

Appendix A

The Vale of Glamorgan Welsh Church Act Fund

Annual Report and Financial Statements 2021/22

Registered Charity no. 506628

Welsh Church Act Fund 2021/22

Annual Report and Financial Statements 2021/22

Annual Report and Financial Statements 2021/22.....	2
Report of the Trustees for the year ended 31 March 2022.....	3
Duty to Prepare Annual Reports and Accounts.....	3
Reference and Administrative Information.....	3
Structure Governance and Management.....	4
Governing Document.....	4
Organisation.....	4
Related Parties.....	4
Risk Management.....	4
Objectives and Activities.....	4
Achievements and Performance.....	5
Financial Review.....	5
Plans for Future Periods.....	6
Statement of Responsibilities for the Preparation of the Annual Report.....	7
The trustee responsibilities.....	7
Statement of Accounting Policies.....	8
Basis of Preparation.....	8
Income Policy.....	8
Expenditure Policy.....	8
Fixed Assets.....	8
Statement of Financial Activities for the year ended 31 st March 2022.....	10
Balance Sheet as at 31 st March 2022.....	11
Cashflow Statement.....	12
Notes to the Statement of Financial Activities.....	13
Notes to the Balance Sheet.....	14

Report of the Trustees for the year ended 31 March 2022

Duty to Prepare Annual Reports and Accounts

The Vale of Glamorgan Council, as corporate trustee, is responsible for the preparation of the Annual Report and Accounts for the Vale of Glamorgan Welsh Church Act Fund.

The trustees present their report along with the accounts of the charity for the year ended 31st March 2022 as required by Section 162 of the Charities Act 2011.

Reference and Administrative Information

Name of Charity

The Vale of Glamorgan Welsh Church Act Fund

Charity Number

506628

Principal Office

Civic Offices, Holton Road, Barry, Vale of Glamorgan, CF63 4RU.

Trustees

The Vale of Glamorgan County Borough Council corporate body appointed under the Local Government (Wales) Act 1994 and The Welsh Church Act Funds (Designation and Specification) Order 1996 thereto.

Chief Executive

Rob Thomas

Independent Examiner

Audit Wales, 24 Cathedral Road, Cardiff, CF11 9LJ.

Bankers

Lloyds Bank, 140b Holton Road, Barry, Vale of Glamorgan CF63 4TZ.

Solicitors

Legal Services, Vale of Glamorgan County Borough Council, Civic Offices, Holton Rd., Barry, Vale of Glamorgan. CF63 4RU.

Investment Advisors

Evelyn Partners Investment Management Services, Portwall Place, Portwall Lane, Bristol BS1 6NA

Structure Governance and Management

Governing Document

The current Scheme of Arrangement is dated 25th November 1975 pursuant to Section 19 of the Welsh Church Act 1914, which requires the fund which is the subject of the scheme to be expended on the charitable purposes as set out on page 5 of this report.

Organisation

The Council as corporate trustee is responsible for the administration of the fund across the geographical areas of the Vale of Glamorgan Council and the City and County of Cardiff. The Council has delegated management of the fund to a Welsh Church Act Estate Committee.

The members of the Welsh Church Act Estate Committee are Vale of Glamorgan Council Councillors and are appointed by full Council, at the Council's Annual Meeting.

The fund operates in accordance with the Vale Council constitution, which sets out how decisions are made, the scheme of officer delegation, contract standing orders, and financial regulations, and the procedures, which are to be followed to ensure that these are efficient, transparent and accountable to local people.

Related Parties

A related party transaction is one where the charity has a relationship with another party, which might inhibit it from pursuing its own separate interests. It is considered that the City and County of Cardiff and the Vale of Glamorgan County Borough Council has a related party relationship with the charity. Financial transactions with the Council are disclosed in Note 1 to the Statement of Financial Activities. There are no related party transactions with the City and County of Cardiff during 2021/22.

Risk Management

Trustees are made aware of any issues with possible detrimental effects upon the fund as they arise. The financial administration of the trust has regard to the Council's overarching risk management strategy and is conducted in accordance with the Council's Corporate Governance policies, which include inter alia Financial Procedure Rules, Standing Orders and Scheme of Delegation.

Objectives and Activities

The former Prime minister Lloyd George, under the provisions of the 1914 and 1919 Welsh Church Acts, established the Welsh Church Fund. These two acts transferred certain categories of secularised property, to a Welsh Church Fund to be administered by the County Councils. However these funds were not activated until 1942-47, when property to the value of almost £2.5 million was handed over to the County Councils.

The Welsh Church Acts state that income of the funds should be devoted to charitable or alms giving purposes and that each Council is required to prepare a scheme for the use of the fund.

The Vale of Glamorgan Welsh Church Act Fund currently operates in accordance with the Scheme dated 25 November 1975 effected by the former South Glamorgan County Council and agreed by the Secretary of State for Wales 9 February 1976.

The following is a precis of the charitable purposes to which the fund may be applied:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical building etc.
- Medical and social research treatment etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other purposes not inconsistent with the Scheme or the Welsh Church Acts.

Achievements and Performance

Details of grants made from the fund during the course of the year are as shown in the Notes to the Statement of Financial Activities. There are no performance targets.

Financial Review

Fund value

The net value of the fund at year end was £5.255M, an increase of £25k on the previous year of the £21k was a due to an increase in the value of the Trust's investments and £4k was due to an increase on unrestricted funds.

Investment Policy

The trustees have complied with their investment powers as in the approved Scheme and under the Trustee Act 2000. **Tilney Financial Planning Limited**, authorised and regulated by the Financial Services Authority, act as Independent Financial Adviser to the trust. The investment objectives are to maximise income within a low risk to capital strategy.

The Committee have reviewed their approach to Investments in year benchmarking against the approach of other authorities that manage Welsh Church Act Investments and have determined to revise approach to investments utilising Collective Investment Funds in future. Due to the current market conditions and economic uncertainty some guidance will be sought from the Council's Independent Treasury Management Advisers on the timing of this movement.

Policy on Reserves

The Trust's unrestricted funds increased from £120k to £124k during 2021/22, this sum equates to 3.83% of the value of the Investment Properties and is held primarily to fund unforeseen costs on maintaining the Investment Properties. The unrestricted fund is also used to allow for fluctuations in investment income to ensure consistent provision of grant funding as part of the Trust's charitable purposes.

Plans for Future Periods

The Trust will continue to draw on the cleared income from its Investments and Investment Properties to award grants in accordance with the scheme of the Welsh Church Act Trust.

Trustees will regularly review the Investments and Investment Properties held by the Trust for these purposes and an Investment Strategy review will be carried out during 2022/23.

Statement of Responsibilities for the Preparation of the Annual Report

The trustee responsibilities

The charity's trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees at their meeting on xxxxxxx and the Chairman,
duly authorised to sign the same on their behalf.

Signed:

Date xxxxxxx

Chairman Councillor M Wilson
Vale of Glamorgan Welsh Church Act Estate Committee

Statement of Accounting Policies

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts to show a true and fair view in accordance with the financial reporting standard (FRS) 18.

Basis of Preparation

The accounts (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 Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Income Policy

Investment income is recognised as it becomes receivable.

Expenditure Policy

Grants are recognised in the accounts when a commitment has been made.

Fixed Assets

Investment Properties

Investment Properties are recorded in the accounts at current market value as required by the above-mentioned regulations. Valuations are carried out by an external valuer, (being a member of the The Royal Institution of Chartered Surveyors (RICS)) in accordance with the RICS Valuation Standards. Any difference in value arising out of the periodic revaluations is charged / credited to the Revaluation Reserve except where the individual assets have not previously been revalued upwards, in which case any charges will be expensed in the year to which they relate. A valuation was carried out by Avison Young, during the financial year 2018/19 as a result of the current market uncertainty a review of Council assets was carried out for the 2021/22 accounts assets of this nature have not fluctuated in value during this time. In accordance with FRS102, Accounting for Investment Properties, depreciation is not provided on the land and buildings as these are held as investment properties.

Other Investments

Other Investments are recorded in the accounts at current market value as required by the above-mentioned regulations. Any difference in value on the previous year is charged

Welsh Church Act Fund 2021/22

/credited to the Revaluation Reserve except where the individual assets have not previously been revalued upwards, in which case any charges will be expensed in the year to which they relate.

Fund Structure

The funds of the trust are restricted in their application to the charitable purposes set out in the “scheme for the administration of the trust” made by the former South Glamorgan County Council.

Statement of Financial Activities for the year ended 31st March 2022

2020/21					2021/22		
Unrestricted Fund	Endowment Fund	Unrestricted Fund		Notes Page 12	Unrestricted Fund	Endowment Fund	Total Fund
£'000	£'000	£'000			£'000	£'000	£'000
			Income and endowments from:				
18	0	18	Investment Properties		18	0	18
31	0	31	Investments	1	32	0	32
49	0	49	Total		50	0	50
			Expenditure on:				
0	0	0	Raising Funds – Investment Management Costs		0	0	0
(3)	0	(3)	Raising Funds – Property Repairs and Maintenance		0	0	0
(37)	0	(37)	Charitable activities – Grant Making	3	(41)	0	(41)
(1)	0	(1)	Governance Costs		(5)	0	(5)
(41)	0	(41)	Total		(46)	0	(46)
0	253	253	Net gains/(losses) on investments		0	21	21
8	253	261	Net income/(expenditure)		4	21	25
0	0	0	Transfers between funds		0	0	0
0	0	0	Other recognised gains/(losses):		0	0	0
0	0	0	Gains/(losses) on revaluation of fixed assets		0	0	0
0	0	0	Proceeds on disposal of investment properties		0	0	0
8	253	261	Net movement in funds		4	21	25
			Reconciliation of funds:				
112	4,857	4,969	Total funds brought forward		120	5,110	5,230
120	5,110	5,230	Total funds carried forward		124	5,131	5,255

Balance Sheet as at 31st March 2022

2020/21					2021/22		
Unrestricted Fund	Endowment Fund	Total Fund		Notes Page 13&14	Unrestricted Fund	Endowment Fund	Total Fund
£000's	£000's	£000's			£000's	£000's	£000's
			Fixed assets				
0	3,231	3,231	Investment Properties	1.1	0	3,231	3,231
0	1,857	1,857	Investments	1.2	0	1,878	1,878
0	5,088	5,088	Total fixed assets		0	5,109	5,109
			Current assets				
6	0	5	Debtors	2	7	0	7
34	22	56	Debtors Cash owed by Vale of Glamorgan Council		43	22	65
100	0	100	Investments	3	100	0	100
140	22	162	Total current assets		150	22	172
			Current liabilities				
(20)	0	(20)	Creditors: amounts falling due within one year	4	(26)	0	(26)
(20)	0	(20)	Total current liabilities		(26)	0	(27)
120	22	142	Net current assets or liabilities		124	5,131	5,255
120	5,110	5,230	Total assets less current liabilities		124	5,131	5,255
			The funds of the charity:				
0	1,004	1,004	Endowment funds		0	1,004	1,004
120	0	120	Unrestricted funds		124	0	124
0	4,106	4,106	Revaluation Reserve		0	4,127	4,127
120	5,110	5,230	Total charity funds		120	5,131	5,255

Approved by the trustees at their meeting on xxxxx and the Chairman, Councillor M Wilson duly authorised to sign the same on their behalf.

Signed :

Date : xxxxxx

Councillor M Wilson Chairman Vale of Glamorgan Welsh Church Act Estate Committee

Cashflow Statement

		2020/21	2021/22
	Notes	Prior Year Funds	Total Funds
		£'000	£'000
Cash flows from operating activities:			
Net cash provided by (used in) operating activities		53	39
Cash flows from investing activities			
Dividends interest and rents from investments		(49)	(48)
Proceeds from the sale of investments		0	0
Purchase of investments		0	0
Net cash provided by (used in) investing activities		(49)	(48)
Net cash provided by (used in) financing activities		0	0
Change in cash and cash equivalents in the reporting period		5	(9)
Cash and cash equivalents at the beginning of the reporting period		(61)	(56)
Cash and cash equivalents at the end of the reporting period		(56)	(65)

Notes to the Statement of Financial Activities**1. Investment Income**

	2020/21 £	2021/22 £
Investment Income from Investments held with Tilney	30,946	31,755
Interest Received from Vale of Glamorgan Council	56	140
Total	31,002	31,002

2. Related Party Transactions

	2020/21 £	2021/22 £
Interest Received from Vale of Glamorgan Council	56	140
Total	56	140

The interest shown above is part of Income and Endowments from Investments in the Statement of Financial Activities.

3. Grants Paid

During 2021/22 the Fund awarded total grants amounting to £41k towards the charitable purposes to which the fund may be applied, as detailed below.

Organisation	Scheme	Amount £
St Mary The Virgin Church	Repointing of the church tower and porch	5,000
St Peters Church	Roof internal structural and water ingress repairs.	5,000
Llantwit Major Tennis Club	Installation of Flood Lighting	5,000
The Parish of Christ Church	Contribution to replacement of the Community Hall	5,000
Cornwall Baptist Church	Alleviate dampness in church external walls.	5,000
St Peters Church	Carpet for extended church building to be used as a Community Hub.	5,000
St Canna's Church	Conservation and Repair Work	2,354
St Andrew's Church	Tower Emergency Repairs Phase 1	5,000
Eglwys Dewi Sant Church	Toilet Refurbishment	4,000
Rhoose Community Library	Purchase of Bike/Scooter Racks	750
Total Grants Paid as per SOFA		42,104
Withdrawal of Grants 2018/19 St Augustine's Church		(850)
Amended Total Grants as per SOFA		41,254

4. Trustees Remuneration/Benefits

No remuneration or benefits was paid to Trustees during 2020/21 or 2021/22.

Notes to the Balance Sheet

1. Fixed Asset Investments

1.1. Investment Properties

	Land £'000	Freehold Properties £'000	Totals £'000
Balance as at 1st April 2021	3,232	0	3,232
Disposals	0	0	0
Additions	0	0	0
Net profit/(loss) on revaluation	0	0	0
Balance as at 31 st March 2022	3,232	0	3,232

1.2. Investments

	2020/21 £'000	2021/22 £'000
Balance as at 1st April	1,604	1,857
Additions at cost	0	0
Reclassification from short term	0	0
Disposals at carrying value	0	0
Unrealised gains/ (losses) in year	253	21
Balance as at 31 st March 2022	1,857	1,878

The Investments balance at 31st March 2022 is made up as follows.

	Portfolio %	31/03/2022 £'000
Equities	51%	951
Investment Grade Corporate Bonds	15%	279
Government Fixed Income	4%	75
High Yield Fixed Income	2%	34
Real Assets	9%	170
Absolute Return	14%	256
Commodity	0%	0
Cash	6%	112
Total	100%	1,878

42% of equities in the portfolio are classed as UK equities and 65% of the overall portfolio is held in Pounds.

2. Debtors – amounts receivable within one year

Debtors at 31st March 2022 amounted to £7,041.23 outstanding from Tilney Investment Management for income on investments in year.

3. Investments

The short-term investment of £100k is invested in the money markets by the Vale of Glamorgan Council on behalf of the fund. Interest is payable at the Overnight SONIA rate.

4. Creditors - amounts payable within one year

Creditor	31/03/21 £'000	31/03/22 £'000
Independent examiners fee	3	5
Legal Expenses	0	1
Grants agreed in 2017/18 unpaid at 31 st March	0	0
Grants agreed in 2018/19 unpaid at 31 st March	1	0
Grants agreed in 2019/20 unpaid at 31 st March	5	5
Grants agreed in 2020/21 unpaid at 31 st March	10	0
Grants agreed in 2021/22 unpaid at 31 st March	0	15
Total	19	26