

<b>SUBJECT:</b>	<b>STATEMENT OF ACCOUNTS 2018/19</b>
<b>MEETING:</b>	<b>Audit Committee</b>
<b>DATE:</b>	<b>25<sup>th</sup> July 2019</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All Authority</b>

**1. PURPOSE:**

1.1 The purpose of this report is to:

- Consider the draft statement of accounts for the Authority for 2018/19

Members are asked to note that the figures provided may be subject to change (particularly those that have their own audit process e.g. Trust Funds and Joint Committees) during our external audit process.

1.2 And note a trial change in approach caused by early closure deadlines, that no longer makes it conducive for Audit Committee to endorse Accounts to Council, but instead for Leader/Chief Executive to derive their comfort to sign the audited Accounts based on the Wales Audit office findings reported and Audit Committee diligence.

**2. RECOMMENDATIONS:**

2.1 That the draft Monmouthshire County Council Statement of Accounts for 2018/19, as presented for audit, be reviewed. (Appendix 2).

2.2 That the draft statements of accounts listed below are reviewed:

- Draft Monmouthshire County Council Welsh Church Act Fund (Appendix 3)
- Draft Monmouthshire Farm School Endowment Trust Fund (Appendix 4)
- Draft Llanelly Hill Social Welfare Centre Accounts (Appendix 5)

2.3 That the Audit Committee notes their delegated powers to give the final approval of the audited statement of accounts in readiness for publication by the 15<sup>th</sup> September.

**3. KEY ISSUES**

3.1 Under current legislation for Wales, the draft statement of accounts are to be produced by the 15<sup>th</sup> June (30<sup>th</sup> June in 2017/18). The Council concluded the process on the 4<sup>th</sup> June 2019 and the draft statements were handed over for audit. An audited statement of accounts must be published by the Authority by 15<sup>th</sup> September (30<sup>th</sup> September in 2017/18).

- 3.2 Under proposed legislation, from the 2020/21 financial year, the deadline for production of the draft statement of accounts will be brought forward from 15th June to 31st May. It also proposes that the date that the Council must consider, approve and publish an audited Statement of Accounts will be brought forward from 15th September to 31st July.
- 3.3 Having given consideration to the logistics of presenting the audited accounts to both Audit Committee and Council prior to 15th September and ultimately 31st July given the shorter time period available, it is proposed that the Council adopts the approach utilised by some other Welsh Authorities whereby the approval of the audited accounts is delegated to the Audit Committee rather than requiring approval by full Council.
- 3.4 The Statement of Accounts, shown in Appendix 2, is a highly technical document and its form and content are heavily regulated. The main regulations come through the:
- Code of Practice on Local Authority Accounting in the United Kingdom
  - Service Reporting Code of Practice
  - Supported by International Financial Reporting Standards (IFRS).
- 3.5 In complying with these Standards, the accounts are highly technical and do not always make easy reading. With this in mind a supporting summary of accounts (Appendix 1) is provided to aid comprehension.
- 3.6 The formal Statement of Accounts includes the following prescribed reporting focus,
- Income & Expenditure Statement
  - Balance Sheet
  - Cashflow Statement
  - Movement in Reserves Statement
- 3.7 Supporting explanatory notes are also included in sections 10 to 17 which aim to give further information on the amounts included in the primary statements.
- 3.9 The Authority also acts as sole or custodian trustee for a number of charitable trust funds. These trust funds require independent audit scrutiny and examination. The accounts have to be prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on the 16th July 2014 and the Charities Act 2011 and the UK Generally Accepted Practice as it applies from the 1st January 2015.
- 3.10 The final Monmouthshire County Council Welsh Church Act Fund accounts and the Llanelly Hill Social Welfare Centre Accounts will be considered for approval by Council at its meeting in November 2019. The Monmouthshire Farm School Endowment Trust Fund statement will be considered by the Monmouthshire Farm School Endowment Trust Fund Committee.

#### **4. REASONS**

- 4.1 To review the Council's accounts as presented to external audit, enabling the external audit process to be undertaken and reported in due course.

#### **5. RESOURCE IMPLICATIONS**

- 5.1 As outlined in the respective Accounts to be found in the Appendices.

#### **6. CONSULTEES**

Strategic Leadership Team

Cabinet Members  
Head of Finance  
Head of Legal Service

**7. BACKGROUND PAPERS**

Statutory and legislative guidance.

Appendices:

1. Summary of accounts
2. Draft Statement of Accounts (prior to audit) 2018/19
3. Draft Monmouthshire County Council Welsh Church Fund Accounts 2018/19
4. Draft Monmouthshire Farm School Endowment Trust Fund 2018/19
5. Draft Llanelly Hill Social Welfare Centre Accounts 2018/19

**8. AUTHORS:**

Mark Howcroft            Assistant Head of Finance

**9. CONTACT DETAILS**

email: [markhowcroft@monmouthshire.gov.uk](mailto:markhowcroft@monmouthshire.gov.uk)

**APPENDIX 1**



**SUMMARY OF ACCOUNTS  
2018/19**

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The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019



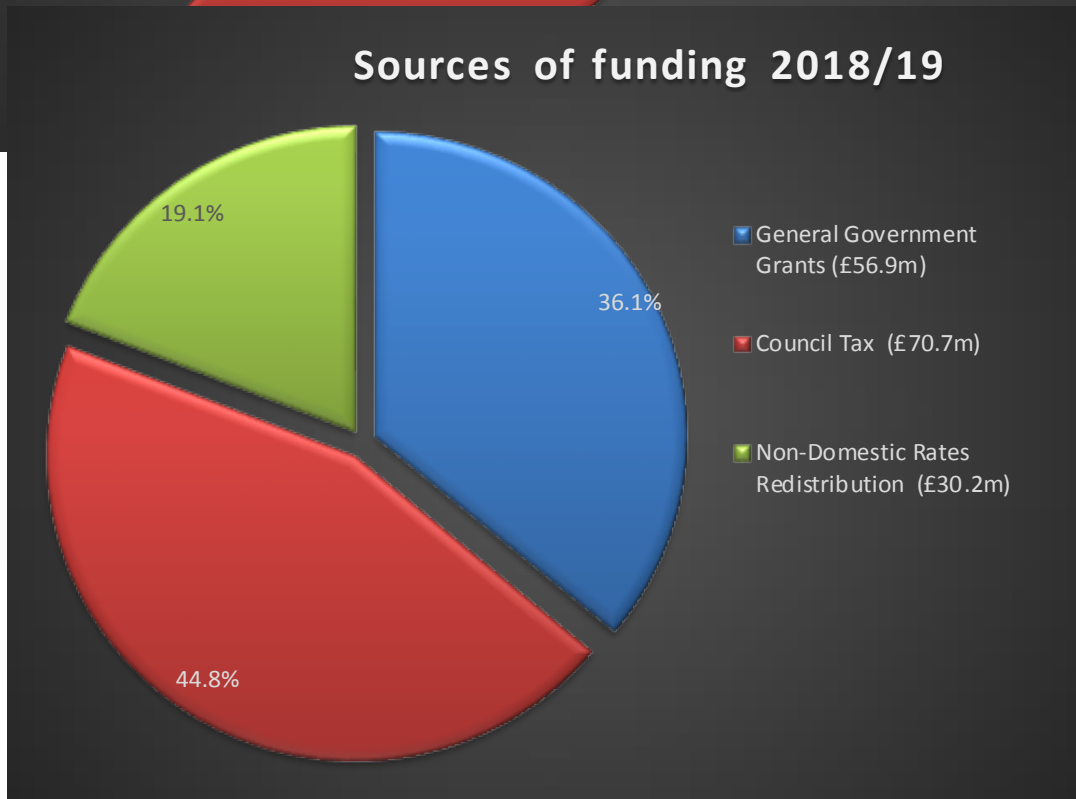
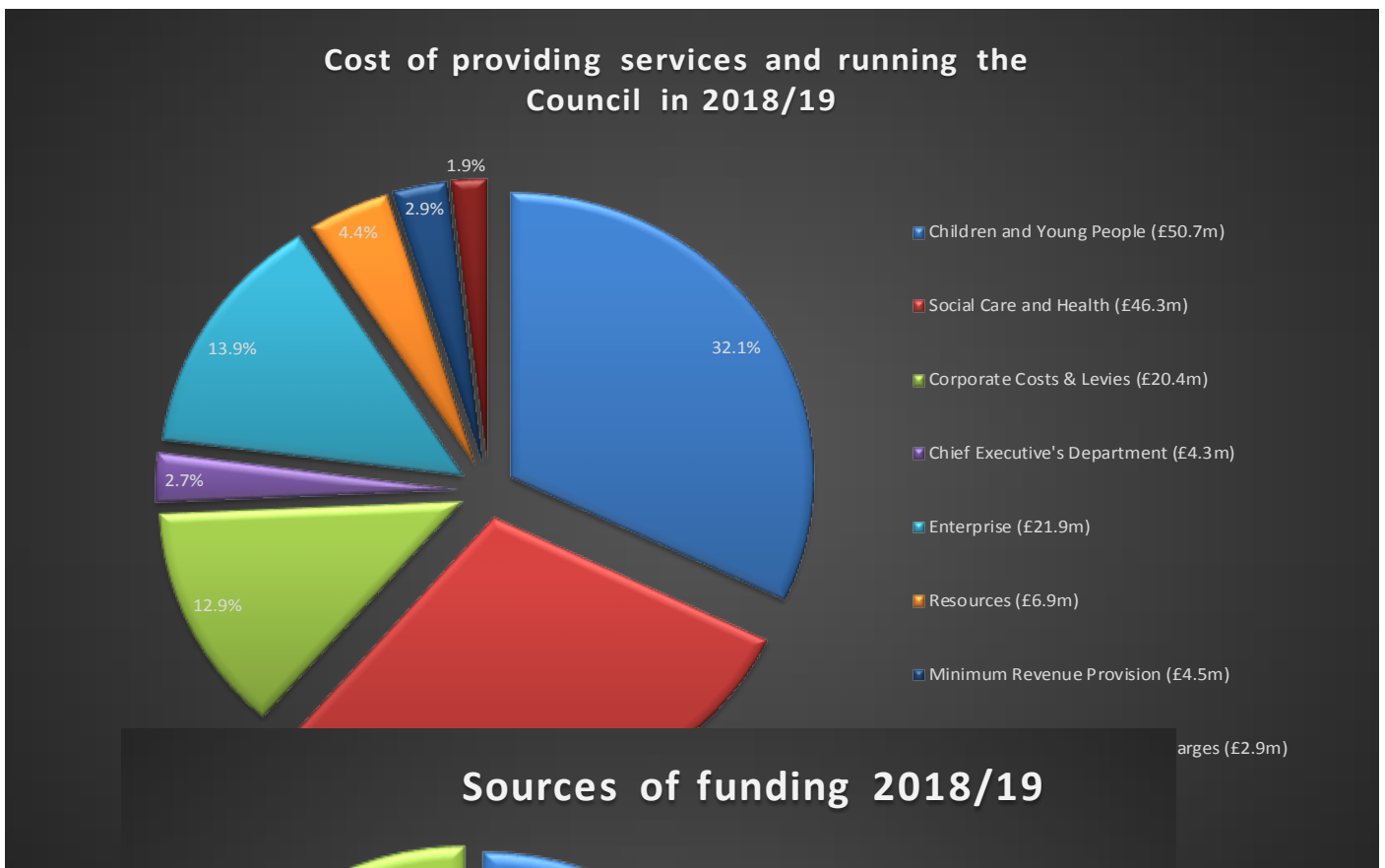
# The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

## Introduction

This document provides an overview of the Council's income and expenditure for the financial year 2018/19 and its financial position as at 31 March 2019. The full audited statement of accounts, once published, can be viewed on line at <http://www.monmouthshire.gov.uk/annual-accounts>

## The Cost of Running Services

In 2018/19 the Council spent £157.9m (£152.9m in 2017/18) providing services for Monmouthshire residents. The chart below gives a breakdown of service costs:

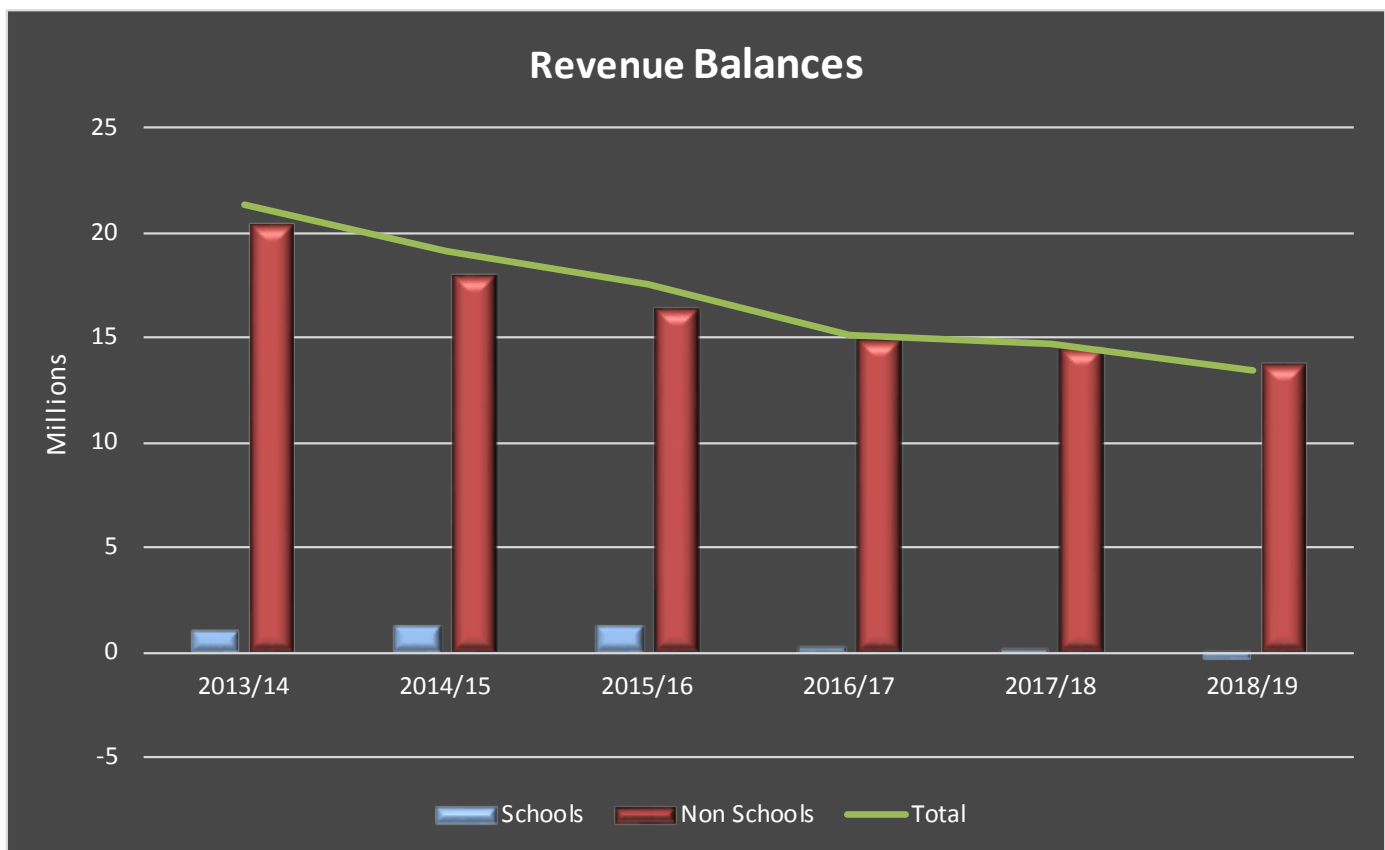


## The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

These services were paid for by a combination of general government grants, council tax and business rates.

### Revenue Balances

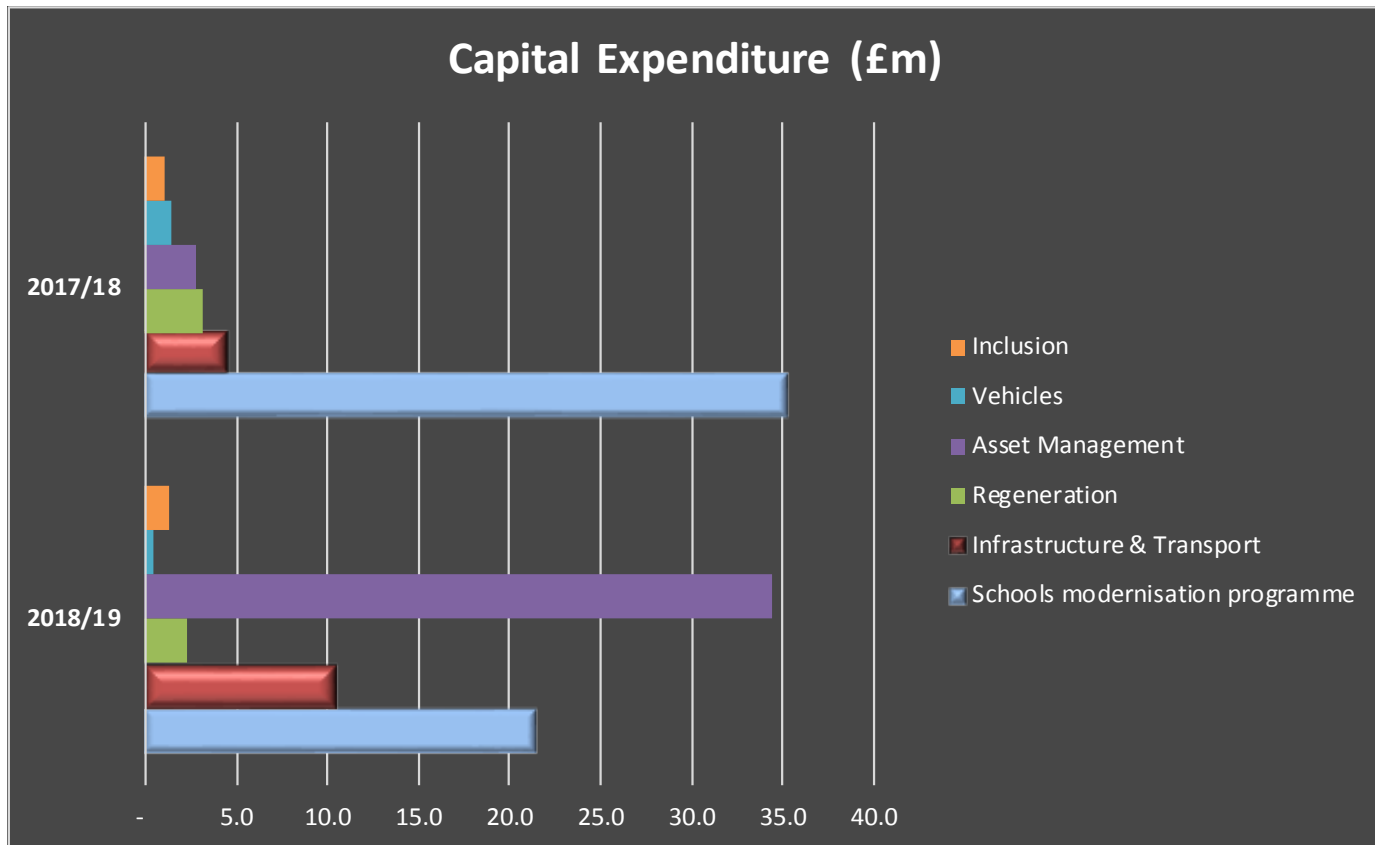
Revenue balances represent the difference between core funding and cumulative net expenditure receivable to, or payable from the *Council Fund* – which is like a ‘current account’ that exists to provide for the Council’s day to day activities. As at 31 March 2019 our Council Fund and Revenue balances stood at £13.5 million (£14.7m at 31 March 2018). This represents the excess of cumulative revenue income over cumulative revenue expenditure. Within these balances is a deficit of £232,000 relating to delegated school balances (surplus of £175,000 at 31 March 2018). Balances are held as a buffer to meet unforeseen / unplanned costs which would otherwise have to be met from reductions in service expenditure.



# The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

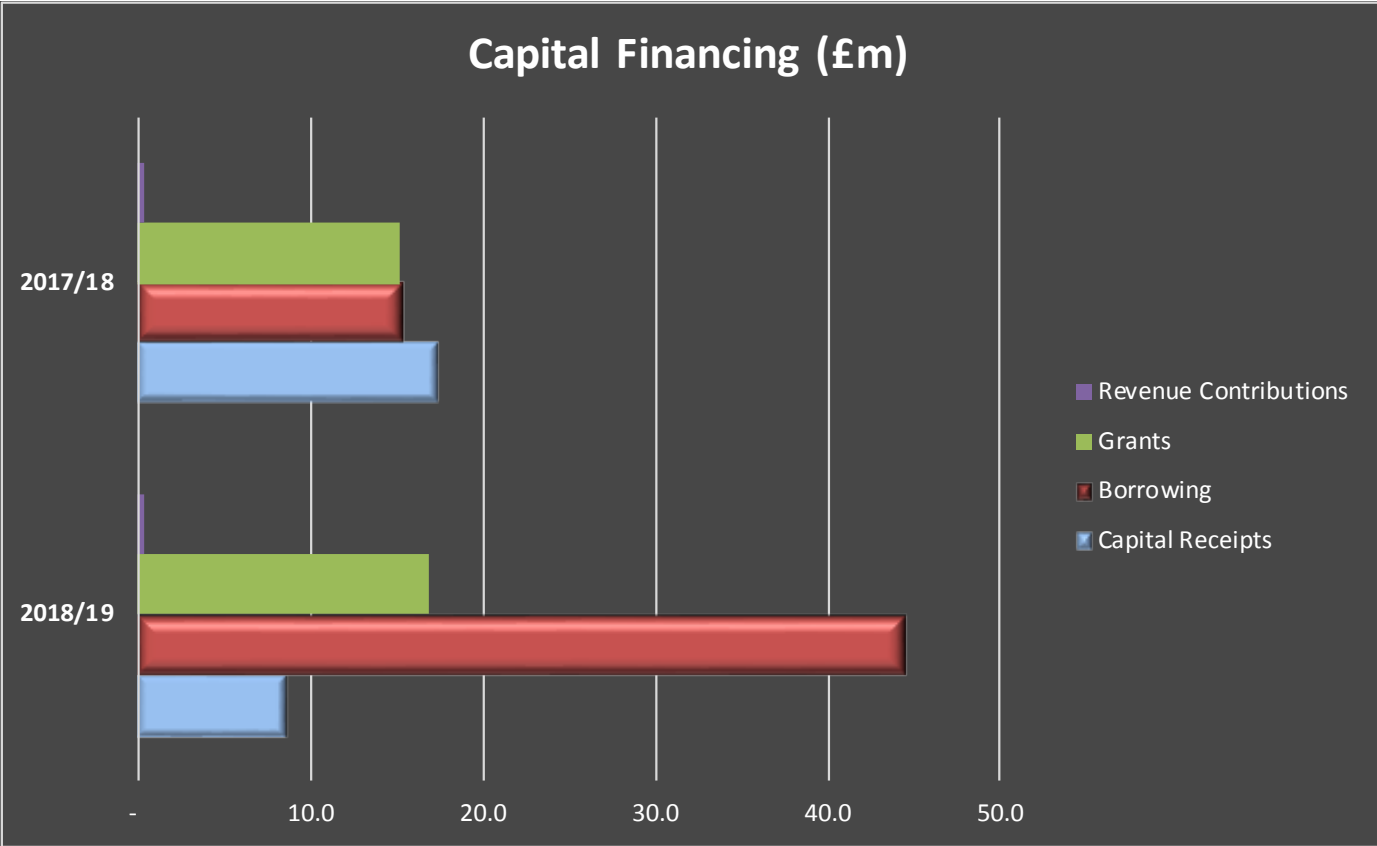
## Capital spending

Capital expenditure is where money is spent on acquiring new assets or enhancing existing assets, such as roads and buildings, which provide benefit to the Council beyond the immediate financial year. In 2018/19 capital expenditure totalled £70.3m (£48.1 million in 2017/18). The charts below show where this was spent and how it was financed (paid for).





The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019



## The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

### Financial Position as at 31 March 2019

There is a difference of £(39.6) million (£15.6 million as at 31 March 2018) between the Council's assets (things we own e.g. property, investments, stocks and debtors) and its liabilities (what we owe to others).

This difference represents a shortfall of assets over liabilities and is a measure of *Total Worth* – i.e. what the council would be worth if bought / acquired by someone else.

The main driver in the change of total worth during 2018/19 comes from the significant remeasurement of pension fund liabilities which has increased by £50.6m. Further explanation can be found in note 14.8 of the statement of accounts.

A summary of the Council's Assets and Liabilities as at 31 March 2019 is shown below:

31st March 2018		31st March 2019	Change
£m		£m	£m
	<b><i>What we own and are owed (Assets):</i></b>		
364.2	Long term assets	395.8	31.6
10.0	Investments	11.1	1.1
7.4	Cash & Cash equivalents	11.3	3.9
21.9	Debtors	26.7	4.8
1.5	Assets held for sale	2.1	0.6
0.2	Inventories & other assets	0.4	0.2
<b>405.2</b>	<b>Total Assets</b>	<b>447.4</b>	<b>42.2</b>
	<b><i>What we owe (Liabilities):</i></b>		
74.9	Borrowing – to finance capital expenditure	106.6	31.7
55.0	Short term borrowing – to support day to day cash flow	72.8	17.8
36.4	Creditors & provisions	31.8	(4.6)
217.6	Liability for meeting future pension costs	268.2	50.6
5.7	Other liabilities	7.6	1.9
<b>389.6</b>	<b>Total Liabilities</b>	<b>487.0</b>	<b>97.4</b>
<b>15.6</b>	<b>Total Worth (Assets less Liabilities)</b>	<b>(39.6)</b>	<b>(55.2)</b>

**APPENDIX 2**

**PDF Copy of Draft Statement of Accounts, attached separately**

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**APPENDIX 3**

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

**Annual Report and Financial Statements for the  
year ended the 31 March 2019**

Registered Charity Number: 507094

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# Trustee, Officers and Advisors

## **Trustee**

Monmouthshire County Council

## **Secretary**

Matthew Phillips  
Monitoring Officer  
Monmouthshire County Council

## **Registered Office**

Innovation House  
Magor  
PO Box 106  
NP26 9AN

## **Auditors**

Wales Audit Office  
24, Cathedral Road  
Cardiff  
CF11 9LJ

## **Solicitor**

Matthew Phillips  
Head of Legal Services  
Monmouthshire County Council

## **Investment Custodian**

Monmouthshire County Council

## **General Management**

Mr Peter Davies  
Director of Resources  
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 2019 Report of the Trustee for the year ended 31 March 2019**

The Trustee presents its annual report and the audited financial statements for the year ended 31 March 2019 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 16<sup>th</sup> July 2014 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 1<sup>st</sup> January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

## **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. A model scheme for the administration of the fund has been prepared and has been submitted to the Welsh Government for approval.

The Trust 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 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.

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 7 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has decreased in value by £121,851 (£21,654 increase in 2017/18); this decrease is due to the allocation of previously unspent grant allocations by Caerphilly Borough Council that had been carried forward..

Income is principally comprised of investment income of £206,522 (£216,152 in 2017/18), The Trust has utilised the Trustee's own investment managers to manage the fund, thus, controlling management fees and therefore maximising returns

# **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019**

whilst at the same time maintaining a balanced capital risk strategy.

Charitable resources expended during the year amounted to £370,948 (£173,430 in 2017/18) and principally comprised grant payments of £355,400 (£159,481 in 2017/18). The increase in charitable expenditure was primarily due to Caerphilly Borough Council utilising a large majority (£155,007) of their brought forward balances from previous years.

Net gains on investments held amounted to £41,399 (£21,068 net loss in 2017/18). These non-realised investment gains have been as a result of the Trusts' current investment strategy, diversifying the portfolio across several investment categories in the last couple of financial years amid the current volatility in the financial markets. The long term projections on these charity based investments as indicated by the Trustees' Treasury consultants continue to offer a balanced risk portfolio between income generation and asset growth..

## **Income generation**

The Charity's income was £207,698, compared to £216,152 in 2017/18. The diverse market investment strategy that mainly replaced the pooled investment strategy with Monmouthshire County Council has continued to produce consistent returns in the financial markets due to investment in more specific charitable investment 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 has reviewed its investment strategy and produced an investment and fund strategy for 2018/19, which was approved by Monmouthshire County Council in its capacity as sole and corporate trustee, on March 7th 2018.

## **Changes in fixed assets**

The fixed asset investments were re-valued in the 2018-19 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 funds held at 31<sup>st</sup> March 2019 is £5,370,481 (5,492,332 in 2017/18). The Trustee has reviewed its Fund strategy and produced an investment and fund strategy for 2018/19 which states 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 7th March 2018 and no risks were identified.

## **Auditors**

The Wales Audit Office was appointed as auditors to the Welsh Church Act Fund in 2007/08.

## **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.



## **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019**

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.

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 1993 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**  
**Director of Resources, Monmouthshire County Council**

**Date:**

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019  
Report of the Auditor General for Wales to the Trustee of the Monmouthshire County  
Council Welsh Church Act Fund**

**Report on the audit of the financial statements**

**Opinion**

I have audited the financial statements of The Monmouthshire County Council Welsh Church Act Fund for the year ended 31<sup>st</sup> March 2018 which comprise the Statement of Financial Activities, the Balance Sheet, Cash Flow Statement and related notes. 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 2018 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)). 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**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the trustee use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Report on other requirements**

**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 in the annual report and accounts. 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.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

**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 report;
- sufficient accounting records have not been kept;
- 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.

# **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019**

## **Responsibilities**

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

As explained more fully in the Trustee Responsibility Statement set out on page 4 of the Trustee Report, 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 determines 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.

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.

### **Emphasis of Matter**

Your attention is drawn to the fact that the Charity has prepared its financial statements in accordance with the Charities SORP 2015 in preference to the Charities SORP 2005 which is referred to in the extant regulations but has been withdrawn. We understand this has been done in order for the accounts to provide a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

Ann-Marie Harkin  
On behalf of the Auditor General for Wales  
Date:

24 Cathedral Road  
Cardiff  
CF11 9LJ

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**Statement of financial activities (Sofa) for the year ended 31 March 2019**

	Notes	2019	2019	2018
		Unrestricted	Total	Total
		Funds	Unrestricted	Unrestricted
		Funds	Funds	Funds
		£	£	£
<b>Income &amp; Endowments from:</b>				
Investment income	2	206,522	206,522	216,152
Other incoming resources		1,176	1,176	0
<b>Total income &amp; Endowments</b>		<b>207,698</b>	<b>207,698</b>	216,152
<b>Resources Expended</b>				
Raising funds:				
Investment Property Professional fees		(679)	(679)	(749)
Management and administration		(2,000)	(2,000)	(3,000)
		<b>(2,679)</b>	<b>(2,679)</b>	(3,749)
<b>Charitable expenditure</b>				
Costs of activities in furtherance of the Charity's objects				
Grants payable	3,4	(355,400)	(355,400)	(159,481)
Management and administration		(5,813)	(5,813)	(4,511)
<b>Other</b>				
Governance Costs	5	(7,056)	(7,056)	(5,689)
<b>Total Resources Expended</b>		<b>(370,948)</b>	<b>(370,948)</b>	(173,430)
Gains/(losses) on investment assets	9,10	41,399	41,399	(21,068)
<b>Net Income /( Expenditure)</b>		<b>(121,851)</b>	<b>(121,851)</b>	21,654
<b>Transfers between funds</b>	13	<b>0</b>	<b>0</b>	0
<b>Net movement in funds</b>		<b>(121,851)</b>	<b>(121,851)</b>	21,654
Fund balances brought forward April 2017		5,492,332	5,492,332	5,470,678
<b>Fund balances carried forward 31 March 2018</b>	13	<b>5,370,481</b>	<b>5,370,481</b>	5,492,332

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

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**Balance Sheet as at 31 March 2019**

	Notes	2019 Unrestricted Funds £	2018 Unrestricted Funds £
<b>Fixed assets</b>			
Investment Land	9	394,000	418,000
Investments	10	4,871,730	4,806,332
		<b>5,265,730</b>	<b>5,224,332</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	47,977	54,518
Cash at bank and in hand		395,958	368,539
		<b>443,935</b>	<b>423,057</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	12	(339,184)	(155,058)
<b>Net current assets or liabilities</b>		<b>104,751</b>	<b>268,000</b>
<b>Net assets or liabilities</b>		<b>5,370,481</b>	<b>5,492,332</b>
<b>The Funds of the Charity:</b>			
Unrestricted Funds	13	5,370,481	5,492,332
<b>Total Charity funds</b>		<b>5,370,481</b>	<b>5,492,332</b>

The accounts on pages 7 to 16 were approved by the Trustee on 28 November 2019, and signed on their behalf by:

**By order of the Trustee**

**Mr Peter Davies  
Director of Resources – Monmouthshire County Council**

Date:

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**Statement of Cash flows as at 31 March 2019**

	<b>note</b>	<b>Total Funds £</b>	<b>Prior Year Funds £</b>
<b>Cash flows from operating activities</b>			
<i>Net cash provided by operating activities</i>	7	<b>(180,281)</b>	<b>(79,882)</b>
<hr/>			
<b>Cash flow from investing activities</b>			
Dividends and rents from investments		<b>207,698</b>	<b>216,152</b>
<hr/>			
<i>Change in cash and cash equivalents in the reporting period</i>		<b>27,417</b>	<b>136,270</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>368,541</b>	<b>212,271</b>
<hr/>			
<i>Cash and cash equivalents at the end of the reporting period</i>		<b>395,958</b>	<b>368,541</b>

# **The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019**

## **Notes to the financial statements for the year ended 31 March 2019**

### **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 16 July 2014 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 accruals basis.

#### **Resources expended**

All expenditure is accounted for on an accruals basis. Where costs cannot be directly attributed to particular 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 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.

# The Monmouthshire County Council Welsh Church Act Fund

## Annual Report for year ended 31 March 2019

### 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 it is identified that there have been material movements between formal valuations, this has been changed from a five year valuation cycle due to the Land assets being deemed to be Investment Land not tangible fixed assets.

An Independent Valuer of Williams Associates, a qualified Land Valuer and Chartered Surveyors, re-valued all Investment Land as at 1<sup>st</sup> November 2017 and all assets held at year-end are included in the accounts at valuation. 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 investment funds specifically designed for charitable organisations. Investment performance is reviewed periodically in light of prevailing economic changes.

### 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

	2019	2018
	£	£
Investments with Monmouthshire County Council	3,975	1,351
Investment Property Rental Income	6,214	3,835
External Investments	196,333	210,966
	<b>206,522</b>	216,152

## 3 Grants Payable

	2019	2018
	£	£
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	42,025	35,054
Torfaen County Borough Council	38,425	30,106
Newport City Council	33,943	49,694
Blaenau Gwent County Borough Council	24,400	27,697
Caerphilly County Borough Council	216,607	16,929
	<b>355,400</b>	159,480

The management and administration cost of the fund and grants distributed were £5,813 during the year.



# The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

## 4 Analysis of Grants

	Grants to Organisations	Grants to Individuals
	£	£
The Advancement of Education	8,703	1,300
The Advancement of Religion	163,494	0
The Relief of Poverty	250	38,425
Other Purposes Beneficial to the Community	143,228	0
<b>Total</b>	<b>315,675</b>	<b>39,725</b>

Caerphilly Borough Council, Newport City Council, Torfaen County Borough Council and Monmouthshire County Council have under spent their allocations for 2018/19 by £108,233, £17,303, £14,372 and £772 respectively which will be carried forward for distribution in 2019/20. Grants to Churches and other Religious establishments totaled £163,494 and Community Organisations £143,278 respectively during the financial year. Grants of essential equipment and furnishings to the value of £38,425 were made to individuals for the relief of families in deemed to be in poverty. Oakdale Community Centre was awarded more than 1 award during the 2018/19 financial year totaling £7,972.

## 5 Governance Costs

	2019	2018
	£	£
Auditor's remuneration	<b>7,056</b>	5,689
	<b>7,056</b>	5,689

Governance costs are now reflective of Wales Audit Office now charging market rates and the balance The forecast chargeable rate for 2018-19 governance costs will be c £5,880.

No indemnity insurance for Trustee's liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, 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. Governance costs have increased during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees.

## 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.

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**7 Reconciliation of net income/ (expenditure) to net cash flow from operating activities as at 31 March 2018**

	Current Year £	Prior Year £
<i>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</i>	<b>(121,851)</b>	21,654
<b>Adjustments for non-cash transactions</b>		
(Gains) /losses on investments	<b>(41,399)</b>	21,068
Dividends, Interest & Rents from investments	<b>(207,698)</b>	(216,152)
Increase/(decrease) in Provisions	<b>0</b>	0
(Increase)/ decrease in debtors / bad debts	<b>6,541</b>	125,503
Increase/(decrease) in creditors	<b>184,126</b>	(11,955)
<b>Net cash provided and (used in) operating activities</b>	<b>(180,281)</b>	(59,882)

**8 Analysis of cash and cash equivalents as at 31 March 2019**

	Current Year £	In Year Movement £	Prior Year £
Cash in hand	<b>395,958</b>	27,417	368,541
Overdraft facility repayable on demand	<b>0</b>	0	0
<b>Total cash and cash equivalents</b>	<b>395,958</b>	27,417	368,541

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**9 Investment Land and Property**

	<b>Total</b>
	<b>£</b>
<b>Valuation</b>	
At 1 April 2018	418,000
Disposals	0
Revaluation	(24,000)
<b>At 31 March 2019</b>	<b>394,000</b>
<b>Depreciation</b>	
At 1 April 2018	0
Charge in year	0
Disposals	0
<b>At 31 March 2019</b>	<b>0</b>
<b>Net book Value</b>	
At 1 April 2018	418,000
<b>At 31 March 2019</b>	<b>394,000</b>

Tangible Investment Assets solely consist of freehold land. All land held by the Fund had been revalued as at 01<sup>st</sup> March 2019. Valuations were carried out in accordance with the valuation policy. A further valuation will be carried out within 2019/20 financial year and on thereafter on an annual rolling basis.

**10 Investments**

	<b>2019</b>	2018
	<b>£</b>	£
CCLA - COIF Property Fund	<b>1,050,649</b>	1,038,108
UBS Multi Asset Income Fund	<b>687,279</b>	694,458
M&G Charibond Fund	<b>689,393</b>	689,617
Schroders Income Maximiser	<b>422,246</b>	436,285
M&G Charifund	<b>535,509</b>	531,403
CCLA - COIF Investment Fund	<b>1,025,599</b>	957,143
Treasury Stock 2024 2.5%	<b>111,055</b>	109,318
Invested with Monmouthshire County Council	<b>350,000</b>	350,000
	<b>4,871,730</b>	4,806,332

The Trust has investments held with UBS, M&G, Schroeder's, CCLA, HM Treasury and Monmouthshire County Council which are generally managed by the trusts treasury management advisors. Returns from Monmouthshire County Council are generated on a "pooled" basis. The average rate of interest generated on the pooled funds from Monmouthshire was 0.5839% for 2018/19 (0.2449% for 2017/18).

The basis of valuation on the market based investments held with CCLA, M&G, UBS and Schroder's, is the open market value of the unit holdings on the 31<sup>st</sup> March 2019 multiplied by the units held. There were no additions or disposals of investments during the financial year. The Treasury Stock 2024 valuation is based upon the market value of the Treasury Gilts at the 31<sup>st</sup> March 2019 as listed on the dmo.gov website. The value of the 'pooled' investment with Monmouthshire County Council is the cash value as at the 31<sup>st</sup> March 2019. 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.

**The Monmouthshire County Council Welsh Church Act Fund  
Annual Report for year ended 31 March 2019**

**11 Debtors**

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
<i>Prepayment &amp; accrued income</i>		
Investment Income	47,977	51,143
Other Debtors		
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	1,375
Other Debtors	0	2,000
	<b>47,977</b>	<b>54,518</b>

All investment interest due from the trustee was paid in year in 2017-18.

**12 Creditors**

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Grant creditors	327,932	138,821
Other creditors	11,253	16,237
	<b>339,185</b>	<b>155,058</b>

Grant creditors are recognised on 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 2018 £	Incoming resources £	Resources Expended £	Other Recognised Gain / (Loss) £	<b>Balance 31 March 2019 £</b>
Unrestricted funds	5,492,332	207,698	(370,948)	41,399	<b>5,370,481</b>

There were no transfers between funds during the 2018-19 financial year.

# The Monmouthshire County Council Welsh Church Act Fund Annual Report for year ended 31 March 2019

## 14 Related party transactions

During the year transactions with related parties arose as follows:

	2019		2018	
	Receipts	Payments	Receipts	Payments
	£	£	£	£
Monmouthshire County Council	<b>3,975</b>	<b>4,785</b>	1,352	4,886

Members of the Authority 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 £4,785 and income of £3,525 at the year-end with Monmouthshire County Council

## 15 Trustee's Expenses, Remuneration and Benefits

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

**APPENDIX 4**

**Monmouthshire Farm School Endowment  
Trust Fund**

**Annual report  
for the year ended 31 March 2019**

-Registered Charity Number: 525649

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Notes to the financial statements	7

## Trustees, officers and advisors

R Edwards  
Monmouthshire County Council

R J W Greenland  
Monmouthshire County Council

S B Jones  
Monmouthshire County Council

A Easson  
Monmouthshire County Council

D.W.H Jones  
Monmouthshire County Council

R Pagett  
Blaenau Gwent County Borough Council

Dr W O C Symondson  
University of Wales College Cardiff

### Secretary

Matthew Phillips  
Head of Legal Services  
Monmouthshire County Council

### Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

### Auditors

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

### Solicitors

Matthew Phillips  
Head of Legal Services  
Monmouthshire County Council

### Investment custodian

Monmouthshire County Council

### Bankers

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

### Trustees

D Yeowell  
Torfaen County Borough Council

Professor J D Hayes  
University College Wales Aberystwth

K Backhouse  
Director Usk Campus – Coleg Gwent

D Havard  
Caerphilly County Borough Council



## **Annual report for the year ended 31st March 2019**

# **Report of the Trustees for the year ended 31st March 2019**

The Trustees presents its annual report and the independently examined financial statements for the year ended 31 March 2019 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisors set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011. The financial statements comply with the Charity's trust deed.

### **Status and administration**

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under charity number 525649. The trustees also have regard to the Charity Commission's guidance on public benefit.

### **Objects**

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of their facilities or amenities at Usk College which would benefit these students. The grants awarded had allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined; household income is a consideration when making the award. Grants were awarded to 98 people and the total awards were £81,105.

### **Review of activities and future developments**

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has decrease in value by £47,560 (£17,751 increase in 2017/18) over the financial year as a result of incoming resources (including investments and income from the Rodger Edwards Educational Trust) being outweighed by outgoing resources.

Income comprise of interest on investment stock and cash held of £25,429 (£28,072 in 2018/19), and £4,779 (£0 in 2017/18) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £82,858 (£29,597 in 2017/18) primarily comprised of grants payable of £77,605 (£27,514 in 2017/18) in line with the Charity's objects. Unrealised investment gain of £6,670 (£16,226 loss in 2017/18) made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. 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'.

### **Investment powers, policy and performance**

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustees has reviewed its investment strategy and produced an investment and fund strategy for 2018/19 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 7<sup>th</sup> March 2018. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

### **Grant making policy**

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

### **Changes in fixed assets**

The movements in fixed asset investments during the year are set out in note 7 to the financial statements.

## **Annual report for the year ended 31st March 2019**

### **Reserves**

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The fund has received an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the annual investment and rental income accrued to the Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2018-19 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 7<sup>th</sup> March 2018.

### **Governance of the Charity**

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (five years); the other representative Trustees have a term of office of three years and the co-operated Trustees have a term of office of five years. The Trustees are listed on page 1.

### **Risk management**

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management processes. The Roger Edwards Educational Trust provides significant income to this trust and form the majority of income that can be used for grants. This income is received after the independent examination of the accounts have been agreed and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 7<sup>th</sup> March 2018.

### **Auditors**

The Wales Audit Office are the appointed independent examiners to the Charity.

### **Trustee's responsibilities**

The Trustees are required by charity law 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 net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2019. The Trustees also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are 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 1993. 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.

### **By order of the Trustees**

Trustee:

Date: 21<sup>st</sup> January 2020

**Annual report for the year ended 31st March 2019**  
**Report of the independent examiner to the trustees of Monmouthshire Farm School**  
**Endowment Trust Fund**

I report on the accounts of Monmouthshire Farm School Endowment Trust Fund for the year ended 31<sup>st</sup> March 2019, which are set out on pages 5 to 10.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's accounts as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Ann-Marie Harkin  
On behalf of the Auditor General for Wales  
Date:

24 Cathedral Road  
Cardiff CF11 9LJ

## Annual report for the year ended 31st March 2019

### Statement of financial activities (Sofa) for the year ended 31st March 2019

	Notes	2019 Unrestricted Funds £	2018 Unrestricted Funds £
<b>Income &amp; Endowments from:</b>			
Investment income	2	25,429	28,072
Other incoming resources (REET)		4,779	0
<b>Total income &amp; Endowments</b>		<b>30,208</b>	<b>28,072</b>
<b>Resources Expended</b>			
<b>Charitable expenditure</b>			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	77,605	27,514
Other expenditure	3 & 4	1,753	2,083
Total Resources expended		<b>79,358</b>	29,597
Gains/(losses) on investment assets	5	1,590	(16,226)
<b>Net Income / (Expenditure)</b>		<b>(47,560)</b>	(17,751)
<b>Net movement in funds</b>		<b>(47,560)</b>	(17,751)
Fund balances brought forward 1 April 2018		<b>707,553</b>	725,304
<b>Fund balances carried forward 31 March 2019</b>		<b>659,993</b>	707,553

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

**Annual report for the year ended 31st March 2019**  
**Balance Sheet as at 31 March 2019**

	Notes	2019 Unrestricted Funds £	2018 Unrestricted Funds £
<b>Fixed assets</b>			
Investments	7	643,160	641,570
		<b>643,160</b>	641,570
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	8,805	6,429
Cash at bank and in hand		11,751	61,825
		<b>20,556</b>	68,254
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	9	3,724	2,271
<b>Net current assets</b>		<b>16,832</b>	65,983
<b>Net assets</b>		<b>659,993</b>	707,553
<b>The Funds of the Charity:</b>			
Unrestricted Funds	10	659,993	707,553
<b>Total Charity funds</b>		<b>659,993</b>	707,553

The financial were approved by the Trustees on 22nd July 2019 and signed on their behalf by:

Trustee:

Date: 21<sup>st</sup> January 2020

# Annual report for the year ended 31st March 2019

## Notes to the financial statements for the year ended 31<sup>st</sup> March 2019

### 1 Principal accounting policies

#### **Basis of accounting**

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 Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity 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.

#### **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

#### **Incoming Resources**

All income received is accounted for on a receivable basis and has been classified under the appropriate categories. The income from the Rodger Edwards Educational Trust is actual income received for the year.

#### **Grants payable**

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

#### **Management and administration**

Monmouthshire County Council administer the Trust Fund on behalf of the Trustees. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments. The basis of the apportionment is a fixed fee agreed with the Trustees of £200 per year.

#### **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.

#### **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.

#### **Fund accounting**

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

#### **Investments**

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

#### **Transition to FRS 102**

The opening fund position at the date of transition has not been restated and no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2016.

#### **Cash flow statement**

The charity has taken exemption from preparing a cash flow under Charities SORP FRS 102 Update Bulletin 1.

## Annual report for the year ended 31st March 2019

### 2 Investment income

	2019	2018
	£	£
Interest on cash balances	255	449
Interest on Investments	25,174	27,623
	<b>25,429</b>	<b>28,072</b>

### 3 Expenditure on Charitable Activities

	2019	2018
	£	£
Grants payable	77,605	27,514
Management & administration	1,753	2,083
	<b>79,358</b>	<b>29,597</b>

Grants payable comprise numerous payments to individual students in respect of full time and part-time courses attended. It is not possible to provide further details due to restrictions of confidentiality.

### 4 Governance Costs

	2019	2018
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,762	2,270
	<b>1,762</b>	<b>2,270</b>

No indemnity insurance for Trustees liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made. Governance costs have decreased during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees. The audit fee is included in the management and administration spend as per note 3.

### 5 Gains and losses on revaluation and disposal of investment assets

	Market Value 2018	ditions (Disposals)	Market Value 2019	Gain/(Loss)
	£	£	£	£
Charibond	234,983	0	234,907	(76)
OEIC	184,735	0	182,392	(2,343)
COIF	221,852	0	225,861	4,009
Total	641,570	0	642,160	1,590

## Annual report for the year ended 31st March 2019

### 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 falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

### 7 Fixed asset investments

	Total £
Valuation at 1 April 2018	641,570
Purchase	
Net revaluation gain	1,590
<b>Valuation at 31 March 2019</b>	<b>643,160</b>

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2018. The historical cost of the investments at 31st March 2018 was £679,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2019 are as follows:

	£	%
COIF	225,860	35.1%
Charibond	234,907	36.5%
OEIC Fund	182,390	28.4%

The percentage shown above is the percentage of the total portfolio market value as at 31<sup>st</sup> March 2019.

### 8 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Receivable from The Roger Edwards Educational Trust	5,000	5,097
Welsh Church Fund	3,500	0
HM Revenue and Customs	305	1,331
	8,805	6,429

The majority of the debt relates to the payment from the Roger Edwards Educational Trust. This is based on actual cash received after the year end.

### 9 Creditors

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Accruals and deferred income	3,724	5,766
	3,724	5,766

The amounts owed relate to audit fees and payments to Monmouthshire County Council to administer the trust.



## Annual report for the year ended 31st March 2019

### 10 Unrestricted Funds

	Balance 1 April 2018	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2019
	£	£	£	£	£
Permanent endowed funds	707,553	30,208	79,358	1,590	659,993

### 11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any trustees. Payments have been made to Monmouthshire County Council respect of management and administration expenses.

## APPENDIX 5

Charity Registration No: 523661

### **Llanelly Hill Social Welfare Centre Trust Fund**

### **Statement of financial activities for the year ended 31<sup>st</sup> March 2019**

	2019	2018
	£	£
<i>Incoming resources</i>		
Income Generated By Management Committee	7,500	4,245
Contribution from Monmouthshire County Council	13,092	0
<b>Total incoming resources</b>	<b>20,592</b>	<b>4,245</b>
<b>Charitable expenditure:</b>		
Costs of activities in furtherance of the Charity's objects		
Management and Maintenance	20,592	2,711
<b>Total resources expended</b>	<b>20,592</b>	<b>2,711</b>
<b>Net Gain / (Loss) before transfers</b>	<b>0</b>	<b>1,534</b>
<b>Net incoming resources before fixed asset revaluations</b>	<b>0</b>	<b>0</b>
Gains/(losses) on the revaluation of fixed assets	0	0
<b>Net movement in funds</b>	<b>0</b>	<b>0</b>
Fund balances brought forward 1 April	68,050	66,516
<b>Fund balances carried forward 31 March</b>	<b>68,050</b>	<b>68,050</b>

Charity Registration No: 523661

**Llanelly Hill Social Welfare Centre Trust Fund**

**Balance Sheet at 31st March 2019**

	2019	2018
	£	£
<b>Fixed assets</b>		
Building and Land	65,000	65,000
	<b>65,000</b>	<b>65,000</b>
<b>Current assets</b>		
Debtors: amounts falling due within one year	49,007	28,415
Creditors: amounts falling due within one year	45,958	25,365
<b>Net current Liabilities</b>	3,050	3,050
<b>Total assets less current liabilities</b>	<b>0</b>	<b>0</b>
<b>Net assets</b>	<b>68,050</b>	<b>68,050</b>
<b>Reserves:</b>		
Endowment capital	68,050	68,050
<b>Total funds</b>	<b>68,050</b>	<b>68,050</b>