their musical skills.

The Choir Trust has purchased new choir robes from J & M Sewing Services, different in colour and style to the current robes, which will be delivered and used early 2023. Finally, I would like to thank the musicians for their work and commitment to deliver and sustain the choral tradition of Brecon Cathedral in challenging times. My thanks also to the Canon Precentor Father Steven Griffith, the Trustees of the Choir Trust, and the chorister parents and matrons who also contribute to the life and worship of the Cathedral.

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, Brëwin 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.

BRECON CATHEDRAL CHOIR TRUST

REPORT OF THE TRUSTEES (CONTINUED) **for the year ended 31 December 2022**

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.

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 22 March 2023 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 2022 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.

22 March 2023

BRECON CATHEDRAL CHOIR TRUST

STATEMENT OF FINANCIAL ACTIVITIES **for the year ended 31 December 2022**

	Notes	Unrestricted funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS				
Donations, legacies and similar income	2	1,653	1,653	2,485
Investment income	3	35,577	35,577	32,664
TOTAL INCOME		<u>37,230</u>	<u>37,230</u>	<u>35,149</u>
EXPENDITURE:				
<i>Costs of raising funds</i>				
Investment management costs	4	6,630	6,630	6,933
Charitable activities	5	40,344	40,344	32,749
Other	6	917	917	918
TOTAL EXPENDITURE		<u>47,891</u>	<u>47,891</u>	<u>40,600</u>
NET EXPENDITURE		(10,661)	(10,661)	(5,451)
Net (losses)/gains on investment assets	7	(179,327)	(179,327)	174,104
NET MOVEMENT IN FUNDS		<u>(189,988)</u>	<u>(189,988)</u>	<u>168,653</u>
<i>Reconciliation of funds:</i>				
Balances brought forward at 1 January 2022		1,541,193	1,541,193	1,372,540
Balances carried forward at 31 December 2022		<u>1,351,205</u>	<u>1,351,205</u>	<u>1,541,193</u>

BRECON CATHEDRAL CHOIR TRUST**BALANCE SHEET**
as at 31 December 2022

		2022	2021
		£	£
FIXED ASSETS	Note		
Investments	7	1,264,834	1,437,130
CURRENT ASSETS			
Debtors	8	296	491
Brewin Dolphin Capital and Income accounts		30,955	51,109
Cash at bank		65,573	54,991
		96,824	106,591
CREDITORS: Amounts falling due within one year	9	10,453	2,528
NET CURRENT ASSETS		86,371	104,063
TOTAL ASSETS LESS CURRENT LIABILITIES		1,351,205	1,541,193
FUNDS			
Unrestricted	10	1,351,205	1,541,193

Approved by the Board of Trustees on 22 March 2023 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 2022

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

	2022	2021
	£	£
Donations in memory of the late Mr Tom Cannock	-	655
Regular donations	1,308	1,308
Gift aid relief	345	522
	<u>1,653</u>	<u>2,485</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

3. INVESTMENT INCOME AND INTEREST		2022	2021
		£	£
Dividends and interest from portfolio managed by Brewin Dolphin		<u>35,577</u>	<u>32,664</u>
4. COSTS OF RAISING FUNDS			
	Unrestricted Funds	2022	2021
	£	£	£
Investment management fees	<u>6,630</u>	<u>6,630</u>	<u>6,933</u>
5. CHARITABLE ACTIVITIES			
	Unrestricted Funds	2022	2021
	£	£	£
Office expenses	1	1	3
Contribution to salaries paid by Dean and Chapter for:-			
Director of Music	18,200	18,200	12,200
Assistant Organist	7,400	7,400	7,400
Music and singing lessons	4,098	4,098	3,889
Other choir support	10,061	10,061	6,159
Organ expenses	500	500	3,000
Bank charges	84	84	98
	<u>40,344</u>	<u>40,344</u>	<u>32,749</u>
6. OTHER COSTS			
	Unrestricted Funds	2022	2021
	£	£	£
Accountants' charges	715	715	716
Trustee indemnity insurance	202	202	202
	<u>917</u>	<u>917</u>	<u>918</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

7. INVESTMENTS	2022 £	2021 £
Market value at 1 January 2022	1,437,130	1,287,913
Additions to investments at cost	226,419	377,709
Disposals at carrying value	(219,388)	(402,596)
	<u>1,444,161</u>	<u>1,263,026</u>
Net (loss)/gain on revaluation in the year	(179,327)	174,104
	<u>1,264,834</u>	<u>1,437,130</u>

Investments at market value comprised:	2022 £	2021 £
Equities	996,967	1,234,825
Fixed interest securities	267,867	202,305
	<u>1,264,834</u>	<u>1,437,130</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	2022 £	2021 £
Gift aid relief receivable	<u>296</u>	<u>491</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022 £	2021 £
Accrued expenses	<u>10,453</u>	<u>2,528</u>

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS	Unrestricted funds £	Total funds £
Fund balances at 31 December 2022 are represented by:		
Investment assets	1,264,834	1,264,834
Current assets	96,824	96,824
Current liabilities	(10,453)	(10,453)
	<u>1,351,205</u>	<u>1,351,205</u>

BRECON CATHEDRAL CHOIR TRUST

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

11. REMUNERATION OF TRUSTEES AND CONNECTED PERSONS

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