

# **Trustees' Annual Report and Financial Statements**

**South Wales Miners' Welfare Trust Fund Scheme**

**Registered Charity Number 507439**

**For the year ended 31 December 2020**

## **South Wales Miners' Welfare Trust Fund Scheme**

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## **South Wales Miners' Welfare Trust Fund Scheme**

### **Trustees' Annual Report for the year ended 31 December 2020**

#### **Reference and administrative information**

**Charity Registration Number:** 507439

**Principal (Registered) Office:** CISWO  
Unit 5 Maritime Offices  
Woodland Terrace  
Maesycoed  
Pontypridd  
CF37 1DZ

**Convalescent Home:** Court Royal Convalescent Home  
Southcliff Road  
Bournemouth  
Dorset  
BH2 5BE

**Trustees:** Mr W Thomas  
Mr T O'Sullivan OBE  
Mr K T Williams  
Mr G J Roberts  
Mr C Earland  
Mr M R Parsons

**Secretary & Treasurer:** Mr A J Morse FCCA

**Auditors:** R H Jeffs & Rowe  
27/28 Gelliwastad Road  
Pontypridd  
CF37 2BW

**Bankers:** Unity Trust Bank PLC  
Nine Brindley Place  
Birmingham  
B1 2HB

**Investment Advisors:** Sarasin & Partners LLP  
Juxon House  
100 St Pauls Churchyard  
London  
EC4M 8BU

## **South Wales Miners' Welfare Trust Fund Scheme**

### **Trustees' Annual Report for the year ended 31 December 2020**

The Trustees present their report and audited financial statements for the year ended 31 December 2020.

#### **Objectives and Activities**

The South Wales Miners Welfare Trust Fund Scheme hold the Trust monies and apply the income arising from the funds in accordance with the provisions of the Trust Deed.

The Trust Fund retains its consolidated status following the transfer into the Trust Fund of four other South Wales mining related Convalescent and Trust Funds on their subsisting Trusts, these being the Convalescent Home for the South Wales Mining Industry, David Davies Memorial Trusts, Hafod Miners' Welfare Women's Convalescent Home & Girls Camp and the South Wales & Monmouthshire Convalescent Home Endowment Fund Scheme. The objects of the largest of these charities, being the Convalescent Home charity, previously registered under registration number 206608, remain that of a convalescent home for beneficiaries of the South Wales Mining Industry

#### **Governing Document**

The unincorporated Charity is governed by a Declaration of Trust dated 20th March 1978, as amended by a Supplemental Trust Deed dated 4 November 2013, and registered as a Charity with the Charity Commission with the number 507439.

#### **Recruitment and Appointment of Trustees**

New Trustees of the Charity are selected by the Trustee board taking into account the skills and life experience of the effects of the mining industry and mining communities. Trustees are equally representative of employers and employees and all new appointments are endorsed by CISWO. Upon appointment, the Trustees serve in office indefinitely or until vacation of their particular employed office, or voluntary resignation.

#### **Trustee Induction and Training**

The Charity has a structured induction policy, whereby any new Trustees are invited and encouraged to attend a mini series of short training sessions to familiarise themselves with the Charity and the context within which it operates. These are jointly lead by a deputation of the Trustees and the Secretary of the Charity and cover: -

- The responsibilities of Charity Trustees
- The governing documents which represent the cornerstone of the Charity and policy documents which set out the operational framework for the Charity.
- Resourcing and the current financial position as set out in the latest published accounts.
- Future plans and objectives.

A question & answer pack has also been prepared drawing information from the various Charity Commission publications signposted through the Commission's guide "the essential trustee" as a follow up to these sessions. This is distributed to all new Trustees along with the governing documents and the latest financial statements.

#### **Risk Management**

The Trustees have examined the major strategic, business and operational risks which the Charity faces and confirms that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

## **South Wales Miners' Welfare Trust Fund Scheme**

### **Trustees' Annual Report for the year ended 31 December 2020**

#### **Organisational Structure**

The Charity now has a Trustee body of six members who meet quarterly and are responsible for the strategic direction and policy of the Charity.

Day to day administrative services are supported by the Coal Industry Social Welfare Organisation, South Wales Area, whose staff perform administration duties and act as Secretary to the Trust.

The Convalescent Home Manager has responsibility for the day-to-day operational management of the Home, the supervision of the Home's general staff team and client care.

#### **Achievements and Performance**

The activity and operation of the charity has been significantly impacted by the COVID 19 pandemic throughout 2020. The charity closed the Convalescent Home on 24 March 2020 and it remained closed throughout the year.

#### **Public Benefit**

The Trustees' have had regard to the Charity Commission's guidance on public benefit.

#### **Financial Review**

Incoming resources in the period amounted to £433,606 (2019 - £704,762). Income in 2020 included the following:

- Income from investments - £262,143 (2019 - £274,307);
- Provision of convalescence breaks - £33,620 (2019 - £413,006);
- Grants & Donations - £1,055 (2019 - £16,229);
- Job Retention Scheme - £136,626 (2019 - £Nil).

Income has reduced significantly due to the closure of the convalescence facility in March 2020. The staff were furlough and claims made under the Job Retention Scheme.

Total resources expended in the period amounted to £655,734 (2019 - £950,557). Costs were lower than 2019 as the convalescence facility remained closed from March to December.

Administration, Governance and Support costs amounted to £369,414 with the majority of these costs relating to Fund Manager's fees in administering five portfolios with a combined market valuation of £7.53 million at year end.

#### **Statement of Net Investment Gains/(Losses)**

The consolidated Charity recorded net investment gains of £413,606 resulting in an overall increase in asset value of £191,478, increasing the Trust Fund's asset value from £8,742,544 to £8,934,022.

The majority of investments are administered by Messrs Sarasin LLP who generated a total return for the year of 10.1% against a benchmark of 7.3%. In terms of a rolling three-year performance, the Fund Manager's performance returned 7.9% against a benchmark return of 6.4%.

#### **Statement of Investment Principles**

The Funds' discretionary management agreement with Sarasin & Partners LLP provides for obtaining "reasonable long-term overall return at modest risk within specific restrictions on investment".

##### **1.1 Investment Principles**

1) The Trustees have appointed an investment manager, Sarasin & Partners LLP, to manage the assets of the Funds in accordance with the principles set out in this Statement and within the guidelines set down from time to time by the Trustees.

## **South Wales Miners' Welfare Trust Fund Scheme**

### **Trustees' Annual Report for the year ended 31 December 2020**

2) The Trustees will monitor the performance of the investment manager against stated Performance Objective. Performance reports and valuations will be obtained quarterly. Attendance by the manager at client meetings is by client request.

3) The Trustees do not impose any restrictions whether in respect of ethical, social or environmental matters, or voting policy, or otherwise, with the exception of the points listed in the "Current Investment Arrangements" below, believing that this course is in the best interests of the objectives of the Funds.

#### **1.2 Investment Objectives**

4) The primary objective of the Trustees is to ensure that the Funds are invested so as to provide as high an annual income as possible within the parameters of agreed asset allocation. Income targets may be set by the Trustees from time to time. The current income target of the Fund (after managements fees deducted at source from the 3 main funds) is £210,000.

5) All Funds are to be managed on a discretionary basis.

6) The object of the Funds is to support charitable causes.

7) The assets will be invested in diverse portfolios of investments, consistent with a medium risk profile.

8) A further objective (the Performance Objective) of the Trustees is for the manager to achieve, over rolling three-year periods, a total return on investments which is above average when compared to the specific benchmarks of the Fund.

#### **1.3 Current Investment Arrangements**

9) Sarasin & Partners LLP have been appointed the discretionary investment manager of the Fund. The Investments are held in the name of a nominee vehicle.

10) The investment in the Funds are restricted to the following ranges: 90% Alpha Common Investment Fund for Endowments & 10% Alpha Common Investment Fund for Income and Reserves

#### **Reserves Policy**

The reserves of the charity at 31st December 2020 stood at £8,934,022. The Trustees regard demand for social welfare assistance to still be in the region of ten to fifteen years, and are therefore committed to a conscious draw down from reserves on a gradual basis with the intention of assisting mining beneficiaries during their remaining lifetime. Furthermore, the Trustees recognise the distinction between the Unrestricted and Restricted aspects of the consolidated Trust Fund, and rather than wilfully enact piecemeal disposals off Restricted Fund Investment portfolios, have permitted working transfers from Unrestricted liquid funds which will become repayable from Restricted Funds in due course.

#### **Plans for Future Periods**

The Trustees are evaluating current spending policy and striving to reconcile longevity of demand. A conscious decision to reduce the cost of convalescent opportunities in 2017 has resulted in buoyant demand levels. In order to maintain such interest, the Trustees had been pursuing a major investment refurbishment programme to revitalise the games room area and create additional floor space in the sun lounge area. The Trustees have resolved an ongoing commitment to educational grant assistance from unrestricted funds, now that the David Davies restricted fund is exhausted.

#### **Statement of Trustees' Responsibilities**

The Charities Act requires the Trustees to ensure that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the Charity and of the financial activities of the Charity for that period. In the preparation of those financial statements the Trustees are required to ensure that:-

## **South Wales Miners' Welfare Trust Fund Scheme**

### **Trustees' Annual Report for the year ended 31 December 2020**

1. Suitable accounting policies are selected and applied consistently;
2. Judgements and estimates are reasonable and prudent;
3. Preparation of the financial statements is on the going concern basis unless it is inappropriate

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity. 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.

The Trustees confirm that as far as they are aware, there is no relevant audit information of which the Charity's auditors are unaware. They have taken all the steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Trustees and signed on their behalf on 1 December 2021 by:

A handwritten signature in black ink, appearing to read 'W. Thomas', is written over a horizontal line.

**Wayne Thomas**  
(Trustee)

**Independent auditors' report to the members of South Wales Miners' Welfare Trust Fund Scheme  
Unincorporated Charity**

We have audited the financial statements of South Wales Miners' Welfare Trust Fund Scheme for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charities' members as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that act. Our audit work has been undertaken so that we might state to the charities' members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume liability to anyone other than the charity and the charities' members as a body, for our audit work, for this report or for the opinions we have formed.

**Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees Responsibility Statement (Set out on pages 18-22, 23-24) the trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the charity's financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit the financial statements in accordance with applicable law International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the relevant financial reporting framework and are prepared in accordance with the Charities Act 2011.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, including its income and expenditure, 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 Charities Act 2011.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

**R.H. Jeffs & Rowe**  
**Chartered Accountants and Statutory Auditor**  
**27/28 Gelliwastad Road**  
**Pontypridd**  
**CF37 2BW**

**1 December 2021**



# South Wales Miners' Welfare Trust Fund Scheme

## Statement of Financial Activities for the year ended 31 December 2020

	Notes	Unrestricted & Designated	Restricted	Total 2020 £	Total 2019 £
		£	£		
<b>Income &amp; Endowments</b>					
<i>Donations:</i>					
Grants & Donations	2	-	1,055	1,055	16,229
Investment Income		58,221	203,922	262,143	274,307
Convalescence Scheme Income		-	33,620	33,620	413,006
Employees Contributions		162	-	162	1,220
Job Retention Scheme Grant		-	136,626	136,626	-
<b>Total Income &amp; Endowments</b>		<u>58,383</u>	<u>375,223</u>	<u>433,606</u>	<u>704,762</u>
<b>Expenditure</b>					
<i>Costs of raising funds:</i>					
Investment management costs	3	7,595	30,967	38,562	39,336
<i>Expenditure on charitable activities:</i>					
Charitable activities	3	<u>32,697</u>	<u>584,475</u>	<u>617,172</u>	<u>911,221</u>
<b>Total Expenditure</b>		<u>40,292</u>	<u>615,442</u>	<u>655,734</u>	<u>950,557</u>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>					
		<u>18,091</u>	<u>(240,219)</u>	<u>(222,128)</u>	<u>(245,795)</u>
Net gains/(losses) on investments	3	<u>97,264</u>	<u>316,342</u>	<u>413,606</u>	<u>944,386</u>
<b>Net Movement in Funds</b>		<u>115,355</u>	<u>76,123</u>	<u>191,478</u>	<u>698,591</u>
<b>Fund Balances brought forward</b>		<u>1,200,502</u>	<u>7,542,042</u>	<u>8,742,544</u>	<u>8,043,953</u>
<b>Fund Balances carried forward</b>		<u><u>1,315,857</u></u>	<u><u>7,618,165</u></u>	<u><u>8,934,022</u></u>	<u><u>8,742,544</u></u>

The Statement of Financial Activities includes all gains and losses in the year. All Income & endowments and Expenditure derive from continuing activities.

# South Wales Miners' Welfare Trust Fund Scheme

Charity Number: 507439

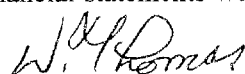
## Balance sheet

as at 31 December 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7		1,369,847		1,407,842
Investments	8		7,533,359		7,260,958
			<u>8,903,206</u>		<u>8,668,800</u>
<b>Current Assets</b>					
Stocks		99		1,134	
Debtors	9	26,573		55,602	
Short-term Investment Deposits		3,164		8,100	
Cash at bank and in hand		30,867		92,951	
		<u>60,703</u>		<u>157,787</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(29,887)</u>		<u>(84,043)</u>	
<b>Net Current assets</b>			<u>30,816</u>		<u>73,744</u>
<b>Total Assets Less Current Liabilities</b>			<u>8,934,022</u>		<u>8,742,544</u>
<b>Funds</b>					
Unrestricted Funds	13		1,259,460		1,144,105
Permanent Endowment Funds	13		56,397		56,397
Restricted Funds	13		7,618,165		7,542,042
			<u>8,934,022</u>		<u>8,742,544</u>

The notes on pages 12 - 23 form part of these accounts.

The financial statements were approved by the Trustee Board on 1 December 2021 and signed on its behalf by



Wayne Thomas

# South Wales Miners' Welfare Trust Fund Scheme

## Cash flow statement for the year ended 31 December 2020

	Notes	2020 £	2019 £
<b>Reconciliation of operating (loss)/profit to net cash outflow from operating activities</b>			
Net Movement in funds		172,208	698,591
Depreciation	3	37,995	37,995
Decrease in stocks		1,035	(40)
(Increase)/Decrease in Investments	8	(272,401)	(752,607)
Decrease in debtors	9	29,029	2,164
(Decrease) in creditors	10	(54,156)	(18,311)
<b>Net cash outflow from operating activities</b>		<u>(86,290)</u>	<u>(32,208)</u>
<b>Increase/(Decrease) in cash in the year</b>		<u>(86,290)</u>	<u>(32,208)</u>
<b>Cash &amp; Cash equivalents at start of the year</b>		101,051	133,259
<b>Cash &amp; Cash equivalents at end of the year</b>		<u>34,031</u>	<u>101,051</u>

## **1. Accounting Policies**

### **1.1. (a) Basis of preparation and assessment of going concern**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. With respect to the next reporting period, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets (see the investment policy and performance and risk management sections of the Trustees' annual report for more information).

### **(b) Funds structure**

The Charity has a single permanent endowment

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed.

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

Further details of each fund are disclosed in note 13.

### **(c) Income recognition**

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

Donations, are recognised when the Trust has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the Charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the Charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the Charity.

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. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

### **(d) Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (g) below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one-year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled condition attaching to that grant is outside of the control of the Trust.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The provision for a multi-year grant is recognised at its present value where settlement is due over more than one year from the date of the award, there are no unfulfilled performance conditions under the control of the Trust that would permit the Trust to avoid making the future payment(s), settlement is probable and the effect of discounting is material. The discount rate used is the average rate of investment yield in the year in which the grant award is made. This discount rate is regarded by the Trustees as providing the most current available estimate of the opportunity cost of money reflecting the time value of money to the Trust.

#### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the Charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on the number of individual grant awards made in recognition that the administrative costs of awarding, monitoring and assessing research grants, salary support grants and postgraduate scholarships are broadly equivalent. The allocation of support and governance costs is analysed in note 6.

#### **(f) Costs of raising funds**

The costs of generating funds consist of investment management costs.

#### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 4.

#### **(h) Tangible fixed assets and depreciation**

Depreciation is provided on a reducing balance basis to write off the cost of fixed assets over their useful economic life at the following rates:-

Land - 0% per annum

Building & Improvements - 2% straight line basis

Equipment, Furniture & Fittings - Charged to Revenue as incurred on a renewals basis.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date. When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

**(i) Fixed asset investments**

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

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors

**(j) Realised gains and losses**

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

**(k) Pensions**

The Convalescent Home for the South Wales Mining Industry operates one Defined Contributions pension scheme administered by Friends Provident. Contributions to the scheme are charged to the SOFA in respect of the period to which the contributions relate.

**(l) Contingent liabilities**

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the Trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

**(m) Stock**

Stock consists of purchased goods for future consumption. Stock is valued at the lower of cost and net realisable value.

**(n) Income tax refunds**

90% of Income Tax refunded from covenanted contributions are passed over to the Convalescent Home for the South Wales Mining Industry. Such liabilities are included in the financial statements on the assumption that the refunds will continue to be paid over.

**(o) Restricted Funds**

The Trustees of four mining related Trusts, these being Hafod Miners' Welfare Womens Convalescent Home and Girls Camp, David Davies Memorial Trusts, South Wales & Monmouthshire Convalescent Home Endowment Fund Scheme and Convalescent Home for the South Wales Mining Industry, resolved on 4 November 2013 to transfer their residual assets as at 31 December 2013 to the Area Trust Fund on their respective subsisting Trusts.

The motivation for transfer was to generate synergistic benefits in the administration of an amalgamated Charity where the governance rested in the same group of individual Trustees.

The four mining related Trusts have since been removed from the Register of Charities on the basis that the funds have been transferred.

2. Income & Endowments	Unrestricted Funds		Cwmearn & Hafod MWW	David Davies	South Wales & Monmouthshire	Court Royal	Total 2020	Total 2019
	Abercarn	CH & GC					£	£
Investment income	58,221	8,381	4,085	102,680	88,776	262,143	274,307	
Convalescence Scheme income	-	-	-	-	33,620	33,620	413,006	
Employees Contributions	162	-	-	-	-	162	1,220	
Grants & Donations	-	-	-	-	1,055	1,055	16,229	
Job Retention Scheme Grant	-	-	-	-	136,626	136,626	-	
	58,383	8,381	4,085	102,680	260,077	433,606	704,762	

3. (a) Total resources expended	Note	Unrestricted Funds	Permanent Endowment	Cwmcam Abercarn	CH & GC	David Davies	South Wales & Monmouthshire	Court Royal	Total 2020	Total 2019
		£	£	£	£	£	£	£	£	£
<b>Cost of Raising Funds</b>		7,595	-	-	3,958	2,074	13,394	11,541	38,562	39,336
Investment Management Costs										
<b>Expenditure on Charitable Activities</b>										
Catering & Provisions	4	-	-	-	-	-	-	22,026	22,026	103,963
Wages & Salaries	4	-	-	-	-	-	-	302,650	302,650	330,763
Establishment Costs	4	-	-	-	-	-	-	34,443	34,443	76,788
Administration Expenses	4	490	-	-	72	72	72	26,700	27,406	14,111
Support Costs		2,650	-	-	2,650	-	-	32,200	37,500	34,350
MWS and Community Projects	4	239	-	-	-	-	-	239	239	39,172
Retired Miners' Visiting Scheme		-	-	-	-	-	-	-	-	246
Summer Party		-	-	-	-	-	-	-	-	13,329
Social Activities Fund		280	-	-	-	-	-	-	280	13,949
Social Inclusion Project Costs		8,375	-	-	-	-	-	-	8,375	22,923
Convalascent Travelling		-	-	-	-	-	-	16,290	16,290	69,821
Refurbishment, Repairs & Maintenance		-	-	-	-	-	-	22,182	22,182	48,131
Entertainment		-	-	-	-	-	-	3,954	3,954	24,420
Depreciation		-	-	-	-	-	-	37,995	37,995	37,995
Hardship Assistance		16,498	-	-	-	-	-	16,498	16,498	18,238
Donations		935	-	-	33,000	-	-	-	33,935	50,180
Cultural Events		1,500	-	-	-	-	-	-	1,500	1,500
Cwmcam fund transfer - no longer held		-	-	48,453	-	-	-	-	48,453	-
<b>Governance Costs</b>	4	1,730	-	-	-	-	-	1,716	3,446	8,742
<b>Total Expenditure</b>		40,292	-	48,453	39,680	2,146	13,466	511,697	655,734	947,957
<b>(b) Net Investment Gains/(Losses)</b>		97,264	-	-	11,884	(7,375)	171,626	140,207	413,606	944,386



#### 4. Details of Expenses

	Total 2020 £	Total 2019 £
<b>Grants to Miners' Welfare Halls and Community Projects</b>		
Abercrave & District Miners' Welfare Association	-	800
Abertillery Workmens' Welfare Institute	-	800
Bedlinog Miners' Welfare Association	-	800
Brynamman Public Hall and Institute	-	800
Caerphilly Miners' Centre for the Community	-	5,000
Carway & District Miners' Welfare Association	239	800
Celynyn Collieries Memorial Hall & Institute Limited	-	800
Coelbren Memorial Hall and Recreation Ground	-	800
Cwmcarn Library & Institute	-	800
Cwmgwili Miners' Welfare Association	-	800
Cwmtwrch Miners' Welfare Hall	-	800
Fleur De Lys Institute	-	5,800
Garn Yr Erw Welfare Association	-	800
Grovesend Miners' Welfare Scheme	-	800
Markham Miners' Welfare Scheme	-	800
Nantyffyllon Institute	-	800
Onllwyn and District Community Welfare Association	-	800
Pencoed Miners' Welfare Hall	-	4,542
Penybanc Welfare Association	-	800
Penygroes Memorial Hall	-	800
Pontrhydyfen Miners' Welfare Scheme	-	3,120
Pontyates Miners' Welfare Association	-	800
Resolven Miners' Welfare Scheme	-	3,910
Ton Pentre & District Recreation Association CIO	-	800
Tylorstown Welfare Hall	-	800
Ynyswen Miners' Welfare Hall	-	800
	<u>239</u>	<u>39,172</u>
<b>Governance</b>		
Audit Fees	3,446	3,374
Trustees Expenses Claims	110	649
AGM Costs	-	4,700
	<u>3,556</u>	<u>8,723</u>

<b>5. Staff Costs</b>	<b>2020 £</b>	<b>2019 £</b>
Staff costs during the year comprised of the following:		
Staff salaries (Including Social Security Costs)	295,017	323,657
Pension costs	7,633	7,106
	<u>302,650</u>	<u>330,763</u>

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	<b>2020 number</b>	<b>2019 number</b>
Managerial and Administration	2	2
Ancillary	14	14
The average number of employees during the year amounted to:	<u>16</u>	<u>16</u>

There were no employees earning more than £60,000 per annum (2019 - none).

The Directors/Trustees did not receive any remuneration or benefits in connection with the performance of their duties, except expenses totalling £110 (2019 - £649).

## **6. Taxation**

As a Charity, South Wales Miners' Welfare and Trust Fund Scheme is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of the Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

## 7. Tangible fixed assets

	Land and buildings freehold
	£
<b>Cost</b>	
At 1 January 2020	
At 31 December 2020	1,899,764
<b>Depreciation</b>	
At 1 January 2020	491,922
Charge for the year	37,995
At 31 December 2020	529,917
<b>Net book values</b>	
At 31 December 2020	1,369,847
At 31 December 2019	1,407,842

The freehold property, known as Court Royal Convalescent Home, was last revalued during 2015 by Messrs Goadsby, who valued the property at £990,000 on a current use basis. This is felt to be well below the true value of the property if it was to be sold and, in accordance with FRS102, the previous valuation continues to be used.

The Building was initially valued in 1993 when the estimated market value of the Property was £600,000 at which time the Net Book Value was £4,602. As a result of subsequent revaluations the Revaluation Surplus as at 1 January 2009, before depreciation, was the difference of £1,445,398.

The original permanent endowment was in the form of a grant of £20,000 in 1923, which was allocated by the Central Committee of the Miners' Welfare Fund which had been established under Section 20 of the Mining Industry Act 1920. These funds were used to acquire the Talygarn Mansion House, the original Convalescent Home. Subsequent events resulted in the disposal of Talygarn, and the purchase of Court Royal.

Due to the amalgamation of all South Wales mining related charitable funds, the Trustees agreed, by Deed, that as at 31 December 2013, all property of the Charity, ie the Court Royal Convalescent Home, be transferred to special trusts for future administration and management by the trustees of the South Wales Miners' Welfare Trust Fund, whilst the Trustees remain one and the same. The property registered at Land Registry under title number DT372460, and vested in the Official Custodian for Charities shall now be managed by the Trustees in their capacity as trustees of the South Wales Miners' Welfare Trust Fund, representing a transfer falling within section 117(3)(c)(ii) of the Charities Act 2011.

8. Investments	As at 1 Jan 20	Purchase	Sale	Realised Gain/(Loss)	Unrealised Gain/(Loss)	Adjustment*	As at 31 Dec 20
Unrestricted Funds	1,538,521	121,584	(118,879)	11,793	85,471	-	1,638,490
<b><u>Restricted Funds</u></b>							
Cwmcam & Abercam Library and Institute	48,123	4,071	(5,447)	410	(1,551)	(45,606)	-
Hafod Miners' Welfare Womens Convalescent Home & Girls Camp	349,414	24,350	(28,107)	1,664	(20,712)	-	357,530
David Davies Memorial Trusts	187,301						178,860
S Wales & Monmouthshire Convalescent Home Endowment Fund	2,713,331	217,145	(212,425)	20,292	151,334	-	2,889,677
Convalescent Home for the South Wales Mining Industry	2,424,268						2,468,802
<b>Total Investments</b>	<b>7,260,958</b>	<b>367,150</b>	<b>(364,858)</b>	<b>34,159</b>	<b>214,542</b>	<b>(45,606)</b>	<b>7,533,359</b>

\*Cwmcam & Abercam Library and Institute asset removed as charity no longer has entitlement to benefits from the asset which now go to the Institute itself

9. Debtors	2020 £	2019 £
Member's Contributions	-	-
Other Debtors	1,426	1,426
Court Royal Limited	11,040	37,438
Loan to Abertillery Miners' Institute	12,400	12,400
Prepayments	1,707	4,338
	<u>26,573</u>	<u>55,602</u>

10. Creditors: amounts falling due within one year	2020 £	2019 £
Trade Creditors	1,488	12,755
Grants & Donations	3,580	26,525
Audit Fee	3,500	3,414
Accrued Income	-	22,550
Other Creditors & Accruals	21,969	18,799
	<u>29,887</u>	<u>84,043</u>

**11. Related party transactions**

The Charity's administration is undertaken by employees of The Coal Industry Welfare Organisation (CISWO) who receive Support Costs from the Consolidated Trust Fund for staff time incurred in providing bookings, financial and general secretariat services, and associated direct overhead costs.

The Court Royal Convalescent Home Limited is supported by the Charity and significant debtor balances from this company exist to the Charity's future benefit at the year-end. The company and Charity share Trustees and the Charity owns the building from which the company operates.

**12. Analysis of Net Assets between Funds**

	Unrestricted £	Restricted £	Total Funds £
Fixed Assets	1,996,020	6,907,186	8,903,206
Net Current Assets/(Liabilities)	(680,163)	710,979	30,816
Net assets at 31 December 2020	<u>1,315,857</u>	<u>7,618,165</u>	<u>8,934,022</u>

### 13. Movement in Funds

	At 01/01/20	Incoming Resources	Outgoing Resources	Investment Gains/(Losses)	Transfers	At 31/12/20
	£	£	£			£
<b>Restricted funds:</b>						
Cwmcam and Abercam Library & Institute	48,452	-	(48,452)	-	-	-
Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp	421,044	8,381	(39,680)	11,884	-	401,629
David Davies Memorial Trusts	24,913	4,085	(2,146)	(7,375)	-	(30,349)
S Wales & Monmouthshire Convalescent Home Endowment Fund Scheme	3,571,454	102,680	(13,466)	171,626	-	3,832,294
Court Royal Convalescent Home for the South Wales Mining Industry	3,526,005	260,077	(511,697)	140,207	-	3,414,592
<i>Total Restricted Funds</i>	<u>7,542,042</u>	<u>375,223</u>	<u>(615,442)</u>	<u>316,342</u>	<u>-</u>	<u>7,618,165</u>
<i>Total Unrestricted Funds</i>	1,144,105	58,383	(40,951)	97,264	-	1,258,801
<i>Permanent Endowment Fund</i>	<u>56,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,397</u>
<b>Total Funds</b>	<b>8,742,544</b>	<b>433,606</b>	<b>(656,393)</b>	<b>413,606</b>	<b>-</b>	<b>8,933,363</b>

#### Purposes of Restricted Funds

##### Cwmcam and Abercam Library & Institute

Income from the fund shall be applied towards the maintenance of Cwmcam Miners' Institute.

##### Hafod Miners' Welfare Womens' Convalescent Home & Girls Camp

The funds are restricted to such purposes connected with the social well being, recreation and living conditions of dependants of workers in or about coal mines in the districts of South Wales.

##### David Davies Memorial Trusts

The fund was set up with the intention of providing educational grants to qualified persons to enable them to pursue educational courses, whether whole or part time, or other approved studies which they could not afford to pursue without such grants.

S Wales & Monmouthshire Convalescent Home Endowment Fund Scheme

The fund was set up to provide grants to cover outgoing for the Court Royal Convalescent Home or towards the expenses of other social welfare activities for the benefit of the mining community in South Wales and Monmouthshire.

Court Royal Convalescent Home for the South Wales Mining Industry

The fund's objects and principal activities are that of a convalescent home for beneficiaries of the South Wales Mining Industry, to include mineworkers, former mineworkers and their dependants. The funds are restricted to enabling as many qualifying beneficiaries, with a minimum service requirement of 5 years, to benefit from the facility.

Permanent Endowment Fund

Historic fund relating to two former Miners' Welfare Scheme wind ups, and which was contained within the old style accounts for the Area Trust Fund before it took consolidated form.