

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

England & Wales · Charity number 235831

Details

Status Registered

Legal form Charitable company

Company number [00211214](#)

Registered 1965-01-13

Register [View on the Charity Commission register](#)

Contact

Address Swansea & Brecon Diocesan Board Of Finance Ltd
Unit 11
Penyfan Business Park
Ffrwdgrech Industrial Estate
Brecon
Powys

Phone 01874623716

Email LOUISEPEARSON@CHURCHINWALES.ORG.UK

Activities

Objects: FOR THE BENEFIT OF ALL OR ANY SOCIETIES, INSTITUTIONS, TRUSTS, ORGANISATIONS AND CHARITIES NOW EXISTING OR HEREAFTER TO EXIST EITHER WHOLLY OR PARTIALLY WITHIN THE DIOCESE OF SWANSEA AND BRECON IN CONNECTION WITH THE CHURCH OF WALES.

Activities: Custodian Trustee for the Diocese of Swansea and Brecon Parochial Trusts

Classification

- **How:** Makes Grants To Organisations, Acts As An Umbrella Or Resource Body
- **What:** Religious Activities
- **Who:** Other Defined Groups

Geography

- **Area of benefit:** POWYS AND WEST GLAMORGAN.
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£79,915	£97,285	-	-
2024-06-30	£74,401	£84,506	-	-
2023-06-30	£83,885	£86,447	-	-
2022-06-30	£59,321	£52,286	-	-
2021-06-30	£57,307	£65,904	-	-

Trustees

Name	Role	Appointed
CAROLYN KIRBY		
Dr Susan Mitchell		2018-01-29
GWYNFOR LEWIS		2018-01-29
ROBERT JOHN WIGLEY		
THE VENERABLE ALAN NEIL JEVONS		2013-11-19
THE VENERABLE Jonathon Davies		2016-09-01
The Right Reverend John Lomas		2022-02-24
The Very Revd Dr Paul Shackerley		2015-12-14
Victor Stuart Batcup		2014-12-13

Accounts

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2025

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust, the Charity, the Company) are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 30 June 2025. The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 30 June 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply 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) (effective 1 January 2019)".

Chair's Report

As Chair of the Swansea and Brecon Diocesan Trust (the Trust) I am pleased present our annual report for the twelve months to 30th June 2025.

Education Services in the Diocese remains a priority for the Trust. In this context we have continued to provide support and guidance to VA and VC Schools while mindful of our responsibility to ensure our finances are such that we can continue in this role for the foreseeable future. Discussions with two schools in the Diocese that have expressed a wish to become Church in Wales Schools have continued.

Plans for a new school building for Christchurch VA School in Swansea have continued through the year. The Diocesan Director of Education is continuing to work closely with the Local Authority on this important matter.

We continue to insure our school buildings for our 5 VA schools and 8 VC schools and to manage the Capital Repair and Maintenance Programme (CRAMP) for our schools, in line with the directive from the Welsh Assembly Government.

Following the disappointment of the closure of Llanbedr School the trustees are determined to ensure that the maximum benefit is obtained from the sale of the property. At the time of writing the property and land has been marketed and the trustees are hopeful that a sale will be agreed within the current financial year. The funds realised will be used to support Church Schools across the Diocese.

The school properties are valued by applying a 7.5 multiplier to the rateable value of each property. There were no changes to rateable values during the year and hence no change in the recorded value of school properties.

The Trust's investment portfolio provided positive returns during the financial year. Responsibility for overseeing investment policies and performance is vested in Swansea and Brecon Diocesan Board of Finance Limited's Investment Sub-Committee on which the Trust is represented. The Investment Managers and the Investment Sub-Committee meet on a regular basis to review investment income and investment values.

To conclude I would like to extend my thanks to the officers of the Trust and their assistants and also to my fellow trustees, for their commitment and care for Trust matters during the year.

Mr Stuart Batcup
Chair

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (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 8-10.

The charity has devolved the management of investments to Brewin Dolphin Ltd 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Restricted funds net expenditure for the year was £17,370 (2024 net expenditure: £10,105) before gains on investments and property revaluations.

- There were no property sales during the year. Funds from the sale of school properties are used to support both Voluntary Aided and Voluntary Controlled Schools.
- The Trust provided funding of £37,321 (2024: £27,647) to the Swansea and Brecon Diocesan Board of Finance Limited to help support the work of the Diocesan Director of Education.
- School building insurance costs met by the Trust were £17,311 (2024: £17,668).
- The Welsh Assembly Government (WAG) made available grant funding of £24,418 for 2024-25 (2023-24: £16,965) through its Capital Repairs and Maintenance Programme (CRAMP) for Voluntary Aided Schools. The CRAMP Scheme runs on an annual basis from April to March. £24,418 was allocated during the Trust's financial year.
- Education properties are valued at £2,595,750 (2024: £2,595,750). The properties are valued by applying a 7.5 multiplier to the rateable value of each property.
- Following the closure of Llanbedr Church in Wales School on 31st August 2023 the property is valued at market value in the financial statements. An independent property consultant assessed the market value without planning permission of the part of the building and land owned by the Trust to be £200,000.
- The principal funding source is the Trust's investment portfolio. Financial markets performed positively during the year. This is reflected in an increase in the value of the Trust's investment portfolio to £1,656,693 (2024: £1,651,004) despite realising losses on investments of £767 (2024: realised losses £3,121) and drawing down £35,000 to provide the cash funding to meet the costs of the maintenance of Nantmel and Llanbedr Schools. The Trust's investment income decreased slightly to £54,547 (2024: £56,486). It is expected that investment income will be maintained at the current levels in the next twelve months.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

Key performance indicators

The trustees consider the key performance indicators to be net income/expenditure before gains/losses on investments and property revaluations and the total funds carried forward at 30 June 2025.

	2025	2024
Net expenditure before gains/losses on investments and property revaluations	(17,370)	(10,105)
Total funds carried forward as at 30 June	4,560,359	4,528,779

Results – Unrestricted Funds

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

	2025 £
Net income	-
Balance brought forward	2,825
Balance carried forward	2,825

Results – Restricted Funds

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

	2025 £
Net (expenditure) before gains on investments and revaluation of educational properties	(17,370)
Net gains on revaluation and disposals of fixed asset investments and education properties	48,950
Net movement in funds	31,580
Balance brought forward	4,525,954
Balance carried forward	4,557,534

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 RBC Brewin Dolphin Ltd. 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

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. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured during the year to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

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's total reserves are £4,560,359 (2024: £4,528,779) of which £4,557,534 (2024: £4,525,954) are restricted funds. Included in restricted funds are fixed assets in the form of school properties valued at £2,595,750 (2024: £2,595,750), former school properties valued at £200,000 (2024: £200,000) and long-term investments valued at £1,656,693 (2024: £1,651,004). As noted earlier in this report the investments represent a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

The charity also holds unrestricted funds of £2,825 (2024: £2,825).

Principal risks and uncertainties

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 principal 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

Induction guidance is available for new trustees. Training available from external providers is continually reviewed and offered to trustees as appropriate. During the year trustees are invited to attend the annual *All Wales Charity Governance, Law & Finance Conference* which includes 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

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 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.

Reference and administrative details

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

The Swansea & Brecon Diocesan Trust Incorporated (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 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 2025 was 9 (2024: 9).

Board of Trustees/Directors

District Judge V S Batcup
 The Venerable J B Davies
 The Venerable A N Jevons
 Mrs. C. Kirby
 Mr G Lewis
 The Right Reverend J D Lomas
 Dr S Mitchell
 The Very Rev'd Dr A P Shackerley
 Mr R Wigley

Company Secretary

Mrs L A Pearson

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)**

Solicitor

Mr J Davenport

Registered Office

Swansea & Brecon Diocesan Centre, Unit 11, Penyfan Business Park, Ffrwdgrech Industrial Estate, Brecon, LD3 8LA.

Independent Examiner

Katherine Parkin FCA, Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB.

Principal Bankers

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

Investment Managers

RBC 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 2025 (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
Colonel Sir JJ Jones Benefaction	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
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
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
Rev DH Picton Benefaction	Managed portfolio comprising equities, fixed interest stocks and cash
Holy Trinity Hall, Gorseinon	Managed portfolio comprising equities, fixed interest stocks and cash

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

Reynoldston Church Hall	Managed portfolio comprising equities, fixed interest stocks and cash
JM Munro Bequest	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Bertha Duncan Trust No 2	Managed portfolio comprising equities, fixed interest stocks and cash
Miss Muriel Duncan Trust, Port Eynon	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
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
College of St Mary Swansea 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 and 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
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
Sw & Br Diocesan Board of Finance	Managed portfolio comprising equities, fixed interest stocks and cash

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2025 (INCLUDING DIRECTORS REPORT) (continued)

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
Merthyr Cynog Parish Room	Cash
Llanbadarn House & Hall Net Sale Proceeds	Cash
Norton Old School Room Net Sale Proceeds	Cash
Coed y Bolyn Common Net Sale Proceeds	Cash
Church Hall, Arlais Road, Llandrindod Wells Net Sale Proceeds	Cash

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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

I report to the trustees on my examination of the financial statements of Swansea and Brecon Diocesan Trust (the charity) for the year ended 30 June 2025.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no 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 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.

K Parkin

Katherine Parkin FCA
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

28 November 2025

Dated

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**
YEAR ENDED 30 JUNE 2025

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Income from:					
Donations and legacies	5	-	24,418	24,418	16,965
Charitable activities	6	-	950	950	950
Investments	7	-	54,547	54,547	56,486
Total Income		-	79,915	79,915	74,401
Expenditure on:					
Raising funds:					
Investment management costs		-	8,261	8,261	7,744
Charitable Activities:					
Funds Distributed		-	79,050	79,050	68,078
Change to School Property Values	12	-	-	-	(394,625)
Support Costs	8	-	3,007	3,007	3,004
Governance Costs	9	-	6,967	6,967	5,680
Total charitable activities		-	89,024	89,024	(317,863)
Total expenditure		-	97,285	97,285	(310,119)
Net income / (expenditure)		-	(17,370)	(17,370)	384,520
Gains on investment assets	10	-	48,950	48,950	131,377
Net movement in funds		-	31,580	31,580	515,897
Reconciliation of funds:					
Total funds brought forward	17,19	2,825	4,525,954	4,528,779	4,012,882
Total funds carried forward	17,19	2,825	4,557,534	4,560,359	4,528,779

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 2025

	Notes	2025	2024
		£	£
Fixed assets			
Tangible Assets	12	2,795,750	2,795,750
Investments	13	<u>1,656,693</u>	<u>1,651,004</u>
Total Fixed Assets		4,452,443	4,446,754
Current assets			
Debtors	14	85,209	59,129
Cash at Bank and in hand		<u>49,115</u>	<u>51,330</u>
Total current assets		134,324	110,459
Creditors: Amounts falling due within one year	15	<u>(26,408)</u>	<u>(28,434)</u>
Net current (liabilities)/assets		107,916	82,025
Net assets		<u>4,560,359</u>	<u>4,528,779</u>
The funds of the charity:			
Restricted funds	17	4,557,534	4,525,954
Unrestricted funds	19	<u>2,825</u>	<u>2,825</u>
Total charity funds	20	<u>4,560,359</u>	<u>4,528,779</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 30th June 2025.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Trustees on 19th Nov 2025

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Mr Stuart Batcup
Director/Trustee

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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 properties and certain financial instruments at fair value. The financial statements 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) (effective 1 January 2019)". 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's 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 -

Income is the amount derived from activities.

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 2025 (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 2025 (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 2025 (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.

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 and future periods.

The following critical judgements have been made in the process of applying the Charity's accounting policies and has the most significant effect on the amounts recognised in the financial statements

- the revaluation of properties as described in note 2 m) above.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (continued)

5	DONATIONS AND LEGACIES	2025	2024
		£	£
	Grants	<u>24,418</u>	<u>16,965</u>
6	CHARITABLE ACTIVITIES	2025	2024
		£	£
	Rental Income	<u>950</u>	<u>950</u>
7	INVESTMENTS	2025	2024
		£	£
	Investment Income - Listed	53,419	55,131
	Bank Interest	<u>1,128</u>	<u>1,355</u>
		<u>54,547</u>	<u>56,486</u>
8	SUPPORT COSTS	2025	2024
		£	£
	Administration Fee	3,000	3,000
	Other Support Costs	<u>7</u>	<u>4</u>
		<u>3,007</u>	<u>3,004</u>
9	GOVERNANCE COSTS	2025	2024
		£	£
	Administration Fee	750	750
	Independent Examiner's Remuneration	5,970	4,810
	Companies House and Bank Services	66	95
	Professional Indemnity Insurance	<u>181</u>	<u>25</u>
		<u>6,967</u>	<u>5,680</u>
10	GAINS/LOSSES ON INVESTMENT ASSETS	2025	2024
		£	£
	Realised losses on investments	(2,075)	(3,121)
	Revaluation gains on investments	<u>51,025</u>	<u>134,498</u>
	Gains on Investment Assets (see Note 13)	<u>48,950</u>	<u>131,377</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (continued)**
11 TOTAL EXPENDITURE

	Diocesan Church Schools and Religious Education Funds £	2025 Total £	2024 Total £
Investment Manager Charges	8,261	8,261	7,744
Education Property	41,729	41,729	34,632
Education Support Costs	37,321	37,321	27,647
Support Costs	3,007	3,007	3,004
Governance Costs	6,967	6,967	5,680
	97,285	97,285	78,707

12 TANGIBLE FIXED ASSETS

	2025 Education Properties £
At 1 July 2024	2,795,750
Gains on Property Revaluations	-
At 30 June 2025	2,795,750
Carrying amount	
30 June 2025	2,795,750
30 June 2024	2,795,750

Land and buildings with a carrying amount of £2,795,750 were valued on the principles provided by an independent valuer.

There were no changes in the rateable values of the Church in Wales schools in the year and hence no changes in the valuations of the properties.

The closure of Llanbedr School in 2023 resulted in a change to the basis on which this property is valued for the purpose of the accounts. In 2024 an independent property consultant assessed the market value without planning permission of the part of the building and land owned by the Trust to be £200,000. This valuation has been used in the current accounts and the trustees are satisfied that there has been no material change in the value of the property.

In 2021 a descendent of the original donor of Nantmel School contacted the Trust claiming an interest in the property under a reverter. Nantmel School has been removed from the education properties valuation for the purposes of the financial statements. The matter is on-going and ownership had not been transferred at the time of the signing of the financial statements. The Trust continues to meet the costs of maintaining the property which will be reimbursed on the sale or transfer of the property.

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 2025 (continued)

13 INVESTMENTS

	2025 Market Value £	2024 Market Value £
Diocesan Church Schools and Religious Education Fund	1,646,118	1,640,736
Diocesan Trusts	10,575	10,268
	<u>1,656,693</u>	<u>1,651,004</u>

The above investments can be analysed as follows:

	2025 £	2024 £
Listed investments	1,656,693	1,644,684
Cash held by investment managers	-	6,320
	<u>1,656,693</u>	<u>1,651,004</u>

The movement year on year is as follows:

	2025 Listed investments £
At 1 July 2024	1,651,004
Additions	366,966
Disposals	(405,981)
Revaluation of investments	51,025
Cash movement	(6,320)
At 30 June 2025	<u>1,656,693</u>

The market value of investments has been taken at 30 June 2025 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 2025.

14 DEBTORS

	2025 £	2024 £
Other debtors	71,397	46,193
Prepayments	13,812	12,936
	<u>85,209</u>	<u>59,129</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025 (continued)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025	2024
	£	£
Other Creditors	3,845	4,260
Accruals	22,563	24,174
	26,408	28,434

16 FINANCIAL INSTRUMENTS	2025	2024
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through statement of financial activities	1,656,693	1,651,004

17 RESTRICTED FUNDS	2025	2024
	£	£
Trust funds vested in the Trust		
Diocesan Church Schools and Religious Education Fund	4,502,857	4,462,475
Diocesan Trust	10,575	10,269
	4,513,432	4,472,744
Trust income accounts		
Diocesan Church Schools and Religious Education Funds	44,324	53,734
Diocesan Trust	(222)	(524)
	44,102	53,210
	4,557,534	4,525,954

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 Investment Managers.

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

- Group Trusts Main: Diocesan Trusts
- Group Trusts Education: 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.

There were no employees during the year (2024: £Nil).

No expenses were incurred by the trustees (2024: £Nil) in connection with their duties

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (continued)

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2025	2025	2025	2024	2024	2024
	£	£	£	£	£	£
Fund balances at 30 June 2025 are represented by:						
Tangible assets	-	2,795,750	2,795,750	-	2,795,750	2,795,750
Investments	-	1,656,693	1,656,693	-	1,651,004	1,651,004
Current assets/(liabilities)	2,825	105,091	107,916	2,825	79,200	82,025
	2,825	4,557,534	4,560,359	2,825	4,525,954	4,528,779

20 MOVEMENT IN FUNDS

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	<u>Total</u>
	Religious education	Diocesan	Religious Education	Diocesan	General funds	
	£	£	£	£	£	£
As at 1 July 2024	4,462,475	10,269	53,734	(524)	2,825	4,528,779
Income		-	79,613	302	-	79,915
Expenditure	(8,262)	-	(89,023)	-	-	(97,285)
Education Property Revaluations	-	-	-	-	-	-
Gains on Investments	48,644	306	-	-	-	48,950
At 30 June 2025	4,502,857	10,575	44,324	(222)	2,825	4,560,359

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025 (continued)

Previous year

	<u>Funds vested in the</u> <u>Trust</u>		<u>Trust income funds</u>		<u>Unrestric</u> <u>ted</u> <u>funds</u> <u>General</u> <u>funds</u>	<u>Total</u>
	Religious education £	Diocesan £	Religious Education £	Diocesan £	£	£
As at 1 July 2023	3,944,976	9,510	50,644	4,927	2,825	4,012,882
Income	-	-	74,053	348	-	74,401
Expenditure	(7,744)	-	(70,963)	(5,799)	-	(84,506)
Education Property Revaluations	394,625	-	-	-	-	394,625
Gains on Investments	130,618	759	-	-	-	131,377
At 30 June 2024	4,462,475	10,269	53,734	(524)	2,825	4,528,779

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2024: £3,750) was paid to the Swansea & Brecon Diocesan Board of Finance Limited for administration fees which is allocated between Support Costs and Governance in the Statement of Financial Activities.

The Trust awarded £41,729 (2024: £27,647) to the Swansea & Brecon Diocesan Board of Finance Limited to contribute towards Education Ministry costs incurred by the Company.

The total amount payable to the Swansea & Brecon Diocesan Board of Finance Limited at the year end was £14,895 (2024: £13,437).

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

The Right Rev'd J D Lomas
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.

Accounts

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2024

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust, the Charity, the Company) are pleased to present their annual report together with the independently examined financial statements of the charity for the year ended 30 June 2024. The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 30 June 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply 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) (effective 1 January 2019)".

Chair's Report

As Chair of the Swansea and Brecon Diocesan Trust (the Trust) I am pleased present our annual report for the twelve months to 30th June 2024.

Education Services in the Diocese remains a priority for the Trust. In this context we have continued to provide support and guidance to VA and VC Schools while mindful of our responsibility to ensure our finances are such that we can continue in this role for the foreseeable future. Discussions with two schools in the Diocese that have expressed a wish to become Church in Wales Schools have continued.

Plans for a new school building for Christchurch VA School in Swansea have progressed through the year. The Diocesan Director of Education is continuing to work closely with the Local Authority on this important matter.

We continue to insure our school buildings for our 6 VA schools and 8 VC schools and to manage the Capital Repair and Maintenance Programme (CRAMP) for our schools, in line with the directive from the Welsh Assembly Government.

Following the disappointment of the closure of Llanbedr School the trustees are determined to ensure that the maximum benefit is obtained from the sale of the property. It is expected that the property will be sold in the near future and the funds realised used to support Church Schools across the Diocese. The closure of Llanbedr School has meant that the basis on which this property is valued for the purpose of the accounts has changed to reflect the change in status. An independent property consultant assessed the market value without planning permission of the part of the building and land owned by the Trust to be £200,000. This valuation has been used in the current accounts and represents a £167,750 increase from the previous carrying value.

An increase in the value of the Trust's property portfolio of £394,625 has been recorded in this year's accounts. The school properties are valued by applying a 7.5 multiplier to the rateable value of each property. The impact of updates of rateable values by the Valuation Office Agency during the year has resulted in a net increase of £226,875 in the recorded value of school properties. The remainder of the increase is represented by the revaluation of Llanbedr School site as described above.

The Trust's investment portfolio has provided positive returns during the last twelve months as markets have shrugged off some of the uncertainties associated with the COVID pandemic and high interest rates. Responsibility for overseeing investment policies and performance is vested in Swansea and Brecon Diocesan Board of Finance Limited's Investment Sub-Committee on which the Trust is represented. The Investment Managers and the Investment Sub-Committee meet on a regular basis to review investment income and investment values.

Finally the trustees were pleased to award a two grants during the year on behalf of the Archdeacon Bevan Memorial Fund to assist with projects researching history and heritage in the Diocese.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT)**

To conclude I would like to extend my thanks to the officers of the Trust and their assistants and also to my fellow trustees, for their commitment and care for Trust matters during the year.


Mr Stuart Batcup
Chair

21st November 2024

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (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 9-10..

The charity has devolved the management of investments to Brewin Dolphin Ltd 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Restricted funds net expenditure for the year was £10,105 (2023 net expenditure: £2,562) before gains on investments and property revaluations.

- There were no property sales during the year. Funds from the sale of school properties are used to support both Voluntary Aided and Voluntary Controlled Schools.
- The Trust provided funding of £27,647 (2023: £30,966) to the Swansea and Brecon Diocesan Board of Finance Limited to help support the work of the Diocesan Director of Education.
- School building insurance costs met by the Trust were £17,668 (2023: £14,674).
- The Welsh Assembly Government (WAG) made available grant funding of £16,965 for 2023-24 (2022-2023: £23,516) through its Capital Repairs and Maintenance Programme (CRAMP) for Voluntary Aided Schools. The CRAMP Scheme runs on an annual basis from April to March. £16,965 was allocated during the Trust's financial year.
- Education properties are valued at £2,595,750 (2023: £2,401,125). The properties are valued by applying a 7.5 multiplier to the rateable value of each property. Amendments to rateable values by the Valuation Office Agency during the year resulted in a net increase in the rateable values of education properties of £26,100 which translates into a £226,875 increase in the valuation of education properties for the purposes of the financial statements.
- Following the closure of Llanbedr Church in Wales School on 31st August 2023 the property is has been valued at market value in the financial statements. An independent property consultant assessed the market value without planning permission of the part of the building and land owned by the Trust to be £200,000. This valuation has been used in the current accounts and represents a £167,750 increase from the previous carrying value
- The principal funding source is the Trust's investment portfolio. Financial markets performed positively during the year. This is reflected in an increase in the value of the Trust's investment portfolio to £1,651,004 (2023: £1,527,371) despite realising losses on investments of £3,121 (2023: realised gain £5,610). The Trust's investment income decreased to £56,486 (2023: £59,850) It is expected that investment income will be maintained at the current levels in the next twelve months.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT) (continued)

Key performance indicators

The trustees consider the key performance indicators to be net income/expenditure before gains/losses on investments and property revaluations and the total funds carried forward at 30 June 2024.

	2024	2023
Net expenditure before gains/losses on investments and property revaluations	(10,105)	(2,562)
Total funds carried forward as at 30 June	4,528,779	4,012,882

Results – Unrestricted Funds

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

	2024 £
Net income	2,825
Balance brought forward	-
Balance carried forward	<u>2,825</u>

Results – Restricted Funds

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

	2024 £
Net (expenditure) before gains on investments and revaluation of educational properties	(10,105)
Net gains on revaluation and disposals of fixed asset investments and education properties	<u>526,002</u>
Net movement in funds	515,897
Balance brought forward	<u>4,010,057</u>
Balance carried forward	<u>4,525,954</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 RBC Brewin Dolphin Ltd. 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT) (continued)

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. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured during the year to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

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's total reserves are £4,528,779 (2023: £4,012,882) of which £4,525,954 (2023: £4,010,057) are restricted funds. Included in restricted funds are fixed assets in the form of school properties valued at £2,595,750 (2023: £2,401,125), former school properties valued at £200,000 (2023: £nil) and long-term investments valued at £1,651,004 (2023: £1,527,371). As noted earlier in this report the investments represent a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

The charity also holds unrestricted funds of £2,825 (2023: £2,825).

Principal risks and uncertainties

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

Induction guidance is available for new trustees. Training available from external providers is continually reviewed and offered to trustees as appropriate. During the year trustees are invited to attend the annual *All Wales Charity Governance, Law & Finance Conference* which includes 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT) (continued)

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 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.

Reference and administrative details

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

The Swansea & Brecon Diocesan Trust Incorporated (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 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 2024 was 9 (2023: 10).

Board of Trustees/Directors

Mrs F Barrow (resigned 22 November 2023)
 District Judge V S Batcup
 The Venerable J B Davies
 The Venerable A N Jevons
 Mrs. C. Kirby
 Mr G Lewis
 The Right Reverend J D Lomas
 Dr S Mitchell
 The Very Rev'd Dr A P Shackerley
 Mr R Wigley

Company Secretary

Mrs L A Pearson

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2024 (INCLUDING DIRECTORS REPORT) (continued)**

Solicitor

Mr J Davenport

Registered Office

Swansea & Brecon Diocesan Centre, Unit 11, Penyfan Business Park, Ffrwdgrech Industrial Estate, Brecon, LD3 8LA.

Independent Examiner

Katherine Parkin FCA, Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB.

Principal Bankers

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

Investment Managers

RBC 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 2024 (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
Colonel Sir JJ Jones Benefaction	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
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
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
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
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
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
Miss Muriel Duncan Trust, Port Eynon	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
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 2024 (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 Brecon Cathedral	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
Sw & Br Diocesan Board of Finance	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
Merthyr Cynog Parish Room	Cash
Llanbadarn House & Hall Net Sale Proceeds	Cash
Norton Old School Room Net Sale Proceeds	Cash
Coed y Belyn Common Net Sale Proceeds	Cash
Church Hall, Arlais Road, Llandrindod	Cash
Wells Net Sale Proceeds	Cash

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

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

I report to the trustees on my examination of the financial statements of Swansea and Brecon Diocesan Trust (the charity) for the year ended 30 June 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

I have completed my examination. I confirm that no 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 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act 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; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

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 financial statements to be reached.



Katherine Parkin FCA
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB
United Kingdom

Dated 4th December 2024

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

YEAR ENDED 30 JUNE 2024

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
<u>Income from:</u>					
Donations and legacies	5	-	16,965	16,965	23,085
Charitable activities	6	-	950	950	950
Investments	7	-	56,486	56,486	59,850
Total income		-	74,401	74,401	83,885
<u>Expenditure on:</u>					
Raising funds:					
Investment management costs			7,744	7,744	7,811
Charitable Activities:					
Funds Distributed		-	68,078	68,078	68,831
Change to School Property Values	12	-	(394,625)	(394,625)	(100,125)
Support Costs	8	-	3,004	3,004	3,005
Governance Costs	9	-	5,680	5,680	6,800
Total charitable activities		-	(317,863)	(317,863)	(21,489)
Total net expenditure		-	(310,119)	(310,119)	(13,678)
Gains/(Losses) on investment assets	10	-	131,377	131,377	(3,608)
Net movement in funds		-	515,897	515,897	93,955
Reconciliation of funds:					
Total funds brought forward	17,19	2,825	4,010,057	4,012,882	3,918,927
Total funds carried forward	17,19	2,825	4,525,954	4,528,779	4,012,882

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 2024

	Notes	2024	2023
		£	£
Fixed assets			
Tangible Assets	12	2,795,750	2,401,125
Investments	13	<u>1,651,004</u>	<u>1,527,371</u>
Total Fixed Assets		4,446,754	3,928,496
Current assets			
Debtors	14	59,129	51,115
Cash at Bank and in hand		<u>51,330</u>	<u>67,976</u>
Total current assets		110,459	119,091
Creditors: Amounts falling due within one year	15	<u>(28,434)</u>	<u>(34,705)</u>
Net current (liabilities)/assets		82,025	84,386
Net assets		<u>4,528,779</u>	<u>4,012,882</u>
The funds of the charity:			
Restricted funds	17	4,525,954	4,010,057
Unrestricted funds	19	<u>2,825</u>	<u>2,825</u>
Total charity funds	20	<u>4,528,779</u>	<u>4,012,882</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 30th June 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Trustees on 21st November 2024

.....
Mr Stuart Batcup
 Director/Trustee

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

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 properties and certain financial instruments at fair value. The financial statements 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) (effective 1 January 2019)". 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's 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 activities.

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 2024 (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 2024 (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 2024 (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.

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 and future periods.

The following critical judgements have been made in the process of applying the Charity's accounting policies and has the most significant effect on the amounts recognised in the financial statements

- the revaluation of properties as described in note 2 m) above.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024 (continued)

5	DONATIONS AND LEGACIES	2024	2023
		£	£
	Grants	16,965	23,085
6	CHARITABLE ACTIVITIES	2024	2023
		£	£
	Rental Income	950	950
7	INVESTMENTS	2024	2023
		£	£
	Investment Income - Listed	55,131	59,351
	Bank Interest	1,355	499
		56,486	59,850
8	SUPPORT COSTS	2024	2023
		£	£
	Administration Fee	3,000	3,000
	Other Support Costs	4	5
		3,004	3,005
9	GOVERNANCE COSTS	2024	2023
		£	£
	Administration Fee	750	750
	Examiner/Auditors' Remuneration	4,810	5,709
	Companies House and Bank Services	95	91
	Professional Indemnity Insurance	25	250
		5,680	6,800
10	GAINS/LOSSES ON INVESTMENT ASSETS	2024	2023
		£	£
	Realised (losses)/gains on investments	(3,121)	5,610
	Revaluation gains/(losses) on investments	134,498	(9,218)
	Gains/(losses) on Investment Assets (see Note 13)	131,377	(3,608)

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024 (continued)

11 TOTAL EXPENDITURE

	Diocesan Church Schools and Religious Education Funds	2024 Total	2023 Total
	£	£	£
Investment Manager Charges	7,744	7,744	7,811
Education Property	34,632	34,632	37,865
Education Support Costs	27,647	27,647	30,966
Professional fees and other costs incurred in relation to the sale of properties	-	-	-
Support Costs	3,004	3,004	3,005
Governance Costs	5,680	5,680	6,800
	78,707	78,707	86,447

12 TANGIBLE FIXED ASSETS

	2024 Education Properties £
At 1 July 2023	2,401,125
Gains on Property Revaluations	394,625
At 30 June 2024	2,795,750
Carrying amount	
30 June 2024	2,795,750
30 June 2023	2,401,125

Land and buildings with a carrying amount of £2,795,750 were valued on the principles provided by an independent valuer. During the year:

- The rateable value of all the Church in Wales schools was adjusted in the year resulting in a net increase in the valuation of the properties of £226,875.
- The closure of Llanbedr School has resulted in a change to the basis on which this property is valued for the purpose of the accounts. An independent property consultant assessed the market value without planning permission of the part of the building and land owned by the Trust to be £200,000. This valuation has been used in the current accounts and represents a £167,750 increase from the previous carrying value.
- In 2021 a descendent of the original donor of Nantmel School contacted the Trust claiming an interest in the property under a reverter. Nantmel School has been removed from the education properties valuation for the purposes of the financial statements. The matter is on-going and ownership had not been transferred at the time of the signing of the financial statements. The Trust continues to meet the costs of maintaining the property which will be reimbursed on the sale or transfer of the property.

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 2024 (continued)

13 INVESTMENTS

	2024	2023
	Market Value	Market Value
	£	£
Diocesan Church Schools and Religious Education Fund	1,640,736	1,517,861
Diocesan Trusts	10,268	9,510
	<u>1,651,004</u>	<u>1,527,371</u>

The above investments can be analysed as follows:

	2024	2023
	£	£
Listed investments	1,644,684	1,491,901
Cash held by investment managers	6,320	35,470
	<u>1,651,004</u>	<u>1,527,371</u>

	2024
	Listed
	investments
	£
At 1 July 2023	1,527,371
Additions	399,584
Disposals	(378,179)
Revaluation of investments	131,377
Cash movement	(29,149)
At 30 June 2024	<u>1,651,004</u>

The market value of investments has been taken at 30 June 2024 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 2024.

14 DEBTORS

	2024	2023
	£	£
Other debtors	46,193	39,295
Prepayments	12,936	11,820
	<u>59,129</u>	<u>51,115</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024 (continued)

15	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2024	2023
		£	£
	Other Creditors	4,260	8,715
	Accruals	24,174	25,990
		28,434	34,705
16	FINANCIAL INSTRUMENTS	2024	2023
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through statement of financial activities	1,651,004	1,527,371
17	RESTRICTED FUNDS	2024	2023
		£	£
	Trust funds vested in the Trust		
	Diocesan Church Schools and Religious Education Fund	4,462,475	3,944,976
	Diocesan Trust	10,269	9,510
		4,472,744	3,954,486
	Trust income accounts		
	Diocesan Church Schools and Religious Education Funds	53,734	50,644
	Diocesan Trust	(524)	4,927
		53,210	55,571
		4,525,954	4,010,057

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 Investment Managers.

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

- Group Trusts Main: Diocesan Trusts
- Group Trusts Education: 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.

There were no employees during the year (2023: £Nil).

No expenses were incurred by the trustees (2023: £Nil) in connection with their duties

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024 (continued)**
19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2024	2024	2024	2023	2023	2023
	£	£	£	£	£	£
Fund balances at 30 June 2024 are represented by:						
Tangible assets	-	2,795,750	2,795,750	-	2,401,125	2,401,125
Investments	-	1,651,004	1,651,004	-	1,527,371	1,527,371
Current assets/(liabilities)	2,825	79,200	82,025	2,825	81,561	84,386
	2,825	4,525,954	4,528,779	2,825	4,010,057	4,012,882

20 MOVEMENT IN FUNDS

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	<u>Total</u>
	Religious education	Diocesan	Religious Education	Diocesan	General funds	
	£	£	£	£	£	£
As at 1 July 2023	3,944,976	9,510	50,644	4,927	2,825	4,012,882
Income	-	-	74,053	348	-	74,401
Expenditure	(7,744)	-	(70,963)	(5,799)	-	(84,506)
Education Property Revaluations	394,625	-	-	-	-	394,625
Gains on Investments	130,618	759	-	-	-	131,377
At 30 June 2024	4,462,475	10,269	53,734	(524)	2,825	4,528,779

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024 (continued)

Previous year

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	
	Religious education	Diocesan	Religious Education	Diocesan	General funds	Total
	£	£	£	£	£	£
As at 1 July 2022	3,856,339	9,547	45,788	4,428	2,825	3,918,927
Income		-	83,386	499	-	83,885
Expenditure	(7,917)	-	(78,530)	-	-	(86,447)
Education Property Revaluations	100,125	-	-	-	-	100,125
Losses on Investments	(3,571)	(37)	-	-	-	(3,608)
At 30 June 2023	<u>3,944,976</u>	<u>9,510</u>	<u>50,644</u>	<u>4,927</u>	<u>2,825</u>	<u>4,012,882</u>

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2023: £3,750) was paid to the Swansea & Brecon Diocesan Board of Finance Limited for administration fees which is allocated between Support Costs and Governance in the Statement of Financial Activities.

The Trust awarded £27,647 (2023: £30,966) to the Swansea & Brecon Diocesan Board of Finance Limited to contribute towards Education Ministry costs incurred by the Company.

The total amount payable to the Swansea & Brecon Diocesan Board of Finance Limited at the year end was £13,437 (2023: £18,002).

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

The Right Rev'd J D Lomas
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.

Accounts

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2023

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust, the Charity, the Company) are pleased to present their annual report together with the audited financial statements of the charity for the year ended 30 June 2023. The trustees, who are also directors for the purposes of company law, are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 30 June 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply 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) (effective 1 January 2019)".

Chair's Report

As I ~~my~~ move into my second year as Chair of Swansea and Brecon Diocesan Trust Incorporated, I am pleased to have the opportunity to report the progress that has been made in number of areas but saddened to have to confirm the closure of Llanbedr school.

Through the year the Education Trust continued 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. The discussions with two schools wishing to become Church in Wales Schools have continued.

The closure of Llanbedr Church in Wales School was an enormous disappointment to the Education Trust. Following a delay to the implementation of the proposal from 31st August 2022 to 31st August 2023 Powys County Council closed the School on 31st August 2023. This decision was taken despite the best efforts of the governors, staff and parents and I thank everybody involved in the campaign to keep the school open. While by no means compensating for the closure of the School it should be noted that the funds from the sale of the land will be made available for use across the Diocese.

Estyn and Church inspections of Diocesan Schools have been very positive although the lack of open space and outdoor provision remains a concern. There are plans for a new School building for Christchurch VA School in Swansea and the Diocesan Director of Education is currently working with the Local Authority to progress the project.

An increase in the value of the Trust's school property portfolio of over £100,000 is recorded in this year's accounts. The properties are valued by applying a 7.5 multiplier to the rateable value of each property. The increase reflects the impact of an update of rateable values by the Valuation Office Agency came into effect on 1 April 2023.

In financial terms investment income and investment values have largely recovered from the impact of the COVID-19 pandemic. However, the Trust's investment portfolio has effectively trodden water during the last twelve months as investment values continued to be impacted by the conflict in Ukraine, increases in energy prices and wider inflationary pressures. The Trust's Investment Portfolio is managed by RBC Brewin Dolphin Ltd following the acquisition of Brewin Dolphin Limited by the Royal Bank of Canada. RBC Brewin Dolphin report to the Swansea and Brecon Diocesan Board of Finance Limited's Investment Sub-Committee on which the Trust is represented. The Investment Managers and the Investment Sub-Committee meet on a regular basis to review investment income and investment values.

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.

Mr Stuart Batcup
Chair

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (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 8-9.

The charity has devolved the management of investments to Brewin Dolphin Ltd 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Restricted funds net expenditure for the year was £2,562 (2022 net income: £37,785) before gains on investments and property revaluations.

- There were no property sales during the year. Funds from the sale of school properties are used to support both Voluntary Aided and Voluntary Controlled Schools.
- The Trust provided funding of £30,966 (2022: £25,726) to the Swansea and Brecon Diocesan Board of Finance Limited to help support the work of the Diocesan Director of Education.
- School building insurance costs met by the Trust were £14,674 (2022: £15,578).
- The Welsh Assembly Government (WAG) made available grant funding of £23,516 for 2022-23 (2021-2022: £23,156) through its Capital Repairs and Maintenance Programme (CRAMP) for Voluntary Aided Schools. The CRAMP Scheme runs on an annual basis from April to March. £23,085 was allocated during the Trust's financial year.
- Education properties are valued at £2,401,125 (2022: £2,301,000). The properties are valued by applying a 7.5 multiplier to the rateable value of each property. An update of rateable values by the Valuation Office Agency came into effect on 1 April 2023. The impact of the valuation was a net increase in the rateable values of education properties of £13,350 which translates into a £100,125 increase in the valuation of education properties for the purposes of the financial statements.
- The principal funding source is the Trust's investment portfolio. Financial markets stalled during the year due to the impact of inflation, higher interest rates and the conflict in Ukraine. This is reflected in a small decline in the value of the Trust's investment portfolio to £1,527,371 (2022: £1,588,790) despite realising gains on investments of £1,691 (2022: realised gain £59,819). The Trust's investment income increased to £59,850 (2022: £56,227). Despite the current challenges to financial markets the Trust's investment managers are forecasting that investment income will be maintained at the current levels in the next twelve months.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT) (continued)****Key performance indicators**

The trustees consider the key performance indicators to be net income/expenditure before gains/losses on investments and property revaluations and the total funds carried forward at 30 June 2023.

	2023	2022
Net (expenditure)/income for the year before gains on investments	(2,562)	37,785
Total funds carried forward as at 30 June	4,012,882	3,918,927

Results – Unrestricted Funds

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

	2023 £
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:

	2023 £
Net (expenditure) before losses on investments and revaluation of educational properties	(2,562)
Net gains on revaluation and disposals of fixed asset investments and education properties	<u>96,517</u>
Net movement in funds	93,955
Balance brought forward	<u>3,916,102</u>
Balance carried forward	<u>4,010,057</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 RBC Brewin Dolphin Ltd. 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT) (continued)

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. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured during the year to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

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's total reserves are £4,012,882 (2022: £3,918,927) of which £4,010,057 (2022: £3,916,102) are restricted funds. Included in restricted funds are fixed assets in the form of school properties valued at £2,401,125 (2022: £2,301,000) and long-term investments valued at £1,527,371 (2022: £1,588,790). As noted earlier in this report the investments represent a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

The charity also holds unrestricted funds of £2,825 (2022: £2,825).

Principal risks and uncertainties

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

Induction guidance is available for new trustees.

Training available from external providers is continually reviewed and offered to trustees as appropriate. During the year trustees are invited to attend the annual *All Wales Charity Governance, Law & Finance Conference* which includes 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT) (continued)

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 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.

Reference and administrative details

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

The Swansea & Brecon Diocesan Trust Incorporated (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 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 2023 was 11 (2022: 11).

Board of Trustees/Directors

Mrs F Barrow (resigned 22 November 2023)

District Judge V S Batcup

The Venerable J B Davies

The Venerable A N Jevons

Mrs. C. Kirby

Mr G Lewis

The Right Reverend J D Lomas

Dr S Mitchell

The Very Rev'd Dr A P Shackerley

Mr R Wigley

Company Secretary

Mrs L A Pearson

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2023 (INCLUDING DIRECTORS REPORT) (continued)**

Solicitor

Mr J Davenport

Registered Office

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

Independent Auditors

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

Principal Bankers

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

Investment Managers

RBC 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 2023 (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
Colonel Sir JJ Jones Benefaction	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
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
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
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
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
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
Miss Muriel Duncan Trust, Port Eynon	Managed portfolio comprising equities, fixed interest stocks and cash
Penllergaer Sunday School Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Llanddetty 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
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 2023 (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
Cysternmouin '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
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
Norton Old School Room Net Sale Proceeds	Cash
Coed y Bolyn Common Net Sale Proceeds	Cash
Church House, Lion Street Brecon Net Sale Proceeds	Cash
Church Hall, Arlais Road, Llandrindod Wells Net Sale Proceeds	Cash

Managed portfolio funds are held in separately identified accounts by the Investment Manager RBC Brewin Dolphin Ltd. 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 2023 (INCLUDING DIRECTORS REPORT) (continued)**

Statement of trustees' responsibilities

The trustees, who are also the directors of The Swansea & Brecon Diocesan Trust Incorporated for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

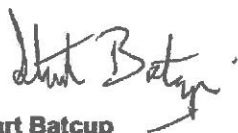
Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- 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 adequate 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 Companies Act 2006. 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.

By order of the Board of Trustees



**Mr Stuart Batcup
Director/Trustee**

Date 13th March 2024

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

Opinion

We have audited the financial statements of Swansea & Brecon Diocesan Trust Incorporated (the 'charity') for the year ended 30 June 2023 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 2023 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 basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 144 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud.
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

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

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 have formed.

Azets Audit Service

28-3-2024

.....

Azets Audit Services

Chartered Accountants

Statutory Auditor

Ty Derw

Lime Tree Court

Cardiff Gate Business Park

Cardiff

CF23 8AB

Azets 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 2023

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Income from:					
Donations and legacies	5	-	23,085	23,085	2,144
Charitable activities	6	-	950	950	950
Investments	7	-	59,850	59,850	56,227
Total Income		-	83,885	83,885	59,321
Expenditure on:					
Raising funds:					
Investment management costs		-	7,811	7,811	8,324
Charitable Activities:					
Funds Distributed		-	68,831	68,831	5,453
Change to School Property Values	12	-	(100,125)	(100,125)	30,750
Support Costs	8	-	3,005	3,005	2,404
Governance Costs	9	-	6,800	6,800	5,355
Total charitable activities		-	(21,489)	(21,489)	43,962
Total net expenditure		-	(13,678)	(13,678)	52,286
Losses on investment assets	10	-	(3,608)	(3,608)	(104,944)
Net movement in funds		-	93,955	93,955	(97,909)
Reconciliation of funds:					
Total funds brought forward	17,19	2,825	3,916,102	3,918,927	4,016,836
Total funds carried forward	17,19	2,825	4,010,057	4,012,882	3,918,927

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 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible Assets	12	2,401,125		2,301,000	
Investments	13	1,527,371		1,588,790	
Total Fixed Assets		3,928,496		3,889,790	
Current assets					
Debtors	14	51,115		43,451	
Cash at Bank and in hand		67,976		27,705	
Total current assets		119,091		71,156	
Creditors: Amounts falling due within one year	15	(34,705)		(42,019)	
Net current (liabilities)/assets		84,386		29,137	
Net assets		4,012,882		3,918,927	
The funds of the charity:					
Restricted funds	17	4,010,057		3,916,102	
Unrestricted funds	19	2,825		2,825	
Total charity funds	20	4,012,882		3,918,927	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30th June 2023 although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Trustees on 13th March 2024



 Mr Stuart Batcup
 Director/Trustee

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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 properties and certain financial instruments at fair value. The financial statements 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) (effective 1 January 2019)". 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's 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 activities.

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 2023 (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 2023 (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 2023 (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.

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 and future periods.

The following critical judgements have been made in the process of applying the Charity's accounting policies and has the most significant effect on the amounts recognised in the financial statements

- the revaluation of properties as described in note 2 m) above.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

5	DONATIONS AND LEGACIES	2023	2022
		£	£
	Grants	<u>23,085</u>	<u>2,144</u>
		23,085	2,144
6	CHARITABLE ACTIVITIES	2023	2022
		£	£
	Rental Income	<u>950</u>	<u>950</u>
		950	950
7	INVESTMENTS	2023	2022
		£	£
	Investment Income - Listed	<u>59,351</u>	<u>55,998</u>
	Bank Interest	<u>499</u>	<u>229</u>
		59,850	56,227
8	SUPPORT COSTS	2023	2022
		£	£
	Administration Fee	<u>3,000</u>	<u>3,000</u>
	Professional Fees	<u>-</u>	<u>(600)</u>
	Other Support Costs	<u>5</u>	<u>4</u>
		3,005	2,404
9	GOVERNANCE COSTS	2023	2022
		£	£
	Administration Fee	<u>750</u>	<u>750</u>
	Auditors' Remuneration	<u>5,709</u>	<u>4,224</u>
	Companies House and Bank Services	<u>91</u>	<u>131</u>
	Professional Indemnity Insurance	<u>250</u>	<u>250</u>
		6,800	5,355
10	GAINS/LOSSES ON INVESTMENT ASSETS	2023	2022
		£	£
	Realised gains on investments	<u>5,610</u>	<u>(9,672)</u>
	Revaluation of investments (see Note 13)	<u>(9,218)</u>	<u>(95,272)</u>
	(Losses) on Investment Assets	<u>(3,608)</u>	<u>(104,944)</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)**
11 TOTAL EXPENDITURE

	Diocesan Church Schools and Religious Education Funds £	2023 Total £	2022 Total £
Investment Manager Charges	7,811	7,811	8,324
Education Property	37,865	37,865	(22,331)
Education Support Costs	30,966	30,966	25,726
Professional fees and other costs incurred in relation to the sale of properties	-	-	2,058
Support Costs	3,005	3,005	2,404
Governance Costs	6,800	6,800	5,355
	86,447	86,447	21,536

The credit for Education Property Costs in 2022 is a result of the final sum actually payable in respect of the contribution to the build costs of Archdeacon Griffiths VA Church in Wales School in Llyswen being £540,071, £43,245 less than the value provided for in the 2021 financial statements.

12 TANGIBLE FIXED ASSETS

	2023 Education Properties £
At 1 July 2022	2,301,000
Gains on Property Revaluations	100,125
At 30 June 2023	2,401,125
 Carrying amount 30 June 2023	 2,401,125
 30 June 2022	 2,301,000

Land and buildings with a carrying amount of £2,401,125 were valued on the principles provided by an independent valuer. During the year:

- The rateable value of all the Church in Wales schools was adjusted in the year resulting in a net increase in the valuation of the properties of £100,125.
- In 2021 a descendent of the original donor of Nantmel School contacted the Trust claiming an interest in the property under a reverter. Nantmel School has been removed from the education properties valuation for the purposes of the financial statements. The matter is on-going and ownership had not been transferred at the time of the signing of the financial statements. The Trust continues to meet the costs of maintaining the property which will be reimbursed on the sale or transfer of the property.

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 2023 (continued)

13 INVESTMENTS

	2023 Market Value £	2022 Market Value £
Diocesan Church Schools and Religious Education Fund	1,517,861	1,579,243
Diocesan Trusts	9,510	9,547
	<u>1,527,371</u>	<u>1,588,790</u>

The above investments can be analysed as follows:

	2023 £	2022 £
Listed investments	1,491,901	1,544,257
Cash held by investment managers	35,470	44,533
	<u>1,527,371</u>	<u>1,588,790</u>

	2023 Listed Investments £
The movement year on year is as follows:	
At 1 July 2022	1,588,790
Additions	318,743
Disposals	(361,180)
Revaluation of investments	(9,218)
Cash movement	(9,064)
At 30 June 2023	<u>1,527,371</u>

The market value of investments has been taken at 30 June 2023 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 2023.

14 DEBTORS

	2023 £	2022 £
Other debtors	39,295	33,116
Prepayments	11,820	10,335
	<u>51,115</u>	<u>43,451</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)

15	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2023	2022
		£	£
	Other Creditors	8,715	7,662
	Accruals	25,990	34,357
		34,705	42,019
16	FINANCIAL INSTRUMENTS	2023	2022
		£	£
	Carrying amount of financial assets		
	Instruments measured at fair value through statement of financial activities	1,527,371	1,588,791
17	RESTRICTED FUNDS	2023	2022
		£	£
	Trust funds vested in the Trust		
	Diocesan Church Schools and Religious Education Fund	3,944,976	3,856,339
	Diocesan Trust	9,510	9,547
		3,954,486	3,865,886
	Trust income accounts		
	Diocesan Church Schools and Religious Education Funds	50,644	45,788
	Diocesan Trust	4,927	4,428
		55,571	50,216
		4,010,057	3,916,102

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 Investment Managers.

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

- Group Trusts Main: Diocesan Trusts
- Group Trusts Education: 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.

There were no employees during the year (2022: £Nil).

No expenses were incurred by the trustees (2022: £Nil) in connection with their duties

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)**
19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fund balances at 30 June 2023 are represented by:						
Tangible assets	-	2,401,125	2,401,125	-	2,301,000	2,301,000
Investments	-	1,527,371	1,527,371	-	1,588,791	1,588,791
Current assets/(liabilities)	2,825	81,561	84,386	2,825	26,311	29,136
	<u>2,825</u>	<u>4,010,057</u>	<u>4,012,882</u>	<u>2,825</u>	<u>3,916,102</u>	<u>3,918,927</u>

20 MOVEMENT IN FUNDS

	<u>Funds vested in the Trust</u>		<u>Trust Income funds</u>		<u>Unrestricted funds</u>	<u>Total</u>
	Religious education	Diocesan	Religious Education	Diocesan	General funds	
	£	£	£	£	£	£
As at 1 July 2022	3,856,339	9,547	45,788	4,428	2,825	3,918,927
Income		-	83,386	499	-	83,885
Expenditure	(7,917)	-	(78,530)	-	-	(86,447)
Education Property Revaluations	100,125	-	-	-	-	100,125
Losses on Investments	(3,571)	(37)	-	-	-	(3,608)
At 30 June 2023	<u>3,944,976</u>	<u>9,510</u>	<u>50,644</u>	<u>4,927</u>	<u>2,825</u>	<u>4,012,882</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023 (continued)**

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	<u>Total</u> £
	<u>Religious education</u> £	<u>Diocesan</u> £	<u>Religious Education</u> £	<u>Diocesan</u> £	<u>General funds</u> £	
As at 1 July 2021	3,956,310	10,348	43,209	4,144	2,825	4,016,836
Income	-	-	59,037	284	-	59,321
Net Expenditure	34,922	-	(56,458)	-	-	(21,536)
Education Property Revaluations	(30,750)	-	-	-	-	(30,750)
Losses on Investments	(104,143)	(801)	-	-	-	(104,944)
At 30 June 2022	<u>3,856,339</u>	<u>9,547</u>	<u>45,788</u>	<u>4,428</u>	<u>2,825</u>	<u>3,918,927</u>

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2022: £3,750) was paid to the Swansea & Brecon Diocesan Board of Finance Limited for administration fees which is allocated between Support Costs and Governance in the Statement of Financial Activities.

The Trust awarded £30,966 (2022: £25,726) to the Swansea & Brecon Diocesan Board of Finance Limited to contribute towards Education Ministry costs incurred by the Company.

The total amount payable to the Swansea & Brecon Diocesan Board of Finance Limited at the year end was £18,002 (2022: £28,087).

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

The Right Rev'd J D Lomas
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.

James Davenport is the Trust's solicitor. Legal fees of £Nil (2022: £2,058) were paid to H Vaughan Vaughan & Co, a firm of solicitors of which James Davenport is a partner during the year.

Accounts

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2022

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust, the Charity, the Company) are pleased to present their annual report together with the audited financial statements of the charity for the year ended 30 June 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply 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) (effective 1 January 2019)".

Chair's Report

This is my first report as Chair of the Swansea & Brecon Diocesan Trust Incorporated and I was greatly honoured to be invited by my fellow trustees to assume to the role of Chair at our meeting in November 2022.

Through the year the Education Trust has supported 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. The discussions with two schools wishing to become Church in Wales Schools have continued.

The Education Trust was enormously disappointed at Powys County Council's proposal to close Llanbedr Church in Wales School. At the time of writing Powys County Council has agreed to delay implementation of the proposal from 31st August 2022 to 31st August 2023 pending a review of the Crickhowell catchment area and we continue to support the pupils, teachers, parents and governors during this challenging period.

I am pleased to be able to confirm that the land transfer for Archdeacon Griffiths School was completed during the year. All documentation is now complete and the final contribution towards the build costs of the School payable by the Trust was agreed and settled during the year.

In financial terms the main challenges facing the Trust relate to the risk of a reduction in investment income and a fall in the value of investments. Having largely recovered from the impact of the COVID-19 pandemic the value of the Trust's investments have been impacted by the conflict in Ukraine, increases in energy prices and wider inflationary pressures during the last twelve months. The Trust's Investment Portfolio is managed by Brewin Dolphin Limited. Brewin Dolphin Limited report to the Swansea and Brecon Diocesan Board of Finance Limited's Investment Sub-Committee on which the Trust is represented. The Investment Managers and the Investment Sub-Committee meet on a regular basis to review investment income and investment values.

During the year the Trust re-aligned the holdings in its investment portfolio to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021.

As with other organisations, the pandemic has had an impact on our administrative operations. With the continuing relaxing of restrictions this year we have moved away from meeting only online to enjoy the benefits of a hybrid approach of meeting both in person and remotely.

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.

Mr Stuart Batcup
Chair

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (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 8-9.

The charity has devolved the management of investments to Brewin Dolphin Ltd 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Restricted funds net income for the year was £37,785 (2021 net expenditure: £8,597) before gains on investments and property revaluations.

- There were no property sales during the year. Funds from the sale of school properties are used to support both Voluntary Aided and Voluntary Controlled Schools.
- The Trust provided funding of £25,726 (2021: £24,068) to the Swansea and Brecon Diocesan Board of Finance Limited to help support the work of the Diocesan Director of Education.
- School building insurance costs met by the Trust were £15,578 (2021: £13,041).
- The Welsh Assembly Government (WAG) made available grant funding of £23,516 for 2021-22 and 2022-2023 (2020-2021: £18,861) through its Capital Repairs and Maintenance Programme (CRAMP) for Voluntary Aided Schools. The CRAMP runs on an annual basis from April to March. Due to the constraints on activities related to COVID-19 restrictions £2,144 was allocated during the Trust's financial year. A further £19,339 has been awarded post year end.
- The 2021 financial statements included a provision for £583,316 being the Diocesan Trust's contribution towards the build costs for the Archdeacon Griffiths VA Church in Wales School in Llyswen. During the year the Trust received and paid the final invoice for the sum of £540,071, from Powys CC following the formal completion of a land swap of property at the school site between the Diocesan Trust and Powys CC. The over provision of £43,245 is recorded as a credit to Funds Distributed in the Statement of Financial Activities.
- The 2021 financial statements included a provision for £108,098 being the Diocesan Trust's contribution towards the build costs of the extension to the Llangattock VA Church in Wales School. During the year the Trust received and paid an invoice for this sum from Powys CC.
- Education properties are valued at £2,301,000 (2021: £2,331,750). The properties are valued by applying a 7.5 multiplier to the rateable value of each property. During the year a descendent of the original donor of Nantmel School contacted the Trust claiming an interest in the property under a reverter. Nantmel School has been removed from the education properties valuation for the purposes of the financial statements. The value recorded for the property in the 2021 financial statements was £34,500. Also during the year the rateable value of the Church in Wales school at Bryntirion, Rhayader increased resulting in a £3,750 increase in the valuation of the property.
- The principal funding source is the Trust's investment portfolio. The post COVID recovery of the financial markets stalled during the year due to the impact of inflation, higher interest rates and the conflict in Ukraine. This is reflected in a decline in the value of the Trust's investment portfolio to £1,588,790 (2021: £1,702,058) despite realising gains on investments of £59,819 (2021: realised gain £104,511). The Trust's investment income increased to £55,998 (2021: £43,367), a return to the levels enjoyed prior to the start of the COVID-19 pandemic. Despite the current challenges to financial markets the Trust's investment managers are forecasting that investment income will be maintained at the current levels in the next twelve months. During the year the Trust re-aligned the holdings in its investment portfolio to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021.

COVID-19

For the Diocesan Trust the financial impact of COVID-19 has been less material than was anticipated at the start of the pandemic.

The investment portfolio value of £1,702,058 at the start of the financial year represented the highest quarterly portfolio value recorded by the Trust including pre COVID-19 quarter ends. During the current financial year it has been other factors such as inflation, higher interest rates and the conflict in Ukraine that have been the main factors impacting investment values.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT) (continued)

Investment income of £55,998 (2021: £43,367) is a significant increase compared to the previous year and represents a return to the levels enjoyed prior to the start of the COVID-19 pandemic. As referred to above despite the current challenges to financial markets the Trust's investment managers are forecasting that investment income will be maintained at the current levels in the next twelve months.

For the year end 30th June 2023, the trustees have approved a budget that will enable the Trust to maintain its current level of support to the VA and VC schools in the Diocese. Moving forward the Trustees are hopeful that investment income will be maintained at pre-pandemic levels and remain aware that they have a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

Key performance indicators

The trustees 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 2022.

	2022	2021
Net income/(expenditure) for the year before gains on investments	37,785	(8,597)
Total funds carried forward as at 30 June	3,918,927	4,016,836

Results – Unrestricted Funds

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

	2022 £
Net income	-
Balance brought forward	2,825
Balance carried forward	2,825

Results – Restricted Funds

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

	2022 £
Net (expenditure) before losses on investments	37,785
Gains on revaluation and disposals of fixed asset investments and education properties	(135,694)
Net movement in funds	(97,909)
Balance brought forward	4,014,011
Balance carried forward	3,916,102

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 Ltd. 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT) (continued)

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. The investments are made in full accordance with the Ethical Investment Policy adopted by the RBCIW. The investment portfolio was restructured during the year to reflect the changes to the RBCIW Ethical Investment Policy approved by the Governing Body in April 2021, namely that no investments would be made in any company deriving more than 5% of its turnover from the production or the extraction of fossil fuels.

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's total reserves are £3,918,927.

Of which £3,916,102 (2021: £4,014,011) are restricted funds which includes £2,301,000 (2021: £2,331,750) held in fixed assets and represent the value of the school properties owned by the trust and £1,588,790 (2021: £1,702,058) held in long term investments. As noted earlier in this report the investments represent a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

The charity's also holds unrestricted funds of £2,825.

Principal risks and uncertainties

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 Audit 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT) (continued)

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 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.

Reference and administrative details

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

The Swansea & Brecon Diocesan Trust Incorporated (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 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 2022 was 11 (2021: 10).

Board of Trustees/Directors

Mrs F Barrow
 District Judge V S Batcup
 The Venerable J B Davies
 The Venerable A N Jevons
 Mrs. C. Kirby
 Mr G Lewis
 The Right Reverend J D Lomas (appointed 24th February 2022)
 Dr S Mitchell
 The Very Rev'd Dr A P Shackerley
 Mr N O Tyler
 Mr R Wigley

Company Secretary

Mrs L A Pearson

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2022 (INCLUDING DIRECTORS REPORT) (continued)**

Solicitor

Mr T Davenport (resigned 14th April 2022)
Mr J Davenport (appointed 14th April 2022)

Registered Office

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

Independent Auditors

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

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 2022 (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 Harner (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
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
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
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
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
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
Miss Muriel Duncan Trust, Port Eynon	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
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 2022 (INCLUDING DIRECTORS REPORT) (continued)**

College of St Mary Swansea.	
Benefaction	
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
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 Ltd. 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 2022 (INCLUDING DIRECTORS REPORT) (continued)**

Statement of trustees' responsibilities

The trustees, who are also the directors of The Swansea & Brecon Diocesan Trust Incorporated for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

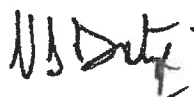
Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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; and
- 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 adequate 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 Companies Act 2006. 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.

By order of the Board of Trustees



Mr Stuart Batcup
Director/Trustee

Date 15th March 2023

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

Opinion

We have audited the financial statements of Swansea & Brecon Diocesan Trust Incorporated (the 'charity') for the year ended 30 June 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 2022 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 basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 144 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud.
- Reviewing minutes of meetings of those charged with governance.
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

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

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 have formed.

Azets Audit Services

24 March 2023

Azets Audit Services

**Chartered Accountants
Statutory Auditor**
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets 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 2022**

Company Number: 00211214

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations and legacies	5	-	2,144	2,144	12,924
Charitable activities	6	-	950	950	950
Investments	7	-	56,227	56,227	43,433
Total income		-	59,321	59,321	57,307
Expenditure on:					
Raising funds:					
Investment management costs		-	8,324	8,324	7,610
Charitable Activities:					
Funds Distributed		-	5,453	5,453	48,124
Change to School Property Values	12	-	30,750	30,750	-
Support Costs	8	-	2,404	2,404	4,200
Governance Costs	9	-	5,355	5,355	5,970
Total charitable activities		-	43,962	43,962	58,294
Total expenditure		-	52,286	52,286	65,904
Other recognised gains/losses	10	-	(104,944)	(104,944)	249,819
Net movement in funds		-	(97,909)	(97,909)	241,222
Reconciliation of funds:					
Total funds brought forward	17,19	2,825	4,014,011	4,016,836	3,775,614
Total funds carried forward	17,19	2,825	3,916,102	3,918,927	4,016,836

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 2022**

Company Number: 00211214
Charity Number: 235831

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible Assets	12	2,301,000		2,331,750	
Investments	13	1,588,790		1,702,058	
Total Fixed Assets		3,889,790		4,033,808	
Current assets					
Debtors	14	43,451		37,250	
Cash at Bank and in hand		27,705		666,571	
Total current assets		71,156		703,821	
Creditors: Amounts falling due within one year	15	(42,019)		(720,793)	
Net current (liabilities)/assets		29,137		(16,972)	
Net assets		3,918,927		4,016,836	
The funds of the charity:					
Restricted funds	17	3,916,102		4,014,011	
Unrestricted funds	19	2,825		2,825	
Total charity funds	20	3,918,927		4,016,836	

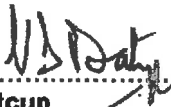
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 30th June 2022 although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 Trustees on 15th March 2023


.....
Mr Stuart Batcup
Director/Trustee

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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 financial statements 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) (effective 1 January 2019)". 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's 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 activities.

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 2022 (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 2022 (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 2022 (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.

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 and future periods.

The following critical judgements have been made in the process of applying the Charity's accounting policies and has the most significant effect on the amounts recognised in the financial statements

- the revaluation of properties as described in note 2 m) above.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

5	DONATIONS AND LEGACIES	2022	2021
		£	£
	Grants	<u>2,144</u>	<u>12,924</u>
		2,144	12,924
6	CHARITABLE ACTIVITIES	2022	2021
		£	£
	Rental Income	<u>950</u>	<u>950</u>
		950	950
7	INVESTMENTS	2022	2021
		£	£
	Investment Income - Listed	<u>55,998</u>	<u>43,367</u>
	Bank Interest	<u>229</u>	<u>66</u>
		56,227	43,433
8	SUPPORT COSTS	2022	2021
		£	£
	Administration Fee	<u>3,000</u>	<u>3,000</u>
	Professional Fees	<u>(600)</u>	<u>1,200</u>
	Other Support Costs	<u>4</u>	<u>-</u>
		2,404	4,200
9	GOVERNANCE COSTS	2022	2021
		£	£
	Administration Fee	<u>750</u>	<u>750</u>
	Auditors' Remuneration	<u>4,224</u>	<u>4,900</u>
	Companies House and Bank Services	<u>131</u>	<u>77</u>
	Professional Indemnity Insurance	<u>250</u>	<u>243</u>
		5,355	5,970
10	OTHER RECOGNISED GAINS AND LOSSES	2022	2021
		£	£
	(Losses)/Gains on Investments	<u>(104,944)</u>	<u>249,819</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**
11 TOTAL EXPENDITURE

	Diocesan Church Schools and Religious Education Funds £	2022 Total £	2021 Total £
Investment Manager Charges	8,324	8,324	7,610
Education Property	(22,331)	(22,331)	24,056
Education Support Costs	25,726	25,726	24,068
Professional fees and other costs incurred in relation to the sale of properties	2,058	2,058	-
Support Costs	2,404	2,404	4,200
Governance Costs	5,355	5,355	5,970
	21,536	21,536	65,904

The credit for Education Property Costs is a result of the final sum actually payable in respect of the contribution to the build costs of Archdeacon Griffiths VA Church in Wales School in Llyswn being £540,071, £43,245 less than the value provided for in the 2021 financial statements.

12 TANGIBLE FIXED ASSETS

	2022 Education Properties £
At 1 July 2021	2,331,750
(Losses)/Gains on Property Revaluations	(30,750)
At 30 June 2022	2,301,000
 Carrying amount 30 June 2022	 2,301,000
 30 June 2021	 2,331,750

Land and buildings with a carrying amount of £2,301,000 were valued on the principles provided by an independent valuer. During the year:

- A descendent of the original donor of Nantmel School contacted the Trust claiming an interest in the property under a reverter. Nantmel School has been removed from the education properties valuation for the purposes of the financial statements. The value recorded for the property in the 2021 financial statements was £34,500.
- The rateable value of the Church in Wales school at Bryntirion, Rhayader increased resulting in a £3,750 increase in the valuation of the property.

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 2022 (continued)

13 INVESTMENTS

Investments are divided into various trusts as shown below:

	2022 Book Value £	2022 Market Value £	2021 Book Value £	2021 Market value £
Diocesan Church Schools and Religious Education Fund	1,362,569	1,579,243	1,311,074	1,691,710
Diocesan Trusts	7,464	9,547	7,590	10,348
	<u>1,370,033</u>	<u>1,588,790</u>	<u>1,318,664</u>	<u>1,702,058</u>

The above investments can be analysed as follows:

	2022 £	2021 £
Listed Investments	1,544,257	1,678,186
Cash held by investment managers	44,533	23,872
	<u>1,588,790</u>	<u>1,702,058</u>

The movement year on year is as follows:

	2022 Listed Investments £
At 1 July 2021	1,702,058
Additions	432,680
Disposals	(461,665)
Gain on disposals of investments	59,819
Unrealised loss on investments	(164,763)
Cash movement	20,661
At 30 June 2022	<u>1,588,790</u>

The market value of investments has been taken at 30 June 2022 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 2022.

Gains on investments include realised gains of £59,819 (2021 loss £104,512) and unrealised losses of £164,763 (2021 gain £145,307), giving rise to a net loss of £104,944 (2021: net gain of £249,819).

14 DEBTORS

	2022 £	2021 £
Other debtors and prepayments	<u>43,451</u>	<u>37,250</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2022	2021
	£	£
Other Creditors and Accruals	42,019	720,793

The 2021 accounts included provisions for £583,316 and £108,098, being contributions towards the build costs of the Archdeacon Griffiths VA Church in Wales School in Llyswen and an extension to the Llangattock VA Church in Wales School respectively. These contributions were paid during the year, the sums actually payable being £540,071 in respect of Archdeacon Griffiths VA Church in Wales School in Llyswen and £108,098 in respect of Llangattock VA Church in Wales School.

16 FINANCIAL INSTRUMENTS	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through statement of financial activities	1,588,791	1,702,058

17 RESTRICTED FUNDS	2022	2021
	£	£
Trust funds vested in the Trust		
Diocesan Church Schools and Religious Education Fund	3,856,338	3,956,310
Diocesan Trust	9,547	10,348
	3,865,885	3,966,658
Trust income accounts		
Diocesan Church Schools and Religious Education Funds	45,789	43,209
Diocesan Trust	4,428	4,144
	50,217	47,353
	3,916,102	4,014,011

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 Investment Managers.

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

- Group Trusts Main: Diocesan Trusts
- Group Trusts Education: 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.

There were no employees during the year (2021: £Nil).

No expenses were incurred by the trustees (2021: £Nil) in connection with their duties

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022 (continued)

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£
Fund balances at 30 June 2022 are represented by:						
Tangible assets	-	2,301,000	2,301,000	-	2,331,750	2,331,750
Investments	-	1,588,791	1,588,791	-	1,702,058	1,702,058
Current assets/(liabilities)	2,825	26,311	29,136	2,825	(19,797)	(16,972)
	2,825	3,916,102	3,918,927	2,825	4,014,011	4,016,836

20 MOVEMENT IN FUNDS

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	Total
	Religious education	Diocesan	Religious Education	Diocesan	General funds	£
	£	£	£	£	£	£
As at 1 July 2021	3,956,310	10,348	43,209	4,144	2,825	4,016,836
Income	-	-	59,037	284	-	59,321
Expenditure	4,172	-	(56,458)	-	-	(52,286)
Losses on Investments	(104,143)	(801)	-	-	-	(104,944)
At 30 June 2022	3,856,339	9,547	45,788	4,428	2,825	3,918,927

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	Total
	Religious education	Diocesan	Religious Education	Diocesan	General funds	£
	£	£	£	£	£	£
As at 1 July 2020	3,715,566	8,883	44,480	3,860	2,825	3,775,614
Income	-	-	57,023	284	-	57,307
Expenditure	(7,610)	-	(58,294)	-	-	(65,904)
Gains on Investments	248,354	1,465	-	-	-	249,819
At 30 June 2021	3,956,310	10,348	43,209	4,144	2,825	4,016,836

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022 (continued)**

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2021: £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 Trust awarded £25,726 (2021: £24,068) to the Swansea & Brecon Diocesan Board of Finance Limited to contribute towards Education Ministry costs incurred by the Company.

The total amount payable to the Swansea & Brecon Diocesan Board of Finance Limited at the year end was £28,087 (2021: £15,119).

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

The Right Rev'd J D Lomas (appointed 24th February 2022 to Swansea and Brecon Diocesan Trust and Swansea & Brecon Diocesan Board of Finance)

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.

James Davenport was appointed as the Trust's solicitor on 14th April 2022. Legal fees of £2,058 (2021: nil) were paid to H Vaughan Vaughan & Co, a firm of solicitors of which James Davenport is a partner during the year.

Tim Davenport resigned as the Trust's solicitor on 14th April 2022. Legal fees of £nil (2021: £906) were paid to Red Kite, a firm of solicitors for whom Tim Davenport acted as consultant until his resignation in January 2021.

Accounts

Company Number: 00211214
Charity Number: 235831

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

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SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT)

Report of the Trustees for the year ended 30 June 2021

The trustees of the Swansea & Brecon Diocesan Trust Incorporated (the Trust, the Charity, the Company) are pleased to present their annual report together with the audited financial statements of the charity for the year ended 30 June 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply 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) (effective 1 January 2019)".

Chair's Report

During the Diocesan Episcopal Interregnum, I have adopted the role of Acting Chair for the Diocesan Trust. As an existing Trustee, with my fellow Trustees and Officers, we have continued the work of the Trust.

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. The discussions with two schools wishing to become Church in Wales have continued.

As with other organisations, the pandemic has had an impact on our administrative operations. We have moved to digital meetings both internally and externally. This has enabled us to review the snagging works to Llangattock School more closely than we would previously been able to do I am pleased to confirm that all works are completed, and final invoices paid. We continue with the legal conversations concerning the land transfer for Archdeacon Griffiths School and hope to have a resolution shortly. Our administrative staff have worked on establishing a digital filing system to facilitate the blended approach of home and office-based working.

The COVID-19 pandemic is undoubtedly having a significant financial and non-financial impact on the Trust. In financial terms the main challenges facing the Trust relate to a reduction in investment income and a fall in the value of investments. The Trust's Investment Portfolio is managed by Brewin Dolphin Limited. Brewin Dolphin Limited report to the Swansea and Brecon Diocesan Board of Finance Limited's Investment Sub-Committee. The Investment Managers and the Investment Sub-Committee have met on a number of occasions since COVID-19 pandemic began to effect stock market performance to review the impact of COVID-19 on investment income and investment values and identify measures that can be taken to mitigate the impact.

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 Venerable Alan Jevons
Acting Chair

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (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 8-9.

The charity has devolved the management of investments to Brewin Dolphin Ltd 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT) (continued)

Financial Review

Restricted funds net expenditure for the year was £8,597 (2020 net income: £179,374) before gains on investments and property revaluations.

- There were no property sales during the year. Funds from the sale of school properties are used to support both Voluntary Aided and Voluntary Controlled Schools.
- The Trust provided funding of £24,068 (2020: £26,266) to the Swansea and Brecon Diocesan Board of Finance Limited to help support the work of the Diocesan Director of Education.
- School building insurance costs met by the Trust were £13,041 (2020: £13,273).
- The Welsh Assembly Government (WAG) provided grants of £18,861 (2020: £8,658) through its Capital Repairs and Maintenance Programme (CRAMP) for Voluntary Aided Schools. The total funding was allocated by the WAG ahead of claims for 2020/21 "to keep supply chains and projects stimulated". Due to the constraints on activities related to COVID-19 restrictions only £12,924 was allocated during the year. The WAG has confirmed that any funding not claimed can be carried forward for 2021/2022.
- The accounts include a provision for £583,316 carried forward from the previous year being the Diocesan Trust's contribution towards the build costs for the Archdeacon Griffiths VA Church in Wales School in Llyswn. The Trust is awaiting the invoice from Powys CC which is expected to be provided following the formal completion of a land swap of property at the school site between the Diocesan Trust and Powys CC
- The accounts include a provision for £108,098 carried forward from the previous year being the Diocesan Trust's contribution towards the build costs of the extension to the Llangattock VA Church in Wales School. The cost of the 15% contribution payable by the Trust is £115,287 and the accrual in the financial statements for £108,908 is the outstanding balance payable after the deduction of a first tranche payment of £7,189.
- Education properties were valued at £2,331,750 (2020: £2,331,750). The properties are valued by applying a 7.5 multiplier to the rateable value of each property.
- The principal funding source is the Trust's investment portfolio. The recovery of the financial markets since March 2020 from the impact of COVID-19 is shown in the increase in the value of the Trust's investment portfolio to £1,702,058 (2020: £1,459,850) and the recognised gains on investments of £104,511 (2020: recognised loss £120,155). The Trust's investment income of £43,149 (2020: £53,600) reflects the reduction of income pay-outs in many sectors and the ongoing low interest rates. In the light of these market conditions the trustees initially amended the investment income policy post year end to authorise the investment managers to move to a total returns policy which permits them to realise capital gains to make up any difference between the shortfall in target income and dividend income. A subsequent review identified that this policy could potentially contravene the governing documents of some of the Trusts and Bequests for which the Diocesan Trust acts as custodian trustee. The trustees therefore agreed to reverse the decision to move to a total returns investment policy and approved a return to an "investment income only" distribution policy.

COVID-19

During 2020/21 it was expected that the COVID-19 virus would have a financial impact on the Trust both in terms of a reduction in dividend income and a fall in the value of investments.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT) (continued)

As at 30th June 2021 the impact on investment values has been less significant than anticipated. The investment portfolio value of £1,702,058 as at 30th June 2021 represents the highest quarterly portfolio value recorded to date including pre COVID-19 quarter ends.

Investment income of £43,149 (2020: £53,600) represents a significant reduction compared to pre pandemic levels. In the light of current market conditions and the guidance from the investment managers the trustees expect investment income to increase in the year ended 30th June 2022. For the year end 30th June 2022, the trustees have approved a budget that will enable the Trust to maintain its current level of support to the VA and VC schools in the Diocese. Moving forward the Trustees are hopeful that investment income will return to pre-pandemic levels and remain aware that they have a long-term commitment to support education in the Diocese and hence the importance of maintaining an investment portfolio to generate future income.

Key performance indicators

The trustees 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 2021.

	2021	2020
Net (expenditure) for the year before gains on investments	(8,597)	(179,374)
Total funds carried forward as at 30 June	4,014,011	3,775,614

Results – Unrestricted Funds

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

	2021 £
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:

	2021 £
Net (expenditure) before losses on investments	(8,597)
Gains on revaluation and disposals of fixed asset investments and education properties	<u>249,819</u>
Net income	241,222
Balance brought forward	<u>3,772,789</u>
Balance carried forward	<u>4,014,011</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 Ltd. 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT) (continued)

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.

Principal risks and uncertainties

The recommendations of the report to review governance matters carried out 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 presented 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 Audit 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.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)**REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT) (continued)**

Financial statements

The company is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the trustees 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 (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (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 2021 was 10 (2020: 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 (resigned 2nd May 2021)
 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

Azets Audit Services, Ty Derw, Lime Tree Court, Cardiff Gate Business Park, Cardiff, CF23 8AB

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 (THE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (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
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
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
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
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
Miss Muriel Duncan Trust, Port Eynon	Managed portfolio comprising equities, fixed interest stocks and cash
Penllergaer Sunday School Trust	Managed portfolio comprising equities, fixed interest stocks and cash
Llanddety 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
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 (THE)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (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
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 Ltd. Cash funds are held in the Diocesan Trust's bank accounts.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2021 (INCLUDING DIRECTORS REPORT) (continued)

Statement of trustees' responsibilities

The trustees (who are also directors of the Swansea and Brecon Diocesan 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.

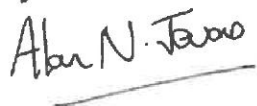
Disclosure of information to auditors

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 Venerable Alan Jevons
Director/Trustee

Date 24th November 2021

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

Opinion

We have audited the financial statements of Swansea & Brecon Diocesan Trust Incorporated (the 'charity') for the year ended 30 June 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows 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 2021 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 basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE) (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 144 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;

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

- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 have formed.

Sarah Case

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

02-12-2021
.....

**Chartered Accountants
Statutory Auditor**
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets 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 (THE)
**STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**
YEAR ENDED 30 JUNE 2021

Company Number: 00211214

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Income from:					
Donations and legacies	5	-	12,924	12,924	8,658
Charitable activities	6	-	950	950	3,869
Investments	7	-	43,433	43,433	53,600
Total income		-	57,307	57,307	66,127
Expenditure on:					
Raising funds:					
Investment management costs		-	7,610	7,610	7,556
Charitable Activities:					
Funds Distributed		-	48,124	48,124	227,871
Support Costs	8	-	4,200	4,200	3,799
Governance Costs	9	-	5,970	5,970	6,275
Total charitable activities		-	58,294	58,294	237,945
Total expenditure		-	65,904	65,904	245,501
Other recognised gains/losses	10	-	249,819	249,819	(120,155)
Net movement in funds		-	241,222	241,222	(299,529)
Reconciliation of funds:					
Total funds brought forward	17,19	2,825	3,772,789	3,775,614	4,075,143
Total funds carried forward	17,19	2,825	4,014,011	4,016,836	3,775,614

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 (THE)

BALANCE SHEET AS AT 30 JUNE 2021

Company Number: 00211214
Charity Number: 235831

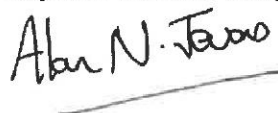
	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible Assets	12	2,331,750		2,331,750	
Investments	13	<u>1,702,058</u>		<u>1,459,850</u>	
Total Fixed Assets		4,033,808		3,791,600	
Current assets					
Debtors	14	37,250		32,807	
Cash at Bank and in hand		<u>666,571</u>		<u>684,904</u>	
Total current assets		703,821		717,711	
Creditors: Amounts falling due within one year	15	<u>(720,793)</u>		<u>(733,697)</u>	
Net current (liabilities)/assets		(16,972)		(15,986)	
Net assets		<u>4,016,836</u>		<u>3,775,614</u>	
The funds of the charity:					
Restricted funds	17	4,014,011		3,772,789	
Unrestricted funds		<u>2,825</u>		<u>2,825</u>	
Total charity funds	20	<u>4,016,836</u>		<u>3,775,614</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 2021, although an audit has been carried out under section 144 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 Venerable Alan Jevons
Director/Trustee
24th November 2021

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 financial statements 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) (effective 1 January 2019)". 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's 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 (THE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (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 (THE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (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 (THE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (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.

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 and 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 net of the associated impairment provision.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (continued)

5	DONATIONS AND LEGACIES	2021	2020
		£	£
	Grants	12,924	8,658
		12,924	8,658
6	CHARITABLE ACTIVITIES	2021	2020
		£	£
	Rental Income	950	950
	Property Sales	-	2,919
		950	3,869
7	INVESTMENTS	2021	2020
		£	£
	Investment Income - Listed	43,367	52,661
	Bank Interest	66	939
		43,433	53,600
8	SUPPORT COSTS	2021	2020
		£	£
	Administration Fee	3,000	3,000
	Professional Fees	1,200	602
	Other Support Costs	-	197
		4,200	3,799
9	GOVERNANCE COSTS	2021	2020
		£	£
	Administration Fee	750	750
	Auditors' Remuneration	4,900	5,217
	Companies House and Bank Services	77	88
	Professional Indemnity Insurance	243	220
		5,970	6,275

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (continued)**

10 OTHER RECOGNISED GAINS AND LOSSES	2021	2020
	£	£
Gains/(Losses) on investments	249,819	(120,155)
Property Revaluations	-	-
	249,819	(120,155)

11 TOTAL EXPENDITURE	Diocesan Church Schools and Religious Education Funds	2021 Total	2020 Total
	£	£	£
Stockbroker's Charges	7,610	7,610	7,556
Education Property	24,056	24,056	21,931
Education Support Costs	24,068	24,068	26,266
Professional fees and other costs incurred in relation to the sale of properties	-	-	3,606
Support Costs	4,200	4,200	3,799
Governance Costs	5,970	5,970	6,275
	65,904	65,904	69,433

12 TANGIBLE FIXED ASSETS	2021 Education Properties £
At 1 July 2020	2,331,750
At 30 June 2021	2,331,750
Carrying amount	
30 June 2021	2,331,750
30 June 2020	2,331,750

Land and buildings with a carrying amount of £2,331,750 were valued on the principles provided by an independent valuer.

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 (THE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (continued)

13 INVESTMENTS

Investments are divided into various trusts as shown below:

	2021 Book Value £	2021 Market Value £	2020 Book Value £	2020 Market value £
Diocesan Church Schools and Religious Education Fund	1,311,074	1,691,710	1,184,351	1,450,967
Diocesan Trusts	7,590	10,348	7,023	8,883
	<u>1,318,664</u>	<u>1,702,058</u>	<u>1,191,374</u>	<u>1,459,850</u>

The above investments can be analysed as follows:

	2021 £	2020 £
Listed investments	1,678,186	1,430,028
Cash held by investment managers	23,872	29,822
	<u>1,702,058</u>	<u>1,459,850</u>

	2021 Listed investments £
The movement year on year is as follows:	
At 1 July 2020	1,459,850
Additions	910,773
Disposals	(912,435)
Gain on disposals of investments	104,512
Unrealised gain on investments	145,307
Cash movement	(5,949)
At 30 June 2021	<u>1,702,058</u>

The market value of investments has been taken at 30 June 2021 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 2021.

Gains on investments include realised gains/losses of £104,512 (2020 loss £3,694) and unrealised gains of £145,307 (2020 loss £116,461), giving rise to a net gain of £249,819 (2020: net loss of £120,155).

14 DEBTORS

	2021 £	2020 £
Other debtors and prepayments	<u>37,250</u>	<u>32,807</u>

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)
**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (continued)**

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021 £	2020 £
Other Creditors and Accruals	720,793	733,697

The accounts include provisions for £583,316 and £108,098 being contributions towards the build costs of the Archdeacon Griffiths VA Church in Wales School in Llysven and an extension to the Llangattock VA Church in Wales School respectively.

16 FINANCIAL INSTRUMENTS	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through statement of financial activities	1,702,058	1,459,850

17 RESTRICTED FUNDS

	2021 £	2020 £
Trust funds vested in the Trust		
Diocesan Church Schools and Religious Education Fund	3,956,310	3,715,566
Diocesan Trust	10,348	8,883
	3,966,658	3,724,449
Trust income accounts		
Diocesan Church Schools and Religious Education Funds	43,209	44,480
Diocesan Trust	4,144	3,860
	47,353	48,340
	4,014,011	3,772,789

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 Main: Diocesan Trusts
- Group Trusts Education: 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.

There were no employees during the year (2020: £Nil).

No expenses were incurred by the trustees (2020: £Nil) in connection with their duties.

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021 (continued)

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£
Fund balances at 30 June 2021 are represented by:						
Tangible assets	-	2,331,750	2,331,750	-	2,331,750	2,331,750
Investments	-	1,702,058	1,702,058	-	1,459,850	1,459,850
Current assets/(liabilities)	2,825	(19,797)	(16,972)	2,825	(18,811)	(15,986)
	2,825	4,014,011	4,016,836	2,825	3,772,789	3,775,614

20 MOVEMENT IN FUNDS

	<u>Funds vested in the Trust</u>		<u>Trust income funds</u>		<u>Unrestricted funds</u>	Total £
	Religious education £	Diocesan £	Religious Education £	Diocesan £	General funds £	
As at 1 July 2020	3,715,566	8,883	44,480	3,860	2,825	3,775,614
Income	248,354	1,465	57,023	284	-	307,126
Expenditure	(7,610)	-	(58,294)	-	-	(65,904)
At 30 June 2021	3,956,310	10,348	43,209	4,144	2,825	4,016,836

SWANSEA & BRECON DIOCESAN TRUST INCORPORATED (THE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021 (continued)

21 RELATED PARTY TRANSACTIONS

An amount of £3,750 (2020: £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 Trust awarded £24,068 (2020: £26,266) to the Swansea & Brecon Diocesan Board of Finance Limited to contribute towards Education Ministry costs incurred by the Company.

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

The Most Rev'd J D E Davies (resigned 2nd May 2021 from Swansea and Brecon Diocesan Trust and Swansea & Brecon Diocesan Board of Finance)

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 was the solicitor for the company. An amount of £1,200 (2020: £4,208) was paid to Red Kite Solicitors, a firm for which T. J. P. Davenport acted as consultant until 30th January 2021 respect of solicitor's fees.

