

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

POLICY AND RESOURCES CABINET BOARD

14th JUNE 2017

REPORT OF DIRECTOR OF FINANCE & CORPORATE SERVICES

MATTER FOR DECISION

WARDS AFFECTED - ALL

NEATH PORT TALBOT WELSH CHURCH ACT TRUST FUND

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 2016/17.

2. Draft annual report and financial statements 2016/17

- 2.1 The format of this year's annual report and financial statements has been updated to take account of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from January 2015.
- 2.2 The annual report and financial statements for the year ended 31st March 2017 are attached at Appendix 1, with the following table summarising the financial position.

	31-Mar-17	31-Mar-16
	£	£
Opening value of Fund	608,817	608,379
Income	4,503	5,124
Gain/(loss) on sale of asset	-	-
Expenditure	(9,922)	(4,686)
Closing value of Fund	603,398	608,817

- 2.3 The annual report and financial statements will be independently examined by the Wales Audit Office 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 2017.
- 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 2016/17.

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. Appendices

Draft annual report and financial statements.

9. List of Background Papers

Welsh Church Act Trust Fund accounts and working papers
Charity Commission guides and accounting practices

10. 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 2017

REGISTERED CHARITY NUMBER: 1076440

Neath Port Talbot Welsh Church Acts Fund

Report of the trustees for the year ended 31st March 2017

The trustees present their annual report and financial statement for the charity for the year ended the 31st March 2017. 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 (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 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 the guidance Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) issued on the 16th July 2014, rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005, which has since been withdrawn.

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 £1,500.

Grants awarded

The Fund has paid out or committed three of the grants previously approved, as follows:

Year approved	Name	Purpose	Payment made £
2015/16	Llewellyn Almshouses	Refurbishment £1,000, unless project exceeds £50k	4,000
2015/16	Grove Place Chapel	Chapel roof	966
2015/16	Eglwys Brynlllynfell	Vestry roof	1,000
Total grants paid or committed during year			5,966

The Fund trustees have approved the following grants:

Year approved	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	Action for Children	Specialist play equipment	1,000
2016/17	Saron Welsh Ind Chapel, Crynant	Decoration and repair to the chapel interior	250
2016/17	Cilybebyll Church	Maintenance of tower	4,000
2016/17	Pisgah Chapel, Cilfrew	Roof works at church	1,000
2016/17	St John the Baptist Church, Glyncorrwg	Replastering, pointing, decorating and car park	1,000
Total grants approved but not committed			15,250

Although the Fund has approved these grants, none of them have been drawn down or committed as at the 31st March 2017. They have not been accrued in the accounts as the grant recipients have not yet demonstrated that they have fulfilled performance conditions.

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 Fund does not directly employ any staff, with the day to day administration and the processing and handling of applications prior to consideration being managed by the Director of Finance and Corporate Services. 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 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 14th June 2017 and signed on their behalf by:

Honorary Treasurer

Date 14th June 2017

**Report of the independent examiner to the trustees of Neath Port
Talbot Welsh Church Acts Fund**

To be inserted once the independent examination is completed by Wales
Audit Office.

Neath Port Talbot Welsh Church Act Trust Fund

Statement of Financial Activities for the year ending 31st March

Statement of Financial Activities

	Note	Total Unrestricted Funds 31-Mar-17 £	Total Unrestricted Funds 31-Mar-16 £
Incoming resources			
Investment income	2	3,836	4,441
Estate Rental income	3	667	683
Total Income		4,503	5,124
Resources expended			
Governance/admin costs:			
Management and administration	4	(2,632)	(2,607)
Governance costs	5	(1,324)	(2,079)
Expenditure on charitable activities:			
Grants	6	(5,966)	-
Total expenditure		(9,922)	(4,686)
Net income/(expenditure) before investment gains/(losses)		(5,419)	438
Net gains/(losses) on investments	7		
Gain on sales of fixed assets		-	-
Net movements in funds		(5,419)	438
Reconciliation of Funds			
Total Funds brought Forward		608,817	608,379
Total Funds Carried Forward		603,398	608,817

Neath Port Talbot Welsh Church Act Trust Fund

Balance Sheet as at 31st March

Balance Sheet

	Note	31-Mar-17 £	31-Mar-16 £
Fixed Assets			
Tangible Investment Assets	8	65,234	65,234
Total Fixed Assets		65,234	65,234
Current Assets			
Debtors	9	5,104	4,450
Short Term Investments	10	537,620	543,042
Total Current Assets		542,724	547,492
Liabilities			
Creditors: Amounts falling due within 1 year	11	(4,560)	(3,909)
Net Current Assets		538,164	543,583
Total Net Assets		603,398	608,817
The Funds of the Charity			
Unrestricted Income Funds	12		
Fund Balance		537,355	537,355
Income Accumulation Account		66,043	71,462
TOTAL CHARITY FUNDS		603,398	608,817

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 the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 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 (FRS 102) issued on the 16th July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1st April 2005, which has since been withdrawn.

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.

The application of FRS102 in 2016/17 has not resulted in any significant change to the presentation of these accounts and there is no change to the financial position.

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 2016/17 was 0.7% (2015/16 was 1.00%).

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/Related parties

Payments of £2,120 (2015/16 £2,100) for financial support services and £512 (2015/16 £507) 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

The Independent examiners fees for the Wales Audit Office to report on the accounts are anticipated to cost £1,662. The value being charged to the accounts is £338 less than this, as the 2015/16 accrual of £2,000 was greater than the anticipated charge for that year.

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

6. Grants

The Fund has paid out or committed three of the grants previously approved. No grants were paid out during 2015/16.

Year approved	Name	Purpose	Payment made £
2015/16	Llewellyn Almshouses	Refurbishment £1,000, unless project exceeds £50k	4,000
2015/16	Grove Place Chapel	Chapel roof	966
2015/16	Eglwys Brynlllynfell	Vestry roof	1,000
Total grants paid or committed during year			5,966

The Fund trustees have approved the following grants.

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2016/17	Pisgah Chapel, Cilfrew	Roof works at church	1,000
2016/17	St John the Baptist Church, Glyncorwg	Replastering, pointing, decorating and car park	1,000
Total grants approved but not committed			15,250

Although the Fund has approved these grants, none of them have been drawn down or committed as at the 31st March 2017. 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 investments assets during 2016/17 or 2015/16.

8. Tangible Investment Assets

The tangible investment assets relate to holdings of agricultural land and buildings and freehold reversions. The valuer has undertaken an annual revaluation review and confirmed that there is no requirement to restate the valuation position.

Details of the holdings are as follows:

Appendix 1

Details	Value 31-Mar-16 £	Sales £	Value 31-Mar-17 £
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	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-17 £	31-Mar-16 £
Investment Income	3,836	4,441
Estate rentals	1,268	9
Total	5,104	4,450

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.

	31-Mar-17	31-Mar-16
	£	£
Opening value	543,042	537,403
Additions/Investments	(5,422)	5,639
Total	537,620	543,042

11. Analysis of Creditors

The creditors falling due within one year are as follows:

	31-Mar-17	31-Mar-16
	£	£
Independent examination fees	(3,324)	(3,736)
Grant accrual	(1,000)	-
Estate rental prepayments	(236)	(173)
Total	(4,560)	(3,909)

12. Unrestricted Income Funds – analysis of net assets

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

	31-Mar-17	31-Mar-16
	£	£
Fixed investment assets	65,234	65,234
Current assets	542,724	547,492
Current liabilities	(4,560)	(3,909)
Total	603,398	608,817

The movement in the income funds is:

Fund b/fwd	Income	Expenditure	Fund c/fwd
£	£	£	£
608,817	4,503	(9,922)	603,398