

# Public Document Pack



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

Dr Gwynne Jones  
Prif Weithredwr – Chief Executive  
CYNGOR SIR YNYS MÔN  
ISLE OF ANGLESEY COUNTY COUNCIL  
Swyddfeydd y Cyngor - Council Offices  
LLANGFNI  
Ynys Môn - Anglesey  
LL77 7TW

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<b>RHYBUDD O GYFARFOD</b>	<b>NOTICE OF MEETING</b>	
<b>PWYLLGOR SGRIWTINI CORFFORAETHOL (GALW I MEWN)</b>	<b>CORPORATE SCRUTINY COMMITTEE (CALL-IN)</b>	
<b>DYDD GWENER, 17 MAI, 2019 am 9:30 y. b.</b>	<b>FRIDAY, 17 MAY 2019 at 9.30 am</b>	
<b>SIAMBR Y CYNGOR, SWYDDFEYDD Y CYNGOR, LLANGFNI</b>	<b>COUNCIL CHAMBER, COUNCIL OFFICES, LLANGFNI</b>	
<b>Swyddog Pwyllgor</b>	<b>Ann Holmes 01248 752518</b>	<b>Committee Officer</b>

## **AELODAU/MEMBERS**

Cynghorydd/Councillor:

## **PLAID CYMRU / THE PARTY OF WALES**

Lewis Davies, John Griffith, Dylan Rees (*Is-Gadeirydd/Vice-Chair*), Alun Roberts, Nicola Roberts

## **Y GRWP ANNIBYNNOL / THE INDEPENDENT GROUP**

Richard Griffiths, Richard O. Jones

## **PLAID LAFUR CYMRU/ WALES LABOUR PARTY**

J. Arwel Roberts

## **ANNIBYNNWYR MÔN / ANGLESEY INDEPENDENTS**

Aled Morris Jones (Democratiaid Rhyddfrydol Cymru/Welsh Liberal Democrats)(*Cadeirydd/Chair*)  
Bryan Owen

## **AELODAU CYFETHOLEDIG (Gyda hawl pleidleisio ar faterion Addysg) / CO-OPTED MEMBERS (With voting rights when dealing with Educational matters)**

Mr Keith Roberts (Yr Eglwys Gatholig / The Catholic Church)  
Mrs Anest G. Frazer (Yr Eglwys yng Nghymru / The Church in Wales)  
Mr Dyfed Wyn Jones (Rhiant Llywodraethwr – Sector Ysgolion Cynradd/Parent Governor-  
Primary Schools Sector)

## **A G E N D A**

### **1 DECLARATION OF INTEREST**

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

### **2 CALL-IN OF A DECISION: ANGLESEY FURTHER EDUCATION TRUST ANNUAL REPORT AND ACCOUNTS 2017/18**

A decision made by the Executive at its meeting held on 29 April, 2019 in relation to the Anglesey Further Education Trust Annual Report and Accounts 2017/18 which has been called-in by Councillors Peter Rogers, Shaun Redmond, R.Llewelyn Jones, Kenneth Hughes and Bryan Owen.

The documentation is attached as follows –

- The decision published on 2 May, 2019
- The call-in application
- The Anglesey Further Education Trust Annual Report and Accounts 2017/18 which were presented to the meeting of the Executive on 29 April, 2019.

ITEM NUMBER AND SUBJECT MATTER	<b>6 Further Education Trust - Annual Report</b> Report by the Head of Function (Resources)/Section 151 Officer
DECISION	<b>It was resolved –</b> <ul style="list-style-type: none"> <li>• <b>To approve the Annual Report and Accounts for the Anglesey Further Education Trust for 2017/18 as presented in Appendix A to the report.</b></li> <li>• <b>That the Executive be presented with a report within 6 months on the progress of discussions to restructure the Anglesey Further Education Trust.</b></li> </ul>
REASON FOR THE DECISION	<b>To approve the Anglesey Further Education Trust Annual Report and Accounts for 2017/18.</b>
ELIGIBLE FOR CALL-IN?	<b>Yes</b>

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## **FFURFLEN GAIS I ALW PENDERFYNIAD I MEWN /CALL-IN APPLICATION FORM**

- **RHAID i bump aelod nad ydynt ar y Pwyllgor Gwaith** lofnodi a danfon y ffurflen at y Prif Weithredwr (neu ei gynrychiolydd) yn ystod y cyfnod galw-i-mewn fel y nodir yn y Cyfansoddiad. Dylid anfon copi hefyd at y Rheolwr Sgrwtini /
- **MUST be signed by five Non-Executive Members** and delivered to the Chief Executive (or his representative) during the call - in period as stipulated in the Constitution. A copy should also be forwarded to the Scrutiny Manager.

### **RHAN 1 / SECTION 1**

**Y PENDERFYNIAD A WNAED -Ticiwch y bocs i ddangos pwy wnaeth y penderfyniad a nodwch y dyddiad y gwnaed y penderfyniad:**

**DECISION TAKEN - Tick the box to show the decision taker and insert the date when the decision was made:**

Pwyllgor Gwaith	✓	<i>The Executive</i>
Yr Arweinydd		<i>The Leader</i>
Aelod Portffolio (gydag awdurdod wedi ei ddirprwyo gan y Pwyllgor Gwaith )		<i>Portfolio Member ( with delegated authority from the Executive)</i>
Swyddog ( gydag awdurdod wedi ei ddirprwyo gan y Pwyllgor Gwaith ) /		<i>Officer ( with delegated authority from the Executive)</i>

**Dyddiad y penderfyniad / Date of decision :** 29 Ebrill/April, 2019

### **RHAN 2 / SECTION 2**

**RHIF EITEM Y PENDERFYNIAD A'R PWNC (gellir cael y wybodaeth hon o'r penderfyniad a gyhoeddwyd) / DECISION ITEM NUMBER AND SUBJECT MATTER (Information is identifiable from published decision):**

Eitem/Item 6 – Ymddiriedolaeth Addysg Bellach Ynys Môn – Adroddiad Blynyddol/Anglesey Further Education Trust Annual Report

### **RHAN 3 / SECTION 3**

**Y RHESWM DROS ALW'R PENDERFYNIAD I MEWN / REASON FOR CALL IN:**

Oherwydd y ffordd bron yn wamal y bu i'r Pwyllgor Gwaith basio'r adroddiad hwn. Yr Ymddiriedolaeth hon yw Gwaddol y diweddar David Hughes yn dyddio'n ôl i'r 16<sup>ain</sup> ganrif. Fe adawodd eiddo gan gynnwys 1,200 acer o dir i gefnogi Addysg ac i helpu pobl dlawd. Mae Ysgol Ramadeg ac Elusendai Biwmares yn enghreifftiau perffaith o'r buddion a gafwyd o'i waddol hael.

Roedd yr adroddiad a roddwyd i'r Pwyllgor Gwaith yn rhoi sylw i ddyledion drwg a cholledion ariannol yn y cyfrifon oherwydd costau atgyweirio sy'n parhau.

Ni roddwyd unrhyw dystiolaeth mewn gwirionedd o gefnogi Addysg Bellach i bobl ifanc yn ystod eu blynyddoedd terfynol neu ar ôl gadael yr ysgol, i gefnogi unrhyw anghenion hyfforddiant. Dylai ffurflenni cais gael eu hanfon i'r ysgolion yn flynyddol am y cyllid. Roedd hyn yn rhan greiddiol o'r elusen.

*The almost flippant way the Executive passed this report. This Trust is the Legacy of the late David Hughes dating back to the 16<sup>th</sup> century. He left properties including 1,200 acres of land to*

support Education and help the poor. Beaumaris Free Grammar School and Alms Houses are fine examples of the benefits of his generous legacy.

The report given to the Executive paid attention to bad debts and financial losses in the accounts due to continuing ongoing repair costs.

No evidence was given of actually supporting Further Education for young people during their final years or having left school, to support any training needs. Application forms should be sent out to schools annually for funding. This was an intricate part of the charity.

**RHAN 4 / SECTION 4**

**Y CWESTIWN ALLWEDDOL Y BWRIEDIR EI OFYN / KEY PROPOSED QUESTION :**

Pam ydyn ni'n parhau i oddef dyledion drwg? Siawns bod Deddf Amaethyddiaeth 1947 yn diogelu'r tenant a'r tîrfeddiannwr fel ei gilydd? Ydyn ni nawr yn bwriadu anfon ffurflenni cais allan i Ysgolion Môn yn gwahodd ceisiadau iddynt gael elwa o'r Ymddiriedolaeth hon?

*Why do we keep tolerating bad debts? Surely the 1947 Agricultural Act protects both tenants and landowner? Do we now intend to recommence sending out application forms to Anglesey Schools inviting applications to benefit from this Trust?*

**RHAN 5 / SECTION 5**

**YR AELOD SY'N ARWAIN Y BROSES GALW I MEWN** ( enw'r Aelod sy'n Arwain fel y gellir sefydlu pwynt cyswllt) / **LEAD CALL- IN MEMBER** ( *Lead Call- In Member to be identified so that a point of contact is available* ) :

**Cynghorydd/Councillor Peter Rogers**

**RHAN 6 / SECTION 6**

<b>1) Llofnod/Signature:</b>	<b>Cynghorydd/Councillor Peter Rogers</b>
<b>Printiwch eich Enw/Print Name :</b>	
<b>2)Llofnod/Signature:</b>	<b>Cynghorydd/Councillor Shaun Redmond</b>
<b>Printiwch eich Enw/Print Name :</b>	
<b>3)Llofnod/Signature:</b>	<b>Cynghorydd/Councillor R. Llewelyn Jones</b>
<b>Printiwch eich Enw/Print Name :</b>	
<b>4)Llofnod/Signature:</b>	<b>Cynghorydd/Councillor Kenneth Hughes</b>
<b>Printiwch eich Enw/Print Name :</b>	

**5)Llofnod/Signature:**

**Cynghorydd/Councillor Bryan Owen**

**Printiwch eich Enw/Print Name :**

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## ISLE OF ANGLESEY COUNTY COUNCIL

<b>REPORT TO:</b>	<b>EXECUTIVE COMMITTEE</b>
<b>DATE:</b>	<b>29 April 2019</b>
<b>SUBJECT:</b>	<b>Anglesey Further Education Trust Annual Report and Accounts 2017/18</b>
<b>PORTFOLIO HOLDER(S):</b>	<b>Councillor Robin Williams (Resources) Councillor R G Parry OBE FRAGS (Highways, Property and Waste) Councillor R Meirion Jones (Learning)</b>
<b>HEAD OF SERVICE:</b>	<b>R MARC JONES</b>
<b>REPORT AUTHOR:</b>	Bethan Owen
<b>TEL:</b>	(01248) 752663
<b>E-MAIL:</b>	<b><a href="mailto:BethanOwen2@anglesey.gov.uk">BethanOwen2@anglesey.gov.uk</a></b>
<b>LOCAL MEMBERS:</b>	

<b>A - Recommendation/s and reason/s</b>	
<ul style="list-style-type: none"> <li>To approve the Annual Report and Accounts for the Anglesey Further Education Trust for the years 2017/18 (Appendix A).</li> </ul>	
<b>B - What other options did you consider and why did you reject them and/or opt for this option?</b>	
<b>C - Why is this a decision for the Executive?</b>	
This matter is delegated to the Executive.	
<b>CH - Is this decision consistent with policy approved by the full Council?</b>	
Yes	
<b>D - Is this decision within the budget approved by the Council?</b>	
Yes	
<b>DD - Who did you consult?</b>	<b>What did they say?</b>
1 Chief Executive / Strategic Leadership Team (SLT) (mandatory)	
2 Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report
3 Legal / Monitoring Officer (mandatory)	
4 Human Resources (HR)	
5 Property	
6 Information Communication Technology (ICT)	
7 Scrutiny	
8 Local Members	
9 Any external bodies / other/s	
<b>E - Risks and any mitigation (if relevant)</b>	
1 Economic	
2 Anti-poverty	
3 Crime and Disorder	
4 Environmental	
5 Equalities	
6 Outcome Agreements	
7 Other	

<b>F - Appendices:</b>
<ul style="list-style-type: none"><li>• Appendix A - Anglesey Further Education Trust Annual Report and Accounts 2017/18</li></ul>
<b>FF - Background papers (please contact the author of the Report for any further information):</b>

## Anglesey Further Education Trust

### 1. Purpose

- 1.1 This report provides an overview of the background of the Anglesey Further Education Trust. It provides information about the legal status of the Trust and the different elements within it. The financial performance of the Trust is summarised. The key purpose of this report is to request the Executive's approval of the final Annual Report and Accounts for the financial year 2017/18.

### 2. Background

- 2.1 The Anglesey Further Education Trust is comprised of three funds: The David Hughes Endowment and the Anglesey Further Education Fund 1/3 and the Anglesey Education Trust Fund 2/3 which provide specific educational benefit.

#### **2.1.1 David Hughes Charitable Estate (Endowment Fund)**

Endowment dates back to 1608 and currently consists of several plots of smallholding land and cottages and other investments. This fund collects rents from its investment property and dividends and interest on its Investment Fund investments which are managed by Blackrock Investment Fund Managers. The management, financial and administration costs of the estate are deducted from the rents received to arrive at the net income for the year that can be distributed. A payment of a quarter of any net surplus income is made to an unconnected charity, "The David Hughes Charity for the "Poor", for purposes connected with the relief of poverty in the community of Llantrisant. The remaining income forms the Anglesey Further Education Fund, which is split into two.

#### **2.1.2 Anglesey Further Education Trust Funds 1/3 (Restricted Fund)**

In addition to the net income from the David Hughes Endowment Estate, this trust also receives income from investments managed by Blackrock similar to the David Hughes Endowment. One third of the Anglesey Further Education Fund is allocated to provide special benefit of any kind, not normally provided by the Authority, to assist senior pupils to finish their course at any one of the schools specified in the scheme, the five secondary schools maintained by the County Council. No grants were issued in 2017/18.

#### **2.1.3 Anglesey Further Education Trust Funds 2/3 (Restricted Fund)**

This element of the trust receives income similar to the above (2.1.2). The remaining two thirds of the Anglesey Further Education Fund is available to benefit persons under the age of 25 who have attended any one of the schools specified in the scheme for at least two years, who is in need of financial assistance for further or higher education or training. One grant was issued in 2017/18 for £1,000.

### 2.2 Legal Status

The Anglesey Further Education Trust is a registered charity for which the Isle of Anglesey County Council is the sole trustee. There is no specific reservation to full Council or delegation to an officer in respect of the Trusteeship, so the decision-making in relation to the Trust is delegated to the Executive Committee. Certain functions in respect of the trust have been delegated to officers in conjunction with the relevant portfolio holder. The Head of Service (Lifelong Learning) has the delegated authority in respect of educational grants. The Head of Service (Highways, Waste and Property) has the delegated authority to agree tenancies, set rents and organise a programme of maintenance and refurbishment. The Head of Function (Resources) / Section 151 Officer has delegated authority to sign the Annual Report and Accounts of the trust each year. The Chief Executive Officer can exercise any function which has been delegated to Heads of Service.

### **3. Financial Performance**

- 3.1** The Trust earns income from rents from the David Hughes Endowment Trust Portfolio of Properties, dividends from equity investments, other interest and sale of investments. Expenditure relates to maintenance of properties, utilities, charitable purposes, governance fees (audit) and property management fees. The detailed information relating to income, expenditure and assets of the trust are appended in Appendix A, which includes the financial accounts for the Trust from 2017/18. The Executive is asked to approve these accounts.
- 3.2** In 2017/18, there is a net gain of £288,155, investment income amounts to £128,223 (of which £119,505 is from the David Hughes Estate and £8,718 come from dividends and interest) and the gains on the investments was £350,941. Expenditure for the period was £191,009, of which £119,473 relates to repairs and maintenance.
- 3.3** The Anglesey Further Education Trust accounts 2017/18 highlight that at 31 March 2018 the total funds of the Trust were £3,124,034, of which £218,570 was the cash balance of the Trust at this date.

### **4. Conclusion**

- 4.1** An overview of the background of the Anglesey Further Education Trust has been provided. The report provides a summary of the legal status of the Trust and the financial performance of the Trust. The financial accounts for the financial year 2017/18 are included in Appendix A for approval. The trust's total funds at 31 March 2018 was £3,124,034.





**CRONFA YMDDIRIEDOLAETH ADDYSG  
BELLACH YNYS MÔN**

**ANGLESEY FURTHER EDUCATION TRUST FUND**

**ADRODDIAD BLYNYDDOL A  
CHYFRIFON**

**ANNUAL REPORT AND  
ACCOUNTS**

***2017/2018***

**Rhif Cofrestru Elusen / Charity Registration No.  
525254**

**CONTENTS OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED**  
**31 MARCH 2018**

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**REPORT OF THE TRUSTEES FOR THE YEAR ENDED**  
**31 MARCH 2018**

The trustees present their report with the financial statements of the charity for the year ended 31 March 2018. The trustees have adopted the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS102) effective 1 January 2015.

**LEGAL AND ADMINISTRATIVE DETAILS**

**Registered Charity Number:**

525254

**Principal Address:**

Isle of Anglesey County Council  
County Offices  
Llangefni  
Anglesey  
LL77 7TW

**Trustee:**

The Isle of Anglesey County Council is the sole trustee of the Anglesey Further Education Trust and the activities of the Trust were administered on its behalf by the County Council.

**Independent Examiner:**

Mr. Brian Hughes  
A. Hughes-Jones, Dyson & Co  
Capel Moreia  
South Penrallt  
Caernarfon  
Gwynedd  
LL55 1NS

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document:**

The charity is controlled by its governing document, a deed of trust, and constitutes an unincorporated charity.

The Anglesey Further Education Trust Fund is regulated by a scheme made by the Board of Education on 23 March 1939 and significantly modified by a scheme dated 18 July 1960. These specify the duties, powers and conditions under which the Trust is required to operate.

### **Recruitment and appointment of new trustees:**

The Isle of Anglesey County Council is the sole trustee of the Anglesey Further Education Trust Fund. The charity is run by the Council's Executive Committee.

New trustees are briefed on their legal obligations under charity law, the content of the governing document and the decision making process. Any training needs are identified and addressed internally by other existing trustees and officers of the Council.

### **Organisational structure:**

The Isle of Anglesey County Council is the sole trustee of the Anglesey Further Education Trust Fund and the activities of the Trust were administered on its behalf by the County Council.

The organisational structure has been as follows:

- The County Council's Executive Committee act as the Trustee.
- The Council's Head of Service (Lifelong Learning) in conjunction with the Portfolio Holder for Lifelong Learning have the delegated authority to award the annual grant funding.
- The Council's Head of Service (Highways, Waste and Property) in conjunction with the Portfolio Holder for Highways, Waste and Property have the delegated authority to manage tenancy agreements and to set rents of the property portfolio (the David Hughes Endowment).
- The Council's Executive Committee will approve the accounts of the Trust and the Section 151 Officer has the delegated authority to sign the Trust's Annual Accounts.

The strategic leaders of the County Council were:

- Chief Executive – Dr Gwynne Jones
- Assistant Chief Executive – Annwen Morgan
- Assistant Chief Executive – Caroline Turner
- Head of Function (Resources) and Section 151 Officer – Marc Jones
- Head of Function (Council Business) and Monitoring Officer – Lynn Ball

### **Related parties:**

Due to the nature of the charity's operations and because the sole trustee of the charity is the Isle of Anglesey County Council, it is inevitable that transactions will take place with organisations related to the Council and its employees. All transactions involving organisations in which the Isle of Anglesey County Council may have an interest are conducted at arm's length. The Council has a policy that all trustees must declare an interest if a related party transaction occurs.

## **Risk management:**

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**

### **Aims and objectives:**

The Anglesey Further Education Trust Fund is comprised of three funds: The David Hughes Endowment, the Anglesey Further Education Fund 1/3 and the Anglesey Further Education Fund 2/3 which aim to provide specific educational benefit.

### **The David Hughes Charitable Estate (Endowment Fund):**

This fund collects rents from its investment property and interest on its investments. The management and administration costs of the estate are deducted from the rents received to arrive at the net income for the year that can be distributed or net expenditure.

A payment of a quarter of the net income is made to an unconnected charity, "The David Hughes Charity for the Poor" for purposes connected with the relief of poverty in the community of Llantrisant. The remaining income forms the Anglesey Further Education Fund:

### **Anglesey Further Education Trust Funds:**

One third of the General Fund is allocated to provide special benefit, of any kind not normally provided by the Authority, to assist senior pupils to finish their courses at any one of the schools specified in the scheme - the five secondary schools maintained by the County Council. The remaining two thirds of the General Fund is available to benefit persons under the age of 25, who have attended any one of the schools specified in the scheme for at least two years, who are in need of financial assistance for Further or Higher Education or training. The Trust had not made any grants for a number of years until 2016/17 when it awarded grants to eligible individuals to help them to continue in Further or Higher Education or Training. Procedures are now being reviewed in order to increase the number of grants awarded.

### **Grant making:**

Grants are made to individuals who have attended or are attending one of the five secondary schools maintained by the County Council who meet the above criteria.

### **Public benefit:**

The trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting the grant making process.

## **ACHIEVEMENT AND PERFORMANCE**

### **Charitable activities:**

The charity has continued to safeguard the assets of the Trust.

During recent years, the charity has been in a period of consolidation and has been saving cash to reinvest in its ageing property portfolio. Undertaking this period of consolidation will mean that the assets of the charity will be able to provide income for years to come for its future beneficiaries. To this end, the charity has undertaken a significant programme of repairs and refurbishments to the David Hughes Estate, to bring a number of the farm buildings into a more suitable state of repair. This programme is now largely complete.

## **FINANCIAL REVIEW**

### **Financial Performance:**

The charity had an overall net increase in funds during the year of £288,155 due to unrealised gains related to revaluations of the David Hughes estate. Without these unrealised gains, the Trust had a Net Deficit of £62,786 for the year due to the continuing spend on the extensive programme of repairs to the David Hughes Estate mentioned above.

Total funds as at 31 March 2018 were £3,124,034, of which all funds are restricted.

### **Principal funding sources:**

The principal funding sources of the charity are rental income from tenants and investment income in the form of dividends, investment interest or interest on deposits.

### **Investment policy and objectives:**

The charity's ageing property portfolio has required substantial investment. The trustee of the charity has undergone a period of consolidation in order to generate the necessary cash reserves to reinvest in its assets. In addition, the charity holds approximately 10% of its Total Fixed Assets in Investment Funds, which generate dividend and interest income.

### **Plans for the Future:**

The Anglesey Further Education Trust operates as a going concern for the charitable purposes stated above.

## **TRUSTEES RESPONSIBILITY STATEMENT**

The trustees are responsible for preparing the Report of the Trustees 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, the Charities Act, Charity (Accounts and Reports) Regulations and the provisions of the trust deed, 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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 Charities Act, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They 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.

Signed by the Head of Function (Resources) / Section 151 Officer under delegated authority on behalf of the trust:

.....  
**R MARC JONES FCPFA** **DATE:**  
**HEAD OF FUNCTION (RESOURCES) / SECTION 151 OFFICER**

## **Independent examiner's report to the trustees of Anglesey Further Education Trust Fund**

I report to the trustees on my examination of the accounts of the Anglesey Further Education Trust Fund for the year ended 31<sup>st</sup> March 2018 which are set out on pages 7-14.

### **Responsibilities and basis of report**

As the charity trustees of the Trust, you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the Trust's accounts carried out under Section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable directions given by the Charity Commission under Section 145(5)(b) of the Act.

### **Independent examiner's statement**

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. Accounting records were not kept in respect of the Trust as required by Section 130 of the Act;  
or
2. The accounts do not accord with those records; or
3. The accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulation 2008 other than any requirements that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**Signature** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Brian Hughes FCA**  
**A.Hughes-Jones, Dyson & Co.**  
**Chartered Accountants & Registered Auditors**  
**Capel Moreia, South Penrallt, Caernarfon, Gwynedd**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED**  
**31 MARCH 2018**

				31.3.18	31.3.17
	Notes	Restricted Funds £	Endowment Funds £	Total Funds £	Total Funds £
<b>Income and Endowments from:</b>					
Investment Income	2	4,136	124,087	128,223	138,637
<b>Total Income</b>		<b>4,136</b>	<b>124,087</b>	<b>128,223</b>	<b>138,637</b>
<b>Expenditure on:</b>					
Investment Management	3	-	(177,917)	(177,917)	(53,184)
Charitable Activities	4	-	-	-	(1,000)
Support Costs	5	(1,354)	(11,738)	(13,092)	(11,721)
<b>Total Expenditure</b>		<b>(1,354)</b>	<b>(189,655)</b>	<b>(191,009)</b>	<b>(65,905)</b>
<b>Net Income / (Expenditure) before Gains and Losses on Investments</b>		<b>2,782</b>	<b>(65,568)</b>	<b>(62,786)</b>	<b>72,732</b>
Net Gains / (Losses) on Investments	7	(918)	351,859	350,941	30,130
<b>Net Income / (Expenditure)</b>		<b>1,864</b>	<b>286,291</b>	<b>288,155</b>	<b>102,862</b>
<b>Exceptional Item: Impairment</b>		-	-	-	(446,203)
<b>Net Income / (Expenditure) after Exceptional Items</b>		<b>1,864</b>	<b>286,291</b>	<b>288,155</b>	<b>(343,341)</b>
<b>Net Movement in Funds</b>		<b>1,864</b>	<b>286,291</b>	<b>288,155</b>	<b>(343,341)</b>
<b>Reconciliation of Funds</b>					
Total Funds brought forward		447,753	2,388,126	2,835,879	3,179,220
<b>Total Funds carried forward</b>		<b>449,617</b>	<b>2,674,417</b>	<b>3,124,034</b>	<b>2,835,879</b>

**BALANCE SHEET FOR THE YEAR ENDED**  
**31 MARCH 2018**

				31.3.18	31.3.17
	Notes	Restricted Funds £	Endowment Fund £	Total Funds £	Total Funds £
Investment Properties - the David Hughes Estate	7a	106,313	152,266	258,579	260,824
Investment Properties - the David Hughes Estate	7b	-	2,599,600	2,599,600	2,416,550
<b>Total Fixed Assets</b>		<b>106,313</b>	<b>2,751,866</b>	<b>2,858,179</b>	<b>2,677,374</b>
Current Assets					
Debtors	8	-	63,109	63,109	67,382
Cash at bank and in hand	9	344,495	(125,925)	218,570	103,298
<b>Total Current Assets</b>		<b>344,495</b>	<b>(62,816)</b>	<b>281,679</b>	<b>170,680</b>
Liabilities					
Creditors: amounts falling due within one year	10	(1,191)	(14,633)	(15,824)	(12,175)
<b>Net Current Assets or (Liabilities)</b>		<b>343,304</b>	<b>(77,449)</b>	<b>265,855</b>	<b>158,505</b>
Creditors: amounts falling due after more than one year		-	-	-	-
Provisions for liabilities		-	-	-	-
<b>Total Net Assets or (Liabilities)</b>		<b>449,617</b>	<b>2,674,417</b>	<b>3,124,034</b>	<b>2,835,879</b>
The Funds of the Charity	11				
Endowment Funds		-	2,674,417	2,674,417	2,388,126
Restricted Income Funds		449,617	-	449,617	447,753
<b>Total Charity Funds</b>		<b>449,617</b>	<b>2,674,417</b>	<b>3,124,034</b>	<b>2,835,879</b>

The financial statements are signed by the Head of Function (Resources) / Section 151 Officer under delegated authority.

**Signed:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**R MARC JONES FCPFA  
HEAD OF FUNCTION (RESOURCES) / SECTION 151 OFFICER**



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 MARCH 2018**

## **1. ACCOUNTING POLICIES**

### **Accounting convention**

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value. This is as modified by the revaluation of certain assets and in accordance with the Charities SORP (FRS102) (effective January 2015), the Charities Act 2011 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

### **Incoming resources**

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

### **Resources expended**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

### **Costs of generating funds**

The costs of generating funds consist of investment management costs.

### **Investment property**

Investment property is shown at the most recent internal valuation. Any aggregate surplus or deficit arising from changes in market value is transferred to the endowment fund.

### **Taxation**

The charity is exempt from tax on its charitable activities.

### **Value Added Tax**

The charity can reclaim Value Added Tax through its trustee, the Isle of Anglesey County Council, therefore, where applicable, expenditure is shown net of Value Added Tax.

### **Fund structure**

The charity has three funds, one endowment and two restricted.

### **The David Hughes Charitable Estate (Endowment Fund)**

This fund collects rents from its investment property and interest on its investments. The management and administration costs of the estate are deducted from the rents received to arrive at the net income for the year that can be distributed.

A payment of a quarter of the net income is made to an unconnected charity, "The David Hughes Charity for the Poor" for purposes connected with the relief of poverty in the community of Llantrisant.

The remaining income forms the Anglesey Further Education Trust Fund, which is split into two:

### **Anglesey Further Education Trust Fund 1/3 (Restricted Fund)**

One third of the Anglesey Further Education Trust Fund is allocated to provide special benefit, of any kind not normally provided by the Authority, to assist senior pupils to finish their course at any one of the schools specified in the scheme - the five secondary schools maintained by the County Council.

### **Anglesey Further Education Trust Fund 2/3 (Restricted Fund)**

The remaining two thirds of the Anglesey Further Education Trust Fund is available to benefit persons under the age of 25, who have attended any one of the schools specified in the scheme for at least two years, who are in need of financial assistance for further or higher education or training.

The charity has no unrestricted income.

### **Fixed asset investments**

Investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

### **Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between market value at the year end and opening market value (or purchase date if later). Realised and unrealised gains are not separated in the Statement of Financial Activities.

## **2. INVESTMENT INCOME**

<b>Investment Income</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 31.03.18</b>	<b>Total 31.03.17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Rents received	-	107,184	107,184	100,456
Water rates - recharges	-	7,682	7,682	3,968
Other income from David Hughes Estate	-	4,639	4,639	26,663
Dividends and Investment Interest	3,387	4,856	8,243	7,261
Other Interest	749	(274)	475	289
<b>Total Investment Income</b>	<b>4,136</b>	<b>124,087</b>	<b>128,223</b>	<b>138,637</b>

### 3. INVESTMENT MANAGEMENT COSTS

Investment Management Costs	Restricted Funds £	Endowment Funds £	Total 31.03.18 £	Total 31.03.17 £
Repairs and Maintenance of the David Hughes Estate	-	(119,473)	(119,473)	(25,019)
Water Charges	-	(12,375)	(12,375)	(6,130)
Professional Services	-	(5,351)	(5,351)	(22,035)
Other property expenses	-	(6,577)	(6,577)	-
Bad Debt provision	-	(34,141)	(34,141)	-
<b>Total Investment Management Costs</b>	-	<b>(177,917)</b>	<b>(177,917)</b>	<b>(53,184)</b>

### 4. CHARITABLE ACTIVITIES

Charitable Activities	Restricted Funds £	Endowment Funds £	Total 31.03.18 £	Total 31.03.17 £
25% contribution of net income to David Hughes Charity for the Poor	-	-	-	-
Education grants to individuals	-	-	-	(1,000)
<b>Total Charitable Expenditure</b>	-	-	-	<b>(1,000)</b>

The Trust is applying the exemption allowed under Charity Law and the SORP to keep the names of grant recipients confidential.

### 5. SUPPORT COSTS

Support Costs	Restricted Funds £	Endowment Funds £	Total 31.03.18 £	Total 31.03.17 £
Property management administrative costs	-	(8,891)	(8,891)	(8,250)
Accounting and support costs	(909)	(2,402)	(3,311)	(2,621)
Independent Examiner's / Auditor's Remuneration	(445)	(445)	(890)	(850)
<b>Total Support Costs</b>	<b>(1,354)</b>	<b>(11,738)</b>	<b>(13,092)</b>	<b>(11,721)</b>

### 6. TRUSTEES' REMUNERATION AND BENEFITS

#### Trustees' expenses

No trustees' remuneration was paid in the year ended 31 March 2018 or the year ended 31 March 2017. This relates to the trustee, that is, the members of the Executive Committee and the Isle of Anglesey County Council's Senior Leadership Team acting on its behalf. See related party note in connection with the fees paid to the corporate trustee for property and financial administration costs incurred.

## 7. INVESTMENTS

Net Gains / (Losses) on Investments	Restricted Funds £	Endowment Funds £	Total 31.03.18 £	Total 31.03.17 £
Gains / (Losses) on listed Investment Funds	(918)	(1,326)	(2,244)	37,320
Gains / (Losses) on Investment Properties	-	353,185	353,185	(7,190)
<b>Total Net Gains / (Losses)</b>	<b>(918)</b>	<b>351,859</b>	<b>350,941</b>	<b>30,130</b>

### a. INVESTMENTS LISTED OR TRADED ON A RECOGNISED STOCK EXCHANGE

Investments Listed or Traded on a Recognised Stock Exchange	Restricted Funds £	Endowment Funds £	Total 31.03.18 £	Total 31.03.17 £
Market Value				
At 1 April	107,231	153,593	260,824	223,504
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	(918)	(1,327)	(2,245)	37,320
Transfers	-	-	-	-
<b>Net Book Value at 31 March</b>	<b>106,313</b>	<b>152,266</b>	<b>258,579</b>	<b>260,824</b>

There were no investment assets outside the UK.

The investments are mainly in Charinco and Charishare Common Investment Funds with small holdings in gilts and equity.

Investments are shown at market value, historical value is £67,029.

### b. INVESTMENT PROPERTY

Investment Property	31.03.18 £	31.03.17 £
Market Value at 1 April	2,416,550	2,184,398
Additions	-	710,545
Less Disposals	(132,500)	(14)
Less Impairment	-	(446,203)
Revaluation Gain/(Loss)	315,550	(32,176)
Transfers	-	-
<b>Net Book Value at 31 March</b>	<b>2,599,600</b>	<b>2,416,550</b>

The David Hughes Endowment is comprised of 14 farm dwellings and 2 parcels of land, with a total area of 1,144.15 acres. During the year, the Tŷ Llwyd smallholding was sold, resulting in a capital receipt of £170k. The Trust made a gain of over £37k on this sale. As at 31 March 2018, Bryn Llwyd is valued as an Asset Held for Sale as it is due to be sold during the next financial year. The continuation of the refurbishment programme saw expenditure on repairs and maintenance of £119k.

The Estate was valued as at March 2018 at a total value of £2,599,600 on the existing use value basis by Barry Wyn Jones, the Isle of Anglesey County Council's Estates Internal Valuer.

## 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<b>Debtors: Amounts Falling due within One Year</b>	<b>31.03.18</b>	<b>31.03.17</b>
	<b>£</b>	<b>£</b>
Amounts recoverable on contract	97,250	67,382
Bad Debt Provision	(34,141)	-
<b>Total Debtors</b>	<b>63,109</b>	<b>67,382</b>

It was decided that it would be prudent to create a provision for bad debts owing to the amount of historic debts that have built up, although efforts to collect the amounts owed from previous tenants have recently increased.

## 9. CASH AT BANK

This represents the balance within the cash reserves held by the Isle of Anglesey County Council on behalf of the Anglesey Further Education Trust.

<b>Cash at Bank</b>	<b>Further Education Trust 1/3</b>	<b>Further Education Trust 2/3</b>	<b>David Hughes Charitable Estate</b>	<b>Total Funds 31.3.18</b>	<b>Total Funds 31.3.17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	207,184	137,311	(125,925)	218,570	103,298
Bank Deposits	207,184	137,311	(125,925)	218,570	103,298

## 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

<b>Creditors: Amounts Falling due within One Year</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>31.03.18</b>	<b>31.03.17</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Other creditors	(1,191)	(14,633)	(15,824)	(12,175)
<b>Total Creditors</b>	<b>(1,191)</b>	<b>(14,633)</b>	<b>(15,824)</b>	<b>(12,175)</b>

## 11. MOVEMENT IN FUNDS

a.

Movement in Funds	01.04.17 £	Net Movement in Funds £	31.03.18 £
Further Education Trust 1/3	277,193	1,479	278,672
Further Education Trust 2/3	170,560	385	170,945
Restricted Funds	447,753	1,864	449,617
David Hughes Charitable Estate	2,388,126	286,291	2,674,417
<b>Total Funds</b>	<b>2,835,879</b>	<b>288,155</b>	<b>3,124,034</b>

b. Net movement in funds, included in the above, are as follows:

Net Movement in Funds included in the above:	Income Resources £	Expenditure £	Gains and Losses £	Movement in Funds £
Further Education Trust 1/3	2,748	(677)	(592)	1,479
Further Education Trust 2/3	1,388	(677)	(326)	385
Restricted Funds	4,136	(1,354)	(918)	1,864
David Hughes Charitable Trust	124,087	(189,655)	351,859	286,291
<b>Total Funds</b>	<b>128,223</b>	<b>(191,009)</b>	<b>350,941</b>	<b>288,155</b>

## 12. RELATED PARTY DISCLOSURES

### Isle of Anglesey County Council

The Anglesey Further Education Trust Fund is administered by the Isle of Anglesey County Council. A property management fee of £8,891 (£8,250 in 2016/17) was charged by the Council for the administration of the David Hughes Estate. In addition, a financial management fee of £2,986 (£2,621 in 2016/17) has been charged to the Trust for financial administration and accounts production. Total fees recharged by the Council were, therefore, £11,877. In 2016/17, Architectural Services in relation to the repairs and refurbishment of the Estate were also provided internally, for which the Trust was charged £22,035.

Due to the nature of the charity's operations and because the sole trustee of the charity is the Isle of Anglesey County Council, it is inevitable that transactions will take place with organisations related to the Council and its employees. All transactions involving organisations in which the Isle of Anglesey County Council may have an interest are conducted at arm's length. The Council has a policy that all Councillors and members of the Senior Leadership Team must declare an interest if a related party transaction occurs.