

**The Monmouthshire County Council
Welsh Church Act Fund**

**Annual Report and Financial Statements for the year
ended the 31 March 2026**

Registered Charity Number: 507094

**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2026**

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**The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2026
Trustee, Officers, and Advisors**

Trustee

Monmouthshire County Council

Secretary

James Williams
Chief Officer, Law & Governance (Monitoring Officer)
Monmouthshire County Council

Registered Office

County Hall
The Rhadyr,
Usk
NP15 1GA

Auditors

Auditor General for Wales
1, Capital Quarter,
Tyndall Street,
Cardiff
CF10 4BZ

Solicitor

James Williams
Chief Officer, Law & Governance (Monitoring Officer)
Monmouthshire County Council

Investment Custodian

Monmouthshire County Council

General Management

Mr Peter Davies
Deputy Chief Executive & Strategic Director – Resources,
Section 151 Officer
Monmouthshire County Council

Bankers

Barclays Bank
1-5 St David's Way
St David's Centre
Cardiff
CF10 2DP

The Monmouthshire County Council Welsh Church Act Fund
Annual Report for year ended 31 March 2026
Report of the Trustee for the year ended 31 March 2026

The Trustee presents its annual report and the audited financial statements for the year ended 31st March 2026 of The Monmouthshire County Council Welsh Church Act Fund ('the Charity').

The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 1st January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.

Structure, Governance and Management

The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996 and is registered with the Charity Commissioners under charity number 507094.

The Charity covers the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and the City of Newport, with Monmouthshire County Council being designated as the host Authority. The Monmouthshire Welsh Church Act Fund was established on 1 April 1996, from the former Gwent Welsh Church Act Fund and part of the former Mid Glamorgan Welsh Church Act Fund.

Monmouthshire County Council as the Corporate Body is the Trustee for the Welsh Church Fund and therefore there are no policies and procedures adopted for the induction and training of trustees. The trustees also have regard to the Charity Commission's guidance on public benefit.

The management of the Charity Fund is undertaken by officers of the Council, and a calculated proportion of their time is charged to the Fund.

Objectives

The primary object of the Charity for each year, as stated in its governing document, 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.

Grants' allocation policy

An annual budget set by the Trustee for grant payments is split between the administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport on a population basis.

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A Committee set up by the Trustee approves grant applications on a basis in line with full Council meetings or as deemed required by the participating authorities. Grants are made in pursuance of the Charity's objectives.

The grant allocation of 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.

Review of activities and future developments

The Statement of Financial activities for the year is set out on page 11 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Statement of Financial activities has increased in value by £96,172 during the year, (£7,995 loss in 2024/25). This increase is primarily due to unrealised investment income valuations as at the 31st of March.

Income is principally comprised of investment income of £225,149 which is broadly consistent with the returns of £219,160 generated in 2024/25. The Charity has utilised the Trustee's own investment managers to manage the other individual market investments, thus, controlling management fees and therefore maximising returns whilst at the same time maintaining a balanced capital risk strategy.

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 slight increase was due to Newport Council having allocated in 2025/26, grant balances that had been brought forward from previous financial years.

Net gains on investments held amounted to £104,092 (£18,454 net loss in 2024/25). This unrealised investment gain was due to charitable investment funds performing on a more consistent basis during the financial year with less exposure to global conflicts. The 'Trusts' current investment strategy of diversifying the portfolio across several investment categories has enabled a certain degree of stability amid the volatility in the financial markets. The long-term projections on these charity fund investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth.

Assumptions made about the future and other major sources of estimation uncertainty

The Statement of Accounts contains estimated figures that are based on assumptions made by the Charity about the future or that are otherwise uncertain. Estimates have been made considering historical experience, current trends, and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

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The items in the Charity's Balance Sheet at 31st March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Valuation techniques are used to determine the carrying amount of pooled property funds and investment property. Investment assets have been revalued as at the 31st of March 2026 reporting date.

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Income generation

The Charity's investment income was £225,149 compared to £219,160 in 2024/25. The diverse external pooled fund investment strategy that replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent returns in the financial markets due to investment in a few specific charitable investment funds as well as income generation funds. This income generation forms the main basis of the following years grant allocations to ensure continuity and non-degradation of the funds capital assets and to perpetuate the charity as a 'going concern.'

Bad debt provision

There are no bad debts arising in the year of account.

Investment powers, policy, and performance

Under the terms of the Trust Deed, the Trustee has general powers of investment, subject to the provisions of The Trustee Act 2000. The investment policy of the Trust is to maximise the rate of investment return, whilst employing a risk strategy that minimises any potential reduction in the capital value of the Fund.

The Trustee reviewed its investment strategy and produced an investment and fund strategy for 2025/26, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on 5th March 2025.

Financial market investments have been restated at the financial year-end to reflect their current open market value.

Changes in fixed assets

The fixed asset investments were re-valued in the 2025/26 financial year in line with the Investment Asset policy of revaluation every year.

Reserves

The Trustee's policy is to maintain the level of investments at a level that provides sufficient annual income to fund the Charity's charitable expenditure. The level of

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funds held at 31st March 2026 is £5,306,071 (£5,209,899 in 2024/25). The Trustee reviewed its Fund strategy and produced an investment and fund strategy for 2025/26, which stated that the purpose of reserves is to maintain investments such that they realise sufficient income to provide grants to organisations at a consistent level. Whilst the strategy is to ensure that there is no long-term detrimental effect on overall reserve balances, recommendations made by the Charity Commission has resulted in grants allocations being made in line with investment returns.

Governance of the Charity

Representative Councillors from each of the five administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and Newport are appointed by their respective councils annually to form a committee to oversee fund management. Members are appointed to the committee for the term of the Council.

Risk management

The Trustee has undertaken a review of the major risks to which the Charity is exposed, and its risk management and internal control procedures should be updated to ensure that systems are in place to mitigate the risks identified. The risk assessment was considered by Monmouthshire County Council on 5th March 2025 and activity during the financial year was carried out with regard to this assessment.

Auditors

The Auditor General for Wales was appointed as auditor to the Welsh Church Act Fund in 2007/08. Given their role as statutory auditors for Monmouthshire County Council, it is considered administratively efficient and cost effective to maintain the Auditor General for Wales as the auditor of the Welsh Church Act Fund.

Statement of Trustee's responsibilities

The Trustee is responsible for preparing financial statements for each financial year, which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charity and its financial activities for that period.

In preparing those financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any 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 operational existence.

The Trustee confirms that it has complied with the above requirements in preparing the financial statements.

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The Trustee is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee certifies that:

- as far as it is aware, there is no relevant information of which the Charity's auditors are unaware; and
- as Trustee of the Charity, it has taken all the steps that it ought to have taken in order to make itself aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

By order of the Trustee

**Mr Peter Davies
Deputy Chief Executive & Strategic Director - Resources
S151 Officer - Monmouthshire County Council**

Date:

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The independent auditor's report of the Auditor General for Wales to the trustees of Monmouthshire County Council Welsh Church Act Fund

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2025 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, Balance Sheet and 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 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 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

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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's report.

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 18, the trustees are 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.

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My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Act 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 area: posting of unusual journals;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council 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 Monmouthshire County Council Welsh Church Act Fund; and
- 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 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 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 Monmouthshire County Council Welsh Church Act 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. 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

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deficiencies in internal control that I identify during my audit.

Adrian Crompton
Auditor General for Wales
29 January 2026

1 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

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Statement Of Financial Activities (SOFA) for the year ended 31 March 2026

	Notes	2025/26 Unrestricted Funds £	2024/25 Unrestricted Funds £
Income & Endowments from:			
Investment income	2	225,149	219,160
Other incoming resources		0	260
Total income & Endowments		225,149	219,420
Resources Expended			
Raising funds:			
Investment Property Professional fees		(130)	(367)
Management and administration		(5,922)	(6,611)
		(6,052)	(6,978)
Charitable expenditure			
Costs of activities in furtherance of the Charity's objects			
Grants payable	3,4	(215,688)	(191,153)
Management and administration		(2,770)	(2,695)
Other			
Governance Costs	5	(8,559)	(8,135)
Total Resources Expended		(223,069)	(208,961)
Gains/(losses) on investment assets		104,092	(18,454)
	9,10		
Net Income /(Expenditure)		96,172	(7,995)
Net movement in funds		96,172	(7,995)
Fund balances brought forward April 2025		5,209,899	5,217,894
Fund balances carried forward 31 March 2026	13	5,306,071	5,209,899

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

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Balance Sheet as at 31 March 2026

	Notes	2025/26	2024/25
		Total	Total
		Funds	Funds
		£	£
Fixed assets			
Investment Land	9	530,950	488,365
Investments	10	4,806,723	4,551,097
		5,337,673	5,039,462
Current assets			
Debtors: amounts falling due within one year	11	70,926	65,186
Cash at bank	8	107,927	287,249
		178,853	352,435
Current Liabilities			
Creditors: amounts falling due within one year	12	(210,454)	(181,997)
Net current assets or liabilities		(31,601)	170,438
Net assets or liabilities		5,306,071	5,209,899
The Funds of the Charity: [08]			
Unrestricted Funds	13	5,306,071	5,209,899
Total Charity funds		5,306,071	5,209,899

These accounts were approved by the Trustee on **28th January** 2027 and signed on their behalf by:

By order of the Trustee

Mr Peter Davies
Deputy Chief Executive & Strategic Director - Resources
S151 Officer - Monmouthshire County Council

Date:

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Statement of Cash flows as at 31 March 2026

	Total Funds £	Prior Year Funds £
Cash flows from operating activities		
<i>Net cash provided by operating activities</i> <i>'Note 7'</i>	(206,214)	(313,221)
Cash flow from investing activities		
Dividends and rents from investments	221,011	219,160
Proceeds from sale of investments	605,881	655,876
Purchase of investments	(600,000)	(500,000)
<i>Change in cash and cash equivalents in the reporting period</i>	(179,322)	61,815
Cash and cash equivalents at the beginning of the reporting period	287,249	225,434
Cash and cash equivalents at the end of the reporting period	107,927	287,249

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Notes to the financial statements for the year ended 31 March 2026

1 Principal accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1st January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

A summary of the principal accounting policies, which have been applied consistently, are set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments and tangible fixed assets at market value. During the year, the Charity reviewed its accounting policies in accordance with FRS 102 'Accounting Policies'. No accounting policies have been changed as a result.

Incoming Resources

All income is accounted for on an accrual's basis.

Cash Balances

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

Resources expended

All expenditure is accounted for on an accrual's basis. Where costs cannot be directly attributed to headings, they have been allocated to activities on a basis consistent with use of the resources.

Grants payable

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustee and accepted by the beneficiaries.

Management and administration

Management and administration costs include expenditure on administration of the Charity and, an appropriate apportionment of overheads based upon a time allocation.

Governance Costs

Governance costs comprise costs involving the compliance with constitutional and

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statutory requirements. These costs relate to audit fees payable to the appointed external auditor.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Fund accounting

Funds are unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Investment Land and Property

Capitalisation, Replacement and Valuation

The Trust's policy is to revalue its investment land on an annual basis in line with the Charities SORP. Valuations will also be undertaken where identified that there have been material movements between formal valuations, as holdings are Investment Land not tangible fixed assets.

All land Investments were valued internally by a qualified land surveyor as at 31st March 2026 and all assets held at year-end are included in the accounts at that valuation date. Vacant properties are valued at open market value.

Depreciation

Land is not depreciated. The Fund currently has no buildings on the fixed asset register.

Investments

Any realised and unrealised gains and losses on revaluation or disposals of investments are included in the statement of financial activities. The Authority is authorised to invest any surplus income or dispose of any investments when it deems appropriate. Investments are strategically placed in external pooled fund investment funds specifically designed for charitable organisations. The basis of valuation on the market-based investments held with CCLA, M&G, AEGON, Royal London and Schroder's, is the open market value of the unit holdings on the 31st of March 2026 multiplied by the units held. Investment performance is reviewed periodically considering prevailing economic changes. M&G has withdrawn the Charibond fund from the investment market and was therefore redeemed during the financial year and re-invested with Royal London. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31st of March 2026.

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Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.

Cash flow statement

The Charity has produced a cash flow statement under Financial Reporting Standard 102 under section 7 on the basis that it meets the relevant conditions and size criteria specified in the Companies Act.1985.

2 Investment income

	2026	2025
	£	£
Investments with Monmouthshire County Council	22,169	29,907
Investment Property Rental Income	4,138	4,138
External Investments	198,842	185,115
	225,149	219,160

3 Grants Payable

	2026	2025
	£	£
Grants have been paid to the following administering Local Authorities for them to make to groups and individuals on behalf of the Fund:		
Monmouthshire County Council	37,840	33,200
Torfaen County Borough Council	29,138	50,668
Newport City Council	56,583	20,947
Blaenau Gwent County Borough Council	25,453	23,796
Caerphilly County Borough Council	66,674	62,542
	215,688	191,153

The management and administration cost of the fund and the grants distributed were £8,692 during the year.

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4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	2,550	900
The Advancement of Religion	80,425	0
The Relief of Poverty	17,341	11,797
Other Purposes Beneficial to the Community	102,675	0
Total	202,991	12,697

Unspent balances are retained for distribution in subsequent financial years. Grants to Churches and other religious establishments totaled £80,425 and Community Organisations £102,675 respectively during the financial year. Grants of essential equipment and furnishings to the value of £11,797 were allocated to individuals for the relief of families deemed to be in poverty. No organization or individual received more than one grant award during 2025/26.

5 Governance Costs

	2026 £	2025 £
Auditor's remuneration	8,559	8,135
	8,559	8,135

No indemnity insurance for Trustee's liability has been purchased by the Charity however the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred, as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made.

6 Taxation

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity is not separately registered for VAT because it falls within the Local Authority's VAT Registration as corporate trustee and accordingly, all their expenditure is recorded exclusive of any VAT incurred.

7 Reconciliation of net income/ (expenditure) to net cash flow from operating activities as at 31 March 2026

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	96,172	(7,995)
Adjustments for non-cash transactions		
(Gains) / losses on investments	(104,092)	18,454
Dividends, Interest & Rents from investments	(221,011)	(219,160)
(Increase) / decrease in debtors / bad debts	(5,740)	(12,891)
Increase / (decrease) in creditors	28,457	(91,628)
Net cash provided and (used in) operating activities	(206,214)	(313,221)

8 Analysis of cash and cash equivalents as at 31 March 2026

	Current Year £	In Year Movement £	Prior Year £
Cash at bank	107,927	(179,322)	287,249
Total cash and cash equivalents	107,927	(179,322)	287,249

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9 Investment Land and Property

	Total £
Valuation	
At 1 April 2025	488,365
Disposals	0
Revaluation	42,585
At 31 March 2026	530,950
Depreciation	
At 1 April 2025	0
Charge in year	0
Disposals	0
At 31 March 2026	0
Net book Value	
At 1 April 2025	488,365
At 31 March 2026	530,950

Tangible Investment assets solely consist of freehold land. Valuations were conducted in accordance with the valuation policy in the 2025/26 financial year and thereafter on an annual rolling basis.

10 Investments

	2026 £	2025 £
CCLA - COIF Property Fund	936,272	925,421
Royal London	593,859	0
M&G Charibond Fund	0	602,303
Schroders Income Maximiser	414,667	386,075
M&G Charifund	624,371	528,307
CCLA - COIF Investment Fund	1,203,269	1,315,413
AEGON	534,285	493,578
Invested with Monmouthshire County Council	500,000	300,000
	4,806,723	4,551,097

The Trust has externally managed investments held with M&G, AEGON, Royal London, Schroeder's, and CCLA. The investment with Monmouthshire County Council is managed by the Authority's treasury management team, aided by there

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appointed external treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated was 4.19% for 2025/26 (4.94% for 2024/25).

None of the Investments are held outside of the territorial limits of the United Kingdom and the cost of the revaluations is contained within the charity management fee charged annually from Monmouthshire County Council.

11 Debtors

	2026 £	2025 £
Amounts falling due within one year		
<i>Prepayment & accrued income</i>		
Investment Income	70,926	65,186
Other Debtors	0	0
MCC Bank Transfer	0	0
<i>Trade debtors</i>		
Rental income	0	0
Bad debt provision for loss of rental income	0	0
<i>Other Debtors</i>		
HM Revenue and Customs	0	0
187,818 Other Debtors	0	0
	70,926	65,186

All investment interest due from the trustee was paid in year in 2025/26.

12 Creditors

	2026 £	2025 £
Amounts falling due within one year		
Grant creditors	187,818	164,753
Other creditors	22,836	17,244
	210,454	181,997

Grant creditors are recognised as the amounts awarded by the five constituent authorities of the Welsh Church Fund unpaid at the financial year-end. Other creditors are fees reimbursable for professional services utilised during the financial year by the Charity.

13 Funds

Balance 1 April 2025	Incoming Resources resources Expended	Other Unrealised Gain / (Loss)	Balance 31 March 2026
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	£	£	£	£	£
Unrestricted funds	5,209,899	225,149	(233,069)	104,091	5,306,071

14 Related party transactions

During the year transactions with related parties arose as follows:

	2026		2025	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	22,169	6,052	29,908	7,294

Members of Monmouthshire County Council ('The Trustee') have direct control over the Welsh Church Fund's financial and operating policies. Where work or services have been commissioned, or where grants were made during the financial year in which members had an interest, members have a duty to declare such an interest. The Welsh Church Fund must ensure that grants allocated were in full compliance with the Authority's standing orders and that grants were made with proper consideration of declarations of such interests.

During the financial year, members who declared an interest did not take part in any discussion or decision relating to grants made or works or services commissioned. Details of all interests declared are recorded in minutes or relevant meetings and recorded in the Register of Members' Interest, open to public inspection at County Hall, Usk.

There are outstanding balances for expenditure of £5,772 with Monmouthshire County Council. The Trust also held a £500,000 investment fund balance with Monmouthshire County Council at the year-end.

15 Trustee's Expenses, Remuneration and Benefits

No Expenses, Remuneration or Benefits were incurred during the year of account