
SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2001



SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)**LEGAL AND ADMINISTRATIVE DETAILS**

The Swansea and Brecon Diocesan Trust was incorporated as a company limited by guarantee on 20 January 1926. The company was registered with the Charity Commission on 28 January 1965 as a charity, the purpose of which is to manage Church Trusts in the Diocese of Swansea and Brecon.

REGISTERED ADDRESS:	Swansea and Brecon Diocesan Trust (Incorporated) C/o George Tudor & De Winton, Solicitors, 8a High Street, Brecon, Powys, LD3 7AL.
SECRETARY:	Mr. G. Lewis, 9 Ullswater Crescent, Brynrock, Morriston, Swansea, SA6 7QF.
TREASURER:	Mrs. Heather Price, Swansea and Brecon Diocesan Board of Finance, Diocesan Centre, Cathedral Close, Brecon, Powys, LD3 9DP.
COMPANY REGISTRATION NO:	211214
CHARITY REGISTRATION NO:	235831
AUDITORS:	H. W. Vaughan & Co., Chartered Accountants, 33 Heathfield, Swansea, SA1 6HD.
SOLICITOR:	T. J. P. Davenport, C/o George Tudor & De Winton, 8a High Street, Brecon, Powys, LD3 7AL.
BANK:	Lloyds Bank Plc., 38 High Street, Brecon, Powys, LD3 7AR.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)**LEGAL AND ADMINISTRATIVE DETAILS**

STOCKBROKERS:

Brewin Dolphin Securities Limited,
Sutherland House,
Castlebridge,
Cowbridge Road East,
Cardiff,
CF11 9BB.

INVESTMENT ADVISER:

Brewin Dolphin Bell Lawrie Limited,
5 Giltspur Street,
London,
EC1A 9BD.

TRUSTEES:

J. E. H. Rees, Esq.
The Right Rev. Anthony E. Pierce
W. V. S. Corbett, Esq.
D. A. Morris, Esq.
The Venerable R. J. Williams
The Venerable E. C. John
Sir J. Venables-Llewellyn
W. N. H. Legge-Bourke, Esq.
R. N. Cowley, Esq.

The Swansea and Brecon Diocesan Trust (Incorporated) is authorised to act as a Trust Corporation by the Lord Chancellor's Certificate dated 5 August 1926 pursuant to the provision of Section 3(1) of the law of Property (Amendment) Act 1926.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2001

The directors have pleasure in submitting their annual report together with the financial statements of the company for the year ended 30 June 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company is the management of church trusts in the Diocese of Swansea and Brecon as vested in the company as trustees.

The company acts as custodian trustee for properties held under these trusts and also ensures that the individual trusts are properly and effectively maintained by the respective administrative trustees.

REVIEW OF DEVELOPMENT AND FINANCIAL POSITION

The company has been effective in and continues to exercise its powers of investment within the limits of the Trustee Investment Act 1961.

The financial position of the company remains sound.

AIMS AND PURPOSES

The objective of the company is to act as custodian trustees for the various trusts in the diocese of Swansea and Brecon as detailed in note 10 to the financial statements.

LAND AND BUILDINGS

The company holds land and buildings as custodian trustee.

An appendix is attached to the notes to the accounts listing these properties.

TRUSTS HELD

A list of trusts held by the company can be found in the appendix to the notes to the accounts and as detailed in note 11 to the accounts.

RESULTS

The directors are of the opinion that the results for the year are satisfactory.

	General Funds
	£
Excess of Income Over Expenditure for the Year	111
Balance Brought Forward	6,623

Balance Carried Forward	6,734
	=====

DIRECTORS (STANDING COMMITTEE)

The members of the board who served in the year to which this report refers were:

J. E. H. Rees, Esq.
 District Judge V. S. Batcup (Resigned 25.1.01)
 The Right Rev. Anthony E. Pierce
 W. V. S. Corbett, Esq.
 D. A. Morris, Esq.
 G. Lewis, Esq. (Resigned 30.6.01)
 The Venerable R. J. Williams (Appointed 25.1.01)
 The Venerable E. C. John (Appointed 25.1.01)
 Sir J. Venables-Llewellyn (Appointed 25.1.01)
 W.N.H. Legge-Bourke, Esq. (Appointed 25.1.01)
 R. N. Cowley, Esq., (Appointed 25.1.01)

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2001

The principal officers of the company are:-

Chairman:	The Right Reverend Anthony E. Pierce - Bishop of Swansea and Brecon
Secretary:	The Venerable D. Brian James (Retired 30.6.01) Mr. Gwynfor Lewis (Appointed 1.7.01)
Treasurer:	Mrs. Heather Price
Solicitor:	T. J. P. Davenport

STANDING COMMITTEE & TRUSTEES

The Standing Committee, who are the trustees and directors of company, were appointed at the Annual General Meeting.

ACCOUNTS

The accounts are not drawn up in the form set out in the Companies Act 1985 because of the nature of the company, a trust corporation and not a trading company.

The directors are of the opinion that the form used gives the members all the information which is required.

The accounts are drawn up to comply with the Charities Act 1993.

CHANGE OF ACCOUNTING POLICY

The company has changed its accounting policy with regard to investment income and related tax credits/tax deducted on interest received in accordance with the requirements of SORP 2000 issued in October 2000 (See Note 1c). The investment income and related tax credits/tax deducted on interest received are now recognised on a receivable basis as opposed to a received basis. Any adjustment that would have been required in restating the results for the year ended 30 June 2000 to comply with the new accounting policy has been considered immaterial and subsequently no prior year adjustments are required as a result of the change in accounting policy.

STATUS

The company is limited by guarantee and does not have any share capital.

All the directors are members of the company and guarantee to contribute to the assets of the company, in the event of it being wound up, such amounts as may be required not exceeding £1. The number of guarantors as 30 June 2001 were 9.

It is authorised by the Board of Trade to omit the word "Limited" from its name.

It is registered as a charity and as such is not subject to United Kingdom taxation.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year 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 the surplus or deficiency of income over expenditure of the company for that period. In preparing those accounts, the directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2001

The directors are responsible for maintaining proper accounting records which disclose the reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 1985 and the Charities Act 1993, although because of the special nature of the company, a Church Trust, the standard form of accounts is not used. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

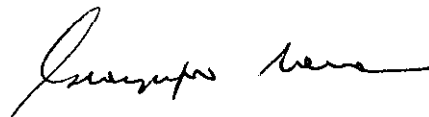
The Auditors, H. W. Vaughan & Co., Chartered Accountants, have indicated that they are willing to be re-appointed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD

THE RIGHT REVEREND ANTHONY E. PIERCE
CHAIRMAN



MR. GWYNFOR LEWIS
SECRETARY



13 DECEMBER 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)**

We have audited the financial statements on pages 7 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective Responsibilities of Directors and Auditors

As described on pages 4 and 5, the company's directors, who are also the trustees for the purposes of charity law, are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board except that the scope of our work was limited as explained below. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Because of the special nature of the company being a Church Trust the standard form of financial accounts has not been used. As required by the Charities Act 1993 a statement of financial activities has been prepared. Investments of the trust have been valued at market value and the balance sheet has been restated to show the revaluation.

Opinion

Subject to the non standard form of financial accounts, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2001 and of its surplus of income over expenditure for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

H. W. Vaughan & Co.

**H. W. VAUGHAN & CO.
CHARTERED ACCOUNTANTS,
REGISTERED AUDITOR,
33 HEATHFIELD,
SWANSEA,
SA1 6HD.**

13 DECEMBER 2001

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 30 JUNE 2001

	Notes	General Funds £	Restricted Funds £	Total Funds 2001 £	Total Funds 2000 £
<u>INCOMING RESOURCES</u>					
Additions to existing Trusts		-	22,588	22,588	62,431
Activities in Furtherance of the Charity's Objects:					
Government Grants		-	122,436	122,436	333,166
Activities for Generating Funds:					
Investment Income	2	1,327	163,676	165,003	169,006
Rents		-	1,758	1,758	2,221
Refund of Expenses		-	-	-	6,378
Total Incoming Resources		1,327	310,458	311,785	573,202
<u>RESOURCES EXPENDED</u>					
Costs of Generating Funds:					
Stockbroker's Charges and Interest		411	262	673	411
		411	262	673	411
Charitable Expenditure:					
Costs of Activities in Furtherance of the Charity's Objects:					
Funds Distributed		-	294,745	294,745	606,260
Administration Expenses	3	12,291	1,120	13,411	17,417
Total Charitable Expenditure		12,291	295,865	308,156	623,677
Total Resources Expended		12,702	296,127	308,829	624,088
Net Incoming Resources/(Resources Expended) Before Transfers		(11,375)	14,331	2,956	(50,886)
Transfer Between Funds	4	11,486	(11,486)	-	-
Net Incoming Resources/ (Resources Expended)		111	2,845	2,956	(50,886)
Profit Realised on Investments		-	18,812	18,812	44,871
Profit/(Losses) Unrealised on Investments		-	47,085	47,085	(100,642)
<u>NET MOVEMENT IN FUNDS</u>		111	68,742	68,853	(106,657)
Trust Balances Brought Forward		6,623	3,452,088	3,458,711	3,565,368
Trust Balances Carried Forward		6,734	3,520,830	3,527,564	3,458,711

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

BALANCE SHEET AS AT 30 JUNE 2001

	Notes	2001	2000
		£	£
INVESTMENTS	5	3,341,032	3,312,332
CURRENT ASSETS			
Sundry Debtors	6	63,014	70,218
Cash at Bank	7	143,092	79,961
		<u>206,106</u>	<u>150,179</u>
CURRENT LIABILITIES			
Creditors Amount Due Within One Year	8	19,574	3,800
NET CURRENT ASSETS		186,532	146,379
		<u>3,527,564</u>	<u>3,458,711</u>
		<u>=====</u>	<u>=====</u>
FINANCED BY:-			
Trusts Vested in the Trust	9	3,341,032	3,312,332
Trust Income Accounts	10	179,798	139,756
General Purpose Fund Income and Expenditure Account		6,734	6,623
		<u>3,527,564</u>	<u>3,458,711</u>
		<u>=====</u>	<u>=====</u>

The notes on pages 9 to 13 form an integral part of the accounts.

The financial statements were approved by the Board of Directors on 13 December 2001.

RIGHT REV. ANTHONY PIERCE
(CHAIRMAN)

MR. GWYNFOR LEWIS
(SECRETARY)

+ Anthony Pierce
Gwynfor Lewis

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

1. A. ACCOUNTING POLICIES

Basis of Accounts

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable statements of Standard Accounting Practice. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000.

Grants Receivable

The company receives grants from the National Assembly for Wales towards the Diocese Church Schools and Religious Education Funds.

Investment Income

Dividends and interest are accounted for in the period that they are receivable and not as previously in the period when received (See Note 1c). Tax credits and tax deducted on interest received are accounted for at the same time as the dividends and interest are receivable.

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The company is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Land and Buildings

All land and buildings is held by the company as custodian trustee and has been gifted to the company. The properties held by the company which consist of church and school properties are classified by the directors as historic assets under the terms of SORP 2000. The directors are of the opinion that there would be significant costs involved in obtaining a cost or valuation which would outweigh any benefits by including these assets in the financial statements and therefore they have a resultant carrying value of £Nil (2000 £nil).

Trust Investments

Marketable investments are shown at middle market value at the balance sheet date. The net surplus or deficit on the revaluation of investments during the year is reflected in the relevant fund to which the investment relates.

Fund Accounting

Funds held by the company are:-

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.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

B. TRUE AND FAIR VIEW OVERRIDE

The directors in their opinion have departed from the standard Companies Act disclosure requirements with regard to the Profit and Loss Account and their related notes as in their opinion the figures disclosed give a better understanding of the events of the year. The disclosure in this way does not effect the profits for the year or the retained earnings in any way.

C. CHANGE IN ACCOUNTING POLICY

Following the introduction of SORP 2000, investment income is included in the year in which it is receivable. Therefore investment income and any related tax credits/tax deducted on interest received are now recognised on a receivable basis as opposed to on a received basis. Any adjustment that would have been required in restating the results for the year ended 30 June 2000 to comply with the new accounting policy has been considered immaterial and subsequently no prior year adjustments are required as a result of the change in accounting policy.

2. INVESTMENT INCOME	2001	2000
	£	£
Investment Income – Listed	147,860	150,280
Bank Interest	17,143	18,726
	<u>165,003</u>	<u>169,006</u>
	<u>=====</u>	<u>=====</u>
 3. ADMINISTRATION EXPENSES	 2001	 2000
	£	£
Honorarium	2,500	6,250
Administration Fee	5,000	1,250
Company Registration Fee	15	15
Auditors' Remuneration	2,928	2,799
Professional Fees	2,958	7,090
Bank Services	10	13
	<u>13,411</u>	<u>17,417</u>
	<u>=====</u>	<u>=====</u>
 4. TRANSFER BETWEEN FUNDS	 2001	 2000
	£	£
Reimbursement of Expenses - Church Schools	3,000	3,000
Reimbursement of Costs of Management of Investment Portfolios	8,486	8,435
	<u>11,486</u>	<u>11,435</u>
	<u>=====</u>	<u>=====</u>

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

5. INVESTMENTS

Investments are divided into various trusts as shown below.

	<u>2001 Book Value</u>	<u>2001 Market Value</u>	<u>2000 Book Value</u>	<u>2000 Market Value</u>
	£	£	£	£
Group Trusts 'B'	221,411	504,669	223,576	489,905
Group Trusts 'C'	351,238	521,078	320,398	503,135
Group Trusts 'D'	197,665	298,065	206,493	281,547
Diocesan Church Schools and Religious Education Fund	1,089,628	1,232,361	1,089,628	1,236,183
Group Trusts 'F'	182,462	202,687	181,489	198,604
Group Trusts 'G'	313,386	341,096	310,137	331,186
Other Trusts	225,683	241,076	268,139	271,772
	----- 2,581,473 =====	----- 3,341,032 =====	----- 2,599,859 =====	----- 3,312,332 =====
Cost as at 1 July 2000		2,599,859		
Increase to Market Value		712,473		

Market Value at 1 July 2000		3,312,332		
Additions		151,585		
Disposals		(188,782)		
Net Gains Realised on Disposal in the Year		18,812		
Net Gains Unrealised on Revaluation at 30 June 2001		47,085		

Market Value at 30 June 2001		3,341,032 =====		

Cost at 30 June 2001		2,581,473 =====		

The above investments can also be analysed as follows:-

Listed Investments	3,015,204
Cash on Deposit	241,088
Loans	84,740

	3,341,032 =====

The market value of investments has been taken at 30 June 2001 and includes all monies on deposit at cost.

In accordance with the Charities Act 1993 the figures in the accounts are the market value of the investments at 30 June 2001.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

6. CURRENT ASSETS	2001	2000
	£	£
<u>Debtors</u>		
Income Tax Recoverable on Investment Income for:		
The Period 1 January 2001 to 5 April 2001	6,550	6,260
The Period 6 April 2001 to 30 June 2001	2,296	4,726
Brewin Dolphin Securities – Interest Due	6,590	38
Interest due on 'D' Fund	2,578	-
Christchurch School Grants:		
National Assembly	20,000	59,194
City and County of Swansea	25,000	-
	-----	-----
	63,014	70,218
	=====	=====
7. CURRENT ASSETS	2001	2000
	£	£
<u>Cash at Bank</u>		
Cash at Bank is held for 3 different accounts:		
Trust Accounts	129,254	69,366
General Purposes Accounts	13,671	10,423
Parish Rent Accounts	167	172
	-----	-----
	143,092	79,961
	=====	=====
8. CREDITORS DUE WITHIN ONE YEAR	2001	2000
	£	£
Educational Expenses:		
Christchurch School	12,192	-
Priory School	445	-
Other Creditors	6,937	3,800
	-----	-----
	19,574	3,800
	=====	=====
9. TRUST FUNDS VESTED IN THE TRUST	2001	2000
	£	£
Group 'B'	504,669	489,905
Group 'C'	521,078	503,135
Group 'D'	298,065	281,547
Diocesan Church Schools and Religious Education Funds	1,232,361	1,236,183
Group 'F'	202,687	198,604
Group 'G'	341,096	331,186
Other Trusts	241,076	271,772
	-----	-----
	3,341,032	3,312,332
	=====	=====

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2001

10. TRUST INCOME ACCOUNTS	2001	2000
	£	£
Group 'B' Trusts	32,885	28,213
Group 'B' Trust Unallocated Income	15,664	24,735
Group 'C' Trusts	4,996	4,410
Group 'C' Trust Unallocated Income	7,851	9,713
Group 'D' Trusts	34,731	17,581
Diocesan Church Schools and Religious Education Funds	8,924	2,758
Group 'F' Trusts	4,855	5,400
Group 'F' Trust Unallocated Income	(165)	(536)
Group 'G' Trust	10,989	11,194
Other Trusts	59,068	36,288
	-----	-----
	179,798	139,756
	=====	=====

11. RESTRICTED FUNDS

Each Group of Trusts include a number of individual trusts, the capital from which is invested on block 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 B, C and F: Used in individual Parish and Diocesan Trusts

Group Trusts D: Trusts held on behalf of the Dean and Chapter, Brecon Cathedral

Group Trusts E Diocesan Church Schools and Religious Education Funds: For the erection, construction and/or repairs to church schools in the Diocese

Group Trusts G: Trusts held on behalf of the Diocesan Board of Finance Limited

12. DIRECTORS AND EMPLOYEES

No payments were made to directors during the year.

Expenses of £Nil (2000 £3,750) was paid to the Treasurer.

An honorarium of £2,500 (2000 £2,500) was paid to the Secretary.

There were no employees during the year.

13. TAXATION

The company is a registered charity and as such is not subject to United Kingdom taxation.

14. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

15. RELATED PARTY TRANSACTIONS

An amount of £5,000 (2000 £1,250) was paid to the Diocesan Board of Finance Limited for administration fees which is disclosed in administration expenses in the Statement of Financial Activities. The company holds trusts on behalf of the Diocesan Board of Finance Limited within Group 'G' Trusts included in the Balance Sheet. The Treasurer, Heather Price is an employee of this related company.