

## 1. Welsh Church Act Fund

### Background

- 1.1 Monmouthshire County Council acts as lead trustee for the Welsh Church Act Fund, a charitable trust covering the Council administrative areas of Blaenau Gwent, Caerphilly, Monmouthshire, Torfaen, and the City of Newport.
- 1.2 The primary object of the trust 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.
- 1.3 An annual budget for grant payments is agreed by full Council in March preceding the financial year and is split between the five administrative on a population basis. Each trustee approves grant applications and pay monies in line with their own financial regulations.
- 1.4 The overall grant allocation from the fund in each financial year is considered in line with the long-term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.
- 1.5 In line with the requirements of lead trustee, Monmouthshire County Council is responsible for preparing the draft accounts as presented in **Appendix 1** and these will be subject to external audit by Audit Wales, and subsequently a final version will be considered for approval by this committee at its meeting in January 2023. Following final approval, the accounts will be lodged with the Charities Commission by the end of January 2023.

### Activity in year

- 1.6 The fund has gained in value by £416,412 during the year (£348,489 gain in 2020/21) with this increase primarily due to a large unrealised gain on investments (£349,668) due to a sustained recovery of the investment markets after the pandemic. It is important to note that the year-end valuation of these investment funds were made prior to the full impact of the Russian invasion of Ukraine and the cost of living pressures surfacing in March and April 2022 which has since caused significant variability in the markets.
- 1.7 The trusts current investment strategy, which diversifies the portfolio across several investment categories has enabled some investment values to remain fairly stable amid the current 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.
- 1.8 Income during the year principally comprised of investment income of £242,896 (£181,378 in 2020/21), which has increased slightly in regard to distributions from the pooled fund investments. £50,000 has also been withdrawn from investments held with Monmouthshire County Council to pay for accrued grant distributions to the other constituent authorities relating to the previous 2020/21 year.
- 1.9 Charitable resources expended during the year amounted to £177,112 (£255,640 in 2020/21) and principally comprised grant payments of £163,310 (£242,242 in 2020/21).

## 2. Monmouthshire Farm School Endowment Trust Fund

### Background

- 2.1 Monmouthshire County Council acts as Trust administrator and Investment custodian for the Monmouthshire Farm School Endowment Trust Fund.
- 2.2 The primary object of this charitable trust 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.
- 2.3 The draft accounts presented at **Appendix 2** will be subject to independent examination by Audit Wales and will subsequently be considered by the trustees prior to lodging with the Charities Commission by the end of January 2023.

#### **Activity in year**

- 2.4 The Fund has increased in value by £29,978 (£26,021 increase in 2020/21) over the financial year as a result of incoming resources (from investments) exceeding outgoing resources.
- 2.5 Income consists of interest on investment stock and cash held of £23,448 (£26,510 in 2020/21), and £4,649 (£0 2020/21) in respect of the annual payment from the Roger Edwards Educational Trust.
- 2.6 Expenditure of £10,840 (£16,401 in 2020/21) primarily comprised of grants payable of £9,182 (£14,678 in 2020/21) in line with the Charity's objects. An unrealised investment gain of £12,721 (£15,912 gain in 2020/21) was made in relation to investments held.
- 2.7 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 year's grant allocations to ensure continuity and non-degradation of the fund's capital assets and to perpetuate the Charity as a going concern.

### **3. Llanelly Hill Social Welfare Centre**

#### **Background**

- 3.1 The Llanelly Hill Social Welfare centre is a registered charitable trust owned and run by a board of trustees and supported by Monmouthshire County Council.
- 3.2 Due to the comparatively small size of the trust and the values involved, the statement of accounts provided at **Appendix 3** do not require a formal external audit or inspection process and will subsequently be lodged with the Charities Commission.

#### **Activity in year**

- 3.3 The trust has generated income of £5,541 during the year (£978 in 2020/21) primarily from income generating activities at the centre. This has covered in full the management & maintenance costs incurred during the year of £5,355, resulting in a small overall gain on the fund of £186.