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SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003



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

The Swansea and Brecon Diocesan Trust was incorporated as a charity limited by guarantee on 20 January 1926. The charity 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. (Resigned 27.01.03)
The Right Rev. Anthony E. Pierce
D. A. Morris, Esq.
The Venerable R. J. Williams
The Venerable E. C. John (Resigned 31.01.03)
Sir J. Venables-Llewellyn
W. N. H. Legge-Bourke, Esq.
R. N. Cowley, Esq. (Resigned 04.06.03)
R. Wigley, Esq.
The Venerable A. J. R. Thomas (Appointed 01.02.03)

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 TRUSTEES FOR THE YEAR ENDED 30 JUNE 2003

The trustees have pleasure in submitting their annual report together with the financial statements of the charity for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

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

The charity 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 charity 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 charity remains sound.

AIMS AND PURPOSES

The objective of the charity 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 charity holds land and buildings as custodian trustee.

An appendix is attached to the notes to the accounts listing these properties. The appendix does not form part of the audited financial statements.

TRUSTS HELD

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

RESULTS

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

	General Funds
	£
Excess of Income Over Expenditure for the Year	620
Balance Brought Forward	8,645

Balance Carried Forward	9,265
	=====

TRUSTEES (STANDING COMMITTEE)

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

J. E. H. Rees, Esq. (Resigned 27.01.03)
The Right Rev. Anthony E. Pierce
D. A. Morris, Esq.
The Venerable R. J. Williams
The Venerable E. C. John (Resigned 31.01.03)
Sir J. Venables-Llewellyn
W.N.H. Legge-Bourke, Esq.
R. N. Cowley, Esq., (Resigned 04.06.03)
R. Wigley, Esq.
The Venerable A. J. R. Thomas (Appointed 01.02.03)

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2003

The principal officers of the charity are:-

Chairman:	The Right Reverend Anthony E. Pierce - Bishop of Swansea and Brecon
Secretary:	Mr. Gwynfor Lewis
Treasurer:	Mrs. Heather Price
Solicitor:	T. J. P. Davenport

METHOD OF APPOINTING TRUSTEES

The Standing Committee consists of the Bishop (ex-officio) and up to nine members elected from time to time at the Annual General Meeting. Members of the charity are appointed by the Bishop, and the Standing Committee is elected annually at the Annual General Meeting. All members of the Standing Committee are Trustees.

POLICY ON RESERVES

The charity aims to maintain its level of reserves in future years to enable it to continue to effectively manage the church trusts in the Diocese of Swansea and Brecon and to enable it to generate and distribute sufficient income in accordance with the terms of each of those trusts.

POLICY ON INVESTMENT AND ATTITUDE TO RISK

The charity has devolved the management of the investments to Brewin Dolphin Securities. 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 assist in achieving its aims and objectives. The investments should follow the Representative Body of the Church in Wales Ethical Investment Policy.

ACCOUNTS

The accounts are drawn up to comply with the Companies Act 1985 and Charities SORP "Accounting and Reporting by Charities".

STATUS

The Swansea and Brecon Diocesan Trust was incorporated as a company limited by guarantee on 20 January 1926. It 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.

The charity does not have any share capital and all the trustees are members of the charity and guarantee to contribute to the assets of the charity, in the event of it being wound up, such amounts as may be required not exceeding £1. The number of guarantors as 30 June 2002 were 7.

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. The Charity's registration number with the Charity Commission is 235831.

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity as at the end of the financial year and of the surplus or deficiency of income over expenditure of the charity for that period. In preparing those accounts, the trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2003

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in business.


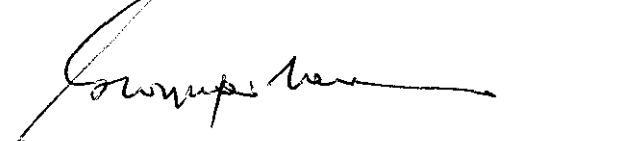
The trustees are responsible for maintaining proper accounting records which disclose the reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 1985 and the Charities SORP "Accounting and Reporting by Charities". 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.

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

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

We have audited the financial statements of Swansea and Brecon Diocesan Trust (Incorporated) for the year ended 30 June 2003 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's 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 responsibility to anyone other than the company and the company's 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 described in the Statement of Trustees' Responsibilities the trustees (who are also the directors of Swansea and Brecon Diocesan Trust (Incorporated) for the purposes of company law) are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Trustees Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

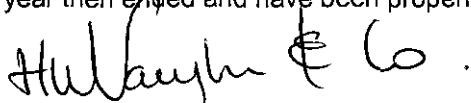
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

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

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.

OPINION

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 30 June 2003 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
33 HEATHFIELD,
SWANSEA,
SA1 6HD.**

11 December 2003

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 30 JUNE 2003

	Notes	General Funds £	Restricted Funds £	Total Funds 2003 £	Total Funds 2002 £
<u>INCOMING RESOURCES</u>					
Additions to existing Trusts		-	-	-	2
Activities in Furtherance of the Charity's Objects:					
Government Grants		-	19,931	19,931	8,722
Activities for Generating Funds:					
Investment Income	2	1,096	156,854	157,950	163,194
Rents		-	5,087	5,087	2,341
Total Incoming Resources		<u>1,096</u>	<u>181,872</u>	<u>182,968</u>	<u>174,259</u>
<u>RESOURCES EXPENDED</u>					
Costs of Generating Funds:					
Stockbroker's Charges and Interest		-	823	823	411
		<u>-</u>	<u>823</u>	<u>823</u>	<u>411</u>
Charitable Expenditure:					
Costs of Activities in Furtherance of the Charity's Objects:					
Funds Distributed		-	146,324	146,324	108,980
Administration Expenses	3	12,998	4,485	17,483	12,496
Total Charitable Expenditure		<u>12,998</u>	<u>150,809</u>	<u>163,807</u>	<u>121,476</u>
Total Resources Expended		<u>12,998</u>	<u>151,632</u>	<u>164,630</u>	<u>121,887</u>
Net Incoming Resources/(Resources Expended) Before Transfers		(11,902)	30,240	18,338	52,372
Transfer Between Funds	4	<u>12,522</u>	<u>(12,522)</u>	<u>-</u>	<u>-</u>
Net Incoming Resources - Net Income for the Year		620	17,718	18,338	52,372
Profit Realised on Investments		-	6,319	6,319	49,248
Profit/(Losses) Unrealised on Investments		-	(306,685)	(306,685)	(221,558)
<u>NET MOVEMENT IN FUNDS</u>		<u>620</u>	<u>(282,648)</u>	<u>(282,028)</u>	<u>(119,938)</u>
Trust Balances Brought Forward		8,645	3,398,981	3,407,626	3,527,564
Trust Balances Carried Forward		<u>9,265</u>	<u>3,116,333</u>	<u>3,125,598</u>	<u>3,407,626</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year plus realised gains on investments and was £24,657 (2002 £101,620).

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)

BALANCE SHEET AS AT 30 JUNE 2003

	Notes	£	2003 £	£	2002 £
INVESTMENTS	5		2,873,876		3,173,949
CURRENT ASSETS					
Sundry Debtors	6	49,748		62,310	
Cash at Bank	7	217,666		189,934	
		<u>267,414</u>		<u>252,244</u>	
CURRENT LIABILITIES					
Creditors Amount Due Within One Year	8	15,692		18,567	
NET CURRENT ASSETS			215,722		233,677
			<u>3,125,598</u>		<u>3,407,626</u>
			<u>=====</u>		<u>=====</u>
FINANCED BY:-					
Trusts Vested in the Trust	9		2,873,876		3,173,949
Trust Income Accounts	10		242,457		225,032
General Purpose Fund Income and Expenditure Account			9,265		8,645
			<u>3,125,598</u>		<u>3,407,626</u>
			<u>=====</u>		<u>=====</u>

The notes on pages 10 to 15 form an integral part of the accounts.

The financial statements were approved by the Board of Trustees on 11 December 2003.

+ Anthony PIERCE
Gwynfor Lewis

RIGHT REV. ANTHONY PIERCE
(CHAIRMAN)

MR. GWYNFOR LEWIS
(SECRETARY)

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

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 accounting standards. 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

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

Investment Income

Dividends and interest are accounted for in the period that they are receivable. 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 charity is not registered for VAT and accordingly expenditure is shown gross of irrecoverable VAT.

Land and Buildings

All land and buildings are held by the charity as custodian trustee and has been gifted to the charity. The properties held by the charity which consist of church and school properties are classified by the trustees as historic assets under the terms of SORP 2000. The trustees 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 (2001 £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 charity 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.

Cash Flow

The financial statements do not include a cash flow statement because the charity is exempt from the requirement to prepare such a statement under the provisions of Financial Reporting Standard 1.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

2. INVESTMENT INCOME	2003	2002
	£	£
Investment Income – Listed	142,795	147,241
Bank Interest	15,155	15,953
	-----	-----
	157,950	163,194
	=====	=====
 3. ADMINISTRATION EXPENSES	 2003	 2002
	£	£
Honorarium	2,500	2,500
Administration Fee	5,000	5,000
Company Registration Fee	15	15
Auditors' Remuneration	2,979	3,338
Professional Fees	7,519	1,604
Bank Services	60	39
Provision for Stockbroker Written Off	(1,000)	-
Professional Indemnity Insurance	410	-
	-----	-----
	17,483	12,496
	=====	=====
 4. TRANSFER BETWEEN FUNDS	 2003	 2002
	£	£
Reimbursement of Expenses		
- Church Schools	3,000	3,000
Reimbursement of Costs of		
Management of Investment Portfolios	9,522	9,590
	-----	-----
	12,522	12,590
	=====	=====

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

5. INVESTMENTS

Investments are divided into various trusts as shown below.

	<u>2003</u> <u>Book Value</u>	<u>2003</u> <u>Market Value</u>	<u>2002</u> <u>Book Value</u>	<u>2002</u> <u>Market Value</u>
	£	£	£	£
Diocesan Church Schools and Religious Education Fund	1,082,803	1,057,951	1,100,739	1,176,108
Parish and Diocesan Trusts	1,559,757	1,815,925	1,535,209	1,997,841
	<u>2,642,560</u>	<u>2,873,876</u>	<u>2,635,948</u>	<u>3,173,949</u>

The above investments can also be analysed as follows:-

Listed Investments	2,470,899
Cash on Deposit	324,457
Loans	78,520
	<u>2,873,876</u>

The market value of investments has been taken at 30 June 2003 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 2003.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

6. CURRENT ASSETS	2003	2002
	£	£
<u>Debtors</u>		
Income Tax Recoverable on Investment Income for:		
The Period 6 April 2000 to 5 April 2001	-	516
The Period 6 April 2001 to 5 April 2002	-	6,300
The Period 6 April 2002 to 5 April 2003	4,892	1,473
The Period 6 April 2003 to 30 June 2003	895	-
Brewin Dolphin Securities – Interest Due	8,789	9,021
Christchurch School Grants:		
National Assembly	12,689	20,000
City and County of Swansea	22,483	25,000
	<u>49,748</u>	<u>62,310</u>
	=====	=====
7. CURRENT ASSETS	2003	2002
	£	£
<u>Cash at Bank</u>		
Cash at Bank is held for 3 different accounts:		
Trust Accounts	204,138	174,242
General Purposes Accounts	12,765	15,020
Parish Rent Accounts	763	672
	<u>217,666</u>	<u>189,934</u>
	=====	=====
8. CREDITORS DUE WITHIN ONE YEAR	2003	2002
	£	£
Educational Expenses:		
Christchurch School	12,192	12,192
Other Creditors	3,500	6,375
	<u>15,692</u>	<u>18,567</u>
	=====	=====
9. TRUST FUNDS VESTED IN THE TRUST	2003	2002
	£	£
Diocesan Church Schools and Religious Education Funds	1,057,951	1,176,108
Parish and Diocesan Trusts	1,815,925	1,997,841
	<u>2,873,876</u>	<u>3,173,949</u>
	=====	=====

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

10. TRUST INCOME ACCOUNTS	2003	2002
	£	£
Diocesan Church Schools and Religious Education Funds	91,971	36,591
Parish and Diocesan Trusts	150,486	188,441
	-----	-----
	242,457	225,032
	=====	=====

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 M: Used in individual Parish and Diocesan Trusts
 (Formerly sub-analysed into Group Trusts B,C, F, D, G and other Trusts)

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

12. TRUSTEES AND EMPLOYEES

No payments were made to trustees during the year.

An honorarium of £2,500 (2002 £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. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Investment Assets	-	2,873,876	2,873,376
Current Assets	12,765	254,649	267,414
Current Liabilities	(3,500)	(12,192)	(15,692)
	-----	-----	-----
	9,265	3,116,333	3,125,598
	=====	=====	=====

15. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

SWANSEA AND BRECON DIOCESAN TRUST (INCORPORATED)
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2003

16. RELATED PARTY TRANSACTIONS

An amount of £5,000 (2002 £5,000) 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 charity holds trusts on behalf of the Diocesan Board of Finance Limited within the Parish and Diocesan Trusts included in the Balance Sheet amounting to £298,999 for Trust funds vested in the Trust and £241 for Trust income accounts. The Treasurer, Heather Price is an employee of this related charity.

T. J. Davenport is the solicitor for the charity. An amount of £7,519 (2002 £1,604) was paid to his firm, George, Tudor and De Winton in respect of solicitors fees and disclosed in administration expenses in the Statement of Financial Activities.

17. ULTIMATE CONTROLLING PARTY

There is no individual controlling party as the Trust is managed by a board of Trustees as detailed on page 2.