

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

POLICY AND RESOURCES CABINET BOARD

29 JUNE 2016

REPORT OF DIRECTOR OF FINANCE & CORPORATE SERVICES

MATTER FOR DECISION

WARDS AFFECTED - ALL

NEATH PORT TALBOT WELSH CHURCH ACT TRUST FUND 2015/16

1. Purpose of Report

- 1.1 This report provides details of the Neath Port Talbot Welsh Church Act Trust Fund draft annual report and financial statements for 2015/16.

2. Draft annual report and financial statements 2015/16

- 2.1 The format of this year's annual report and financial statements has been updated to take account of the new Reporting Standard for Smaller Entities (FRSSE) in relation to Accounting and Reporting by Charities. This Statement of Recommended Practice became applicable in the UK from 1st January 2015.
- 2.2 The annual report and financial statements for the year ended 31st March 2016 are attached at Appendix 1, with the following table summarising the financial position.

	2015/16	2014/15
	£	£
Opening value of Fund	608,379	599,405
Income	5,124	6,774
Gain/(loss) on sale of asset	-	6,500
Expenditure	(4,686)	(4,300)
Closing value of Fund	608,817	608,379

- 2.3 The annual report and financial statements will be used by the Wales Audit Office for scrutiny as is required by the Welsh Church Act 1914.

3. External Audit

- 3.1 Any material changes resulting from the audit of the annual report by the Independent Examiner will be reported back to the Board for consideration, prior to the final submission of the financial information to the Charity Commission.

4. Recommendations

- 4.1 It is recommended that Members:

- Approve the draft annual report and financial statements for the year ended 31st March 2016.
- Agree for the draft annual report and financial statements to be submitted to the Wales Audit Office for independent examination.
- Approve that the financial information be submitted to the Charity Commission, if there are no material changes following the independent examination by the Wales Audit Office.

5. Reason for Proposed Decision

To approve the draft annual report and financial statements for the Welsh Church Act Trust Fund 2015/16.

6. Implementation of Decision

The decision is proposed for implementation after the three day call in period.

7. Consultation

There is no requirement to consult on this item.

8. Equality Impact Assessment

There is no requirement for an EIA Assessment

9. Appendices

Draft annual report and financial statements.

10. List of Background Papers

Welsh Church Act Trust Fund accounts and working papers
FRSSE guidance

11. Officer Contact

Mr Hywel Jenkins – Director of Finance and Corporate Services
Telephone 01639 763251 Email: h.jenkins@npt.gov.uk

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

WELSH CHURCH ACT TRUST FUND

DRAFT

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2016

REGISTERED CHARITY NUMBER: 1076440

Neath Port Talbot Welsh Church Acts Fund

Report of the trustees for the year ended 31st March 2016

The trustees present their annual report and financial statement for the charity for the year ended the 31st March 2016. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the requirements of the Welsh Church Act and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, published in July 2014.

Objectives and activities

The purpose of the Fund is to receive grant applications from charities or voluntary bodies which are based in, active in, or provide significant benefits to some or all of the residents of the Neath Port Talbot County Borough area.

The Fund furthers its charitable purposes for the local public benefit through its grant making policies which cover the following areas:

- Educational
- Libraries, museums, art galleries, etc.
- Relief of poverty
- Advancement of religion
- Other purposes beneficial to the community
- Relief in sickness
- Welfare of elderly persons
- Social and recreational
- Aesthetic, architectural, historical and scientific matters
- Medical and social research, treatment, etc.
- Probation, etc.
- Visually impaired or blind individuals
- Emergencies or disasters
- Other charitable organisations whose purposes are consistent with the provisions included above.

Grant making policy

Welsh Church Acts Fund Guidelines for Grant Applications

- a) Each application will be considered on its merits.

- b) Grants will only be awarded to charities and voluntary bodies which are based in, or active in, or provide significant benefits to some or all of the residents of the Neath Port Talbot County Borough area.
- c) Grants will only be awarded to individuals in exceptional circumstances.
- d) Grants will not normally exceed £1,000 and in exceptional circumstances £4,000 per applicant and successful applicants will not normally be reconsidered for a further grant within 3 years of the date of approval of the last grant.
- e) Grants will have a time limit for the take up of said grant of two years from the date of approval.
- f) Grants will not normally be awarded where the service could be dealt with out of the annual budget of the Council's service Committees activities or by other public bodies.
- g) Grants will not normally be awarded where they would commit the fund to regular annual payments nor will recurring annual expenses be supported.
- h) Grants will only be made out of the income of the fund, preserving the Fund's capital assets.
- i) Priority will be given to applications which are of significant benefit to the Neath Port Talbot County Borough area.
- j) Grant aid will not normally cover the full cost of a project/proposal and normally will be approved at 25% of actual costs incurred up to the maximum as outlined in condition (d) above. The grant of £4,000 will only be approved where expenditure exceeds £50,000.
- k) Organisations assessed as being able to meet the cost (e.g. by size or nature) are unlikely to receive any grant aid.
- l) Grants towards work of a structural nature will only be considered where
 - there is evidence that a professional assessment has been made of the works

- the applicant organisation can demonstrate that there is no other impediment to work proceeding at an early date (e.g. planning permission).

- m) In the case of Churches and Chapels grants will only be approved for the repair of the fabric of buildings which are more than 50 years old and of the highest architectural and historic interest. Church halls, however, where available and used significantly by the public for non-religious purposes will not be subject to these criteria.

- n) No retrospective applications are considered.

- o) The Panel will take into account the Church membership and the normal size of the congregation.

- p) In the case of students undertaking further Education courses, contributions towards the costs of individual instruments or pieces of equipment etc. will be made as follows - 50% of all costs over a threshold of £2,000 up to a maximum grant of £1,000.

Grants awarded

The Fund trustees have approved the following grants.

Year	Name	Purpose	Maximum value £
2004/05	Musica Rediviva	Church organ manuscript	4,000
2015/16	St Thomas' Church	Church Tower £1,000, unless project exceeds £50k	4,000
2015/16	Grove Place Chapel	Chapel roof	1,000
2015/16	Llewellyn Almshouses	Refurbishment £1,000, unless project exceeds £50k	4,000
2015/16	Eglwys Brynlllynfell	Vestry roof	1,000
2015/16	Action for Children	Specialist play equipment	1,000

Although the Fund has approved these grants, none of them have been drawn down as at the 31st March 2016.

Structure, governance and management

The Fund is a registered charity, number 1076440. The Charity is governed by the Welsh Church Act 1914 and the Welsh Church Act (Designation and Specification) Order 1996.

The Welsh Church Act Fund was established from the proceeds and assets of the disestablishment of the Church in Wales and was originally created in 1914. The assets were distributed evenly amongst the former county councils in Wales, and then divided between the Welsh Unitary Authorities when they were formed in 1996, with Neath Port Talbot County Borough Council taking responsibility for the share of the Fund included in this report.

The Trustee to the Fund is Neath Port Talbot County Borough Council who has delegated responsibility to the Policy and Resources Cabinet Board. This Board considers applications received for grants for the Fund and makes decisions on whether they should be granted or not.

The day to day administration and the processing and handling of applications prior to consideration is managed by the Director of Finance and Corporate Services and a proportion of his team's time is charged to the Fund.

Reference and administrative information

The registered address is:

Neath Port Talbot County Borough Council
Finance & Corporate Services Directorate
Civic Centre
Port Talbot
SA13 1PJ

The Trustee is:

Neath Port Talbot County Borough Council, who has delegated responsibility to the Policy and Resources Cabinet Committee and Policy and Resources Cabinet Board.

The following advisors have assisted the trustees in the year:

Honorary Treasurer:

Mr Hywel Jenkins
Director of Finance & Corporate Services
Neath Port Talbot County Borough Council
Civic Centre
Port Talbot SA13 1PJ

Independent Examiner:

Mr Richard Harries
On behalf of the Auditor General for Wales
24 Cathedral Road
Cardiff CF11 9LJ

Bankers:

Santander Commercial Bank
Bridle Road
Bootle
Merseyside L30 4GB

Trustees' responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom accounting standards (UK Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the resources and application of the resources of the charity for the accounting period. In preparing the financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the applicable Charities Statement of Recommended Practice
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the appropriate Act and the applicable Charities Regulations. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees 28th June 2016 and signed on their behalf by:

Honorary Treasurer _____

Date 28th June 2016

**Independent Examiner's Report to the Trustees of Neath Port Talbot
Welsh Church Acts Fund**

To be inserted once independent examination completed

Neath Port Talbot Welsh Church Act Trust Fund

Statement of Financial Activities for the year ending 31st March

	Note	Total Unrestricted Funds 31/3/2016 £	Total Unrestricted Funds 31/03/2015 £
Income			
Investment income	2	4,441	6,101
Estate Rental income	3	683	673
Total Income		5,124	6,774
Expenditure			
Governance/admin costs:			
Management and administration	4	(2,607)	(2,570)
Governance costs	5	(2,079)	(1,730)
Expenditure on charitable activities:			
Grants	6	-	-
Total expenditure		(4,686)	(4,300)
Net Income/(Expenditure) before gains/(losses) on investments		438	2,474
Net gains/(losses) on investments	7		
Gain on sales of fixed assets		-	6,500
Net Movement in funds		438	8,974
Reconciliation of Funds			
Total Funds brought Forward		608,379	599,405
Total Funds Carried Forward		608,817	608,379

Neath Port Talbot Welsh Church Act Trust Fund

Balance Sheet as at 31st March

	Note	31-Mar-16 £	31-Mar-15 £
Fixed Assets			
Tangible Assets	8	65,234	65,234
Total Fixed Assets		65,234	65,234
Current Assets			
Debtors	9	4,450	7,572
Short Term Investments	10	543,042	537,403
Total Current Assets		547,492	544,975
Liabilities			
Creditors: Amounts falling due within 1 year	11	(3,909)	(1,830)
Net Current Assets		543,583	543,145
Net Assets		608,817	608,379
The Funds of the Charity			
Unrestricted Income Funds	12		
Fund Balance		537,355	537,355
Income Accumulation Account		71,462	71,024
TOTAL CHARITY FUNDS		608,817	608,379

The following notes form part of these accounts.

Neath Port Talbot Welsh Church Act Trust Fund

Notes to the accounts

1. Accounting Policies

a) **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the requirements of the Welsh Church Act and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities, published in July 2014 and the Charities Act 2011 and applicable regulations.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to the accounts.

b) **Fund structure**

The Welsh Church Act Fund was established from the proceeds and assets of the disestablishment of the Church in Wales and was originally created in 1914. The assets were distributed evenly amongst the former county councils in Wales, and then divided between the Welsh Unitary Authorities when they were formed in 1996, with Neath Port Talbot County Borough Council taking responsibility for the share of the Fund included in this report.

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.

c) **Basis of Accounting**

The accounts have been prepared using the accruals basis and there has been no change to this accounting basis.

Income is recognised once the trust fund becomes entitled to the income and there is sufficient certainty that the income will be received and the amount receivable can be measured reliably.

Expenditure or the liability to spend is recognised as soon as there is a legal or constructive obligation committing the trust

fund to that expenditure. All expenditure on governance and support services is accounted for on an accruals basis.

Grants payable are accrued where there is certainty that the funds will be drawn down. However, where grants awarded are subject to the recipient fulfilling performance conditions, the grant is only accrued at the time that the performance conditions are met.

2. Investment Income

The Welsh Church Acts Fund has short term cash deposits with Neath Port Talbot County Borough Council. These investments operate on an instant access basis, and interest is based on the Council's return on its investments. The average interest rate for 2015/16 was 1.00% (2014/15 was 1.20%).

Details of short term deposits are provided at Note 10.

3. Other income

The Welsh Church Acts Fund receives rental income from various properties, land and wayleaves. Further details of the properties are included in note 8 to the Balance Sheet.

4. Management and Administration

Payments of £2,100 (2014/15 £2,070) for financial support services and £507 (2014/15 £500) for legal advice have been paid to Neath Port Talbot Council.

This payment is the only related party transaction within these accounts.

5. Governance costs

Independent examiners fees for the Wales Audit Office to report on the accounts are anticipated to cost £2,079, of which £79 is as a result of the 2014/15 charge being higher than estimated (2014/15 £1,657).

The Welsh Church Act 1914 requires that these accounts are audited by the Auditor General, so these costs are unavoidable.

6. Grants

No grants were paid out in either 2015/16 or 2014/15.

The Fund trustees have approved the following grants.

Year	Name	Purpose	Maximum value £
2004/05	Musica Rediviva	Church organ manuscript	4,000
2009/10	Saron Chapel, Crynant	Flooring costs	400
2015/16	St Thomas' Church	Church Tower £1,000, unless project exceeds £50k	4,000
2015/16	Grove Place Chapel	Chapel roof	1,000
2015/16	Llewellyn Almshouses	Refurbishment £1,000, unless project exceeds £50k	4,000
2015/16	Eglwys Brynllynfell	Vestry roof	1,000
2015/16	Action for Children	Specialist play equipment	1,000

Although the Fund has approved these grants, none of them have been drawn down as at the 31st March 2016. They have not been accrued in the accounts as the grant recipients have not yet demonstrated that they have fulfilled performance conditions.

7. Gains or losses on investments

There was no sale of fixed assets during 2015/16. However, in 2014/15 the sale of agricultural land at Michaelston, Super Ely with St Brides realised a gain on the investment of £6,500.

8. Tangible Fixed Assets

The tangible fixed assets relate to holdings of agricultural land and buildings and freehold reversions, as detailed below:

Details	Address	Value 31-Mar-16 £	Sales £	Value 31-Mar-16 £
Vale of Neath				
Residential Neath	80 Llantwit Road, Neath	17,000		17,000
Agricultural Land	Llantwit Road Neath opp St Illtyds Church	3,250		3,250
Agricultural Land	Glebe under canal	100		100
Land Cadoxton Neath	5.4 Acres at Cwmbach Road	9,250		9,250
Land Cadoxton Neath	3.74 Acres North of Cwmbach Road	3,750		3,750
Land Cadoxton Neath	0.4 Acres South of Cwmbach Road	500		500
Misc. Interest Cadoxton Neath	Garage Site, Cwmbach Road	1,500		1,500
Misc. Interest Cadoxton Neath	Garage Site, Glebeland Street	1,500		1,500
Land Cadoxton Neath	Land and stream adjoining 25 Church Road	1		1
Total		36,851		36,851
Vale of Glamorgan - Agricultural				
Peterson-Super-Ely	Gwern y Gae Uchaf Farm	11,500		11,500
Peterson-Super-Ely	Backway Farm	16,000		16,000
Total		27,500		27,500
Vale of Glamorgan – Wayleaves				
St Brides Super Ely	Electricity wayleaves-various	883		883
Total		883		883
TOTAL FIXED ASSETS		65,234		65,234

9. Analysis of Debtors

The debtors falling due within one year are as follows:

	31-Mar-16 £	31-Mar-15 £
Investment Income	4,441	6,101
Estate rentals	9	1,471
Total	4,450	7,572

10. Analysis of Short term investments

The trust fund's short term investments are held as deposits with Neath Port Talbot Council, with interest based on the average investment rate.

	2015/16 £	2014/15 £
Opening value	537,403	503,272
Additions/Investments	5,639	34,131
Total	543,042	537,403

11. Analysis of Creditors

The creditors falling due within one year are as follows:

	31-Mar-16 £	31-Mar-15 £
Independent examination fees	(3,736)	(1,657)
Estate rental prepayments	(173)	(173)
Total	(3,909)	(1,830)

12. Unrestricted Income Funds – analysis of net assets

All of the trust's funds are unrestricted and made up as follows:

	2015/16 £	2014/15 £
Fixed assets	65,234	65,234
Current assets	547,492	544,975
Current liabilities	(3,909)	(1,830)
Total	608,817	608,379

The movement in the income funds is:

Fund b/fwd £	Income £	Expenditure £	Fund c/fwd £
608,379	5,124	(4,686)	608,817