

# WELSH CHURCH ACT FUND WITHIN THE AREAS OF RHONDDA CYNON TAFF, BRIDGEND AND MERTHYR TYDFIL COUNTY BOROUGH COUNCILS

England & Wales · Charity number 506658

## Details

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Other names	MID GLAMORGAN WELSH CHURCH FUND, THE COUNTY COUNCIL OF MID GLAMORGAN WELSH CHURCH FUND, WELSH CHURCH ACT FUND WITHIN THE AREAS OF BRIDGEND AND MERTHYR TYDFIL COUNTY BOROUGH COUNCILS, RHONDDA CYNON TAFF WELSH CHURCH FUND
Status	Registered
Legal form	Other
Registered	1977-10-21
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Rhondda Cynon Taff County Borough Council 1 Llys Cadwyn Pontypridd Mid Glamorgan CF37 4TH
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## Activities

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**Objects:** SUCH CHARITABLE PURPOSES OF THE NATURE DESCRIBED IN THE FIRST SCHEDULE TO THE SCHEME AS THE COUNCIL MAY FROM TIME TO TIME THINK FIT (SEE PARAS 1-13).

**Activities:** gives grants to organisations, principally church based but also hobbies, cultural, medical and educational grants

## Classification

- **How:** Makes Grants To Organisations
- **What:** General Charitable Purposes, Education/training, The Advancement Of Health Or Saving Of Lives, Religious Activities, Arts/culture/heritage/science, Amateur Sport, Animals, Environment/conservation/heritage
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups

## Geography

- **Area of benefit:** MID GLAMORGAN
- Bridgend
- Merthyr Tydfil
- Rhondda Cynon Taff

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£411,733	£576,160	-	-
2024-03-31	£365,000	£523,000	-	-
2023-03-31	£378,000	£474,000	-	-
2022-03-31	£376,271	£432,151	-	-
2021-03-31	£408,000	£348,000	-	-

## Trustees

Name	Role	Appointed
CHRISTOPHER LEE		2013-11-27
RCTCBC		1976-01-09
RHONDDA CYNON TAF CBC		1976-01-09
RHONDDA CYNON TAFF CBC		

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# Accounts

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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2024/25**

# Annual Report 2024/25

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2025**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2025. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Paul Mee

#### **Principal Office**

Rhondda Cynon Taf CBC, Llys Cadwyn 2, Pontypridd,  
CF37 4TH

#### **Auditors**

Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ.

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., 1 Angel Lane, London, EC4R 3AB.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, Llys Cadwyn 2, Pontypridd, CF37 4TH.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

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

The Welsh Churches 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.

## **Organisation**

All the Councillors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

Where appropriate an induction and appropriate training is provided to councillors and any responsible officers which deal with the Fund on behalf of the Trustee.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **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 Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made to organisations which have a premises certificate to serve or supply alcohol. Grant can be awarded to organisations which have applied for Temporary Event Notices, as long as this falls within the limits identified in the Licensing Act.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.

7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church Act Fund grants will not be paid up front. Grant will normally be paid on completion of the project, on submission of invoices and bank statements to evidence the expenditure.
8. Welsh Church Act Fund grant limits during 2024/25 were:

Category	Grant Level	Match Funding Contribution
Small	Up to £3,000	Nil
Medium	£3,001 - £15,000	Minimum 10%
Significant	£15,001 - £50,000	Minimum 20%

### Details of the Grant Making Process

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### Review of Financial Activities

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £412k (£365k in 2023/24). Expenditure on charitable activities totalled £566k (£517k in 2023/24), and governance costs of £10k were incurred (£6k in 2023/24). Net incoming resources less resources expended amounted to a deficit of £164k (Net incoming resources less resources expended amounted to a deficit of £158k in 2023/24).

During 2024/25 the number of grant awards processed increased from 47 in 2023/24 to 51.

Net losses on the revaluation of Investments totalled £285k for the year (net gains of £967k in 2023/24).

### Investment Policy and Performance against Policy

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2024/25.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Aims**

We will continue to be a demand led grant making charity providing support where it is needed.

## **Achievements and Performance**

In line with the charity's objectives, grants of £528k were awarded in 2024/25. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2024/25.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

## Statement of the Trustee’s Responsibilities

The trustee is responsible for preparing the Trustee’s 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 trustee 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 trustee is 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; 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 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:

On behalf of the Trustee.....

Date.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils (the Fund) for the year ended 31<sup>st</sup> March 2025 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements and regularity of Public Sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee[s] with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee[s] [is/are] responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee report.

### **Responsibilities of the trustees for the financial statements**

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level

of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and the posting of unusual journals;
- Obtaining an understanding of fund's framework of authority as well as other legal and regulatory frameworks that the Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Council and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustees;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton  
Auditor General for Wales  
[Date]

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2025**

	Note	Unrestricted Funds	
		2024/25 £'000	2023/24 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	412	365
<b>Total Income and Endowments</b>		<b>412</b>	<b>365</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(566)	(517)
Other	3	(10)	(6)
<b>Total Expenditure</b>		<b>(576)</b>	<b>(523)</b>
Net Gains/(Losses) on Investments		(285)	967
<b>Net Income/(Expenditure)</b>		<b>(449)</b>	<b>809</b>
<b><u>Net Movement in funds</u></b>		<b>(449)</b>	<b>809</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		13,993	13,184
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,544</b>	<b>13,993</b>

The notes contained on pages 18 - 21 form part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2025**

	Note	31/03/25 £'000	31/03/24 £'000
<b><u>Fixed Assets</u></b>			
Investments	1	13,395	14,176
		<b>13,395</b>	<b>14,176</b>
<b><u>Current Assets</u></b>			
Debtors	2	121	103
Cash at Bank		298	55
		<b>419</b>	<b>158</b>
<b><u>Current Liabilities</u></b>			
Creditors: Amounts falling due within one year	3	(270)	(34 1)
<b>Net Current Assets</b>		<b>149</b>	<b>(183)</b>
Creditors: Amounts falling due after more than one year		0	0
<b>Total Net Assets</b>		<b>13,544</b>	<b>13,993</b>
Represented By:			
<b><u>The Funds of the charity:</u></b>			
Unrestricted Funds		13,544	13,993
<b>Total Unrestricted Funds</b>		<b>13,544</b>	<b>13,993</b>

The notes contained on pages 21 - 22 form part of these Accounts.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2025**

	Note	2024/25	2023/24
		£'000	£'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	<b>(652)</b>	<b>(614)</b>
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest, Rents from Investments, Treasury Gilts Maturation		895	369
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>895</b>	<b>369</b>
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		<b>0</b>	<b>0</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>243</b>	<b>(245)</b>
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		<b>55</b>	<b>300</b>
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		<b>298</b>	<b>55</b>

The notes contained on page 23 form part of these Accounts.

Signed: \_\_\_\_\_ Date: \_\_\_\_

**Barrie Davies**  
**Deputy Chief Executive / Group Director – Corporate Resources (Section 151 Officer)**  
**Rhondda Cynon Taf CBC**  
 Llys Cadwyn 2  
 Pontypridd  
 CF37 4TH

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 31<sup>st</sup> December

2024 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2024/25.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unpresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

## Notes to the Statement of Financial Activities

### 1. Investment Income

	2024/25 £'000	2023/24 £'000
Bank Interest	16	11
Interest on Investments	396	354
<b>Total</b>	<b>412</b>	<b>365</b>

### 2. Charitable Activities

During 2024/25 the Fund awarded total grants amounting to £528,262.43. Those organisations awarded grants equal to or greater than £3,000 are detailed below:

Organisation	Amount £
Abergorki Community Hall	10,798.92
Age Connects Morgannwg	13,190.00
ASD Rainbows, Mountain Ash	13,511.60
Blaenllechau Youth Project	4,082.40
Brackla Tabernacle Church, Bridgend	13,467.60
Cor Meibion Morlais, Ferndale	15,000.00
Darranlas Community Building	46,588.11
Darranlas Community Building	15,000.00
Darranlas Environmental Group	13,230.00
Darranlas Environmental Group	15,000.00
FUSE – Fern Partnership, Ferndale	13,205.70
Gellideg Foundation Group, Merthyr	13,705.33
Hebron Baptist Church, Dowlais, Merthyr	8,167.28
Hirwaun YMCA	10,105.52
Hope Baptist Church, Bridgend	12,681.36
Hope Church, Merthyr Tydfil	15,000.00
Hope Church, Rhondda	13,450.50
Horeb Congregational Church, Merthyr	10,440.36
Living Way Church, (Peniel Pentecostal, Tonypany)	7,668.00
Llantrisant Parish Church	15,000.00
Mount Zion Pentecostal Church, Gelli	9,587.18
Mountain Ash Cricket Club	15,000.00
Parc and Dare Band, Treorchy	15,000.00
Penrhiwceiber Rangers AFC	14,378.04
Rhigos Community Sports	4,840.00
Rock UK, Trelewis	3,099.30
Seion Baptist Chapel, Maerdy	4,499.80
Spectacle Theatre, Porth	7,500.00
St David's Church, Laleston, Bridgend	9,664.82
St David's Church, Tonyrefail	11,659.45
St Dunstan's Church, Ferndale	4,644.90
St George's Church, Cwmparc	4,117.39
St John Evangelist Church, Cymmer	9,371.30

St Robert of Newminster RC Church, Aberkenfig	13,830.30
St Theodore's Church, Theo's Shop, Bridgend	9,476.55
Vine Christian Centre, Bridgend	15,000.00
Wales Council for the Deaf, Pontypridd	6,239.16
Welcome to our Woods, Treherbert	11,907.00
Ynysybwl Regeneration Partnership	50,000.00
<b>Subtotal of grants equal to or greater than £3,000</b> (39 in number)	<b>499,107.87</b>
<b>Grants less than £3,000</b> (12 in number)	29,154.56
<b>Total grants payable for 2024/25</b> (51 in number)	<b>528,262.43</b>
Grants written back to the fund, refunds and under reserved	(18,256.70)
Accounting and Technical Support	56,092.90
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>566,098.63</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2024/25:

<b>Analysis</b>	<b>Total Amount of Grant Awarded</b>	<b>Total Number of Grants</b>
	<b>£</b>	
Social and recreational	82,247.34	8
Other charitable purposes	255,940.79	21
Places of worship	190,074.30	22
Libraries, Museums and Art Galleries	0	0
<b>Total</b>	<b>528,262.43</b>	<b>51</b>

### 3. Other Costs

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
Audit Fees	(10)	(6)
<b>Total</b>	<b>(10)</b>	<b>(6)</b>

## 4. Related Party Transactions

### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value £'000		Balance Outstanding as at 31st March 2025 £'000	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & Technical Support	(56)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	16	0	16
<b>Total</b>		<b>(56)</b>	<b>16</b>	<b>0</b>	<b>16</b>

#### 4.2 Related Transactions with Members of the Council

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2024/25	2023/24	31/03/25	31/03/24
Darranlas Environmental Group, Mountain Ash	Member	28,230	7,938	15,000	0
Darranlas Community Building, Mountain Ash	Member	64,528	5,655	0	0
ASD Rainbows	Trustee	13,512	0	13,512	0
Penrhiwceiber Rangers AFC	Member	14,378	0	14,378	0
Fernhill & Glenboi Community centre	Member	0	0	2,384	2,384
Friends of Tynybryn Park	2 Members	0	0	0	50,000
Cor Meibion, Abercynon	Vice President	0	1,421	0	0
Maesyffynnon Allotments, Aberdare	Member	0	2,160	0	0
Great Western Colliery Preservation Trust Ltd.	Director	0	10,000	0	10,000
Cambrian Village Trust	Board Member	0	50,000	25,000	50,000

Nos Galan Committee	4 Members	0	1,716	0	0
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**Notes to the Balance Sheet**

**1. Fixed Asset Investments**

**1.1 Analysis of Movement in Investments**

An analysis of the fixed assets held as investments for the charity is provided below:

	<b>Land £'000</b>	<b>Securities £'000</b>	<b>Totals £'000</b>
1 <sup>st</sup> April 2024	44	14,132	14,176
Net Surplus / (Loss) on Revaluation	31	(316)	(285)
2 ½ % Index linked Stock Maturation	0	(496)	(496)
<b>Market Value at 31<sup>st</sup> March 2025</b>	<b>75</b>	<b>13,320</b>	<b>13,395</b>

**1.2 Investment Securities Analysis**

	<b>31/03/25 £'000</b>	<b>31/03/24 £'000</b>
Government Stock	0	495
Charities Official Investment Fund	8,812	9,243
Charities Official Fixed Interest Fund	4,508	4,394
<b>Total Market Value</b>	<b>13,320</b>	<b>14,132</b>
Historical Cost	7,167	7,289

**2. Debtors**

An analysis of debtors as at 31<sup>st</sup> March 2025 is provided below:

	<b>31/03/25 £'000</b>	<b>31/03/24 £'000</b>
Amounts due from RCT CBC	16	11
Accrued Interest on Investments	105	92
<b>Total</b>	<b>121</b>	<b>103</b>

**2.1** Accrued Interest relates to investment income relating to 2024/25 paid in 2025/26. It is made up as follows:

	<b>£'000</b>
COIF Fixed Interest Fund	64
COIF Investment Fund	41
2 ½ % Index Linked 2024	0
<b>Total</b>	<b>105</b>

### 3. Creditors: Amounts Falling Due Within One Year

An analysis of creditors as at 31<sup>st</sup> March 2025 is as follows:

	<b>31/03/25</b>	<b>31/03/24</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(262)	(322)
Audit Wales – fee accrual	(8)	(12)
Rhondda Cynon Taf CBC	0	(7)
<b>Total</b>	<b>(270)</b>	<b>(341)</b>

### Notes to the Cash Flow

**1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2024/25</b>	<b>2023/24</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>(449)</b>	<b>809</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	285	(967)
Dividends, Interest and Rents from Investments	(412)	(365)
(Increase)/Decrease in Debtors	(5)	(4)
Increase/(Decrease) in Creditors	(71)	(87)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(652)</b>	<b>(614)</b>

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# Accounts

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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2023/24**

Registered Charity no. 506658

## Annual Report 2023/24

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2024**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2024. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Paul Mee

#### **Principal Office**

Rhondda Cynon Taf CBC, Llys Cadwyn 2, Pontypridd,  
CF37 4TH

#### **Auditors**

Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ.

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., 1 Angel Lane, London, EC4R 3AB.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, Llys Cadwyn 2, Pontypridd, CF37 4TH.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

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

The Welsh Churches 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.

## **Organisation**

All the Councillors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

Where appropriate an induction and appropriate training is provided to councillors and any responsible officers which deal with the Fund on behalf of the Trustee.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **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 Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made towards organisations with an alcohol license.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.
7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church

Act Fund grants will not be paid up front. Grant will normally be paid on completion of the project, on submission of invoices and bank statements to evidence the expenditure.

8. Welsh Church Act Fund grant limits during 2023/24 were:

Grants under £2,000 did not require match funding, grants exceeding £2,000 required a minimum of 10% match funding and grants exceeding £10,000 required a minimum of 20% match funding from non-Welsh Church Fund sources. Maximum grant available was £50,000.

### **Details of the Grant Making Process**

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### **Review of Financial Activities**

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £365k (£378k in 2022/23). Expenditure on charitable activities totalled £517k (£470k in 2022/23), and governance costs of £6k were incurred (£4k in 2022/23). Net incoming resources less resources expended amounted to a deficit of £158k (Net incoming resources less resources expended amounted to a deficit of £96k in 2022/23).

During 2023/24 the number of grant awards processed increased from 40 in 2022/23 to 47.

Net gains on the revaluation of Investments totalled £967k for the year (net losses of £572k in 2022/23).

### **Investment Policy and Performance against Policy**

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2023/24.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Aims**

We will continue to be a demand led grant making charity providing support where it is needed.

## **Achievements and Performance**

In line with the charity's objectives, grants of £485k were awarded in 2023/24. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2023/24.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

## Statement of the Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's 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 trustee 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 trustee is 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; 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 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:

On behalf of the Trustee.....

Date.....15/01/2025.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils (the Fund) for the year ended 31<sup>st</sup> March 2024 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise

explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee report.

### **Responsibilities of the trustees for the financial statements**

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and the posting of unusual journals;
- Obtaining an understanding of fund's framework of authority as well as other legal and regulatory frameworks that the Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Council and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustee
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Adrian Crompton  
Auditor General for Wales  
20/01/2025

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2024**

	Note	Unrestricted Funds	
		2023/24 £'000	2022/23 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	365	378
<b>Total Income and Endowments</b>		<b>365</b>	<b>378</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(517)	(470)
Other	3	(6)	(4)
<b>Total Expenditure</b>		<b>(523)</b>	<b>(474)</b>
Net gains/(Losses) on Investments		967	(572)
<b>Net Income/(Expenditure)</b>		<b>809</b>	<b>(668)</b>
<b><u>Net Movement in funds</u></b>		<b>809</b>	<b>(668)</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		13,184	13,852
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,993</b>	<b>13,184</b>

The notes contained on pages 18 - 20 form part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2024**


	Note	31/03/24	31/03/23
		£'000	£'000
<b>Fixed Assets</b>			
Investments	1	14,176	13,209
		<b>14,176</b>	<b>13,209</b>
<b>Current Assets</b>			
Debtors	2	103	103
Cash at Bank		55	300
		<b>158</b>	<b>403</b>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	3	(341)	(378)
<b>Net Current Assets</b>		<b>(183)</b>	<b>25</b>
Creditors: Amounts falling due after more than one year	4	0	(50)
<b>Total Net Assets</b>		<b>13,993</b>	<b>13,184</b>
Represented By:			
<b>The Funds of the charity:</b>			
Unrestricted Funds		13,993	13,184
<b>Total Unrestricted Funds</b>		<b>13,993</b>	<b>13,184</b>

The notes contained on pages 21 - 22 form part of these Accounts.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2024**

	Note	2023/24	2022/23
		£'000	£'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	<b>(614)</b>	<b>(470)</b>
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest and Rents from Investments		369	379
<b>Net Cash Provided by (Used in) Investing Activities</b>		<b>369</b>	<b>379</b>
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		<b>0</b>	<b>0</b>
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		<b>(245)</b>	<b>(91)</b>
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		<b>300</b>	<b>391</b>
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		<b>55</b>	<b>300</b>

The notes contained on page 23 form part of these Accounts.

Signed:  Date: 15/01/2025

**Barrie Davies**  
**Deputy Chief Executive / Group Director - Finance, Digital & Frontline Services**  
**Rhondda Cynon Taf CBC**  
 Llys Cadwyn 2  
 Pontypridd  
 CF37 4TH

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 1<sup>st</sup> December

2020 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2023/24.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

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

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Bank Interest	11	7
Interest on Investments	354	371
<b>Total</b>	<b>365</b>	<b>378</b>

**2. Charitable Activities**

During 2023/24 the Fund awarded total grants amounting to £485,220.71. Those organisations awarded grants equal to or greater than £2,000 are detailed below:

<b>Organisation</b>	<b>Amount</b>
	<b>£</b>
Merthyr Tydfil Tennis Club	7,776.00
Nebo Church, Cefn Cribwr	8,000.00
Darranlas Environmental Group	7,938.00
Rhondda Athletic Club	2,412.00
Porthcawl YMCA	6,138.13
Bryna Community Centre	10,000.00
St Matthews Church, Treorchy	6,989.27
Maesyffynnon Allotments, Aberdare	2,160.00
Brackla Tabernacle	8,337.60
Bethlehem Church Life Centre	5,394.60
Bethania Project, Aberfan	50,000.00
St Georges Church, Cwmparc	6,002.00
Great Western Colliery Preservation, Trehafod (Hetty Pit)	10,000.00
Parc Arts (Eg Bresbyteraidd Cymru)	4,200.00
Peniel Pentecostal Living Way	4,320.00
FUZE - Fern Partnership	50,000.00
Llantrisant Tennis Club	9,596.00
Darranlas Community Building	5,654.88
Cylch Meithrin Seren Fach, Mountain Ash	3,854.45
Abergorki Hall	8,580.60
Gilgal Baptist, Bridgend	7,533.00
Mt Zion, Gelli	3,960.00
All Saints Church, Porthcawl	8,424.00
St Thomas Church, Clydach Vale	10,000.00
Temple Baptist, Pontypridd	10,000.00
Capel y Bedyddwyr, Blaencwm	10,000.00
Brackla Tabernacle	8,640.00
Rhydyfelin Methodist Church	2,255.80
St Johns Ambulance, Aberdare	3,703.60
Welcome to our Woods, Treherbert	10,000.00
St George's, Cwmparc	10,000.00
United Reform Church, Edwardsville	10,000.00

Bryn Sion Baptist Church	10,000.00
Hope Rescue - Pontyclun Shop	22,082.00
Valley Veterans	46,224.00
Cambrian Village Trust	50,000.00
Cornelly Development Trust	2,321.23
St Gwynnos, Merthyr Tydfil	6,866.64
Behaviour Support Group, Pontypridd	7,275.60
Trealaw Christian Centre	6,295.00
Tabernacle Baptist Church, Porth	5,595.30
St Illtuds Church, Church Village	10,000.00
<b>Subtotal of grants equal to or greater than £2,000</b> (42 in number)	<b>478,529.70</b>
<b>Grants less than £2,000</b> (5 in number)	6,691.01
<b>Total grants payable for 2023/24</b> (47 in number)	<b>485,220.71</b>
Grants written back to the Fund and under reserved	(24,888.95)
Accounting and Technical Support	56,276.53
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>516,608.29</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2023/24:

<b>Analysis</b>	<b>Total Amount of Grant Awarded</b>	<b>Total Number of Grants</b>
	<b>£</b>	
Social and recreational	180,429.00	11
Other charitable purposes	86,178.50	13
Places of worship	208,613.21	22
Libraries, Museums and Art Galleries	10,000.00	1
<b>Total</b>	<b>485,220.71</b>	<b>47</b>

### 3. Other Costs

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
Audit Fees	(6)	(4)
<b>Total</b>	<b>(6)</b>	<b>(4)</b>

## 4. Related Party Transactions

### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value £'000		Balance Outstanding as at 31st March 2024 £'000	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & Technical Support	(56)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	11	0	11
<b>Total</b>		<b>(56)</b>	<b>11</b>	<b>0</b>	<b>11</b>

### 4.2 Related Transactions with Members of the Council

During 2023/24, Fourteen Members identified an interest in thirteen organisations that have been awarded a grant from the Fund.

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2023/24	2022/23	31/03/24	31/03/23
Pontypridd YMCA	Director /Trustee	0	0	0	15,000
Darranlas Environmental Group, Mountain Ash	Member *	7,938	7,182	0	0
Darranlas Community Building, Mountain Ash	Member *	5,655	15,913	0	9,915
Lee Garden Pool Penrhiwceiber	Chair	0	0	0	8,560
Fernhill & Glenboi Community centre	Member *	0	2,384	2,384	2,384
Friends of Tynybryn Park	Member	0	50,000	50,000	50,000
Y Siop Fach Sero	Director	0	46,211	0	29,297
Rhondda Lawn Tennis Club, Treorchy	Member	0	14,156	0	10,000
Cor Meibion, Abercynon	Vice President / Director	1,421	0	0	0

Maesyffynnon Allotments, Aberdare	Member	2,160	0	0	0
Great Western Colliery Preservation Trust Ltd.	Director	10,000	0	10,000	0
Cambrian Village Trust	Board Member	50,000	0	50,000	0
Nos Galan Committee	4 Members	1,716	0	0	0

\* The same one member declared an interest in each of these organisations.

## Notes to the Balance Sheet

### 1. Fixed Asset Investments

#### 1.1 Analysis of Movement in Investments

An analysis of the fixed assets held as investments for the charity is provided below:

	Land £'000	Securities £'000	Totals £'000
1 <sup>st</sup> April 2023	44	13,165	13,209
Net Surplus on Revaluation	0	967	967
<b>Market Value at 31<sup>st</sup> March 2024</b>	<b>44</b>	<b>14,132</b>	<b>14,176</b>

#### 1.2 Investment Securities Analysis

	31/03/24 £'000	31/03/23 £'000
Government Stock	495	482
Charities Official Investment Fund	9,243	8,476
Charities Official Fixed Interest Fund	4,394	4,207
<b>Total Market Value</b>	<b>14,132</b>	<b>13,165</b>
Historical Cost as at 31 <sup>st</sup> March 2024	7,289	7,289

### 2. Debtors

An analysis of debtors as at 31<sup>st</sup> March 2024 is provided below:

	31/03/24 £'000	31/03/23 £'000
Amounts due from RCT CBC	11	7
Accrued Interest on Investments	92	96
<b>Total</b>	<b>103</b>	<b>103</b>

- 2.1 Accrued Interest relates to investment income relating to 2023/24 paid in 2024/25. It is made up as follows:

	<b>£'000</b>
COIF Fixed Interest Fund	62
COIF Investment Fund	28
2 ½ % Index Linked 2024	2
<b>Total</b>	<b>92</b>

### 3. Creditors: Amounts Falling Due Within One Year

An analysis of creditors as at 31<sup>st</sup> March 2024 is as follows:

	<b>31/03/24</b>	<b>31/03/23</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(322)	(319)
Audit Wales – fee accrual	(12)	(13)
Rhondda Cynon Taf CBC	(7)	(46)
<b>Total</b>	<b>(341)</b>	<b>(378)</b>

### 4. Creditors: Amounts Falling Due After More Than One Year

An analysis of creditors as at 31<sup>st</sup> March 2024 is as follows:

	<b>31/03/24</b>	<b>31/03/23</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	0	(50)
<b>Total</b>	<b>0</b>	<b>(50)</b>

**Notes to the Cash Flow****1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2023/24</b>	<b>2022/23</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>809</b>	<b>(668)</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	(967)	572
Dividends, Interest and Rents from Investments	(365)	(378)
(Increase)/Decrease in Debtors	(4)	(6)
Increase/(Decrease) in Creditors	(87)	10
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(614)</b>	<b>(470)</b>

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# Accounts

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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2022/23**

Registered Charity no. 506658

## Annual Report 2022/23

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2023**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2023. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Paul Mee

#### **Principal Office**

Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

#### **Auditors**

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

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Rhondda Cynon Taf, CF40 2XX.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

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

The Welsh Churches 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.

## **Organisation**

All the Councillors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

Where appropriate an induction and appropriate training is provided to councillors and any responsible officers which deal with the Fund on behalf of the Trustee.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **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 Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made towards organisations with an alcohol license.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.
7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church

Act Fund grants will not be paid up front. Grant will normally be paid on completion of the project, on submission of invoices and bank statements to evidence the expenditure.

8. Welsh Church Act Fund grant limits during 2022/23 were:

Grants under £2,000 did not require match funding, grants exceeding £2,000 required a minimum of 10% match funding and grants exceeding £10,000 required a minimum of 20% match funding from non-Welsh Church Fund sources. Maximum grant available was £50,000.

### **Details of the Grant Making Process**

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### **Review of Financial Activities**

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £378k (£376k in 2021/22). Expenditure on charitable activities totalled £470k (£423k in 2021/22), and governance costs of £4k were incurred (£9k in 2021/22). Net incoming resources less resources expended amounted to a deficit of £96k (Net incoming resources less resources expended amounted to a deficit of £56k in 2021/22).

During 2022/23 the number of grant awards processed increased from 38 in 2021/22 to 40.

Net losses on the revaluation of Investments totalled £572k for the year (net gains of £385k in 2021/22).

### **Investment Policy and Performance against Policy**

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2022/23.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Aims**

We will continue to be a demand led grant making charity providing support where it is needed.

## **Achievements and Performance**

In line with the charity's objectives, grants of £440k were awarded in 2022/23. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2022/23.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

## Statement of the Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's 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 trustee 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 trustee is 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; 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 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:

On behalf of the Trustee.....

Date...17/01/2024.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils (the Fund) for the year ended 31<sup>st</sup> March 2023 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are responsible for the other information contained within the annual report. My opinion on the financial

statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the financial statements is inconsistent in any material respect with the trustee report.

### **Responsibilities of the trustees for the financial statements**

As explained more fully in the statement of trustee's responsibilities, the trustee is responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they

could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition and the posting of unusual journals;
- Obtaining an understanding of fund's framework of authority as well as other legal and regulatory frameworks that the Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Fund.
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Council and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustee
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

**Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Adrian Crompton  
On behalf of the Auditor General for Wales  
19 January 2024

1 Capital Quarter  
Tyndall Street  
Cardiff  
CF10 4BZ

**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2023**

	Note	Unrestricted Funds	
		2022/23 £'000	2021/22 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	378	376
<b>Total Income and Endowments</b>		<b>378</b>	<b>376</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(470)	(423)
Other	3	(4)	(9)
<b>Total Expenditure</b>		<b>(474)</b>	<b>(432)</b>
Net gains/(Losses) on Investments		(572)	385
<b>Net Income/(Expenditure)</b>		<b>(668)</b>	<b>329</b>
<b><u>Net Movement in funds</u></b>		<b>(668)</b>	<b>329</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		13,852	13,523
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,184</b>	<b>13,852</b>

The notes contained on pages 18 - 20 form part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2023**

	Note	31/03/23	31/03/22
		£'000	£'000
<b>Fixed Assets</b>			
Investments	1	13,209	13,781
		<b>13,209</b>	<b>13,781</b>
<b>Current Assets</b>			
Debtors	2	103	98
Cash at Bank		300	391
		<b>403</b>	<b>489</b>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	3	(378)	(329)
		<b>25</b>	<b>160</b>
<b>Net Current Assets</b>			
Creditors: Amounts falling due after more than one year	4	(50)	(89)
		<b>13,184</b>	<b>13,852</b>
<b>Total Net Assets</b>			
Represented By:			
<b>The Funds of the charity:</b>			
Unrestricted Funds		13,184	13,852
<b>Total Unrestricted Funds</b>		<b>13,184</b>	<b>13,852</b>

The notes contained on pages 21 - 22 form part of these Accounts.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2023**

	Note	2022/23	2021/22
		£'000	£'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	(470)	(388)
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest and Rents from Investments		379	381
<b>Net Cash Provided by (Used in) Investing Activities</b>		379	381
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		0	0
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		(91)	(7)
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		391	398
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		300	391

The notes contained on page 23 form part of these Accounts.

Signed:  Date: 17/01/2024

**Barrie Davies**  
**Deputy Chief Executive and Group Director - Finance, Digital and Frontline Services**  
 Rhondda Cynon Taf CBC  
 The Pavilions  
 Cambrian Park  
 Clydach Vale  
 Tonypandy. CF40 2XX

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 1<sup>st</sup> December

2020 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2022/23.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

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

	<b>2022/23</b> <b>£'000</b>	<b>2021/22</b> <b>£'000</b>
Bank Interest	7	1
Interest on Investments	371	375
<b>Total</b>	<b>378</b>	<b>376</b>

**2. Charitable Activities**

During 2022/23 the Fund awarded total grants amounting to £440,164.81. Those organisations awarded grants equal to or greater than £2,000 are detailed below:

<b>Organisation</b>	<b>Amount</b> <b>£</b>
Ty Ellis Porthcawl	(2,229.60)
Merthyr Tydfil Tennis Club	(5,219.44)
Cylch Meithrin Seren Fach (YGG Abercynon)	(2,422.19)
Temple Baptist, Pontypridd	(10,000.00)
St John the Baptist, Ton Pentre	(10,000.00)
Fernhill and Glenboi Community Centre	(2,384.10)
All Saints Church, Trealaw	(8,546.10)
Citizen Advice Bureau – Taff St Project	(50,000.00)
Hope Rescue, Llanharan - electrics	(10,000.00)
Darranlas Environmental Project	(7,182.00)
Nebo Baptist Church (wall 2), Bridgend	(9,100.00)
Darranlas Community Building	(5,997.59)
Rhondda Fach Methodist Church	(10,000.00)
Friends of Tynybryn Park, Tonyrefail	(50,000.00)
St Dunstan's, Ferndale	(8,585.00)
St George, Cwmparc	(8,517.05)
Brackla Tabernacle, Bridgend	(8,489.88)
St Barnabas, Penygraig	(10,000.00)
St Illtyd Williamstown / Penrhiwfer	(10,000.00)
St Illtyd, Dowlais	(10,000.00)
Rhondda Lawn Tennis Club	(4,155.84)
3D Church, Tonyrefail	(10,000.00)
St Fagan's Church, Trecynon	(10,000.00)
Valley's Kids (Saor)	(8,237.16)
The Arts Factory	(6,640.00)
Accessible Caring Transport	(39,748.20)
Y Siop Fach Sero	(46,211.31)
St James, Llwydcoed	(10,000.00)
St Teilos, Merthyr Mawr	(10,000.00)
St Barnabas, Gilfach Goch	(3,105.00)
Rhondda Lawn Tennis Club	(10,000.00)
Bethany Baptist Church, Hopkinstown	(8,500.00)

Hope Rescue, Llanharan - Broadband	(6,872.39)
Challenging Behaviour Service, Pontypridd	(10,000.00)
Darranlas Community Building	(9,915.14)
<b>Subtotal of grants equal to or greater than £2,000</b> (35 in number)	<b>(432,057.99)</b>
<b>Grants less than £2,000</b> (5 in number)	(8,106.82)
<b>Total grants payable for 2022/23</b> (40 in number)	<b>(440,164.81)</b>
Grants written back to the Fund	10,301.17
Accounting and Technical Support	(39,941.86)
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>(469,805.50)</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2022/23:

Analysis	Total Amount of Grant Awarded	Total Number of Grants
	£	
Social and recreational	81,737.59	8
Other charitable purposes	200,657.68	13
Places of worship	157,769.54	19
Libraries, Museums and Art Galleries	0	0
<b>Total</b>	<b>440,164.81</b>	<b>40</b>

### 3. Other Costs

	2022/23 £'000	2021/22 £'000
Audit Fees	(4)	(9)
<b>Total</b>	<b>(4)</b>	<b>(9)</b>

### 4. Related Party Transactions

#### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value £'000		Balance Outstanding as at 31st March 2023 £'000	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & Technical Support	(40)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	7	0	7
<b>Total</b>		<b>(40)</b>	<b>7</b>	<b>0</b>	<b>7</b>

## 4.2 Related Transactions with Members of the Council

During 2022/23, twelve Members identified an interest in twelve organisations that have been awarded a grant from the Fund.

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2022/23	2021/22	31/03/23	31/03/22
St Elvan's Church, Aberdare.	1 Member	0	0	0	2,000
Friends of Aberdare Park	1 Trustee and 1 Member/Trustee	0	0	0	10,000
Pontypridd YMCA	1 Director /Trustee	0	0	15,000	50,000
Gelligaled Park Action group.	Trustee and a Member	0	39,762	0	39,762
St Winifred's Church, Penrhiwceiber	Treasurer	0	10,000	0	0
Darranlas Environmental Group, Mountain Ash	Member *	7,182	8,926	0	2,792
Darranlas Community Building, Mountain Ash	Member *	15,913	10,000	9,915	10,000
Lee Garden Pool Penrhiwceiber	Chair	0	48,560	8,560	28,560
Fernhill & Glenboi Community centre	Member *	2,384	0	2,384	0
Friends of Tynybryn Park	Member	50,000	0	50,000	0
Y Siop Fach Sero	Director	46,211	0	29,297	0
Rhondda Lawn Tennis Club, Treorchy	Member	14,156	20,000	10,000	10,000

\* The same one member declared an interest in each of these organisations.

## Notes to the Balance Sheet

### 1. Fixed Asset Investments

#### 1.1 Analysis of Movement in Investments

An analysis of the fixed assets held as investments for the charity is provided below:

	<b>Land £'000</b>	<b>Securities £'000</b>	<b>Totals £'000</b>
1 <sup>st</sup> April 2022	44	13,737	13,781
Net Deficit on Revaluation	0	(572)	(572)
<b>Market Value at 31<sup>st</sup> March 2023</b>	<b>44</b>	<b>13,165</b>	<b>13,209</b>

#### 1.2 Investment Securities Analysis

	<b>31/03/23 £'000</b>	<b>31/03/22 £'000</b>
Government Stock	482	479
Charities Official Investment Fund	8,476	8,795
Charities Official Fixed Interest Fund	4,207	4,463
<b>Total Market Value</b>	<b>13,165</b>	<b>13,737</b>
Historical Cost as at 31 <sup>st</sup> March 2023	7,289	7,289

### 2. Debtors

An analysis of debtors as at 31<sup>st</sup> March 2023 is provided below:

	<b>31/03/23 £'000</b>	<b>31/03/22 £'000</b>
Amounts due from RCT CBC	7	1
Accrued Interest on Investments	96	97
<b>Total</b>	<b>103</b>	<b>98</b>

#### 2.1 Accrued Interest relates to investment income relating to 2022/23 paid in 2023/24. It is made up as follows:

	<b>£'000</b>
COIF Fixed Interest Fund	61
COIF Investment Fund	32
2 ½ % Index Linked 2024	3
<b>Total</b>	<b>96</b>

**3. Creditors: Amounts Falling Due Within One Year**

An analysis of creditors as at 31<sup>st</sup> March 2023 is as follows:

	<b>31/03/23</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(319)	(304)
Audit Wales – fee accrual	(13)	(15)
Rhondda Cynon Taf CBC	(46)	(10)
<b>Total</b>	<b>(378)</b>	<b>(329)</b>

**4. Creditors: Amounts Falling Due After More Than One Year**

An analysis of creditors as at 31<sup>st</sup> March 2023 is as follows:

	<b>31/03/23</b>	<b>31/03/22</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(50)	(89)
<b>Total</b>	<b>(50)</b>	<b>(89)</b>

**Notes to the Cash Flow****1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>(668)</b>	<b>329</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	572	(385)
Dividends, Interest and Rents from Investments	(378)	(376)
(Increase)/Decrease in Debtors	(6)	0
Increase/(Decrease) in Creditors	10	44
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(470)</b>	<b>(388)</b>

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# Accounts

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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

**ANNUAL REPORT  
AND FINANCIAL STATEMENTS  
2021/22**

Registered Charity no. 506658

## Annual Report 2021/22

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2022**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2022. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Chris Bradshaw

#### **Principal Office**

Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

#### **Auditors**

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

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Rhondda Cynon Taf, CF40 2XX.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

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

The Welsh Churches 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.

## **Organisation**

All the Councilors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

Where appropriate an induction and appropriate training is provided to councilors and any responsible officers which deal with the Fund on behalf of the Trustee.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **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 Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made towards organisations with an alcohol license.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.
7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church

Act Fund grants will not be paid up front. Grant will normally be paid on completion of the project, on submission of invoices and bank statements to evidence the expenditure.

8. Welsh Church Act Fund grant limits during 2021/22 were:

Grants under £2,000 did not require match funding, grants exceeding £2,000 required a minimum of 10% match funding and grants exceeding £10,000 required a minimum of 20% match funding from non-Welsh Church Fund sources. Maximum grant available was £50,000.

### **Details of the Grant Making Process**

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### **Review of Financial Activities**

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £376k (£408k in 2020/21). Expenditure on charitable activities totalled £423k (£342k in 2020/21), and governance costs of £9k were incurred (£6k in 2020/21). Net incoming resources less resources expended amounted to a deficit of £56k (Net incoming resources less resources expended amounted to a surplus of £60k in 2020/21).

During 2021/22 the number of grant awards processed increased from 23 in 2020/21 to 38. The low number of applications is due to the impact of the COVID 19 pandemic.

Net gains on the revaluation of Investments totalled £385k for the year (net gains of £1,326k in 2020/21).

### **Investment Policy and Performance against Policy**

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2021/22.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Aims**

The challenges experienced by all charities during the Covid 19 pandemic continue to have an impact on the sector. This will be most keenly felt in areas of high deprivation where the Fund operates. We will continue to be a demand led grant making charity providing support where it is needed.

## **Achievements and Performance**

In line with the charity's objectives, grants of £385k were awarded in 2021/22. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2021/22.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

**Statement of the Trustee’s Responsibilities**

The trustee is responsible for preparing the Trustee’s 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 trustee 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 trustee is 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; 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 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:



On behalf of the Trustee.....

Date.....18/01/2023...

## **The independent auditor's report of the Auditor General for Wales to the trustee of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils for the year ended 31<sup>st</sup> March 2022 under the Charities Statement of Recommended Practice (FRS102). These comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the

other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information I am required to report the fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustee's report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by the team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 8, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, including obtaining and reviewing supporting documentation relating to The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, posting of unusual journals and review of any unusual transactions;
- Obtaining an understanding of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' framework of authority as well as other legal and regulatory frameworks that The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils' operates in, focusing on those laws and regulations that had a fundamental effect on the operations of The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of The

Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.



Richard Harries  
On behalf of the Auditor General for Wales

24 Cathedral Road  
Cardiff  
CF11 9LJ

Date: 26 January 2023

**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2022**

	Note	Unrestricted Funds	
		2021/22 £'000	2020/21 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	376	408
<b>Total Income and Endowments</b>		<b>376</b>	<b>408</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(423)	(342)
Other	3	(9)	(6)
<b>Total Expenditure</b>		<b>(432)</b>	<b>(348)</b>
Net gains/(Losses) on Investments		385	1,326
<b>Net Income/(Expenditure)</b>		<b>329</b>	<b>1,386</b>
<b><u>Net Movement in funds</u></b>		<b>329</b>	<b>1,386</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		13,523	12,137
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,852</b>	<b>13,523</b>

The notes contained on pages 18 - 21 form part of these Accounts.

**Balance Sheet as at 31<sup>st</sup> March 2022**

	Note	31/03/22	31/03/21
		£'000	£'000
<b>Fixed Assets</b>			
Investments	1	13,781	13,396
		<b>13,781</b>	<b>13,396</b>
<b>Current Assets</b>			
Debtors	2	98	103
Cash at Bank		391	398
		<b>489</b>	<b>501</b>
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	3	(329)	(374)
		<b>160</b>	<b>127</b>
<b>Net Current Assets</b>			
Creditors: Amounts falling due after more than one year	4	(89)	(0)
		<b>13,852</b>	<b>13,523</b>
<b>Total Net Assets</b>			
Represented By:			
<b>The Funds of the charity:</b>			
Unrestricted Funds		13,852	13,523
<b>Total Unrestricted Funds</b>		<b>13,852</b>	<b>13,523</b>

The notes contained on pages 22 - 23 form part of these Accounts.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2022**

	Note	2021/22	2020/21
		£'000	£'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	(388)	(672)
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest and Rents from Investments		381	406
<b>Net Cash Provided by (Used in) Investing Activities</b>		381	406
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		0	0
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		(7)	(266)
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		398	664
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		391	398

The notes contained on page 24 form part of these Accounts.

Signed:  Date: 18/01/2023

**Barrie Davies**  
**Director of Finance and Digital Services**  
 Rhondda Cynon Taf CBC  
 The Pavilions  
 Cambrian Park  
 Clydach Vale  
 Tonypandy. CF40 2XX

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 1<sup>st</sup> December

2020 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2021/22.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

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

	<b>2021/22</b> <b>£'000</b>	<b>2020/21</b> <b>£'000</b>
Bank Interest	1	1
Interest on Investments	375	407
<b>Total</b>	<b>376</b>	<b>408</b>

**2. Charitable Activities**

During 2021/22 the Fund awarded total grants amounting to £384,696.01. Those organisations awarded grants equal to or greater than £2,000 are detailed below:

<b>Organisation</b>	<b>Amount</b> <b>£</b>
Rhondda Lawn Tennis Club	(10,000.00)
Llantrisant Church	(10,000.00)
Bridgend Society of Friends / Quakers	(4,125.00)
St Winifred's, Penrhiwceiber	(10,000.00)
Cylch Meithrin Seren Fach, Mountain Ash	(4,816.25)
Emmanuel Christchurch, Bridgend	(10,000.00)
St Matthew's, Treorchy	(9,997.54)
St Theodore's Church, Kenfig Hill	(10,000.00)
Lee Gardens Pool, Penrhiwceiber	(48,560.24)
Brackla Tabernacle, Brackla	(9,270.00)
Green Street Chapel, Aberdare	(9,000.00)
All Saint's Church, Bridgend	(10,000.00)
Hetty Pit, The Great Western Colliery Preservation Trust, Trehafod	(6,000.00)
St George's, Cwmparc	(10,000.00)
Fuze at The Fern Partnership, Clydach Vale	(8,850.00)
Parc and Dare Band, Treorchy	(10,000.00)
Hope Church, Merthyr	(10,000.00)
St John The Divine Church, Aberkenfig	(7,549.35)
Bridge Mentoring Scheme, Bridgend	(5,000.00)
Dylan's Den, Treorchy	(7,871.61)
St Teilo's, Bridgend	(10,000.00)
St Peter's Church, Pentre	(9,295.30)
Blaenllechau Youth Project, Blaenllechau	(5,402.39)
Hope Rescue, Llanharan	(12,057.16)
Rhondda Lawn Tennis Club	(10,000.00)
Merthyr Tydfil Sailing Club	(10,000.00)
Darranlas Environmental Group, Mountain Ash	(8,926.38)
Rock Community Church, Abercynon	(9,270.00)
Gelligaled Park Community Action Group	(39,761.63)
St Donat's Church, Abercynon	(10,000.00)

Darranlas Community Building, Mountain Ash	(10,000.00)
Cwmparc Community Welfare Association	(4,764.69)
Nebo Baptist Church, Bridgend	(10,000.00)
Nantgarw China Works	(10,000.00)
St Thomas Church (Rhondda Ministry Area)	(8,470.73)
<b>Subtotal of grants equal to or greater than £2,000 (35 in number)</b>	<b>(378,988.27)</b>
<b>Grants less than £2,000 (3 in number)</b>	<b>(5,707.74)</b>
<b>Total grants payable for 2021/22 (38 in number)</b>	<b>(384,696.01)</b>
Grants written back to the Fund	867.17
Accounting and Technical Support	(39,321.88)
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>(423,150.72)</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2021/22:

<b>Analysis</b>	<b>Total Amount of Grant Awarded</b>	<b>Total Number of Grants</b>
	<b>£</b>	
Social and recreational	(113,162.54)	9
Other charitable purposes	(90,758.55)	9
Places of worship	(164,774.92)	18
Libraries, Museums and Art Galleries	(16,000.00)	2
<b>Total</b>	<b>(384,696.01)</b>	<b>38</b>

### 3. Other Costs

	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>
Audit Fees	(9)	(6)
<b>Total</b>	<b>(9)</b>	<b>(6)</b>

#### 4. Related Party Transactions

##### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value (£'000)		Balance Outstanding as at 31st March 2022 (£'000)	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & technical support	(39)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	1	0	1
<b>Total</b>		<b>(39)</b>	<b>1</b>	<b>0</b>	<b>1</b>

##### 4.2 Related Transactions with Members of the Council

During 2021/22, nine Members identified an interest in Twelve organisations that have been awarded a grant from the Fund.

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2021/22	2020/21	31/03/22	31/03/21
Eglwys y Bedyddwyr, Blaenycwm,	Secretary	0	8,508	0	0
St Elvan's Church, Aberdare.	Member	0	0	2,000	25,000
Friends of Aberdare Park	2 Members and a Trustee	0	0	10,000	10,000
Ynysybwl Regeneration Partnership, Ynysybwl	Director	0	50,000	0	10,000
Trecynon Free Library & Institute, Trecynon.	Chair	0	10,000	0	10,000
Pontypridd YMCA	Director	0	50,000	50,000	50,000
Rhondda Lawn Tennis Club, Treorchy.	Member	20,000	0	10,000	0
Gelligaled Park Action group.	Trustee and a Member	39,762	0	39,762	0
St Winifred's Church, Penrhiwceiber	Treasurer	10,000	0	0	0

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Darranlas Environmental Group, Mountain Ash	Member	8,926	0	2,792	0
Darranlas Community Building, Mountain Ash	Member	10,000	0	10,000	0
Lee Gardens Pool Penrhiwceiber	Chair	48,500	0	28,560	0

## Notes to the Balance Sheet

### 1 Fixed Asset Investments

#### 1.1 Analysis of Movement in Investments

An analysis of the fixed assets held as investments for the charity is provided below:

	<b>Land £'000</b>	<b>Securities £'000</b>	<b>Totals £'000</b>
1 <sup>st</sup> April 2021	44	13,352	13,396
Net Surplus on Revaluation	0	385	385
<b>Market Value at 31<sup>st</sup> March 2022</b>	<b>44</b>	<b>13,737</b>	<b>13,781</b>

#### 1.2 Investment Securities Analysis

	<b>31/03/22 £'000</b>	<b>31/03/21 £'000</b>
Government Stock	479	457
Charities Official Investment Fund	8,795	8,094
Charities Official Fixed Interest Fund	4,463	4,801
<b>Total Market Value</b>	<b>13,737</b>	<b>13,352</b>
Historical Cost as at 31 <sup>st</sup> March 2022	7,289	7,289

### 2 Debtors

An analysis of debtors as at 31<sup>st</sup> March 2022 is provided below:

	<b>31/03/22 £'000</b>	<b>31/03/21 £'000</b>
Amounts due from RCT CBC	1	1
Accrued Interest on Investments	97	102
<b>Total</b>	<b>98</b>	<b>103</b>

2.1 Accrued Interest relates to investment income relating to 2021/22 paid in 2022/23. It is made up as follows:

	<b>£'000</b>
COIF Fixed Interest Fund	61
COIF Investment Fund	32
2 ½ % Index Linked 2024	4
<b>Total</b>	<b>97</b>

**3 Creditors: Amounts Falling Due Within One Year**

An analysis of creditors as at 31<sup>st</sup> March 2022 is as follows:

	<b>31/03/22</b>	<b>31/03/21</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(304)	(336)
Audit Wales – fee accrual	(15)	(6)
Rhondda Cynon Taf CBC	(10)	(32)
<b>Total</b>	<b>(329)</b>	<b>(374)</b>

**4 Creditors: Amounts Falling Due After More Than One Year**

An analysis of creditors as at 31<sup>st</sup> March 2022 is as follows:

	<b>31/03/22</b>	<b>31/03/21</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(89)	(0)
<b>Total</b>	<b>(89)</b>	<b>(0)</b>

**Notes to Cash Flow****1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2021/22</b>	<b>2020/21</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>329</b>	<b>1,386</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	(385)	(1,326)
Dividends, Interest and Rents from Investments	(376)	(408)
(Increase)/Decrease in Debtors	0	4
Increase/(Decrease) in Creditors	44	(328)
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(388)</b>	<b>(672)</b>

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# Accounts

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**The Welsh Church Act Fund within  
the areas of  
Rhondda Cynon Taf, Bridgend  
and Merthyr Tydfil  
County Borough Councils**

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

Registered Charity no. 506658

## Annual Report 2020/21

### Contents

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## **Report of the Trustee for the Year Ended 31<sup>st</sup> March 2021**

### **Duty to Prepare Annual Reports and Accounts**

Rhondda Cynon Taf County Borough Council, as trustee, is responsible for the preparation of the Annual Report and Accounts for the Welsh Church Act Fund.

The trustee presents its report along with the financial statements of the charity for the year ended 31<sup>st</sup> March 2021. The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102).

### **Legal and Administrative Information**

#### **Name of Charity**

The Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils.

#### **Charity Number**

506658

#### **Governing Document**

Trust Deed

#### **Trustee**

Rhondda Cynon Taf CBC, as a corporate body, is the trustee of the Welsh Church Act Fund.

#### **Method of Appointment**

Upon becoming a Member of the Council, Councillors become a trustee of the Fund.

#### **Chief Executive**

Chris Bradshaw

#### **Principal Office**

Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Tonypany, CF40 2XX.

#### **Auditors**

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

#### **Bankers**

Barclays Bank PLC, Leicester, Leicestershire, United Kingdom, LE87 2BB.

### **COIFs (Charities Official Investment Fund)**

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd., Senator House, 85 Queen Victoria Street, London, EC4V 4ET.

### **Solicitors**

Legal and Democratic Services, Rhondda Cynon Taf CBC, The Pavilions, Cambrian Park, Clydach Vale, Rhondda Cynon Taf, CF40 2XX.

### **Investment Managers**

There is no contract with any advisor and no annual fees are charged. However, advice is sought on an ad-hoc basis.

## **Narrative Information**

### **Constitution and Objectives**

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

The Welsh Churches 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 Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils still operates under the constitution of the Mid Glamorgan Welsh Church Act Fund. The original trust deed is dated 9<sup>th</sup> January 1976 and the registered charity number is 506658.

The charitable purposes to which the fund may be applied are:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical buildings, etc.
- Medical and social research, treatment, etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other charitable purposes

These purposes are consistent with the Charity Commission's guidance on public benefit.

## **Organisation**

All the Councillors of Rhondda Cynon Taf CBC act as trustee of the Welsh Church Act Fund. As the Fund covers the areas of Bridgend and Merthyr Tydfil as well as Rhondda Cynon Taf, the trustee consults with representatives from these County Borough Councils on successful applications within their localities.

The charity trustee has complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission.

## **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 Rhondda Cynon Taf CBC, Bridgend CBC and Merthyr Tydfil CBC and all Trustees of the Fund have related party relationships with the charity. Transactions with related parties are disclosed in Note 4 to the Statement of Financial Activities.

## **Grant Making Policy**

Organisations are invited to submit applications together with estimates, accounts and constitutions. One or more of the purposes mentioned previously will cover successful applicants. There are specific restrictions applied around these general categories which are as follows:

1. Students are not eligible as it is considered that the County Borough Council's education policy already covers the most worthwhile cases.
2. Individual cases of relief in sickness will be referred to by the County Borough Council's Community & Children's Services Group.
3. Individual cases of relief in need will be refused, as any provision in this area should be the responsibility of the Department for Work and Pensions. However, applications from organisations working towards relief in need will be considered on their merits.
4. No grant will be made towards organisations with an alcohol licence.
5. No grants will be made toward projects operating outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf.
6. Applications will be considered from organisations based outside the areas of Bridgend, Merthyr Tydfil and Rhondda Cynon Taf provided that the work of the organisation has local significance.
7. To be eligible, organisations should ensure their facilities are open to the public at large. Any assistance given will be towards project expenditure of a capital nature only. Revenue costs such as running expenses will not be supported. Welsh Church Act Fund grants will not be paid up front. Grant will normally be paid on completion

of the project, on submission of invoices and bank statements to evidence the expenditure.

8. Welsh Church Act Fund grant limits during 2020/21 were:

Grants under £2,000 did not require match funding, grants exceeding £2,000 required a minimum of 10% match funding and grants exceeding £10,000 required a minimum of 20% match funding from non-Welsh Church Fund sources. Maximum grant available was £50,000.

### **Details of the Grant Making Process**

When projects are fully developed and ready for a decision, recommendations are made by officers via a Grant Assessment Report. Decisions to accept or reject these recommendations are made by the Regeneration Manager in consultation with the Cabinet Member and following consultation with Bridgend and Merthyr Tydfil County Borough Councils.

### **Review of Financial Activities**

The Statement of Financial Activities for the year is set out on page 13. A summary of the financial results are set out below:

Investment income during the year totalled £408k (£427k in 2019/20). Expenditure on charitable activities totalled £342k (£797k in 2019/20), and governance costs of £6k were incurred (£6k in 2019/20). Net incoming resources less resources expended amounted to a surplus of £60k (Net incoming resources less resources expended amounted to a deficit of £376k in 2019/20).

During 2020/21 the number of grant awards processed reduced from 57 in 2019/20 to 23. This was as a result of a lower number of applications due to the impact of the COVID 19 pandemic.

Net gains on the revaluation of Investments totalled £1,326k for the year (net losses of £207k in 2019/20).

### **Investment Policy and Performance against Policy**

The Trust Deed governs the trustee's investment powers. This permits the Charity's funds to be invested in any authorised security listed on the London Stock Exchange. The trustee has complied with this policy during 2020/21.

The investment strategy of the Fund is to balance risk. Capital value is exposed to minimum risk whilst ensuring investment income is sufficient to pay for approved grants.

## **Achievements and Performance**

In line with the charity's objectives, grants of £342k were awarded in 2020/21. Further details are given in Note 2 to the Statement of Financial Activities.

## **Risk Management**

The trustee is made aware of any issues with possible detrimental effects upon the Fund as they arise. There were no such issues during 2020/21.

The accounts are prepared in accordance with the Host Authority's Corporate Governance policies such as Financial Procedure Rules, Contract Procedure Rules, Codes of Conduct and Scheme of Delegation. The trustee is aware that investment values can decrease as well as increase.

**Statement of the Trustee’s Responsibilities**

The trustee is responsible for preparing the Trustee’s 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 trustee 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 trustee is 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; 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 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, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. 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.

The trustee is responsible for the maintenance and integrity of the charity and financial information included on its website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Trustee

Signed:



On behalf of the Trustee.....

## **The independent auditor's report of the Auditor General for Wales to the trustee of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils**

### **Opinion on financial statements**

I have audited the financial statements of the Welsh Church Act Fund within the areas of Rhondda Cynon Taf, Bridgend and Merthyr Tydfil County Borough Councils (the Fund) for the year ended 31<sup>st</sup> March 2021 under the Charities Act 2011. These comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31<sup>st</sup> March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

### **Basis for opinion**

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practise Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustee is responsible for the

other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, and in doing so consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information I am required to report the fact.

I have nothing to report in this regard.

## **Report on other requirements**

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by the team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit.

## **Responsibilities**

### **Responsibilities of the trustee for the financial statements**

As explained more fully in the statement of trustee's responsibilities set out on page 8, the trustee is responsible for preparing the financial statements in accordance with the Charities Act 2011, for being satisfied that they give a true and fair view, and for such internal control as the trustee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

### **Auditor's responsibilities for the audit of the financial statements**

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Fund's policies and procedures concerned with:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud.
- Obtaining an understanding of the Fund's framework of authority as well as other legal and regulatory frameworks that the Fund operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Fund.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Council and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the trustee;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.



Richard Harries  
On behalf of the Auditor General for Wales  
28 January 2022

24 Cathedral Road  
Cardiff  
CF11 9LJ

**Statement of Financial Activities for the year ended 31<sup>st</sup> March 2021**

	Note	Unrestricted Funds	
		2020/21 £'000	2019/20 £'000
<b><u>Income and Endowments from:</u></b>			
Investments	1	408	427
<b>Total Income and Endowments</b>		<b>408</b>	<b>427</b>
<b><u>Expenditure on:</u></b>			
Charitable Activities	2	(342)	(797)
Other	3	(6)	(6)
<b>Total Expenditure</b>		<b>(348)</b>	<b>(803)</b>
Net gains/(Losses) on Investments		1,326	(207)
<b>Net Income/(Expenditure)</b>		<b>1,386</b>	<b>(583)</b>
<b><u>Net Movement in funds</u></b>		<b>1,386</b>	<b>(583)</b>
<b><u>Reconciliation of Funds</u></b>			
Total Funds Brought Forward at 1 <sup>st</sup> April		12,137	12,720
<b>Total Funds Carried Forward at 31<sup>st</sup> March</b>		<b>13,523</b>	<b>12,137</b>

The notes contained on pages 18 - 20 form part of these Accounts.

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

	Note	31/03/21	31/03/20	31/03/20
		£'000	£'000	£'000
			Restated	
<b><u>Fixed Assets</u></b>				
Investments	2	13,396	12,070	12,070
		<b>13,396</b>	<b>12,070</b>	<b>12,070</b>
<b><u>Current Assets</u></b>				
Debtors	3	103	105	105
Cash at Bank		398	664	664
		<b>501</b>	<b>769</b>	<b>769</b>
<b><u>Current Liabilities</u></b>				
Creditors: Amounts Falling Due Within One Year	4	(374)	(702)	(702)
<b>Net Current Assets</b>		<b>127</b>	<b>67</b>	<b>67</b>
<b>Total Net Assets</b>		<b>13,523</b>	<b>12,137</b>	<b>12,137</b>
Represented By:				
<b><u>The Funds of the charity:</u></b>				
Revaluation Reserve				5,182
Unrestricted Funds	1*	13,523	12,137	6,955
<b>Total Unrestricted Funds</b>		<b>13,523</b>	<b>12,137</b>	<b>12,137</b>

The notes contained on pages 21 - 22 form part of these Accounts.

\* See Note 1 Prior Year Adjustment.

**Statement of Cash Flows for the year ended 31<sup>st</sup> March 2021**

	Note	2020/21 £'000	2019/20 £'000
<b><u>Cash Flows from Operating Activities:</u></b>			
<b>Net Cash Provided by (Used in) Operating Activities</b>	1	(672)	(456)
<b><u>Cash Flows from Investing Activities:</u></b>			
Dividends, Interest and Rents from Investments		406	405
Cost of Purchase of Units		0	0
<b>Net Cash Provided by (Used in) Investing Activities</b>		406	405
<b><u>Cash Flows from Financing Activities</u></b>			
<b>Net Cash Provided by (Used in) Financing Activities</b>		0	0
<b>Change in Cash and Cash Equivalents in the Reporting Period</b>		(266)	(51)
<b>Cash and Cash Equivalents at the Beginning of the Reporting Period</b>		664	715
<b>Cash and Cash Equivalents at the End of the Reporting Period</b>		398	664

The notes contained on page 23 form part of these Accounts.

Signed: 

Date: 19/01/22

**Barrie Davies**  
**Director of Finance and Digital Services**  
 Rhondda Cynon Taf CBC  
 The Pavilions  
 Cambrian Park  
 Clydach Valle  
 Tonypandy. CF40 2XX

## **Accounting Policies**

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts.

### **Basis of Preparation**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Financial Reporting Standard for Smaller Entities.

The financial statements have been prepared in accordance with the legal requirements contained in the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 (SI 2008 No 629) and the Charities Statement of Recommended Practice 2019 (FRS102) except where stated otherwise.

### **Incoming Resources Policy**

Income is credited to the fund in the year to which it relates regardless of when the income is actually received.

### **Resources Expended Policy**

Expenditure is included on an accruals basis i.e. charged to the year to which it relates regardless of when the expenditure is made.

### **Grants Payable Policy**

Grants payable are charged in the year when the offer is conveyed to the recipient. Unused grants are written back when written confirmation is provided stating that funding is no longer required.

### **Management and Administration Policy**

The allocation of Central Support Services costs to the Fund is based upon an estimate of the time spent by employees of Rhondda Cynon Taf CBC in undertaking work associated with the Fund.

### **Investment Properties**

Investment properties are recorded in the accounts at the most recent valuation of market value. Any difference in value arising out of the periodic revaluations will be charged/credited to Unrestricted Funds. The most recent valuation was at 1<sup>st</sup> December

2020 and was carried out by Chris Clarke Surveyors Ltd. In accordance with FRS 102, investment properties are not depreciated.

### **Fixed Asset Investments (Other Than Property)**

Long Term Investments are recorded in the accounts at current market value. Rhondda Cynon Taf CBC, as Host Authority, administers investments on behalf of the Fund. The Treasury Management Policy statement of the Host Authority governs all such transactions.

Any unrealised and realised gains and losses on revaluation and disposal are combined in the Statement of Financial Activities.

### **Fund Structure**

All funds are unrestricted.

### **Trustee Remuneration and Expenses**

The trustee has not received any remuneration or expenses in the year 2020/21.

### **Policy on Reserves**

Reserves are unrestricted and held for the future use of the Fund for the purposes specified in the Trust Deed.

### **Policy on Investments of Cash**

Cash is deemed to be sums of money available for immediate use by the Welsh Church Fund. Such items are cash balances held in the Fund's bank account (less unrepresented cheques). The Welsh Church Fund does not hold Cash in Hand.

### **Policy on Debtors and Creditors**

Debtors are amounts recoverable, based on the amount the Charity anticipates it will receive. There is no bad debt provision included within the Statements. Creditors are amounts due from the Welsh Church Act Fund.

### **Policy on Going Concern**

The trustee is responsible for keeping proper accounting records and produce financial statements that comply with the provisions of the trust deed. The Fund is therefore prepared on the basis of a going concern.

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

	<b>2020/21</b> <b>£'000</b>	<b>2019/20</b> <b>£'000</b>
Bank Interest	1	5
Interest on Investments	407	422
<b>Total</b>	<b>408</b>	<b>427</b>

**2. Charitable Activities**

During 2020/21 the Fund awarded total grants amounting to £358,268.68. Those organisations awarded grants equal to or greater than £2,000 are detailed below:

<b>Organisation</b>	<b>Amount</b> <b>£</b>
Ramoth Christian Centre, Hirwaun	(3,219.00)
Noddfa Ruhaman Capel Y Bedyddwyr, Porthcawl	(3,752.00)
Horeb Congregational Chapel, Merthyr Tydfil	(4,491.00)
St David's Church, Laleston	(4,740.00)
St Crallo's Church, Coychurch	(6,930.00)
St Fagans Church, Trecynon	(7,275.00)
St David's Church, Llangynwyd	(7,876.80)
Pete's Shop Ltd, 24 Taff St, Pontypridd	(8,074.53)
Eglwys Y Bedyddwyr, Blaencwm	(8,507.70)
Cwmparc Community Association, Treorchy	(9,030.60)
Lewis Merthyr Band, Porth	(10,000.00)
Trecynon Free library & Institute, Trecynon	(10,000.00)
Cwmparc Community Association, Treorchy	(10,000.00)
Highland Place Unitarian Church, Aberdare	(10,000.00)
St Mary's Roman Catholic Church, Merthyr Tydfil	(10,000.00)
St John's Church, Cymmer	(10,000.00)
Cory Band, Treorchy	(35,506.16)
Age Concern Morgannwg Ltd - Cynon Linc, Aberdare	(45,075.89)
Ynysybwl Regeneration Partnership, Ynysybwl	(50,000.00)
Pontypridd YMCA	(50,000.00)
Cynon Valley Museum Trust, Aberdare	(50,000.00)
<b>Subtotal of grants equal to or greater than £2,000 (21 in number)</b>	<b>(354,478.68)</b>
<b>Grants less than £2,000 (2 in number)</b>	<b>(3,790.00)</b>
<b>Total grants payable for 2020/21 (23 in number)</b>	<b>(358,268.68)</b>
Grants written back to the Fund	55,961.82
Accounting and Technical Support	(39,178.75)
<b>Total Charitable Activities as per Statement of Financial Activities</b>	<b>(341,485.61)</b>

The Welsh Church Fund only awards grants to institutions.

The following table gives a summary analysis of grants awarded by the nature of the project during 2020/21:

Analysis	Total Amount of Grant Awarded	Total Number of Grants
	£	
Social and recreational	(126,436.76)	7
Other charitable purposes	(103,150.42)	3
Places of worship	(78,681.50)	12
Libraries, Museums and Art Galleries	(50,000.00)	1
<b>Total</b>	<b>(358,268.68)</b>	<b>23</b>

### 3. Other Costs

	2020/21 £'000	2019/20 £'000
Audit Fees	(6)	(6)
<b>Total</b>	<b>(6)</b>	<b>(6)</b>

### 4. Related Party Transactions

#### 4.1 Related Transactions with Administrating Authority

Organisation	Nature of Interest	Welsh Church Act Fund Transactions with Organisation			
		Net Value (£'000)		Balance Outstanding as at 31st March 2021 (£'000)	
		Payments	Receipts	Payments	Receipts
Rhondda Cynon Taf CBC	Accounting & technical support	(39)	0	0	0
Rhondda Cynon Taf CBC	Interest Receivable	0	1	0	1
<b>Total</b>		<b>(39)</b>	<b>1</b>	<b>0</b>	<b>1</b>

## 4.2 Related Transactions with Members of the Council

During 2020/21, eleven Members identified an interest in nine organisations that have been awarded a grant from the Fund.

Organisation	Member's Relationship	Amount Awarded		Outstanding Amount	
		2020/21	2019/20	31/03/21	31/03/20
Eglwys y Bedyddwyr, Blaenycwm,	Secretary	8,508	10,000	0	0
Cambrian Village Trust	Director	0	50,000	0*	37,050
Llanharan Community Development Project Ltd	Trustee	0	10,000	0**	2,500
St Elvan's Church, Aberdare.	Member	0	50,000	25,000	50,000
Rhondda Lawn Tennis Club, Treorchy.	Member	0	8,272	0	8,272
Friends of Aberdare Park	Member (x3)	0	50,000	10,000	50,000
Ynysybwl Regeneration Partnership, Ynysybwl	Director	50,000	0	10,000	0
Trecynon Free Library & Institute, Trecynon.	Chair	10,000	0	10,000	0
Pontypridd YMCA	Director	50,000	0	50,000	0

\* In 2020/21 Cambrian Village Trust was paid £34,685 with £2,365 written back in year.

\*\* In 2020/21 Llanharan Community Development Project Ltd was paid £2,380 with £120 written back in the year.

## **Notes to the Balance Sheet**

### **1 Prior Year Adjustment**

The 2019/20 Balance Sheet has been restated to aggregate the Revaluation Reserve and the Unrestricted Funds as required by the Charities SORP (FRS 102).

### **2 Fixed Asset Investments**

#### **2.1 Analysis of Movement in Investments**

An analysis of the fixed assets held as investments for the charity is provided below:

	<b>Land £'000</b>	<b>Securities £'000</b>	<b>Totals £'000</b>
1 <sup>st</sup> April 2020	33	12,037	12,070
Net Surplus on Revaluation	11	1,315	1,326
<b>Market Value at 31<sup>st</sup> March 2021</b>	<b>44</b>	<b>13,352</b>	<b>13,396</b>

#### **2.2 Investment Securities Analysis**

	<b>31/03/21 £'000</b>	<b>31/03/20 £'000</b>
Government Stock	457	462
Charities Official Investment Fund	8,094	6,705
Charities Official Fixed Interest Fund	4,801	4,870
<b>Total Market Value</b>	<b>13,352</b>	<b>12,037</b>
Historical Cost as at 31 <sup>st</sup> March 2021	7,289	7,289

### **3 Debtors**

An analysis of debtors as at 31<sup>st</sup> March 2021 is provided below:

	<b>31/03/21 £'000</b>	<b>31/03/20 £'000</b>
Amounts due from RCT CBC	1	5
Accrued Interest on Investments	102	100
<b>Total</b>	<b>103</b>	<b>105</b>

#### **3.1 Accrued Interest relates to investment income relating to 2020/21 paid in 2021/22. It is made up as follows:**

	<b>£'000</b>
COIF Fixed Interest Fund	59
COIF Investment Fund	39
2 ½ % Index Linked 2024	4
<b>Total</b>	<b>102</b>

#### 4 Creditors: Amounts Falling Due Within One Year

An analysis of creditors as at 31<sup>st</sup> March 2021 is as follows:

	<b>31/03/21</b>	<b>31/03/20</b>
	<b>£'000</b>	<b>£'000</b>
Miscellaneous Charitable Organisations	(336)	(643)
Audit Wales – fee accrual	(6)	(19)
Rhondda Cynon Taf CBC	(32)	(40)
<b>Total</b>	<b>(374)</b>	<b>(702)</b>

**Notes to Cash Flow****1. Reconciliation of Net Income/(Expenditure) to Net Cash Flow from Operating Activities**

	<b>2020/21</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
<b>Net Income/(Expenditure) as per the Statement of Financial Activities</b>	<b>1,386</b>	<b>(583)</b>
<b>Adjustments for:</b>		
(Gains)/Losses on Investments	(1,326)	207
Dividends, Interest and Rents from Investments	(408)	(427)
(Increase)/Decrease in Debtors	4	19
Increase/(Decrease) in Creditors	(328)	328
<b>Net Cash Provided by (used in) Operating Activities</b>	<b>(672)</b>	<b>(456)</b>