AGENDA ITEM TBC

SUBJECT:	**DRAFT STATEMENT OF ACCOUNTS 2025/26 – CHARITABLE TRUST FUNDS**
MEETING:	**Governance and Audit Committee**
DATE:	**10th September 2026**
DIVISIONS/WARD AFFECTED:	**All**

1. PURPOSE:

1.1 This report has been prepared to provide Governance and Audit Committee Members with an opportunity to review and provide comments on the:

- Draft 2025/26 Welsh Church Act Fund Accounts (***Appendix 1***)
- Draft 2025/26 Monmouthshire Farm School Endowment Trust Fund Accounts (***Appendix 2***)
- Draft 2025/26 Llanelly Hill Social Welfare Centre Accounts (***Appendix 3***)

2. RECOMMENDATIONS:

2.1 That the Governance & Audit Committee review the 2025/26 draft Statement of Accounts for the above bodies and provide comments or proposed amendments which will be considered alongside the external audit process and prior to the final publication.

3. KEY ISSUES

3.1 The Authority acts as lead or investment trustee for a number of charitable trust funds.

3.2 The accounts for these funds are prepared in accordance with the applicable Charities Statement of Recommended Practice and Financial Reporting Standard 102, together with the Charities Act 2011. The precise reporting and external scrutiny requirements vary between the individual charities, as set out in their respective accounts.

4. Welsh Church Act Fund

Background

4.1 Monmouthshire County Council acts as lead trustee for the Welsh Church Act Fund, a charitable trust covering the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and the City of Newport.

4.2 The primary object of the Fund is to assist public groups and individuals for educational, social, recreational, and other charitable benefit purposes. Grants are available from the fund for capital or revenue purposes. Capital grants may be awarded to assist organisations in the furnishing and upkeep of buildings. Revenue grants are designed to further the aims of societies and to assist individuals in their various pursuits.

4.3 An annual budget for grant allocations to each Council is agreed by Monmouthshire's full Council in March preceding the financial year and is split between the five administrative bodies on a population basis. Each individual Council approves grant applications and pay monies in line with their own financial regulations.

4.4 The overall grant allocation from the fund in each financial year is considered in line with the long-term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.

4.5 In line with the requirements of lead trustee, Monmouthshire County Council is responsible for preparing the draft accounts as presented in ***Appendix 1*** and these will be subject to external audit by Audit Wales, and subsequently a final version will be considered for approval by this committee at a future meeting. Following final approval, the accounts will be lodged with the Charity Commission by the end of January 2027.

Activity in year

4.6 The Fund has increased in value by £96,172 during the year (£7,995 loss in 2024/25). This increase is primarily due to unrealised investment assets revaluation gains.

4.7 Income during the year principally comprised of investment income of £225,149 which is broadly consistent with the returns of £219,160 generated in 2024/25.

4.8 Resources expended during the year amounted to £223,069 (£208,961 in 2024/25) and principally comprised grant distribution payments of £215,688 (£191,153 in 2024/25). This increase was due to Newport City Council having allocated in 2025/26, grant balances that had been brought forward from previous financial years.

4.9 Net gains on the capital value of investments held amounted to £104,092 (£18,454 net loss in 2024/25). The gain reflects movements in the market value of the Charity's diversified investment portfolio at 31 March 2026. Investment values remain subject to financial market conditions and may fluctuate over time.

4.10 The Trustee's policy is to maintain investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of funds held at 31 March 2026 was £5,306,071 (£5,209,899 at 31 March 2025).

5. Monmouthshire Farm School Endowment Trust Fund

Background

5.1 Monmouthshire County Council acts as Trust administrator and Investment custodian for the Monmouthshire Farm School Endowment Trust Fund.

5.2 The primary object of this charitable trust is to make awards to students in need of assistance to attend Usk Agricultural College (Coleg Gwent), or at the discretion of the governing body, any other college, institution, or university to pursue courses of study in agricultural subjects.

5.3 The draft accounts presented will be subject to independent examination by Audit Wales and will subsequently be considered by the trustees prior to lodging with the Charity Commission by the end of January 2027.

Activity in year

5.4 The Fund increased in value by £17,964 during the year (£29,204 increase in 2024/25).

5.5 Total income was £30,161 (£38,669 in 2024/25), comprising investment income of £29,904 (£38,157 in 2024/25) and £257 (£512 in 2024/25) from the Roger Edwards Educational Trust. The lower investment income reflected the withdrawal of the M&G Charibond fund, the transfer between investment vehicles and the timing of reinvestment with Royal London.

5.6 Expenditure was £9,904 (£10,017 in 2024/25), primarily comprising grants payable of £7,474 (£7,474 in 2024/25), in line with the Charity's objects. An unrealised investment loss of £2,293 was recognised, compared with a £552 gain in 2024/25.

5.7 The current strategy is to maintain sufficient funds to meet the needs of beneficiaries. Investment income forms the main basis of the following year's grant allocations, supporting continuity while seeking to preserve the Fund's capital and maintain the Charity as a going concern.

6. Llanelly Hill Social Welfare Centre

Background

6.1 The Llanelly Hill Social Welfare centre is a registered charitable trust owned and run by a board of trustees and supported by Monmouthshire County Council.

6.2 Historically, due to the comparatively small size of the Trust and the values involved, the statement of accounts did not require external scrutiny. Income increased above the £25,000 threshold in 2025/26 and, following confirmation from Audit Wales, the draft accounts will therefore be subject to independent examination. Audit Wales expects to undertake the examination alongside the Council's other charity work during November to December 2026. The independent examination threshold increases to £40,000 for financial years ending on or after 30 September 2026; therefore, provided the Trust's income remains below £40,000 in 2026/27, an independent examination will not be required for that year.

Activity in year

6.3 The trust has generated income of £57,270 during the year (£24,018 in 2024/25) primarily from income generating activities at the centre. Also included is grant funding received during 2025/26 of £11,658 from the Monmouthshire County Council, which has allowed for the appointment of an additional project manager to support activities at a cost £13,923 for the year.

6.4 Management and maintenance expenditure was £57,270 (£25,268 in 2024/25), resulting in no net movement in funds during 2025/26. The year-end fund balance therefore remained at £65,222.

7. REASONS

7.1 To consider the accounts as presented enabling the external audit and independent inspection process to be undertaken and reported in due course.

8. RESOURCE IMPLICATIONS

8.1 As outlined in the respective accounts to be found in the Appendices.

9. CONSULTEES

Deputy Chief Executive (Section 151 Officer)

10. BACKGROUND PAPERS

Appendix 1 - Draft 2025/26 Welsh Church Fund Accounts
Appendix 2 - Draft 2025/26 Monmouthshire Farm School Endowment Trust Fund Accounts
Appendix 3 - Draft 2025/26 Llanelly Hill Social Welfare Centre Accounts

11. AUTHORS:

Jonathan S. Davies
Head of Finance (Deputy Section 151 Officer)

12. CONTACT DETAILS

Email: jonathandavies2@monmouthshire.gov.uk
Tel: (01633) 644114