

**The  
Vale of Glamorgan  
Welsh Church Act Fund**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2020/21**

Registered Charity no. 506628

# Annual Report and Financial Statements 2020/21

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## **Report of the Trustees for the year ended 31 March 2021**

### **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 2021 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.

#### **Managing Director**

Rob Thomas

#### **Independent Examiner**

Wales Audit Office, 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**

Tilney Financial Planning Limited, The Observatory, Western Road, Bracknell. RG12 1TL

## **Structure Governance and Management**

### **Governing Document**

The current Scheme of Arrangement is dated 25<sup>th</sup> 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 2020/21.

### **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 £5.230M, an increase of £261k on the previous year of the £253k was a due to an increase in the value of the Trust's investments and £8k 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.

#### **Policy on Reserves**

The Trust's unrestricted funds increased from £112k to £120k during 2020/21, this sum equates to 3.71% 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 2021/22.

## **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 4<sup>th</sup> October 2021 and the Chairman, duly authorised to sign the same on their behalf. Subsequent minor amendments were approved by trustees in January 2022.

Signed: Cllr. Mark Wilson

Date 27<sup>th</sup> January 2022

**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. 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 /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 31<sup>st</sup> March 2021

2019/20					2020/21		
Unrestricted Fund	Endowment Fund	Unrestricted Fund		Notes	Unrestricted Fund	Endowment Fund	Total Fund
£'000	£'000	£'000			£'000	£'000	£'000
			<b>Income and endowments from:</b>				
16	0	16	Investment Properties		18	0	18
35	0	35	Investments	1	31	0	31
<b>51</b>	<b>0</b>	<b>51</b>	<b>Total</b>		<b>49</b>	<b>0</b>	<b>49</b>
			<b>Expenditure on:</b>				
0	0	0	Raising Funds – Investment Management Costs		0	0	0
(7)	0	(7)	Raising Funds – Property Repairs and Maintenance		(3)	0	(3)
0	0	0	Raising Funds – Costs of Sale		0	0	0
(49)	0	(49)	Charitable activities – Grant Making	3	(37)	0	(37)
(1)	0	(1)	Governance Costs		(1)	0	(1)
<b>(57)</b>	<b>0</b>	<b>(57)</b>	<b>Total</b>		<b>(41)</b>	<b>0</b>	<b>(41)</b>
0	(121)	(121)	<b>Net gains/(losses) on investments</b>		0	253	253
<b>(6)</b>	<b>(121)</b>	<b>(127)</b>	<b>Net income/(expenditure)</b>		<b>8</b>	<b>253</b>	<b>261</b>
0	0	0	<b>Transfers between funds</b>		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
0	0	0	Other gains/(losses)		0	0	0
<b>(6)</b>	<b>(121)</b>	<b>(127)</b>	<b>Net movement in funds</b>		<b>8</b>	<b>253</b>	<b>261</b>
			<b>Reconciliation of funds:</b>				
118	4,978	5,096	Total funds brought forward		112	4,857	4,969
<b>112</b>	<b>4,857</b>	<b>4,969</b>	<b>Total funds carried forward</b>		<b>120</b>	<b>5,110</b>	<b>5,230</b>

The notes contained on page 12 forms part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2021**

2019/20				Notes	2020/21		
Unrestricted Fund	Endowment Fund	Total Fund			Unrestricted Fund	Endowment Fund	Total Fund
£000's	£000's	£000's			£000's	£000's	£000's
			<b>Fixed assets</b>				
0	3,231	3,231	Investment Properties	1.1	0	3,231	3,231
0	1,604	1,604	Investments	1.2	0	1,857	1,857
<b>0</b>	<b>4,835</b>	<b>4,835</b>	<b>Total fixed assets</b>		<b>0</b>	<b>5,088</b>	<b>5,088</b>
			<b>Current assets</b>				
5	0	5	Debtors	2	6	0	5
39	22	61	Debtors Cash owed by Vale of Glamorgan Council		34	22	56
100	0	100	Investments	3	100	0	100
<b>144</b>	<b>22</b>	<b>166</b>	<b>Total current assets</b>		<b>140</b>	<b>22</b>	<b>162</b>
			<b>Current liabilities</b>				
(32)	0	(32)	Creditors: amounts falling due within one year	4	(20)	0	(20)
<b>(32)</b>	<b>0</b>	<b>(32)</b>	<b>Total current liabilities</b>		<b>(20)</b>	<b>0</b>	<b>(20)</b>
<b>112</b>	<b>22</b>	<b>134</b>	<b>Net current assets or liabilities</b>		<b>120</b>	<b>22</b>	<b>142</b>
<b>112</b>	<b>4857</b>	<b>4969</b>	<b>Total assets less current liabilities</b>		<b>120</b>	<b>5,110</b>	<b>5,230</b>
			<b>The funds of the charity:</b>				
0	1,004	1,004	Endowment funds		0	1,004	1,004
112	0	112	Unrestricted funds		120	0	120
0	3,853	3,853	Revaluation Reserve		0	4,106	4,106
<b>112</b>	<b>4,857</b>	<b>4,969</b>	<b>Total charity funds</b>		<b>120</b>	<b>5,110</b>	<b>5,230</b>

The notes contained on page 13 and 14 form part of these Accounts.

Approved by the trustees at their meeting on 4<sup>th</sup> October 2021 and the Chairman, Councillor M Wilson duly authorised to sign the same on their behalf, subsequent minor amendments were approved by trustees in January 2022.

Signed : Cllr. Mark Wilson

Date : 27<sup>th</sup> January 2022

**Councillor M Wilson**

**Chairman Vale of Glamorgan Welsh Church Act Estate Committee**

## Cashflow Statement

		2019/20	2020/21
	Notes	Prior Year Funds	Total Funds
		£'000	£'000
<b>Cash flows from operating activities:</b>			
<b>Net cash provided by (used in) operating activities</b>		<b>56</b>	<b>53</b>
<b>Cash flows from investing activities</b>			
Dividends interest and rents from investments		(51)	(49)
Proceeds from the sale of investments		0	0
Purchase of investments		0	0
<b>Net cash provided by (used in) investing activities</b>		<b>(51)</b>	<b>(49)</b>
<b>Net cash provided by (used in) financing activities</b>		<b>0</b>	<b>0</b>
Change in cash and cash equivalents in the reporting period		5	5
Cash and cash equivalents at the beginning of the reporting period		(66)	(61)
<b>Cash and cash equivalents at the end of the reporting period</b>		<b>(61)</b>	<b>(56)</b>

## **Notes to the Statement of Financial Activities**

### **1. Investment Income**

	<b>2019/20</b> £	<b>2020/21</b> £
Investment Income from Investments held with Tilney	34,645	30,946
Interest Received from Vale of Glamorgan Council	510	56
<b>Total</b>	<b>35,155</b>	<b>31,002</b>

### **2. Related Party Transactions**

	<b>2019/20</b> £	<b>2020/21</b> £
Interest Received from Vale of Glamorgan Council	510	56
<b>Total</b>	<b>510</b>	<b>56</b>

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

### **3. Grants Paid**

During 2020/21 the Fund awarded total grants amounting to £37k towards the charitable purposes to which the fund may be applied, as detailed below.

<b>Organisation</b>	<b>Scheme</b>	<b>Amount £</b>
Multiple Sclerosis Society - Cymru	Project to overcome impact of Covid 19 on people with Multiple Sclerosis	2,500.00
St James Church, Wick	Project to address damp and safety hazards	5,000.00
Holy Family Catholic Church	New heating system	2,500.00
Tabernacle Baptist Church	Improve Access and Update Toilet Facility	5,000.00
Salem Baptist Church	Automatic Doors and Stacking Chairs	2,500.00
Vale of Glamorgan Brass Band	Toilet Upgrade	2,304.00
Ty Hafan	Hospice Refurbishment	5,000.00
Ainon Baptist Church	Community Centre Refurbishment	5,000.00
Vale Cricket Club Limited	Wooden Score Box and Cricket Store	500.00
St Catwgs Church	Quinquennial Inspection Project	2,000.00
St Cadocs Rectorial Benefice of Barry	Installation and Repair of Pathway	5,000.00
Action for Elders Trust Central	Balance Lives at Home Project	2,500.00
National Coastwatch Institution Nells Point	Replacement Binoculares	3,000.00
Cardiff & Vale Area Scout Council	Redevelopment of the Jubilee campsite (Phase 2) in Peterston Super Ely	4,000.00
<b>Total Grants Paid as per SOFA</b>		<b>46,804.00</b>
Withdrawal of Grants 2017/18 St Cadocs Church and Tabernacle Baptist Church		-10,000.00
<b>Amended Total Grants as per SOFA</b>		<b>36,804.00</b>

### **4. Trustees Remuneration/Benefits**

No remuneration or benefits was paid to Trustees during 2019/20 or 2020/21.

## 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 2020	3,232	0	3,232
Disposals	0	0	0
Additions	0	0	0
Net profit/(loss) on revaluation	0	0	0
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>3,232</b>	<b>0</b>	<b>3,232</b>

#### 1.2 Investments

	2019/20 £'000	2020/21 £'000
Balance as at 1st April	1,725	1,604
Additions at cost	0	0
Reclassification from short term	0	0
Disposals at carrying value	0	0
Unrealised gains/ (losses) in year	(121)	253
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>1,604</b>	<b>1,857</b>

The Investments balance at 31<sup>st</sup> March 2021 is made up as follows.

	Portfolio %	£'000
Equities	50%	929
Investment Grade Corporate Bonds	14%	260
Government Fixed Income	4%	74
High Yield Fixed Income	1%	19
Real Assets	11%	204
Absolute Return	13%	241
Commodity	0%	0
Cash	7%	130
	<b>100%</b>	<b>1,857</b>

43% of equities in the portfolio are classed as UK equities and 70% of the overall portfolio is held in Pounds.

### 2. Debtors – amounts receivable within one year

Debtors at 31<sup>st</sup> March 2021 amounted to £5,771 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 “Average Seven Day Rate”.

**4. Creditors - amounts payable within one year**

<b>Creditor</b>	<b>31/03/20 £'000</b>	<b>31/03/21 £'000</b>
Independent examiners fee	6	3
Grants agreed in 2017/18 unpaid at 31 <sup>st</sup> March	10	0
Grants agreed in 2018/19 unpaid at 31 <sup>st</sup> March	7	1
Grants agreed in 2019/20 unpaid at 31 <sup>st</sup> March	9	5
Grants agreed in 2020/21 unpaid at 31 <sup>st</sup> March	0	10
<b>Total</b>	<b>32</b>	<b>19</b>

**Report of the independent examiner to the trustees of The Vale  
of  
Glamorgan Welsh Church Act Fund**

I report on the accounts of the Vale of Glamorgan Welsh Church Act Fund for the year ended 31 March 2021, which are set out on pages 6 to 14.

**Responsibilities and basis of report**

As the charity's trustee, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



28 January 2022

Adrian Crompton  
Auditor General for Wales

24 Cathedral Road  
Cardiff