

Powys Welsh Church Fund
Report & Financial Statements
for the year ended 31 March 2023

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 2023**

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 £51,861 (2021/22: £76,800).

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 £51,861 (2021/22: £76,800) comprises grants awarded to organisations.

The Charity's investments are part of a £19.9m 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 decreased in the year as a result of the turbulent economic climate during the year. Powys Welsh Church Act investments are now valued at £2,799,436 (2021/22: £3,028,745).

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 5% of the market value of the endowment at 30 September 2021.

**Powys Welsh Church Fund
Report of the Trustee for the Year Ended 31 March 2023**

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 free reserves at 31 March 2023 were £nil (2021/22: £nil).

Approved on behalf of the Members of Powys County Council as trustee:

.....

Name.....

Date: 31 January 2024

**Independent Examiner's Report to the Trustees of
Powys Welsh Church Fund
For the year ended 31 March 2023**

I report to the Charity Trustees on my examination of the accounts of the Charity for the year ended 31 March 2023.

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

Your attention is drawn to the fact that the charity has prepared these financial statements in accordance with 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) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has now been withdrawn. I understand that this has been done in order for charity to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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.

Katherine Parkin FCA
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Date

Powys Welsh Church Fund
Statement of Financial Activities for the year ended 31 March 2023

	Notes	2022/23 Unrestricted funds	2022/23 Endowment funds	2022/23 Total funds	2021/22 Total funds As restated
		£	£	£	£
Income and endowments from:					
Investment Income		71,356	-	71,356	63,442
Total Income		<u>71,356</u>	<u>-</u>	<u>71,356</u>	<u>63,442</u>
Expenditure on:					
<i>Costs of raising funds</i>					
Raising funds	2	40,769	-	40,769	42,904
Charitable Activities	2	53,061	-	53,061	76,800
Total expenditure		<u>93,830</u>	<u>-</u>	<u>93,830</u>	<u>119,704</u>
Net income/(expenditure) before gains and losses on investments		(22,474)	-	(22,474)	(56,262)
Gains/(losses) on investment assets	5	-	(145,771)	(145,771)	215,124
Net income/(expenditure) for the year		<u>(22,474)</u>	<u>(145,771)</u>	<u>(168,245)</u>	<u>158,862</u>
Transfers between funds		22,474	(22,474)	-	-
Net movement in funds		-	(168,245)	(168,245)	158,862
Reconciliation of funds					
Total funds brought forward		-	3,101,655	3,101,655	2,942,793
Total funds carried forward		<u>-</u>	<u>2,933,410</u>	<u>2,933,410</u>	<u>3,101,655</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 2023**

		2022/23		2021/22	
	Notes	£	£	As restated	
				£	£
Fixed assets					
Investments:					
Securities	5	2,799,436		3,028,745	
Other land and buildings	4	205,061		205,061	
			3,004,497		3,233,806
Current assets					
Cash at bank	6	-		-	
Debtors	7	3,055		3,055	
		3,055		3,055	
Creditors: Amounts falling due within one year	8	(74,142)		(135,206)	
Net current assets			(71,087)		(132,151)
Net Assets			2,933,410		3,101,655
Represented by:					
Funds					
Unrestricted funds	9		-		-
Endowment funds	9	2,933,410		3,101,655	
		2,933,410		3,101,655	

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

.....

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 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. The fund is managed on a total return basis. This means that the funds are invested to maximise the return on investment without regard as to whether that return is in the form of income from dividends or interest or capital appreciation (where the market value of the investment increases). The trustees decide each year how much of that return is released to income for spending and how much is retained for investment. The allocation is made on an equitable basis to balance the need for current grant funding as well as to invest returns for the future.

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.

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2023

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.

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.

Prior year restatement

The accounts have been restated to reverse transactions grossed up in Endowment gains and losses and debtors. The adjustment has been applied from the accounting period 31 March 2020 onwards and results in the brought forward endowment balance at 1 April 2022 reducing by £145,293.

The accounts have also been restated to amend the unrestricted funds balance as at 1 April 2022 to nil. The value of this restatement is £3,530.

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2023

2 INVESTMENT INCOME

	2022/23	2021/22 As restated
	£	£
Income from listed investments	68,301	60,387
Rental income	3,055	3,055
	71,356	63,442

3 RESOURCES EXPENDED

	Direct £	Support £	Governance £	2022/23 £	2021/22 £
Raising funds	-	40,769	-	40,769	42,904
Charitable Activities	51,861	-	1,200	53,061	76,800
Total Resources Expended	51,861	40,769	1,200	93,830	119,704

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 primarily the management fee paid to Community Foundation Wales.

Direct charitable activity spend of £51,861 comprises grants - all payable to groups (2021/22: £76,800 comprises grants - all payable to groups).

4 GOVERNANCE COSTS

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

	2022/23	2021/22 As restated
	£	£
Independent Examination	1,200	-
Total Governance Costs	1,200	-

5 TRUSTEES

None (2021/22: None) of the Trustees or any persons connected with them received any remuneration or benefits from the charity during the year (2021/22: £nil) other than as disclosed in Note 11 Related Party Transactions.

6 INVESTMENT PROPERTY

	2022/23	2021/22
	£	£
Other land and buildings		
At 1 April 2022	205,061	205,061
Additions	-	-
Disposals	-	-
At 31 March 2023	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 2023

7 INVESTMENTS - SECURITIES	2022/23	2021/22
	£	As restated £
Listed investments at valuation		
Opening valuation	3,028,745	2,814,545
Additions in the year	400,930	404,442
Disposal proceeds	(479,278)	(346,473)
Cash movement	(18,061)	19,647
Gain/(loss) on revaluation	(132,900)	136,583
Closing valuation	<u>2,799,436</u>	<u>3,028,745</u>
Listed investments comprised:		
UK-listed Investments	2,739,176	2,950,423
Portfolio cash float	60,260	78,322
	<u>2,799,436</u>	<u>3,028,745</u>
Material Investments		
CCLA COIF	745,225	828,557
Segregated portfolio holdings	2,054,211	2,200,188
	<u>2,799,436</u>	<u>3,028,745</u>

8 DEBTORS

	2022/23	2021/22
	£	£
Other debtors	3,055	3,055
	<u>3,055</u>	<u>3,055</u>

9 CREDITORS

	2022/23	2021/22
	£	As restated £
Other creditors	59,292	111,056
Accruals	14,850	24,150
	<u>74,142</u>	<u>135,206</u>

10 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds	Endowment funds	2022/23
	£	£	£
Fixed assets investments	-	3,004,497	3,004,497
Net current assets	-	(71,087)	(71,087)
	<u>-</u>	<u>2,933,410</u>	<u>2,933,410</u>

	Unrestricted funds	Endowment funds	2021/22
	£	£	As restated £
Fixed assets investments	-	3,233,806	3,233,806
Net current assets	-	(132,151)	(132,151)
	<u>-</u>	<u>3,101,655</u>	<u>3,101,655</u>

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2023

11 RELATED PARTY TRANSACTIONS

	2022/23	2021/22
	£	£
Powys County Council	650	650
Community Foundation Wales (also see note 11)	40,119	42,254
	40,769	42,904

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 £40,119 for administering the Fund (2021/22: £42,254).

12 PERMANENT ENDOWMENTS

	Balance at 1 April 2022 As restated	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£
Endowment funds	2,279,715	-	-	-	-	2,279,715
Unapplied total return	821,940	-	-	(22,474)	(145,771)	653,695
	3,101,655	-	-	(22,474)	(145,771)	2,933,410

	Balance at 1 April 2021 As restated	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2022 As restated
	£	£	£	£	£	£
Endowment funds	2,279,715	-	-	-	-	2,279,715
Unapplied total return	663,078	-	-	(56,262)	215,124	821,940
	2,942,793	-	-	(56,262)	215,124	3,101,655

13 ULTIMATE CONTROLLING PARTY

The charity considers the Trustee, Powys County Council, to be the ultimate controlling party, by virtue of its corporate trusteeship. However as noted above the management of the Charity's non-property investments and grant-making has been delegated to Community Foundation Wales. Therefore as Community Foundation Wales controls the day to day activities of the Charity, the non-property related transactions and balances are treated as being a subsidiary of Community Foundation Wales and are included in the consolidated financial statements of Community Foundation Wales. Community Foundation Wales is a Charitable Company registered in England & Wales, company number 0367068, charity number 1074655 whose principal activities are to inspire people to give, help Welsh communities to thrive and change lives together. The consolidated financial statements of Community Foundation Wales can be obtained from 24 St Andrews Crescent, Cardiff, CF10 3DD.

Powys Welsh Church Fund
Notes to the Financial Statements for the Ended 31 March 2023

14 COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	2021/22 Unrestricted funds £	2021/22 Endowment funds	2021/22 Total funds £
Income and endowments from:			
Investment Income	63,442	-	63,442
Total Income	<u>63,442</u>	<u>-</u>	<u>63,442</u>
Expenditure on:			
<i>Costs of raising funds</i>			
Raising funds	42,904	-	42,904
Charitable Activities	76,800	-	76,800
Total expenditure	<u>119,704</u>	<u>-</u>	<u>119,704</u>
Net	(56,262)	-	(56,262)
Gains/(losses) on investment assets	-	215,124	215,124
Net income/(expenditure) for the year	<u>(56,262)</u>	<u>215,124</u>	<u>158,862</u>
Transfers between funds	56,262	(56,262)	-
Net movement in funds	-	158,862	158,862
Reconciliation of funds			
Total funds brought forward	-	2,942,793	2,942,793
Total funds carried forward	<u>-</u>	<u>3,101,655</u>	<u>3,101,655</u>