

<b>SUBJECT:</b>	<b>DRAFT STATEMENT OF ACCOUNTS 2023/24 – CHARITABLE TRUST FUNDS</b>
<b>MEETING:</b>	<b>Governance and Audit Committee</b>
<b>DATE:</b>	<b>31<sup>st</sup> July 2024</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

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

- Draft 2023/24 Welsh Church Fund Accounts (**Appendix 1**)
- Draft 2023/24 Monmouthshire Farm School Endowment Trust Fund Accounts (**Appendix 2**)
- Draft 2023/24 Llanelly Hill Social Welfare Centre Accounts (**Appendix 3**)

**2. RECOMMENDATIONS:**

2.1 That the Governance & Audit Committee review the 2023/24 draft Statement of Accounts for the above bodies and provide comments or proposed amendments which will be considered alongside the external audit process and prior to the final publication.

**3. KEY ISSUES**

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

3.2 The accounts for these funds 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 of July 2014 and the Charities Act 2011, alongside the UK Generally Accepted Practice as it applies from the 1st of January 2015.

**4. Welsh Church Act Fund**

**Background**

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

4.2 The primary object of the 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.

- 4.3 An annual budget for grant payments is agreed by full Council in March preceding the financial year and is split between the five administrative bodies on a population basis. Each trustee approves grant applications and pay monies in line with their own financial regulations.
- 4.4 The overall grant allocation from the fund in each financial year is considered in line with the long-term financial viability of the trust and to maintain the ability to generate funds in future years for distribution by maintaining sufficient capital assets.
- 4.5 In line with the requirements of lead trustee, Monmouthshire County Council is responsible for preparing the draft accounts as presented in **Appendix 1** and these will be subject to external audit by Audit Wales, and subsequently a final version will be considered for approval by this committee at its meeting in January 2025. Following final approval, the accounts will be lodged with the Charities Commission by the end of January 2025.

#### **Activity in year**

- 4.6 The fund has increased in value by £9,149 during the year (£479,749 loss in 2022/23). This increase is primarily due to unrealised gains in investments of £76,264 following improvement in fund performance over the year. Increases in interest rates did have a damping effect on capital prices, but conversely higher dividend yields can be obtained on gilts and bonds which helps maintain the income stream into the trust for distribution.
- 4.7 This increase has been offset by increased grant payments following allocation of unspent balances from previous financial years by Caerphilly and Newport Councils.
- 4.8 Income during the year principally comprised of investment income of £226,373 (£212,453 in 2022/23), which has increased slightly due to distributions from the pooled fund investments.
- 4.9 Resources expended during the year amounted to £278,281 (£219,230 in 2022/23) and principally comprised grant distribution payments of £267,391 (£204,850 in 2022/23).

## **5. Monmouthshire Farm School Endowment Trust Fund**

### **Background**

- 5.1 Monmouthshire County Council acts as Trust administrator and Investment custodian for the Monmouthshire Farm School Endowment Trust Fund.
- 5.2 The primary object of this charitable trust is to make awards to students in need of assistance to attend Usk Agricultural College (Coleg Gwent), or at the discretion of the governing body, any other college, institution, or university to pursue courses of study in agricultural subjects.
- 5.3 The draft accounts presented will be subject to independent examination by Audit Wales and will subsequently be considered by the trustees prior to lodging with the Charities Commission by the end of January 2025.

### **Activity in year**

The Fund has increased in value by £11,895 (£61,321 decrease in 2022/23) over the financial year due to interest on investments (£30,341) exceeding resources expended to administer the fund £8,451, together with the small unrealised loss on market investments of £9,995.

- 5.4 Income consisted of interest on investments and cash held of £29,876 (£26,287 in 2022/23), and £465 (£1,077 2022/23) in respect of the annual payment from the Roger Edwards Educational Trust.
- 5.5 Expenditure of £8,451 (£5,839 in 2022/23) primarily comprised of grants payable of £5,178 (£3,871 in 2022/23) in line with the Charity's objects. An unrealised investment loss of £9,995 (£82,846 loss in 2022/23) was made in relation to investments held.
- 5.6 The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. The income generation from investments 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.

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

### **Background**

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

### **Activity in year**

- 6.3 The trust has generated income of £6,394 during the year (£3,036 in 2022/23) primarily from income generating activities at the centre. This has covered the management and maintenance costs incurred during the year of £6,335, resulting in an overall operational gain on the fund of £59.

## **7. REASONS**

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

## **8. RESOURCE IMPLICATIONS**

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

## **9. CONSULTTEES**

Deputy Chief Executive (Section 151 Officer)

## **10. BACKGROUND PAPERS**

**Appendix 1** - Draft 2023/24 Welsh Church Fund Accounts

**Appendix 2** - Draft 2023/24 Monmouthshire Farm School Endowment Trust Fund Accounts

**Appendix 3** - Draft 2023/24 Llanelly Hill Social Welfare Centre Accounts

## **11. AUTHORS:**

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**12. CONTACT DETAILS**

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