

Powys Welsh Church Fund
Report & Financial Statements
for the year ended 31 March 2022
Charity number: 507967

Powys Welsh Church Fund

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Powys Welsh Church Fund
Report of the Trustee for the Year Ended 31 March 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Trustee	Members of Powys County Council
Principal Office	Powys County Council County Hall Llandrindod Wells Powys LD1 5LG
Charity Registration Details	Name: Powys Welsh Church Fund No: 507967

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Document

The charity is governed by the scheme of the Welsh Church Act 1914, dated 13 March 1978.

The charity's object is to support general charitable purposes in Powys.

OBJECTIVES & ACTIVITIES

The primary object of the Fund is to provide assistance to groups for social, recreational and other charitable purposes.

ACHIEVEMENTS & PERFORMANCE

For the reporting period the grant pay out was £76,800 (2020/21: £33,495).

Projects funded during the last reporting period include funding a part time project worker, an inclusive group for children's holiday and family workshops as well as church renovations.

PUBLIC BENEFIT STATEMENT

After taking due regard of the Charity Commission guidance on public benefit, the charity is able to demonstrate public benefit because:

- The payment of grants is clear evidence of the relevant benefit provided.
- Beneficiaries are eligible recipients connected with the specified region.
- Grant-making is free to beneficiaries.

FINANCIAL REVIEW

Charitable activity spend of £76,800 comprises grants awarded to organisations.

The Charity's investments are part of a £21.5m corporate investment portfolio managed by Community Foundation Wales, but delegated to their investment managers: Brewin Dolphin and CCLA Investment Management Ltd. The value of the investments continued the positive recovery seen in 2020/21 which followed the shock of the pandemic in March 2020. Powys Welsh Church Act investments, are now valued at £3,041,887.

Community Foundation Wales operates a total return approach to managing its investments. In this financial year the trustees of CFW recommended a distribution amount of 4% of the market value of the endowment at 30 September 2020, increasing to 5% in 2022/23.

Powys Welsh Church Fund
Report of the Trustee for the Year Ended 31 March 2022

Reserves Policy

Due to the adoption of a total return policy the charity no longer requires a small reserve to permit a smooth pattern of grant payments, as investment income is now reinvested and it is the unapplied total return that acts as the reserve for distribution. Cash flow forecasting ensures that we have enough cash available to meet grant liabilities as and when they fall due for payment.

As a result, the reserves at 31 March 2022 were £3,530 (2020/21: £475).

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The trustee is responsible for preparing the Report of the Trustee 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

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

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) regulations and the provisions of the trust deed. It is 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.

On behalf of the Members of Powys County Council as trustee:



.....
Name: Gareth Ratcliffe

Date: 12th January 2023

**Independent Examiner's Report to the Trustees of
Powys Welsh Church Fund
For the year ended 31 March 2022**

I report to the Charity Trustee on my examination of the accounts of the Charity for the year ended 31 March 2022.

This report is made solely to the Charity's Trustees, as a body, in accordance with part 4 of the Charities (Accounts and reports) regulations 2008. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the charity and the Charity's Trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the charity's trustees, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination, I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts 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.

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.

Claire Thompson

Claire Thompson
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date 17-01-2023

Powys Welsh Church Fund
Statement of Financial Activities for the year ended 31 March 2022

	Notes	2021/22 Unrestricted funds £	2021/22 Endowment funds	2021/22 Total funds £	2020/21 Total funds Restated £
Income and endowments from:					
Investment Income		122,759		122,759	72,598
Total Income		<u>122,759</u>		<u>122,759</u>	<u>72,598</u>
Expenditure on:					
<i>Costs of raising funds</i>					
Raising funds	2	42,904		42,904	35,348
Charitable Activities	2	76,800		76,800	34,195
Total expenditure		<u>119,704</u>		<u>119,704</u>	<u>69,543</u>
Net income/(expenditure) before gains and losses on investments		3,055		3,055	3,055
gains/(Losses)on investment assets	5		212,147	212,147	559,313
Net income/(expenditure)for the year		<u>3,055</u>	<u>212,147</u>	<u>215,202</u>	<u>562,368</u>
Net movement in funds		3,055	212,147	215,202	562,368
Reconciliation of funds					
Total funds brought forward		475	3,034,801	3,035,276	2,472,908
Total funds carried forward		<u>3,530</u>	<u>3,246,948</u>	<u>3,250,478</u>	<u>3,035,276</u>

The Statement of Financial Activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing operations.

**Powys Welsh Church Fund
Balance Sheet as at 31 March 2022**

		2021/22		2020/21	
	Notes	£	£	£	£
Fixed assets				Restated	
Investments:					
Securities	5	3,041,887		2,829,740	
Other land and buildings	4	<u>205,061</u>		<u>205,061</u>	
			3,246,948		3,034,801
Current assets					
Cash at bank	6	24,625		(830)	
Debtors	7	<u>3,055</u>		<u>3,055</u>	
		27,680		2,225	
Creditors: Amounts falling due within one year	8	<u>(24,150)</u>		<u>(1,750)</u>	
Net current assets			3,530		475
Net Assets			<u>3,250,478</u>		<u>3,035,276</u>
Represented by:					
Funds					
Unrestricted funds	9		3,530		475
Endowment funds	9		<u>3,246,948</u>		<u>3,034,801</u>
			<u>3,250,478</u>		<u>3,035,276</u>

The notes at pages 6 to 10 form part of these accounts.

Approved by the corporate trustee and signed on its behalf by:

Signature

Print name

Date

.....

Gareth Ratcliffe

12th January 2023



1 ACCOUNTING POLICIES

Basis of preparation

The financial statements, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2019, Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments and investment property.

The Charity's functional and presentational currency is the pound sterling (£), and balances are rounded to the nearest £1.

Preparation of the accounts on a going concern basis

The Trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.
- Endowment funds held at the balance sheet date represent permanent endowment for unrestricted purposes.

INCOME

Recognition of income

All income is included in the statement of financial activities when the charity is entitled to the income, it is probable that the income will be received and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Income received by way of grants and donations is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Investment income is included when received.
- Income from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.

Listed investments

Listed investments are included in the balance sheet at market value. Any gain or loss on disposal or revaluation is charged or credited to the SOFA.

EXPENDITURE AND LIABILITIES

Liability recognition

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Governance costs

Governance costs include items such as independent examination and legal costs relating to the governance of the charity.

Grants with performance conditions

Where the charity gives a grant with conditions for its payments being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has provided the specified service or output.

Grants payable without performance conditions

These are only recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support costs

Support costs include central functions and have been allocated to activities by the percentage of time spent on each activity.

ASSETS

Tangible fixed assets for use by charity

These are capitalised if they can be used for more than one year, and costs at least £500. They are valued at cost or a reasonable value on receipt.

Investment property

Investment property is valued at open market value. Any gain or loss on disposal or revaluation is charged or credited to the SOFA.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Endowment Funds - Prior year adjustment

The accounts have been restated to incorporate the understatement of Endowment funds. The adjustment relates to the accounting period ended 31 March 2019. The adjustment has resulted in Endowment funds brought forward being increased by £47,979.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next year.

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2022

2 RESOURCES EXPENDED

	Direct £	Support £	Governance £	2021/22 £	2020/21 £
Administration	-	42,904	-	42,904	35,348
Charitable Activities	76,800	-	-	76,800	34,195
Total Resources Expended	76,800	42,904	-	119,704	69,543

Costs have been attributed on a basis consistent with the use of resources. Where costs cannot be allocated, they are apportioned by the estimated percentage of time spent on each activity. Support costs are the management fee paid to Community Foundation Wales.

Direct charitable activity spend of £76,800 comprises grants - all payable to groups.

3 GOVERNANCE COSTS

Governance costs are included under the charity's charitable activities expenditure and are broken down as follows:

	2021/22 £	2020/21 £
Independent Examination + costs	650	1,350
Total Governance Costs	650	1,350

4 TANGIBLE FIXED ASSETS

	2021/22 £	2020/21 £
Other land and buildings		
At 1 April 2020	205,061	204,950
Additions	-	111
Disposals	-	-
At 31 March 2021	205,061	205,061

The WCA estate comprises parcels of agricultural land which are either let on secure agricultural tenancies or short term licenses. The market value of the estate will be assessed every five years on 31st March each year and a valuation report issued. Market value is defined by RICS in Practice Statement 3.2 as: "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion". Unless there are known changes to a particular parcel of land it would only need to be inspected once every five years and the annual review of value will be based on current prices for comparable parcels of agricultural land. The land was last valued by Savills in April 2018 and is in line with the value reported, therefore not deemed to be impaired.

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2022

5 INVESTMENTS - SECURITIES	2021/22	2020/21
	£	£
Listed investments at valuation		
Opening valuation	2,829,740	2,270,427
Additions in the year	406,197	625,826
Disposal proceeds	(406,197)	(625,826)
Gain or loss on revaluation	212,147	559,313
Closing valuation	<u>3,041,887</u>	<u>2,829,740</u>
Listed investments comprised:		
UK-listed investments	2,967,158	2,771,065
Portfolio cash float	74,729	58,675
	<u>3,041,887</u>	<u>2,829,740</u>
Material investments		
CCLA COIF	832,152	784,528
Segregated portfolio holdings	2,209,735	2,045,212
	<u>3,041,887</u>	<u>2,829,740</u>

6 CASH AT BANK AND IN HAND

The short term deposit account is administered by the Community Foundation in Wales in line with their management policy. The cash balance as at 31 March 2021/22 is £24,625; (2020/21: -£830).

7 DEBTORS

	2021/22	2020/21
	£	£
Other debtors	3,055	3,055
	<u>3,055</u>	<u>3,055</u>

8 CREDITORS

	2021/22	2020/21
	£	£
Other creditors and accruals	24,150	1,750
	<u>24,150</u>	<u>1,750</u>

9 FUND/ASSET ANALYSIS

	Unrestricted funds	Endowment funds	2021/22	2020/21
	£	£	£	£
Fixed assets	-	3,246,948	3,246,948	475
Net current assets	3,530	-	3,530	3,034,801
	<u>3,530</u>	<u>3,246,948</u>	<u>3,250,478</u>	<u>3,035,276</u>

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2022

10 RELATED PARTY TRANSACTIONS

	2021/22	2020/21
	£	£
Powys County Council	650	650
Community Foundation Wales (also see note 11)	42,254	34,698
	42,904	35,348

11 TRUSTEES

Powys County Council retains the trusteeship of the Powys Welsh Church Fund but has delegated to Community Foundation Wales the management of the Fund's non-property investments and grant-making. The Foundation manages both of these activities on behalf of Powys County Council as part of the Foundation's investment portfolio according to the Foundation's investment strategy. The Welsh Church Act Fund uses the systems and procedures of Community Foundation Wales in the administration of the Fund. Community Foundation Wales was paid £42k for administering the Fund (2020/21: £35k).

12 ULTIMATE CONTROLLING PARTY

The charity considers the Trustee, Powys County Council, to be the ultimate controlling party and parent company. The address for obtaining copies of the ultimate parent's consolidated financial statements is given at the top of page 1.