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CYNGOR SIR
YNYS MÔN
ISLE OF ANGLESEY
COUNTY COUNCIL

YMDDIRIEDOLAETH
ELUSENNOL YNYS MON
ISLE OF ANGLESEY
CHARITABLE TRUST

18 Ionawr/January, 2017

At : Aelodau Cyngor Sir Ynys Môn fel ymddiriedolwr
Ymddiriedolaeth Elusennol Ynys Môn

Annwyl Aelod,

CYFARFOD ARBENNIG O'R YMDDIRIEDOLAETH ELUSENNOL YNYS MÔN

Gofynnir i chi fod yn bresennol mewn cyfarfod Arbennig o'r Ymddiriedolaeth Elusennol Ynys Môn ar **ddydd Mercher, 25 Ionawr, 2017 yn Siambr y Cyngor, Swyddfeydd y Cyngor, Llangefni am 2.00 o'r gloch y prynhawn** i ystyried y materion a nodir yn y rhaglen atodol.

Yr eiddoch yn gywir,
Dr. Gwynne Jones

YSGRIFENNYDD

To : Members of the Isle of Anglesey County Council as Trustee
of the Isle of Anglesey Charitable Trust

Dear Member,

SPECIAL MEETING OF THE ISLE OF ANGLESEY CHARITABLE TRUST

Your attendance is requested at a Special meeting of the Isle of Anglesey Charitable Trust on **Wednesday, 25 January 2017 to be held at the Council Chamber, Council Offices, Llangefni at 2.00 p.m.**, to consider the matters noted in the attached agenda.

Yours sincerely,
Dr. Gwynne Jones

SECRETARY

Ysgrifennydd/Secretary : Dr. Gwynne Jones

Trysorydd/Treasurer : Mr. Marc Jones

Swyddfa'r Sir/County Offices,
Llangefni, Ynys Môn. LL77 7TW. Tel: (01248) 750057

A G E N D A

1 DECLARATION OF INTEREST

To receive any declaration of interest by any Member or Officer in respect of any item of business.

2 MINUTES (Pages 1 - 4)

To submit, for confirmation, the minutes of the previous meeting of the Isle of Anglesey Charitable Trust held on 15 December, 2016.

3 ANNUAL REPORT 2015/16 (Pages 5 - 22)

To submit, for adoption, a report in relation to the Annual Report 2015/16.

4 BUDGET 2017/18 (Pages 23 - 26)

To submit a report by the Treasurer in relation to the above.

Isle Of Anglesey Charitable Trust Committee

Minutes of the meeting held on 15 December 2016

- PRESENT:** Victor Hughes (Chair)
- R Dew, Jim Evans, Jeffrey M Evans, John Griffith, K P Hughes, Vaughan Hughes, Llinos Medi Huws, G O Jones, Richard Owain Jones, R.Meirion Jones, Alun W Mummery, Dylan Rees, J A Roberts, Nicola Roberts, P S Rogers, Alwyn Rowlands, Dafydd Rhys Thomas and Ieuan Williams.
- IN ATTENDANCE:** Secretary,
Treasurer.
- Officers from the Isle of Anglesey County Council (herein referred to by their IOACC job titles)**
- Legal Services Manager,
Committee Officer (MEH).
- APOLOGIES:** Lewis Davies, Ann Griffith, T LI Hughes, Carwyn Jones, H E Jones, R LI Jones and R G Parry OBE
- ALSO PRESENT:** Mr. William Colacicchi and Ms. Vicky Hair – Browne Jacobson LLP
-

1 DECLARATION OF INTEREST

No declaration of interest received.

2 MINUTES

The minutes of the meeting held on 13 September, 2016 were confirmed.

3 REPORTS OF SUB-COMMITTEES OF THE CHARITABLE TRUST

- **General Grants Committee**

The minutes of the meeting of the General Grants Committee held on 13 October, 2016 were confirmed.

- **Investments and Contracts Committee**

The minutes of the meeting of the Investments and Contracts Committee held on 1 November, 2016 were confirmed.

4 LARGER GRANTS - PROGRESS REPORT

Submitted – an update report by the Treasurer on the application process for larger grants.

The Treasurer reported that five large grants were awarded during 2016/17 – Cwmni Fran Wen, National Eisteddfod 2017, Menter Iaith, Anglesey Showground Society and Llangefni Social Enterprise. He noted that formal grant agreements have been issued to Menter Iaith and Cwmni Fran Wen. There has been some slippage in the developments on the Anglesey Showground Society grant but a draft contract is currently with their Solicitors for review. The Llangefni Social

Enterprise is still awaiting the outcome of their Lottery application and the contract will not be issued until confirmation of their match funding has been received. The grant contract to the National Eisteddfod 2017 will not be issued until closer to the event in 2017. The Eisteddfod Organisers have indicated that there will be a slight change in the use of the grant awarded from what was outlined in their bid as they have reached the target for local funds. The Eisteddfod now intends to use more of the grant as corporate sponsorship with the Trust being a sponsor of the Eisteddfod on the opening Saturday and Sunday. The funding will allow admission prices to be reduced for the two days to give an opportunity for the public to attend at a lower price.

A budget of £350k has been identified for 2017/18 for large grants and the application process was launched in November with a closing date for applications of the 6 January, 2017.

The Treasurer further reported that as at the 30th November, 2016, the estimated Investment Income for 2016/17 is £640,358.48. This is based on the HSBC Private Bank Statement of Assets Report and this figure is the forecast budget for the Grants to Voluntary Organisations for 2017/18.

It was RESOLVED to accept the report.

5 EXCLUSION OF THE PRESS AND PUBLIC

It was RESOLVED to adopt the following :-

“Under Section 100(A)(4) of the Local Government Act 1972, to exclude the press and public from the meeting during the discussion on the following item as it may involve the likely disclosure of exempt information as defined in Schedule 12A (Category 16) of the said Act.”

6 GOVERNANCE REVIEW OF THE ISLE OF ANGLESEY CHARITABLE TRUST

Submitted – a report by the Secretary in relation to options for the Charitable Incorporated Organisation (CIO) which the Isle of Anglesey Charitable Trust decided should be formed at its meeting on 13 September, 2016.

A presentation was afforded to the Charitable Trust by representatives from Browne Jacobson on specific details, options and legal advice with regard to forming a CIO. The Trust deliberated the Model Constitution for a Foundation or an Association CIO.

It was RESOLVED :-

- **That the Isle of Anglesey Charitable Trust shall form an Association Charitable Incorporated Organisation (CIO) and to convert to that CIO with all necessary actions to be taken to implement that decision;**
- **That the Isle of Anglesey Charitable Trust adopt the following recommendations in establishing an Association Incorporated Organisation :-**
 - **That the an Association CIO shall, initially, comprise of Members and Directors who shall be the same people and all of whom shall be elected members of the Isle of Anglesey County Council ('Elected Members');**
 - **The name of the Trust will be bilingual (with the Welsh name to be given first) and the English name to read 'the Isle of Anglesey Charitable Association';**
 - **The charitable objectives of the new Charitable Trust Association will remain as at present;**
 - **There will be no liabilities on members of the Charitable Trust Association if the Association was to cease;**
 - **The Charitable Trust Association shall have one category of members but with power to extend the membership to 'non-voting friends' at some point in the future;**
 - **Quorum for meetings of the membership of the Charitable Trust Association to be 5% of the membership;**
 - **The Chair of members' meeting of the Charitable Trust Association to have a casting vote in the case of an equality of votes in members' meetings;**

- The minimum age for a trustee shall be 16 years of age;
 - The minimum number of trustees shall be 3;
 - That there be no maximum number of trustees;
 - All Trustees at the establishment of the Charitable Trust Association to be Elected Members;
 - That there be 2 Independent Trustees;
 - That a quorum for meetings of the Trustees shall be 5;
 - That, insofar as the law shall allow, the Trustees shall be elected members representing the Isle of Anglesey electoral wards;
 - New Trustees shall be appointed by the existing Trustees;
 - The terms of office of Trustees to be the same as the terms of office of the Elected Members;
 - The Independent Trustees shall have a term of office of 3 years and may serve any number of terms provided they shall serve no more than 2 terms of office consecutively;
 - Members of the Charitable Trust Association to be given authority to remove a Trustee;
 - The Chair of the meeting of Directors of the Charitable Trust Association shall have a casting vote on an equality of votes in any meeting of the Directors.
- That the delegated authority be given to the Trust Secretary with regard to all other rights powers and decision making functions on behalf of the Isle of Anglesey Charitable Trust in order to ensure transition to the Association CIO – to include any decision on an ancillary or incidental matter on behalf of the Isle of Anglesey Charitable Trust. The Trust Secretary may consult with the members of the established Panel comprising of elected members and also, with such Officers as the Secretary may choose before exercising any such rights, powers or functions.

Mr. T. Victor Hughes
Chair

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ISLE OF ANGLESEY CHARITABLE TRUST	
Committee :	Isle of Anglesey Charitable Trust
Date :	25 January 2017
Title of Report :	2015/16 Annual Report
Purpose of Report :	To submit the Draft Annual Report and Accounts for Adoption.
Report by :	Treasurer of the Isle on Anglesey Charitable Trust
Action :	Adopt Annual Report and Accounts and Authorise Submission to the Charity Commission.

The audit of the attached draft annual report and accounts for 2015/16 has been completed and they are, therefore, submitted for adoption by the Charitable Trust.

The Charitable Trust is invited to adopt the annual report and accounts presented and to authorise the Chair of the Trust to sign the annual report and accounts and the Audit Letter of Representation.

**R MARC JONES
TREASURER –
ISLE OF ANGLESEY CHARITABLE TRUST**

18 JANUARY 2017

YMDDIRIEDOLAETH ELUSENNOL YNYS MÔN
ISLE OF ANGLESEY CHARITABLE TRUST

ADRODDIAD BLYNYDDOL

2015/2016

ANNUAL REPORT

Ymddiriedolaeth Elusennol Ynys Môn / Isle of Anglesey Charitable Trust
Swyddfa'r Sir / County Offices
LLANGFNI
Ynys Môn
LL77 7TW

ISLE OF ANGLESEY CHARITABLE TRUST

County Offices

Llangefni

Ynys Môn

LL77 7TW

Registered Charity No. : 1000818

THE ANNUAL REPORT 2015/16

LEGAL AND ADMINISTRATIVE DETAILS

TRUST DEED

The Isle of Anglesey Charitable Trust (Registered Charity No. 1000818) was formed on 5 June 1990 and the Trust deed of that date specifies the duties, powers and conditions under which the Trust is required to operate.

TRUSTEE

The sole Trustee of the Isle of Anglesey Charitable Trust is the Isle of Anglesey County Council. The office holders of the Trust were:-

Chairman	-	Thomas Victor Hughes
Vice-Chairman	-	Aled Morris Jones (until 13 July 2015)
	-	Trevor Lloyd Hughes (from 13 July 2015)
Secretary	-	The Council's Chief Executive: Richard Parry Jones (until 1 June 2015) Dr William Owen Gwynne Jones (from 1 June 2015)
Treasurer	-	The Council's Interim Head of Function (Resources): Richard Micklewright (until 26 October 2015)
	-	The Council's Head of Function (Resources) and S151 Officer: Marc Jones (from 26 October 2015)
Solicitor	-	The Council's Head of Function (Council Business) and Monitoring Officer : Lynn Ball L.L.B. (Hons)

ADVISERS

The advisers of the Trust during 2015/16 were:-

Bankers	:	HSBC Plc High Street Llangefni LL77 7LU
Auditor	:	Messrs W.J. Matthews & Son Chartered Accountants 11 - 15 Bridge Street Caernarfon LL55 1AB
Investment Managers:		HSBC Private Bank (UK) Limited 78 James's Street London SW1A 1JB

STRUCTURE GOVERNANCE AND MANAGEMENT

The Isle of Anglesey Charitable Trust was established by the Isle of Anglesey Borough Council, a forerunner of the County Council, to administer investments purchased from monies received from Shell (UK) Limited when the company ceased to operate an Oil Terminal on Anglesey. The monies from Shell (UK) Limited were received under a private Act of Parliament - The Anglesey Marine Terminal Act 1972, which placed a duty on the Council to "use the monies solely in the interest of the Island of Anglesey or its inhabitants".

The County Council has 30 elected Members who, when acting as Trustee, meet separately from their meetings as a local authority. Newly elected Members are briefed on the objects and administration of the Trust. All elected Members are then supported by officers of the Council, who receive regular training as part of their employment. Full meetings, as the Isle of Anglesey Charitable Trust, are held at least twice a year to decide on policy and on total expenditure for the year. The Charitable Trust has three committees, each Member of the Council being a member of one committee (with the Chairman and Vice-chairman of the Trust being ex officio members of each):-

The Investments and Contracts Committee, which consisted of ten members during the year. The Committee is responsible for the administration of the Trust's investments through the investment advisers, for matters relating to the property in the Trust's ownership and for other contractual matters.

The General Grants Committee, which consisted of ten members during the year. It decides on an annual grants programme, funded from the revenue budget of the Charitable Trust as decided by the full body and delegated to this Committee.

The Regeneration Committee, which consisted of ten members during the year. Following a decision to earmark funds toward regeneration objectives, the Regeneration Committee decides on the award of grants for regeneration purposes and monitors progress on regeneration schemes.

Officers of the Charitable Trust and, on occasion, other officers of the County Council, advise the Charitable Trust at its meetings. Few decisions are delegated to them.

The day to day activities, as approved by the Trust, are administered on behalf of the Trust by the Isle of Anglesey County Council. Some features of the grant application process are common to this Trust and other funds administered by the County Council in order to streamline the process for applicants. The Council does not charge the Trust for its services.

The major risks to which the Trust is exposed, as identified by the Trustee, have been reviewed and systems or procedures have been established to manage the risk.

OBJECTIVES AND ACTIVITIES

The charitable purposes of the Trust are limited to the general public benefit of persons resident on the Island, including:-

- the provision of amenities and facilities;
- the preservation of buildings;
- the conservation and protection of land;
- the protection and safeguarding of the environment.

This is achieved by contributing towards spending on services provided for public benefit and by making grants to charitable and voluntary organisations.

The restrictions on the way in which the Trust operates are stated in the Trust Deed. The main powers are to further charitable purposes and to make such arrangements for the management and administration of the Trust as it sees fit.

The Trust has an endowment, which is expendable provided a two-thirds majority of the members approve such a resolution. It has adopted a long-term objective of ensuring that the value of the endowment matches inflation. The investment income part funds the running costs of the Oriel Ynys Môn art gallery and an annual grants programme.

GRANT MAKING POLICY

Grants are made from the annual investment income to charities, voluntary organisations and other local bodies for projects on the Island of Anglesey. These are for smaller grants (less than £8,000) and the Trustee invites applications for funding, usually once a year, through advertising in local papers. Applications are by standard application form.

Larger grants are also funded from the increase in the capital value of investments held. The Investment and Contracts Committee determine the value to be allocated based on the performance of the fund in the preceding year and the forecasted performance for the forthcoming year. The larger grants (more than £8,000) are allocated to organisations which meet the charitable purposes of the Trust and the Trustee invites applications for funding, usually once a year, through advertising in local papers. Applications are by standard application form.

Allocations are made annually to the following categories of projects:-

- Community and Sporting Facilities (small capital projects);
- Village Halls (annual running costs);
- Small grants (mainly one-off small grants that are less than £8,000);
- Large grants (mainly one-off large grants that are more than £8,000).

RESERVES POLICY

The consequence of the financial strategy adopted in 2009 is that separate capital reserves are no longer required except to recognise historical commitments. Because some of the funding commitments may be made over a period of more than one financial year, the general reserve is allowed to go into deficit provided the cashflow brings it back to surplus by the time the commitment is honoured in full.

The Trustee considers that the current level of reserves is sufficient to provide future investment income to cover grant payments and also support governance costs.

ACHIEVEMENTS AND PERFORMANCE

Grants were allocated to 68 organisations using the established criteria and the Trust continues to be an important source of funding for local charities, sporting and voluntary organisations.

The Trust also continued to fund the Oriel Ynys Môn art gallery which is run by the County Council.

During the year, Oriel Ynys Môn was open 361 days, reaching its target for days for being open.

During the year, the Oriel:-

- Attracted 88,984 visitors, a decrease of 0.04% on the previous year's total of 89,019;
- staged 9 contemporaries, and 5 historical, art exhibitions;
- staged 4 museum exhibitions;
- staged 6 children and family activities;
- held 18 planned educational visits;
- gave 1 talk in the community about the Oriel and the collections;
- held 6 special projects workshops;
- held 37 adult events;
- held 2 behind the scenes talks;
- had 62 enquiries from the public regarding collections; and
- worked with 36 partners, local and national in Wales and all over Britain, at various levels to enhance and develop the Oriel's reputation and the profile of Anglesey.

Additionally, the Oriel retained its Visitor Attraction Quality Assurance Service Cymru award (awarded by Visit Wales) with an increased score of 82%.

INVESTMENT PERFORMANCE

The Trust has wide investment powers, including purchase of stocks, shares, securities and property of all types, whether or not they produce income and irrespective of the risk involved. These powers are described in the Trust Deed.

Performance to date against the long-term objective that the value of the endowment should increase in line with inflation, calculated excluding land valuation, is as follows:-

Since 1990: Target £14.629m Value on 31/03/16: £18.939m, being £4.310m above the target.

Investment Income

Target: £409,978 Realised: £585,561, being £175,583 above the target.

Performance compared with benchmark

The agreed medium term investment strategy is to add 1% p.a. above benchmark over a rolling 3 year period, with the following benchmark for asset allocation:-

U.K. Equities	40.0%
Overseas Equities	22.5%
Fixed Interest	29.0%
Alternatives	6.0%
Cash	2.5%

There is no performance fee charged on the portfolio but a flat fee of 0.25% is currently charged and is reviewed on an annual basis.

FINANCIAL REVIEW

Anticipated gross investment income for the year was £409,978. As it turned out, investment income was £585,561 (2014/15: £536,824). Additionally, the portfolio investment fell in value over the year by £0.516m.

The revenue budget for the year allowed grants of £737,766 (£714,178 in 2014/15) to be awarded.

POST BALANCE SHEET EVENTS

For 2016/17, the Trust made the following grant awards within the usual annual categories:-

- Community Facilities: £125,000;
- Village Halls: £80,000; and
- Oriel Ynys Mon: £215,000.

In addition to the above the Trust made the following grant awards:-

- Menter Iaith - £50,000 for one year only;
- Eisteddfod Genedlaethol Cymru - £37,500 for one year only;
- Llangefni Social Enterprise - £37,500 – subject to confirmation that all other funding has been secured and that the scheme is going ahead; and
- Cwmni Fran Wen - £45,000 for one year only.

It is the intention of the Trust to become a Charitable Incorporated Organisation.

PLANS FOR FUTURE PERIODS

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (2005) and comply with the Charity's trust deed and applicable law.

The Trustee's Annual Report and the Accounts, shown on pages 7 to 15, were approved by the meeting of the Trust held on 25 January 2017.

Approved by the Trustee on 25 January 2017

and signed on its behalf by:

ISLE OF ANGLESEY CHARITABLE TRUST

County Offices

Llangefni

Ynys Môn

LL77 7TW

Registered Charity No: 1000818

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED
31 MARCH 2016

2014/15 £	INCOMING RESOURCES	NOTE	GENERAL FUND £	CAPITAL FUNDS £	TOTAL £
534,952	<u>Investment Income</u> - Dividends and Fixed Interest on Bonds		584,688	-	584,688
1,872	- Interest		873	-	873
536,824		2	585,561	-	585,561
-	Rent of Land		-	-	-
440	Other income		-	420	420
537,264	Total Incoming Resources		585,561	420	585,981
	<u>Resources Expended</u>				
	<u>Cost of Generating Funds</u>	3			
44,459	Investment Management Costs		43,489	-	43,489
33,274	Legal and Marketing Costs		-	32,343	32,343
77,733	Total cost of generating funds		43,489	32,343	75,832
459,531	Net incoming resources available for charitable application		542,072	(31,923)	510,149
	<u>Charitable Activities</u>				
	Grants in furtherance of the Objects of the Charity	5			
215,000	- Isle of Anglesey County Council – Oriel Ynys Môn		215,000	-	215,000
184,178	- Community and Voluntary Organisations		182,766	-	182,766
315,000	- Larger Grants		340,000	-	340,000
-	Less Allocations Forgone		-	-	-
714,178	Total cost of Grants and Activities		737,766	-	737,766
	<u>Governance</u>				
3,780	Fees and Expenses	6	3,372	4,738	8,110
717,958	Total Charitable Expenditure		741,138	4,738	745,876
795,691	Total Resources Expended		784,627	37,081	821,708
(258,427)	Net Incoming Resources		(199,066)	(36,661)	(235,727)
	<u>Holding Gains and Losses</u>				
1,426,223	Gains/(losses) on revaluations and disposals of investment assets	14	-	(725,551)	(725,551)
1,167,796	Net Movement of Funds		(199,066)	(762,212)	(961,278)
18,863,093	Total funds brought forward on 1 April 2015		(7,302)	20,038,191	20,030,889
20,030,889	Total funds carried forward on 31 March 2016		(206,368)	19,275,979	19,069,611

ISLE OF ANGLESEY CHARITABLE TRUST

County Offices

Llangefni

Ynys Môn

LL77 7TW

Registered Charity No. : 1000818

BALANCE SHEET AS AT 31 MARCH 2016

2015		NOTE	£	£
£			£	£
	<u>Fixed Assets</u>			
3,000,000	Investment Property	7		-
17,709,850	Investments	8		17,193,254
20,709,850				17,193,254
	<u>Current Assets</u>			
44,684	Debtors and Accrued Income	9	44,205	
39,795	Cash at Bank		2,759,836	
84,479				2,804,041
	<u>Liabilities</u> : Amounts due within one year			
(299,927)	Creditors	10	(549,673)	
(463,513)	Allocations not Defrayed	11	(378,011)	
(763,440)				(927,684)
(678,961)	Net Current Assets / (Liabilities)			1,876,357
20,030,889	Net Assets			19,069,611
	<u>Funds</u>	12		
(7,302)	Unrestricted Funds : General Reserve			(206,368)
20,033,981	: Capital			19,276,507
4,210	: Grants Allocated from Capital			(528)
20,030,889				19,069,611

Approved by the Trustee on 25 January 2017.

And signed on its behalf by

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

- (a) **Basis of Accounting:** The accounts of the Charitable Trust have been prepared under the historic cost convention, as modified by the revaluation of investment assets, and are in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities issued in March 2005, and the Charity's deed and applicable law.
- (b) **Grants Payable** are recognised in the accounts when the allocation has been approved by the Trust and the necessary conditions that enable the funding are confirmed.
- (c) **Investment Income** is included in the accounts:-
- for short term deposits and balances on a daily accrual basis;
 - for equity – when stocks are declared ex-dividend;
 - for rents – in the year to which it related;
 - for collective funds and other income on a receipts basis.

The ordinary element of stocks received in lieu of cash dividend is treated as income of the fund.

- (ch) **Expenditure:** Expenditure is included on an accruals basis. Costs have been attributed to functional categories in the Statement of Financial Activities. Costs of generating funds comprise those costs directly attributable to improving, protecting and marketing investment property and the costs of managing the investment portfolio and raising investment income.

Charitable expenditure comprises grants to voluntary and local organisations and contributions to public services. It has also included direct expenditure on an historic building in the Trust's ownership. These are charged in the year in which the decision is made to offer the grant. Where organisations have been given an indication of grants payable in a future year, they are noted as indicative but not accrued in the accounts.

Management and administration comprise payments to third parties relating to the administration of the Trust.

- (d) **Investments:** The investments of the Trust have been valued at middle market prices at the close of business at the balance sheet date, except collective investments which are valued at bid price.

Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

- (dd) **Investment Property:** See note 7 to the accounts.

- (e) **Funds:** The nature and purpose of each fund are explained in note 12.

2. INVESTMENT INCOME

Almost all the Trust's income arises from the investments held by Investment Managers. Their fees depend on investment performance and income is projected net of fees. The total income on investments (excluding rent of land) in 2015/16 was £585,561 (2014/15: £536,824).

3. COST OF GENERATING FUNDS

These are the costs of managing the investment property and the Investment Managers' fee.

	2015/16 £	2014/15 £
Investment Managers' Fee	43,489	44,459
Marketing Costs Relating to the Intended Sale of the Land at Rhosgoch	32,343	33,274
	75,832	77,733

The costs of improving, protecting or marketing the investment property are charged to the Capital Fund. The first part of the Investment Managers' fee is charged to the General Reserve and any bonus for out-performance, £nil for 2015/16 (2014/15: £437), is charged to the Capital Fund.

4. TRUSTEE REMUNERATION & RELATED PARTY TRANSACTIONS

No members of the Trust received any remuneration during the year. Travel costs amounting to £239 (2014/15: £191) were reimbursed to members of the Trust.

5. GRANTS

Direct charitable expenditure by the Charitable Trust is as follows (funded from General Fund unless otherwise stated):-

	2015/16 £	No	2014/15 £	No
Isle of Anglesey County Council				
- Oriel Ynys Môn	215,000	1	215,000	1
Grants to Community and Voluntary Organisations				
- Community and Sporting Facilities and Other Voluntary Organisations	102,766	26	104,178	30
- Village Hall Running Costs	80,000	35	80,000	36
Larger Grants				
- CCTV	-	-	195,000	1
- Island Games	40,000	1	50,000	1
- Urdd Gobaith Cymru	40,000	1	40,000	1
- Young Farmers Club	30,000	1	30,000	1
- Anglesey Agricultural Show	60,000	1	-	-
- Menter Môn	110,000	1	-	-
-Holyhead Weightlifting	60,000	1	-	-
	737,766	68	714,178	71

A list of grants over £1,000 appears on page 15. The 68 grants shown above were made to 66 different organisations.

6. GOVERNANCE

The Trust is administered free of charge by the Isle of Anglesey County Council and the Governance expenses represent fees to other bodies for specialist services and members' travel and subsistence costs. The Trust has no staff. No payments are made to the Trustee (the Council) or to its individual Members or officers except for the Members' expenses, reimbursement of payments made on the Trust's behalf and the expenditure for charitable purposes shown at 4 above. Details of the Management and Administrative expenses are:-

	2015/16 £	2014/15 £
Auditor's Fee – for Audit services	2,450	2,325
Administrative Costs	4,738	142
Travel and Subsistence Costs	239	191
Consultancy Fee in the future administration of the Trust	-	805
Plaques	-	300
Miscellaneous	683	17
	8,110	3,780

The direct costs of administering the investment property are charged to the Capital Fund. These costs amounted to £4,738 (£142 in 2014/15).

7. INVESTMENT PROPERTY

During 1995, the Isle of Anglesey Borough Council transferred two parcels of land at Rhosgoch and Amlwch Port to the Trust at an estimated market value of £550,000. The land was part of the final settlement by Shell (UK) Limited (see Trustee's Report) and subject to the same conditions as the original monies. Part of the land at Amlwch Port was sold in 1995/96 and the remaining land at Rhosgoch was sold for £2,916,622.80 on 9 October 2015.

The remaining land at Amlwch Port has nil value, being estimated market value, and is designated as a heritage asset. It constitutes one side of the harbour, which dates to the 18th century, and includes the Mona Mill, built in the early nineteenth century. The land is used as an amenity by the public and the Trust has agreed to public access to the Mill and is considering proposals to fulfil its conservation and preservation objectives in respect of this land.

The valuation was undertaken by the Council's Valuer as at 31 March 2016. The Valuer is a Member of the Royal Institute of Chartered Surveyors (MRICS) and is an employee of the Council.

The Trust has no other Heritage Assets, nor does it have a policy to actively acquire any further such assets.

8. INVESTMENTS

The investments shown in the balance sheet can be broken down as:-

	2015/16 £	2014/15 £
UK Equity	6,755,828	10,632,539
Overseas Equity	4,658,462	3,493,115
Fixed Interest	3,987,458	2,308,945
Alternatives	1,478,311	863,689
	16,880,059	17,298,288
Cash	313,195	409,348
Unsettled Deals	-	2,214
	17,193,254	17,709,850

Invested cash includes small amounts of foreign currency. All investments are shown at market value.

The corresponding historical values at 31 March 2016 are as follows:-

	<u>Historical Cost</u> £'000	<u>Market Value</u> £'000	<u>Difference</u> £'000
UK Equity	5,970	6,756	786
Overseas Equity	4,283	4,659	376
Fixed Interest	3,831	3,987	156
Alternatives	1,328	1,478	150
	15,412	16,880	1,468

Investments are held through investment managers in the name of nominees and all holdings are readily realisable.

The largest individual holdings, as at the balance sheet date, were mainly in collective investments (HSBC FTSE All Share Index Fund, 441,501 units: 7.71% of the portfolio value; HSBC Investment Funds American IDX INST, 274,910 units: 6.38% of the portfolio value; HSBC Investment Funds Japan IDX INST, 1,051,641 units: 5.53% of the portfolio value; and Charities Prop Property Fund 773,737 units: 5.36% of the portfolio value).

	<u>Historical Cost</u> £'000	<u>Market Value</u> £'000	<u>Realised Gain</u> £'000
Brought Forward	13,198	17,298	-
Sales and Redemptions	(8,526)	(10,538)	2,012
Purchases and Rights Issues	8,155	8,155	-
FX Deals	2,585	-	-
Total Gains / (Losses) in year	-	1,965	-
	15,412	16,880	

Realised gains / (losses) are calculated as the total difference between the sales income and historical cost. The total gains/(losses) on investments is the total of realised gains/ (losses) from sale of holdings net of any adjustments to historical cost, plus unrealised gains / (losses).

9. DEBTORS AND ACCRUED INCOME

	2015/16 £	2014/15 £
Accrued Investment Income	44,205	44,684
	44,205	44,684

10. CREDITORS AND ACCRUALS

	2015/16 £	2014/15 £
Investment Managers' Fee	12,894	10,917
Isle of Anglesey County Council	534,379	286,910
Audit Fee	2,400	2,100
Legal Costs Relating to the intended Disposal of the Land at Rhosgoch	-	-
	549,673	299,927

11. ALLOCATIONS NOT DEFRAIDED

These are grants awarded in in previous years which have not yet been claimed by the beneficiaries. Grants not claimed within four years are normally de-committed and this is reflected in this figure.

The regeneration grants support schemes for which payments are being drawn down by the project sponsors over a period of years.

12. FUNDS

	<u>General Fund</u> £'000	<u>Capital Fund</u> £'000	<u>Grants Allocated from Capital Fund</u> £'000
Investment Property	-	-	-
Investments	(2,082)	19,276	1
Net Current Assets	1,876	-	1
	(206)	19,276	1

Cash in any fund not required for short term liquidity is temporarily invested with the Investment Managers.

The **Capital Fund** is the expendable endowment of the Trust. It is made up of the land and monies received by the Isle of Anglesey Borough Council from Shell (UK) Limited when the company ceased to operate an Oil Terminal on Anglesey and transferred to the Trust in 1990 and 1995, together with the capital growth on those sums. From time to time, capital may be released to fund specific projects by a majority of two thirds of the membership of the Trust.

The movements on the Capital Fund relate to gains and losses on the investments, the performance element of the Investment Managers' fee and any costs of improving, protecting or marketing the land as shown in the Statement of Financial Activities.

The balance on the **General Reserve** is the accumulated surpluses and deficits from previous years which the Trust is free to use in accordance with the charitable objects.

Income from the investments, and all costs not charged to the capital fund in the year, relate to the unrestricted General Reserve as shown in the Statement of Financial Activities. The allocations made from the Trust's annual grants programme also relate to this reserve.

13. ANALYSIS OF MOVEMENTS BETWEEN FUNDS

	Balance b/fwd	Incoming Resources	Resources Expended	Gains and Losses	Movement on Investments	Balance c/fwd
	£	£	£	£	£	£
General Reserve	(7,302)	585,561	(784,627)	-	-	(206,368)
Capital Fund	20,033,981	420	(32,343)	(2,714,998)	1,989,447	19,276,507
Grants Allocated	4,210	-	(4,738)	-	-	(528)
	20,030,889	585,981	(821,708)	(2,714,998)	1,989,447	19,069,611

14. ANALYSIS OF GAIN/(LOSS) ON REVALUATIONS AND DISPOSALS OF INVESTMENT ASSETS

	2015/16 £	2014/15 £
Realised (Loss) on the sale of Fixed Asset	(83,377)	-
Unrealised (Loss) on Revaluation	(2,631,621)	262,669
Realised Gain the Value of Investments Held	1,989,447	1,163,554
	(725,551)	1,426,223
Net Incoming Resources	(234,937)	(258,427)
Total	(960,488)	1,167,796

Grantiau dros £1,000 / Grants over £1,000

Mudiad	Grant (£)	Organisation
Oriel Ynys Môn	215,000.00	Oriel Ynys Môn
Menter Môn	110,000.00	Menter Môn
Cymdeithas Amaethyddol Môn	60,000.00	Anglesey Agricultural Society
Clwb Codi Pwysau Caergybi	60,000.00	Holyhead Weightlifting
Urdd Gobaith Cymru*	62,777.21	Urdd Gobaith Cymru*
Gemau'r Ynysoedd*	68,798.37	Island Games*
Ffermwyr Ifanc Ynys Môn*	60,000.00	Anglesey Young Farmers*
Cyngor Cymuned Llangristiolus a Cherrigceinwen	8,000.00	Llangristiolus & Cerrigceinwen Community Council
Canolfan Geidiad Ynys Môn	8,000.00	Anglesey Guide Centre
Neuadd Eglwys/Canolfan Gymuned Llanfairpwll	8,000.00	Llanfair PG Church Hall/Community Centre
Ffrindiau Parc Rhosybol	8,000.00	Friends of Rhosybol Park
Cyngor Tref Biwmares	8,000.00	Beaumaris Town Council
Tudur Cyf (Canolfan Ebeneser)	7,941.00	Tudur Cyf (Canolfan Ebeneser)
Clwb Rhwyfo Biwmares	7,835.00	Beaumaris Rowing Club
Clwb Criced Bodedern	5,670.00	Bodedern Cricket Club
Ffrindiau Llangoed	5,497.00	Friends of Llangoed
Clwb Pel droed Llangoed	5,469.00	Llangoed Football Club
Clwb Criced Porthaethwy	5,161.00	Menai Bridge Cricket Club
Canolfan Gymuned Gwelfor	3,500.00	Gwelfor Community Centre
Canolfan Gymuned Newry	3,500.00	Newry Community Centre
Neuadd Bentref Rhosneigr	3,500.00	Rhosneigr Village Hall
Sefydliad Coffau Rhyfel Amlwch	3,500.00	Amlwch War Memorial Institute
Neuadd Gymunedol Llaingoch	3,500.00	Community Hall Llaingoch
Neuadd Bentref Elusen David Hughes (Cemaes)	3,500.00	David Hughes Charity (Cemaes) Village Hall
Neuadd Gymuned David Hughes Biwmares*	6,215.00	Community Hall David Hughes Beaumaris*
Clwb Pel droed Iau Tref Amlwch	3,150.00	Amlwch Town Juniors Football Club
Neuadd Gymuned Coffau Rhyfel Porthaethwy*	5,031.95	Menai Bridge War Memorial Community Centre*
Canolfan Esceifiog Gaerwen*	5,734.18	Esceifiog Centre Gaerwen*
Neuadd y Plwyf Llandegfan	2,731.26	Llandegfan Parish Hall
Neuadd Pritchard Jones Niwbwrch	2,722.10	Pritchard Jones Hall Newborough
Age Well Môn	2,500.00	Age Well Anglesey
Neuadd Bentref Llanfaethlu	2,476.11	Llanfaethlu Village Hall
Neuadd Bentref Bae Trearddur	2,254.71	Trearddur Bay Village Hall
Neuadd Goffa Pentraeth	2,135.95	Pentraeth Memorial Hall
Anglesey Showstoppers	2,000.00	Anglesey Showstoppers
Pwyllgor Hen Ysgol Marianglas	1,930.65	Hen Ysgol Marianglas Committee
Canolfan Gymuned Kingsland*	7,906.87	Kingsland Community Centre*
Cymdeithas Chwaraeon a Chymdeithasol Porth Amlwch	1,900.11	Amlwch Port Sports & Social Association
Cyngor Cymuned Fali	1,813.00	Valley Community Council
Neuadd Goffa Bodedern	1,765.22	Bodedern Memorial Hall
Neuadd Bentref Llangoed	1,653.24	Llangoed Village Hall
Neuadd Bentref Aberffraw	1,635.93	Aberffraw Village Hall
Clwb Pel droed Bro Goronwy	1,626.00	Bro Goronwy Football Club
Canolfan Gymuned Penysarn	1,554.48	Penysarn Community Centre
Pwyllgor Cae Chwarae Bodffordd	1,428.00	Bodffordd Playing Field Committee
Clwb Arlunio Moelfre	1,408.00	Moelfre Art Club
Neuadd Bentref Talwrn*	2,561.33	Talwrn Village Hall*
Neuadd Bentref Caergeiliog	1,273.32	Caergeiliog Village Hall
Canolfan Gymuned Brynteg	1,222.73	Brynteg Community Centre
Y Ganolfan Brynsiencyn	1,188.84	Y Ganolfan Brynsiencyn
Neuadd Goffa Goronwy Owen	1,187.22	Goronwy Owen Memorial Hall
Neuadd Cymunedol Penrhoslligwy	1,000.86	Penrhoslligwy Community Hall
Tyddyn Môn	1,000.00	Tyddyn Môn
Ymddiriedolaeth Gwiwerod Coch Cymru	1,000.00	Red Squirrels Trust Wales
Gwyl Bwyd Biwmares	1,000.00	Beaumaris Food Festival
Cymdeithas MS	1,000.00	MS Society
Gwyl Bwyd Môr Menai	1,000.00	Menai Seafood Festival
* Mwy nag un dyraniad	810,155.64	*More than one allocation

Statement of Trustee's Responsibilities

The trustee is responsible for preparing the Trustee's 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 trustee to prepare financial statements for each financial year which give a true and fair view of the charity and of the incoming resources and application of resources of the charity for that period. In preparing financial statements, the trustee is required to:-

- (a) select suitable accounting policies and then apply them consistently;
- (b) observe the methods and principles in the Charities SORP;
- (c) make judgements and estimates that are reasonable and prudent;
- (ch) state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in business.

The trustee is responsible for keeping proper accounting records which 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, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. The trustee is 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.

Independent Auditor's Report to the Trustee of Isle of Anglesey Charitable Trust

We have audited the financial statements of the Isle of Anglesey Charitable Trust for the year ended 31st March 2015, which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustee, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any responsibility to anyone other than the charity and the charity's trustee, as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of trustee and auditor

As explained more fully in the Trustee's Responsibilities Statement, the trustees are responsible for preparing the preparation of financial statements that give a true and fair view.

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with regulations made under Section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Independent Auditor's Report to the Trustee of the Isle of Anglesey Charitable Trust (Continued)

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:- whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications of our report.

Opinion on financial statements

In our opinion, the financial statements:-

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:-

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements;
- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*W J Matthews & Son
Statutory Auditor
Chartered Accountants
11-15 Bridge Street
Caernarfon
Gwynedd
LL55 1AB*

Date:

ISLE OF ANGLESEY CHARITABLE TRUST	
COMMITTEE:	ISLE OF ANGLESEY CHARITABLE TRUST
DATE:	25 JANUARY 2017
TITLE OF REPORT :	BUDGET 2017/18
PURPOSE OF REPORT:	OUTLINE BUDGET
REPORT BY:	TREASURER OF THE ISLE OF ANGLESEY CHARITABLE TRUST
ACTION:	ADOPT BUDGET FOR 2017/18

1. Summary

1.1 This report is required to confirm funding allocations for 2017/18.

1.2 In 2016/17 the Trust adopted a budget of:-

From the General Fund

- Oriel Ynys Môn £215k;
- Village Halls £80k;
- Community and Sporting Facilities & Minor Grants £125k;
- Menter Môn £110k;
- Island Games Association £40k;
- Urdd £40k; and
- Anglesey Young Farmers £30k.

Total £640k

From the Capital Fund

- Cwmni Fran Wen £45k;
- Eisteddfod Genedlaethol £37.5k;
- Llangefni Social Enterprise £37.5k; and
- Menter Iaith £50k.

Total £170k

2. The Isle of Anglesey Charitable Trust Portfolio Value and Investment Income 2017/18

- The Current value of the Portfolio is £22,487,169;
- The latest projection for Investment Income during 2017/18 is £675,000;
- The Management Fee is based on a flat rate fee of 0.3%, and in 2017/18 it is projected to be £67,462; and
- There was a £206,368 deficit in Reserves brought forward from 2015/16. This can be seen in the Statement of Financial Activities of the Annual Report 2015/16.

3. The Isle of Anglesey Charitable Trust Movement In Reserves

	2016/17 £000	2017/18 £000
Investment Income	675	675
Less standard investment management fee	(42)	(67)
Available for spending	633	608

Expenditure

Grant Expenditure (para 4)	640	605
Council Administration Costs (para 5)	0	30
Total Expenditure	640	635

Movements in Reserves

To/(From) Reserves	(7)	(27)
Projected Surplus / (Deficit) at year end	(213)	(240)

4. The Isle of Anglesey Charitable Trust Budget Proposal 2017/18

Type of Grant	Budget from General Fund £'000	Budget from Capital Fund £'000
Oriel Ynys Môn	215	
Village Halls	70	
Community and Sporting Facilities & Minor Grants	100	
Larger Grants		350
Long Term Commitments:-		
Anglesey Young Farmers	30	
Urdd Gobaith Cymru	40	
Ynys Môn Island Games Association	40	
Menter Môn	110	
	605	350

It is proposed to cut the budget for the Village Halls from £80k as was awarded in 2016/17 to £70k. This is reflected in recent take up from the village halls (£67k in 2015/16 and £49k up to Quarter 3 in 2016/17).

It is proposed to cut the budget for the Community and Sporting Facilities & Minor Grants from £125k as was awarded in 2016/17 to £100k. This is reflected in recent take up from the Community and Sporting Facilities & Minor Grants (£103k in 2015/16 and £86k in 2016/17)

This budget proposal will result in a deficit of £240k being carried forward into 2018/19. However, this deficit will almost be entirely removed when the Long Term Commitments of £220k come to an end.

5. Council's Administration Costs

In its meeting on the 13 September 2016, the Trust agreed to pay a contribution for the salaries of the officers of the Isle of Anglesey County Council acting on behalf of the Trust. The budget for this in 2017/18 is £30k.

6. The 2017/18 Funding Round

It is proposed that the advertisements for the annual small grants to be awarded by the General Grants Committee are made in mid-March 2017, with a deadline of 12th May 2017 for applications to be submitted. See Section 8(a) for the recommended budget.

7. Larger Grants 2017/18

In its meeting on 1 November 2016, the Investments & Contracts Committee resolved that an allocation of £350k be made available for funding towards larger grants in 2017/18.

8. Recommendations

(a) To adopt a budget for 2017/18 as follows:-

Oriel Ynys Môn	£215k
Village Halls	£ 70k
Community and Sporting Facilities & Minor Grants	£100k
Cyngor Sir Ynys Môn (see section 5 above)	£ 30k
Larger Grants from the Capital Fund (see section 7 above)	£350k
Continued Long Term Commitments (broken down in table 4)	£220k

(b) To delegate to the General Grants Committee the sum of £100k to deal with applications for Community and Sporting Facilities & Minor Grants.

**R MARC JONES
TREASURER –
ISLE OF ANGLESEY CHARITABLE TRUST**

18 JANUARY 2017

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