

Meeting of:	Welsh Church Act Estate Committee
Date of Meeting:	Tuesday, 13 October 2026
Relevant Scrutiny Committee:	Resources Scrutiny Committee
Item which the Chair has decided is urgent (Part I) (If yes, why)	No
Urgent Decision Procedure Used (15.14 of the Constitution) (If yes, why)	Not applicable
Item Type	Part I
Report Title:	Annual Report and Accounts 2025/26
Portfolio Holder:	Executive Leader and Cabinet Member for Performance and Resources
Strategic Leadership Team:	Head of Finance/Section 151 Officer
Lead Officer:	Matt Bowmer Head of Finance

1.0 What is this report about?

1.1 The net value of the fund as at 31st March 2025 is £6.244m, a decrease of £182k on the previous year of which £167k was due to reduction in the value of the Trust's investments with CCLA in year, a further small reduction of £15k was due to a shortfall on cleared investment income against in year costs of the fund including grant making in 2025/26.

1.2 During 2025/26 there was a shortfall of £15k against unrestricted funds.

1.3 The grants allocation was £75k in year after taking account of withdrawals and allocations in year.

1.4 The value of investments at year end was £1.670m reflecting a reduction in value of £167k from the value at 31st March 2025.

2.0 What are the Recommendations?

	Recommendations – What and How?	Reason for Recommendation – Why?
2.1	That the Draft Annual Report and Accounts 2025/26, as set out at Appendix A to this report be approved, and that the Chairman be authorised to sign the same on behalf of trustees.	In accordance with the requirements of the Charities Act 2011, and the Charities (Accounts & Reports) Regulations 2008

3.0 What is the background to this report?

3.1 The Charities (Accounts & Reports) Regulations 2008 require that the Annual Report and Accounts should be approved by the Trustees as a body in accordance with their normal administrative procedures.

4.0 What issues are there to be considered?

4.1 The Annual Report and Accounts for the year ended 31st March 2026 is set out at Appendix A to this report.

4.2 The main features of the report when compared to the previous year, are as follows:-

Statement of Financial Activities

4.3 There was an overall in year reduction of £182k, with the equivalent position for 2024/25 also being a reduction of £83k. Income received on investments was slightly up when compared with 2024/25 and exceeded the £40k income target. The grants allocation was increased to £75k in year up from £59k in the previous year which reflects the increased maximum award sum of £10k and withdrawals of 2023/24 grant applications.

4.4 There was also an in-year reduction on the value of investments (£167k), with the value of investments standing at £1.670m at year end, previous year investment values are set out below.

Year	Investment Value as at 31 March (£m)
2025/26	1.670
2024/25	1.837
2023/24	1.919
2022/23	1.878
2021/22	1.905

Balance Sheet

4.5 The value of the fund as at 31st March 2026 was £6.244m which is a decrease of £182k from the previous year. This is largely due to a decrease of £167k in the value of investments and a transfer from reserves of £15k.

4.6 Subject to its approval by this Committee, the document as above will be forwarded to the Council's external auditors Wales Audit Office for independent examination prior to the Charity Commission deadline 31st January 2027.

5.0 How has evidence been used to inform the report, including the views of others?

5.1 There is continuous review of the Trust's finances through monitoring reports which are reported through to Committee regularly. Members also received annual investment updates from CCLA on the performance of the fund.

5.2 The accounts will be subject to an independent examination by Audit Wales along with all of the supporting working papers.

6.0 What are the next steps if the recommendations are approved?

6.1 The draft accounts and associated working papers have been shared with Audit Wales and the initial audit work has commenced.

6.2 Subject to approval of these accounts by Committee a signed copy of the accounts will be shared with Audit Wales.

6.3 Following completion of the independent examination any amendments required will be made to the accounts alongside the Independent Examination report.

6.4 Once the examined accounts are approved by Committee they will be signed by Audit Wales and then uploaded to the Charity Commission website

7.0 How does this report support Vale 2030 and Reshaping?

7.1 Trustees are required to monitor the financial position of the Trust and ensure the charitable purposes are achieved through its activities i.e. the award of grants.

8.0 How does this demonstrate the Five Ways of Working?

8.1 The Trusts actions need to comply with Charity Law and its decisions are independent of the Council's obligations under the Well-Being of Future Generations Act

Resources

9.0 Finance

9.1 As detailed in the body of the report

10.0 Workforce

10.1 There are no direct employment implications

11.0 Legal and Equalities

11.1 Does an Equalities Impact Assessment need to be completed? If not, why?

An Equalities Impact Assessment has not been completed because the scope of this report is limited to presenting factual financial data. It does not propose, amend, or implement any policies, services, or operational changes that could directly or indirectly affect individuals or groups with protected characteristics under the Equality Act 2010.

11.2 This report is submitted in accordance with the statutory requirements of the Charities Acts' 1993 and 2011 and the Charities (Accounts and Reports) Regulations 2008.

12.0 Key Contacts

12.1 Who are the primary officers to contact with any comments and/or queries on the report?

Lead Officer: Matt Bowmer Head of Finance/Section 151 Officer mbowmer@valeofglamorgan.gov.uk	Democratic Services Officer Liz Whitaker
---	---

Appendix

Appendix A – WCA Accounts

Background Documents

N/A

The Vale of Glamorgan Welsh Church Act Fund

Annual Report and Financial Statements 2025/26

Registered Charity no. 506628

Annual Report and Financial Statements 2025/26

Annual Report and Financial Statements 2025/26.....	2
Report of the Trustees for the year ended 31 March 2026.....	3
Duty to Prepare Annual Reports and Accounts	3
Reference and Administrative Information	3
Structure Governance and Management	4
Governing Document.....	4
Organisation.....	4
Related Parties	4
Risk Management	4
Objectives and Activities.....	4
Achievements and Performance.....	5
Financial Review.....	5
Plans for Future Periods.....	6
Statement of Responsibilities for the Preparation of the Annual Report.....	7
The trustee responsibilities.....	7
Statement of Accounting Policies	8
Basis of Preparation	8
Income Policy	8
Expenditure Policy	8
Fixed Assets.....	8
Statement of Financial Activities for the year ended 31 st March 2026	10
Balance Sheet as at 31 st March 2026	11
Cashflow Statement.....	12
Notes to the Statement of Financial Activities	13
Notes to the Balance Sheet.....	15
Report of the independent examiner to the trustees of the Vale of Glamorgan Welsh Church Act Fund	16

Report of the Trustees for the year ended 31 March 2026

Duty to Prepare Annual Reports and Accounts

The Vale of Glamorgan Council, as corporate trustee, is responsible for the preparation of the Annual Report and Accounts for the Vale of Glamorgan Welsh Church Act Fund.

The trustees present their report along with the accounts of the charity for the year ended 31st March 2026 as required by Section 162 of the Charities Act 2011.

Reference and Administrative Information

Name of Charity

The Vale of Glamorgan Welsh Church Act Fund

Charity Number

506628

Principal Office

Civic Offices, Holton Road, Barry, Vale of Glamorgan, CF63 4RU.

Trustees

The Vale of Glamorgan County Borough Council corporate body appointed under the Local Government (Wales) Act 1994 and The Welsh Church Act Funds (Designation and Specification) Order 1996 thereto.

Chief Executive

Rob Thomas

Independent Examiner

Audit Wales, 1 Capital Quarter, Tyndall Street, Cardiff, CF10 4BZ.

Bankers

Lloyds Bank, 140b Holton Road, Barry, Vale of Glamorgan CF63 4TZ.

Solicitors

Legal Services, Vale of Glamorgan County Borough Council, Civic Offices, Holton Rd., Barry, Vale of Glamorgan. CF63 4RU.

COIF (Ethical Charities Official Investment Fund)

Managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd. Zig Zag, 70 Victoria St. London, SW1E 6SQ.

Investment Managers

There is no contract with any advisor and no annual fees are charged advice is sought on an ad-hoc basis from the Vale of Glamorgan Council's Independent Treasury Advisors.

Structure Governance and Management

Governing Document

The current Scheme of Arrangement is dated 25th November 1975 pursuant to Section 19 of the Welsh Church Act 1914, which requires the fund which is the subject of the scheme to be expended on the charitable purposes as set out on page 5 of this report.

Organisation

The Council as corporate trustee is responsible for the administration of the fund across the geographical areas of the Vale of Glamorgan Council and the City and County of Cardiff. The Council has delegated management of the fund to a Welsh Church Act Estate Committee.

The members of the Welsh Church Act Estate Committee are Vale of Glamorgan Council Councillors and are appointed by full Council, at the Council's Annual Meeting.

The fund operates in accordance with the Vale Council constitution, which sets out how decisions are made, the scheme of officer delegation, contract standing orders, and financial regulations, and the procedures, which are to be followed to ensure that these are efficient, transparent and accountable to local people.

Related Parties

A related party transaction is one where the charity has a relationship with another party, which might inhibit it from pursuing its own separate interests. It is considered that the City and County of Cardiff and the Vale of Glamorgan County Borough Council has a related party relationship with the charity. Financial transactions with the Council are disclosed in Note 1 to the Statement of Financial Activities. There are no related party transactions with the City and County of Cardiff during 2025/26.

Risk Management

Trustees are made aware of any issues with possible detrimental effects upon the fund as they arise. The financial administration of the trust has regard to the Council's overarching risk management strategy and is conducted in accordance with the Council's Corporate Governance policies, which include inter alia Financial Procedure Rules, Standing Orders and Scheme of Delegation.

Objectives and Activities

The former Prime minister Lloyd George, under the provisions of the 1914 and 1919 Welsh Church Acts, established the Welsh Church Fund. These two acts transferred certain categories of secularised property, to a Welsh Church Fund to be administered by the County Councils. However, these funds were not activated until 1942-47, when property to the value of almost £2.5 million was handed over to the County Councils.

The Welsh Church Acts state that income of the funds should be devoted to charitable or alms giving purposes and that each Council is required to prepare a scheme for the use of the fund.

The Vale of Glamorgan Welsh Church Act Fund currently operates in accordance with the Scheme dated 25 November 1975 effected by the former South Glamorgan County Council and agreed by the Secretary of State for Wales 9 February 1976.

The following is a precis of the charitable purposes to which the fund may be applied:

- Educational
- Relief in sickness
- Relief in need
- Libraries, Museums, Art Galleries, etc.
- Social and recreational
- Protection of historical building etc.
- Medical and social research treatment etc.
- Probation, etc.
- Blind persons
- Aged persons
- Places of worship and burial grounds
- Emergencies or disasters
- Other purposes not inconsistent with the Scheme or the Welsh Church Acts.

Achievements and Performance

Details of grants made from the fund during the course of the year are as shown in the Notes to the Statement of Financial Activities. There are no performance targets.

Financial Review

Fund value

The net value of the fund at year end was £6.244m, a decrease of £182k on the previous year of which £167k was due to reduction in the value of the Trust's investments with CCLA in year, a further small reduction of £15k was due to a shortfall on cleared investment income against in year costs of the fund including grant making in 2025/26.

Investment Policy

The trustees have complied with their investment powers as in the approved Scheme and under the Trustee Act 2000. Investments are held in an Ethical COIF (Charities Official Investment Fund) managed by CCLA (Churches, Charities and Local Authorities) Investment Management Ltd. The purpose of this transfer is to maximise investment income increasing the capacity of the Trust to make grants and to ensure that the investment fees paid by the Trust are minimised. The investment objectives of the Trust are to maximise income within a low risk to capital strategy. This approach will be kept under review in 2026/27.

Policy on Reserves

The Trust's general reserve at 31st March 2026 stood at £151k at year end down slightly from £166k in 2024/25. This sum equates to 3.36% of the value of the Investment Properties and is held both to fund unforeseen costs on maintaining the Investment Properties and used to allow for fluctuations in investment income to ensure consistent provision of grant funding as part of the Trust's charitable purposes.

Plans for Future Periods

The Trust will continue to draw on the cleared income from its Investments and Investment Properties to award grants in accordance with the scheme of the Welsh Church Act Trust.

Trustees will regularly review the Investments and Investment Properties held by the Trust for these purposes.

Statement of Responsibilities for the Preparation of the Annual Report

The trustee responsibilities

The charity's trustees are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees 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 incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 operation.

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 2011, Charities Act 1993 and the Charity (Accounts and Reports) Regulations 2008. The trustees 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.

Approved by the trustees at their meeting on 13th October 2026 and the Chairperson, duly authorised to sign the same on their behalf.

Signed:

Date 13/10/2026

Chairperson

Vale of Glamorgan Welsh Church Act Estate Committee

Statement of Accounting Policies

Accounting Policies are the principles, bases, conventions and rules by which transactions are recognised, measured and presented in the accounts to show a true and fair view in accordance with the financial reporting standard (FRS) 18.

Basis of Preparation

The accounts (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 Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The accounts (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.

Income Policy

Investment income is recognised as it becomes receivable.

Expenditure Policy

Grants are recognised in the accounts when a commitment has been made.

Fixed Assets

Investment Properties

Investment Properties are recorded in the accounts at current market value as required by the above-mentioned regulations. Valuations are carried out by an external valuer, (being a member of the The Royal Institution of Chartered Surveyors (RICS)) in accordance with the RICS Valuation Standards. Any difference in value arising out of the periodic revaluations is charged / credited to the Revaluation Reserve except where the individual assets have not previously been revalued upwards, in which case any charges will be expensed in the year to which they relate. A valuation was carried out by Avison Young, during the financial year 2023/24. In accordance with FRS102, Accounting for Investment Properties, depreciation is not provided on the land and buildings as these are held as investment properties.

Other Investments

Other Investments are recorded in the accounts at current market value as required by the above-mentioned regulations. Any difference in value on the previous year is charged /credited to the Revaluation Reserve except where the individual assets have not previously been revalued upwards, in which case any charges will be expensed in the year to which they relate.

Fund Structure

The funds of the trust are restricted in their application to the charitable purposes set out in the “scheme for the administration of the trust” made by the former South Glamorgan County Council.

Statement of Financial Activities for the year ended 31st March 2026

2024/25 Total Fund		Notes Page 13	2025/26 Total Fund
£000's			£'000
	Income and endowments from:		
14	Investment Properties		13
54	Investments	1	57
68	Total		70
	Expenditure on:		
(3)	Raising Funds – Investment Management Costs		0
0	Raising Funds – Property Repairs and Maintenance		(3)
(59)	Charitable activities – Grant Making	3	(75)
(7)	Governance Costs	2	(7)
(69)	Total		(85)
(81)	Net gains/(losses) on investments		(167)
(83)	Net income/(expenditure)		(182)
0	Transfers between funds		0
0	Other recognised gains/(losses):		0
0	Gains/(losses) on revaluation of fixed assets		0
0	Proceeds on disposal of investment properties		0
(83)	Net movement in funds		(182)
	Reconciliation of funds:		
6,509	Total funds brought forward		6,426
6,426	Total funds carried forward		6,244

Balance Sheet as at 31st March 2026

2024/25 Total Fund		Notes Page 16&17	2025/26 Total Fund
£000's			£000's
	Fixed assets		
4,499	Investment Properties	1.1	4,499
1,838	Investments	1.2	1,670
6,337	Total fixed assets		6,169
	Current assets		
14	Debtors	2	15
109	Debtors Cash owed by Vale of Glamorgan Council		67
2	Investments		2
125	Total current assets		84
	Current liabilities		
(35)	Creditors: amounts falling due within one year	3	(9)
(35)	Total current liabilities		(9)
6,426	Net current assets or liabilities		6,244
6,426	Total assets less current liabilities		6,244
	The funds of the charity:		
1,004	Endowment Fund		1,004
166	Unrestricted funds		151
5,256	Revaluation Reserve		5,088
6,426	Total charity funds		6,244

Approved by the trustees at their meeting on 13th October 2026 and the Chairperson,
duly authorised to sign the same on their behalf.

Signed :

Date : 13/10/2026

Chairperson Vale of Glamorgan Welsh Church Act Estate Committee

Cashflow Statement

		2024/25	2025/26
	Notes	Prior Year Funds	Total Funds
		£'000	£'000
<u>Cash flows from operating activities:</u>			
Net cash provided by (used in) operating activities		76	111
<u>Cash flows from investing activities:</u>			
Dividends interest and rents from investments		(67)	(69)
Proceeds from the sale of investments		0	0
Purchase of investments		0	0
Net cash provided by (used in) investing activities		(67)	(69)
Net cash provided by (used in) financing activities		0	0
Change in cash and cash equivalents in the reporting period		9	42
Cash and cash equivalents at the beginning of the reporting period		(118)	(109)
Cash and cash equivalents at the end of the reporting period		(109)	(67)

Notes to the Statement of Financial Activities

1. Investment Income

	2024/25 £	2025/26 £
Investment Income	54,458	56,750
Interest Received from Vale of Glamorgan Council	0	0
Total	54,458	56,750

2. Related Party Transactions

	2024/25 £	2025/26 £
Professional Fees Recharged for Vale of Glamorgan Officer Time	5,322	5,530
Total	5,322	5,530

3. Grants Paid

During 2025/26 the Fund awarded total grants amounting to £75k towards the charitable purposes to which the fund may be applied, as detailed below.

Organisation	Amount £
Dinas Powys Library and Activity Centre	£5,197.50
Makers Guild Wales	£10,000.00
NoFit State Community Circus	£5,000.00
Princes Street Evangelical Church	£9,500.00
St Brides Major Church Hall	£4,399.20
St Edwards Church Roath	£10,000.00
Tabernacle Church Penarth	£2,480.00
The Community Impact Initiative	£10,000.00
The Fortified City Of God	£7,500.00
The Nelson Trust	£1,250.00
United Free Church Cowbridge	£10,000.00
Total Grants Paid as per SOFA	£75,326.70
Grant withdrawal and Correction	0
Amended Total Grants as per SOFA	£75,326.70

4. Trustees Remuneration/Benefits

No remuneration or benefits was paid to Trustees during 2024/25 or 2025/26.

Notes to the Balance Sheet

1. Fixed Asset Investments

1.1. Investment Properties

	Land £'000	Freehold Properties £'000	Totals £'000
Balance as at 1st April 2025	4,499	0	4,499
Disposals	0	0	0
Additions	0	0	0
Net profit/(loss) on revaluation	0	0	0
Balance as at 31 st March 2026	4,499	0	4,499

1.2. Investments

	2024/25 £'000	2025/26 £'000
Balance as at 1st April	1,919	1,838
Additions at cost	0	0
Reclassification from short term	0	0
Disposals at carrying value	0	0
Unrealised gains/ (losses) in year	(81)	(167)
Balance as at 31 st March	1,838	1,670

100% of the Trust's Investments are held in Ethical COIF Charities Investment Fund with CCLA.

2. Debtors – amounts receivable within one year

Debtors at 31st March 2026 amounted to £14,559.13 outstanding from CCLA for income on investments in year.

3. Creditors - amounts payable within one year

Creditor	31/03/25 £'000	31/03/26 £'000
Independent examiners fee	4	3
Legal Expenses	0	0
Grants unpaid at 31 st March	31	6
Total	35	9

**Report of the independent examiner to the Trustees of the Vale
of Glamorgan Welsh Church Act Fund**

Responsibilities and basis of report

Independent examiner's statement

Adrian Crompton
Auditor General for Wales

1 Capital Quarter
Cardiff
CF10 4BZ