

ISLE OF ANGLESEY CHARITABLE TRUST	
Committee :	Isle of Anglesey Charitable Trust
Date :	24 January 2018
Title of Report :	2016/17 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 2016/17 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**

17 JANUARY 2018

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ISLE OF ANGLESEY CHARITABLE TRUST

ADRODDIAD BLYNYDDOL

2016/2017

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 2016/17

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	-	Trevor Lloyd Hughes
Secretary	-	The Council's Chief Executive: Dr William Owen Gwynne Jones
Treasurer	-	The Council's Head of Function (Resources) and S151 Officer: Marc Jones
Solicitor	-	The Council's Head of Function (Council Business) and Monitoring Officer: Lynn Ball

ADVISERS

The advisers of the Trust during 2016/17 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 64 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 which is run by the County Council.

During the year, Oriel Ynys Môn was open 362 days, reaching its target for days for being open.

During the year, the Oriel:-

- Attracted 83,331 visitors, a decrease of 6.35% on the previous year's total of 88,984;
- Staged 8 large contemporary exhibitions, 4 small contemporary art exhibitions (Oriel Hir) and 5 historical art exhibitions (Oriel Kyffin & Oriel Tunnickliffe);
- staged 2 museum exhibitions;
- staged 20 children and family activities;
- held 28 planned educational visits;
- held 1 consultation day with teachers;
- gave 3 talks or open days in the community about the Oriel and the collections;
- held 28 adult events;
- held 9 behind the scenes talks;
- had 76 enquiries from the public regarding collections; and
- worked with 41 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 £17.184m Value on 31/03/17: £21.581m, being £4.397m above the target.

Investment Income

Target: £420,000 Realised: £610,710, being £190,711 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	27.0%
Overseas Equities	41.0%
Fixed Interest	24.0%
Alternatives	7.0%
Cash	1.0%

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 £420,000. As it turned out, investment income was £611,711 (2015/16: £585,561). Additionally, the portfolio investment grew in value over the year by £2,693,793.

The budget for the year allowed grants of £770,996 (£737,766 in 2015/16) to be awarded.

POST BALANCE SHEET EVENTS

For 2017/18, the Trust made the following grant awards within the usual annual categories:-

- Community Facilities: £125,000;
- Village Halls: £80,000;
- Oriel Ynys Mon: £215,000; and
- Isle Of Anglesey County Council – Contribution of staff Salaries: £30,000.

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

- Canolfan Ucheldre - £30,000 for one year only;
- Ynys Mon & Gwynedd Mind - £20,000 for one year only;
- Anglesey Central Railway Ltd- £25,000 for one year only;
- Beaumaris Leisure Centre - £45,000 for one year only;
- Cwmni Tref Llangefnï - £25,000 for one year only;
- Cyngor Cymuned Llanfair Mathafarn Eithaf - £10,000;
- Holyhead Boxing Club - £20,000;
- Holyhead Sea Cadets - £20,000;
- Holyhead Town Council - £50,000;
- Llanddona Village Hall - £45,000;
- Medwrn Mon - £25,000; and
- Mon Communities First - £35,000.

PLANS FOR FUTURE PERIODS

It is the intention of the Trust to become a Charitable Incorporated Organisation in 2018/19.

FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (FRS102) and comply with the Charity's trust deed and applicable law.

The Trustee's Annual Report and the Accounts, shown on pages 9 to 18, were approved by the meeting of the Trust held on 24 January 2018.

Approved by the Trustee on 24 January 2018

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 2017

2015/16 £	INCOMING RESOURCES	NOTE	GENERAL FUND £	CAPITAL FUNDS £	TOTAL £
	<u>Investment Income</u>				
584,688	- Dividends and Fixed Interest on Bonds		570,623	-	570,623
873	- Interest		40,088	-	40,088
585,561		2	610,711	-	610,711
-	Rent of Land		-	-	-
420	Other income		-	508	508
585,981	Total Incoming Resources		610,711	508	611,219
	<u>Resources Expended</u>				
	<u>Cost of Generating Funds</u>	3			
43,489	Investment Management Costs		60,016		60,016
32,343	Legal and Marketing Costs		19,889		19,889
75,832	Total cost of generating funds		79,905		79,905
510,149	Net incoming resources available for charitable application		530,806	508	531,314
	<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
182,766	- Community and Voluntary Organisations		165,996	-	165,996
340,000	- Larger Grants		-	390,000	390,000
-	Less Allocations Forgone		(10,376)	-	(10,376)
737,766	Total cost of Grants and Activities		370,620	390,000	760,620
	<u>Governance</u>				
8,110	Fees and Expenses	6	36,671	-	36,671
745,876	Total Charitable Expenditure		407,291	390,000	797,291
821,708	Total Resources Expended		487,196	390,000	877,196
(235,727)	Net Incoming Resources		123,515	(389,492)	(265,977)
	<u>Holding Gains and Losses</u>				
(725,551)	Gains/(losses) on revaluations and disposals of investment assets	14	-	3,033,174	3,033,174
(961,278)	Net Movement of Funds		123,515	2,643,682	2,767,197
20,030,889	Total funds brought forward on 1 April		(206,368)	19,275,979	19,069,611
19,069,611	Total funds carried forward on 31 March		(82,853)	21,919,661	21,836,808

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Registered Charity No. : 1000818

BALANCE SHEET AS AT 31 MARCH 2017

2016		NOTE	£	£
£			£	£
17,193,254	<u>Fixed Assets</u>			
	Investments	8		22,349,055
17,193,254				22,349,055
	<u>Current Assets</u>			
44,205	Debtors and Accrued Income	9	72,021	
2,759,836	Cash at Bank		3,077	
2,804,041				75,098
	<u>Liabilities</u> : Amounts due within one year			
(549,673)	Creditors	10	(39,213)	
(378,011)	Allocations not Defrayed	11	(548,132)	
(927,684)				(587,347)
1,876,357	Net Current Assets / (Liabilities)			(512,247)
19,069,611	Net Assets			21,836,808
	<u>Funds</u>	12		
(206,368)	Unrestricted Funds : General Reserve			(82,853)
19,276,507	: Capital			22,310,189
(528)	: Grants Allocated from Capital			(390,528)
19,069,611				21,836,808

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CASHFLOW STATEMENT AS AT 31 MARCH 2017

	NOTE	2017 £	2016 £
Cash flows from operating activities:	15	(1,245,349)	(656,985)
Net cash provided by (used in) operating activities			
Dividends, interest and rent from investments		561,564	548,510
Proceeds from sale of assets		-	2,916,623
Proceeds from sale of investments		9,680,353	10,559,789
Purchase of investments		<u>(11,445,637)</u>	<u>(10,746,264)</u>
		(1,203,720)	3,278,658
Net cash provided by (used in) investing activities		(1,203,720)	3,278,658
Change in cash and cash equivalents in the reporting period		<u>(2,449,069)</u>	<u>2,621,673</u>
Cash and cash equivalents at the beginning of the reporting period		3,073,031	451,358
Change in cash and cash equivalents in the reporting period		(2,449,069)	2,621,673
Cash and cash equivalents at the end of the reporting period		<u>623,962</u>	<u>3,073,031</u>

Approved by the Trustee on 24 January 2018

and signed on its behalf by

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

- (a) **Basis of Accounting:** The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charity's deed and applicable law.

The Isle of Anglesey Charitable Trust meets the FRS102 definition of public interest entity. Assets and liabilities are recorded in the accounts at historical cost unless they have been restated in accordance with a relevant accounting policy.

- (b) **Reconciliation with Accounting Practices generally accepted (GAAP) Practices:** In preparing these accounts, the trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 the restatement of comparative items was required. No restatement of the comparative items was considered necessary

- (c) **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.

- (ch) **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.

- (d) **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.

(dd) 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.

(e) Investment Property: See note 7 to the accounts.

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

(ff) Preparation of the accounts on a going concern basis: The trustees are of the view that the charity has sufficient funds in reserve and that the charity is a going concern.

(g) Transition to FRS102: The entity transitioned from Generally Accepted Accounting Principles in the UK to FRS 102 on 1st April 2015. No adjustments were necessary to the opening fund balances at the date of transition.

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 2016/17 was £610,711 (2015/16: £585,561).

3. COST OF GENERATING FUNDS

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

	2016/17 £	2015/16 £
Investment Managers' Fee	60,016	43,489
Legal Costs	19,889	-
Marketing Costs Relating to the Intended Sale of the Land at Rhosgoch	-	32,343
	79,905	75,832

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 2016/17 (2015/16: £nil), 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 £289 (2015/16: £239) were reimbursed to members of the Trust.

The key management personnel of the charity are the Chief Executive, Section 151 Officer, Grants Manager, Senior Accountant and the Administrative Assistant of the Isle of Anglesey County Council.

5. GRANTS

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

	2016/17 £	No	2015/16 £	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	85,996	23	102,766	26
- Village Hall Running Costs	80,000	32	80,000	35
Larger Grants				
- CCTV	-	-	-	-
- Island Games	40,000	1	40,000	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	110,000	1
-Holyhead Weightlifting	-	-	60,000	1
-Menter Iaith	50,000	1	-	-
-Eisteddfod Genedlaethol Cymru	37,500	1	-	-
-Social Enterprise	37,500	1	-	-
-Cwmni Fran Wen	45,000	1	-	-
	770,996	64	737,766	68

A list of grants over £1,000 appears on page 16. The 64 grants shown above were made to 63 different organisations.

Allocations Forgone

The organisations' below have had their remaining balances written off

	2016/17 £
Cae Cybi Field Association	237
Neuadd Pentref Talwrn	7
Cyngor Cymuned Moelfre	4,756
Cemaes Boat Club	3,500
Cae Chwarae Llanfaethlu	588
Cyngor Cymuned Bryngwran	69
Cyngor Cymuned Penmynydd	151
Canolfan Gymuned David Hughes	89
Cyngor Cymuned Valley	575
Clwb Arlunio Moelfre	404
	10,376

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:-

	2016/17 £	2015/16 £
Auditor's Fee – for Audit services	2,500	2,450
Administrative Costs	31,040	4,738
Travel and Subsistence Costs	289	239
Media	2,056	-
Miscellaneous	786	683
	36,671	8,110

The direct costs of administering the investment property are charged to the Capital Fund. These costs amounted to £31,040 (£4,738 in 2015/16).

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 in 2015/16.

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 2017. 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:-

	2016/17 £	2015/16 £
UK Equity	6,799,281	6,755,828
Overseas Equity	8,897,062	4,658,462
Fixed Interest	4,075,246	3,987,458
Alternatives	1,956,581	1,478,311
	21,728,170	16,880,059
Cash	620,885	313,195
	22,349,055	17,193,254

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

The corresponding historical values at 31 March 2017 are as follows:-

	<u>Historical Cost</u> £'000	<u>Market Value</u> £'000	<u>Difference</u> £'000
UK Equity	5,763	6,799	1,036
Overseas Equity	7,426	8,897	1,471
Fixed Interest	3,823	4,075	252
Alternatives	1,720	1,957	237
	18,732	21,728	2,996

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 Global Asset Management UK FTSE All Share Index 12.14% of the portfolio value; iShares MSCI World GBP Hedged UCITS ETF 6.85% of the portfolio value; HSBC Index Tracker Investment Funds - American Index Fund 6.33% of the portfolio value; and HSBC Global Investment Funds - Global Emerging Markets Local Deb 6.33% of the portfolio value).

	<u>Historical Cost</u> £'000	<u>Market Value</u> £'000	<u>Realised Gain</u> £'000
Brought Forward	15,412	16,880	-
Sales and Redemptions	(8,161)	(9,680)	1,519
Purchases and Rights Issues	11,481	11,481	-
Total Gains / (Losses) in year	-	3,047	-
	18,732	21,728	

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

	2016/17 £	2015/16 £
Accrued Investment Income	72,021	44,205
	72,021	44,205

10. CREDITORS AND ACCRUALS

	2016/17 £	2015/16 £
Investment Managers' Fee	16,853	12,894
Isle of Anglesey County Council	19,860	534,379
Audit Fee	2,500	2,400
	39,213	549,673

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

	General Fund £'000	Capital Fund £'000	Grants Allocated from Capital Fund £'000
Investment Property	-	-	-
Investments	430	22,310	(391)
Net Current Assets	(512)	-	-
	(82)	22,310	(391)

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	(206,368)	610,711	(487,196)	-	-	(82,853)
Capital Fund	19,276,507	508	-	-	3,033,174	22,310,189
Grants Allocated	(528)	-	(390,000)	-	-	(390,528)
	19,069,611	611,219	877,196	-	3,033,174	21,836,808

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

	2016/17 £	2015/16 £
Realised (Loss) on the sale of Fixed Asset	-	(83,377)
Unrealised (Loss) on Revaluation	-	(2,631,621)
Realised Gain the Value of Investments Held	3,033,174	1,989,447
	3,033,174	(725,551)
Net Incoming Resources	(265,977)	(234,937)
Total	2,767,197	(960,488)

15. RECONCILIATION OF NET MOVEMENTS IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017	2016
	£	£
Net movement in funds for the reporting period	2,767,197	(961,278)
Adjustment for:		
Dividends, interest and rents from investments	(611,219)	(585,981)
Unrealised and realised gains on disposals	(3,033,174)	725,551
(Increase) / decrease in debtors	(27,816)	479
Increase / (decrease) in creditors	(340,337)	164,244
Net cash provided by (used in) operating activities	(1,245,349)	(656,985)

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

<u>Mudiad</u>	<u>Grant (£)</u>	<u>Organisation</u>
Oriel Mon	215,000.00	Oriel Mon
Menter Mon	110,000.00	Menter Mon
Gemau Ynys*	74,916.26	Island Games*
Urdd Gobaith Cymru*	67,670.56	Urdd Gobaith Cymru*
Ffermwyr Ifanc Ynys Mon*	60,000.00	Anglesey Young Farmers*
Menter Iaith	50,000.00	Menter Iaith
Cwmni Fran Wen	45,000.00	Cwmni Fran Wen
Eisteddfod Genedlaethol Cymru	37,500.00	National Eisteddfod of Wales
Menter Gymdeithasol	37,500.00	Social Enterprise
Clwb Hwyllo Brenhinol Mon	8,000.00	Anglesey Royal Sailing Club
Clwb Pel Droed Cemaes	8,000.00	Cemaes Football Club
Cymdeithas Byddar Gogledd Cymru	8,000.00	North Wales Deaf Association
Pantri 6	8,000.00	Pantri 6
Cwmni Cemaes Cyf	7,664.00	Cwmni Cemaes Cyf
Neuad Goffa Bodedern	5,782.00	Bodedern Memorial Hall
Neuadd Goffa Pentraeth*	5,234.29	Pentraeth Memorial Hall*
Neuad Gymuned Coffau Rhyfel Porthaethwy*	5,153.96	Menai Bridge War Memorial Community Centre*
Cymdeithas Chwarae Ardaloedd Llanfaes	4,984.00	Llanfaes Play Areas Association
Clwb Pel Droed Llangefni	4,271.00	Llangefni Football Club
Neuadd Bentref Llanfaelog*	3,999.29	Llanfaelog Village Hall*
Clwb Pel Droed Hotspur	3,900.00	Hotspur Football Club
Partneriaeth Adfywio Morawelon a Ffordd Llundain (Morlo)	3,753.00	Morawelon and London Road Regeneration Partnership (Morlo)
Neuadd Bentref Rhosneigr	3,600.00	Rhosneigr Village Hall
Neuadd David Hughes Cemaes	3,600.00	David Hughes Charity (Cemaes) Village Hall
Neuadd Gymuned Newry	3,600.00	Newry Community Centre
Sefydliad Coffau Rhyfel Amlwch	3,600.00	Amlwch War Memorial Institute
Neuadd Gymuned Llaingoch	3,512.19	Community Centre Llaingoch
Neuadd Gymuned Gwelfor	3,323.94	Gwelfor Community Centre
Neuadd y Plwyf Llandegfan	3,056.00	Llandegfan Parish Hall
Bryngwran Cymunedol Cyf	3,000.00	Bryngwran Community Ltd
Cronfa Gwydr Lliw Eglwys Sant Gwenllwyfo	3,000.00	Saint Gwenllwyfo Church Stained Glass Fund
Neuadd Bentref Gaerwen	2,863.05	Gaerwen Village Hall
Neuadd Bentref Llanfaethlu	2,758.43	Llanfaethlu Village Hall
Neuadd Bentref Bae Trearddur	2,606.13	Trearddur Bay Village Hall
Neuadd Pritchard Jones Niwbwrch	2,493.72	Neuadd Pritchard Jones Newborough
Neuadd Bentref Aberffraw	2,283.60	Aberffraw Village Hall
Canolfan Gymuned Kingsland	2,245.19	Kingsland Community Centre
3D Kids	2,100.00	3D Kids
Clwb Caban Rhoscolyn	2,100.00	Clwb Caban Rhoscolyn
Neuadd Bentref Llangoed	1,964.22	Llangoed Village Hall
Cyngor Cymuned Llanerchymedd	1,850.00	Llanerchymedd Community Council
Clwb Pel Doed Bae Trearddur	1,848.00	Trearddur Bay United Football Club
Pwyllgor Hen Ysgol Marianglas	1,815.25	Old School Marianglas Committee
Canolfan Gymuned Pen y Sarn	1,772.02	Penysarn Community Centre
Cymuned Porthaethwy a Grwp Carnifal	1,750.00	Menai Bridge Community and Carnival Group
Cymdeithas Campau & Cymdeithasol Porth Amlwch	1,705.44	Amlwch Port Sports & Social Association
Cylch Llenyddiaeth Llanfairpwll	1,585.00	Llanfairpwll Literacy Circle
Neuadd Gymuned Brynteg	1,549.07	Brynteg Community Centre
Neuadd Bentref Talwrn	1,438.81	Talwrn Village Hall
Y Ganolfan Brynsiencyn	1,393.38	The Centre Brynsiencyn
Crafty T'arts	1,042.00	Crafty T'arts
Ail - fyw Oes Gwynedd ac Ynys Mon	1,000.00	Relay for Life Gwynedd & Anglesey
Clwb Gymnasteg Mon	1,000.00	Anglesey Gymnastics Club
	845,783.80	

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 2017, 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 2017 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: