

ISLE OF ANGLESEY CHARITABLE TRUST	
COMMITTEE:	CONTRACTS AND INVESTMENT COMMITTEE
DATE:	6 NOVEMBER 2018
TITLE OF REPORT:	ALLOCATION OF FUNDING FOR LARGER GRANTS
PURPOSE OF REPORT:	To agree a sum to allocate for larger grants for 2019
REPORT BY:	TREASURER – ISLE OF ANGLESEY CHARITABLE TRUST
ACTION:	Based on the information provided by the Trust's Investment Managers, to determine the sum that will be allocated to larger grants in 2019

1. BACKGROUND

- 1.1** Over the past three years, the Isle of Anglesey Charitable Trust set aside a sum of money to fund successful applications for larger grants (over £8,000). In 2016, £200,000 was allocated and, in 2017 and 2018, £350,000 was allocated.
- 1.2** For 2018, the application process was widely advertised and resulted in the Trust receiving 34 applications from organisations requesting assistance, with the total of £1.48m requested. After assessment and consideration by the Regeneration Committee, 14 applications were successful with the full £350,000 allocated being awarded as grants.
- 1.3** Although it is a decision for the full Trust to determine whether they wish to allocate funding to larger grants in 2019, it is a decision for this Committee to determine the sum to be allocated.

2. METHODOLOGY TO DETERMINE THE VALUE OF THE FUND

- 2.1** In 2017, this Committee considered 3 options to determine the sum to be allocated:-
 - Based on 20% of the increase in the capital value of the Portfolio (excluding the value of cash transferred into the portfolio during the year);
 - Based on 20% of the increase in the capital value of the Portfolio (including the value of cash transferred into the portfolio during the year);
 - To maintain the sum allocated as per the previous year i.e. £350,000.
- 2.2** It should be noted that there is always a risk that the capital value of the investments can fall and allocating too high a sum in times when the capital value of the fund is growing may have a detrimental effect on the future investment returns if the capital value of the fund begins to fall sharply.
- 2.3** The Committee must, therefore, take into account the advice of the Investment Manager before deciding what the sum allocated will be, ensuring that the fund is sufficiently large to enable the Trust, if it decides to do so, to help as many organisations as possible without putting at risk the future levels of income the fund will generate. The Investment Manager will be in attendance at the meeting of this Committee to provide the appropriate advice.

3. ACTION REQUIRED

- 3.1** The Committee is requested to consider the advice of the Treasurer and the Investment Manager and to determine the sum to be allocated for larger grants.