

ISLE OF ANGLESEY COUNTY COUNCIL		
Report to:	EXECUTIVE	
Date:	19 March 2024	
Subject:	David Hughes Charitable Estate and Anglesey Further Education Trust Annual Report and Accounts 2022/23	
Portfolio Holder(s):	Councillor Robin Williams (Deputy Leader & Portfolio Holder - Finance) Councillor Dafydd Rhys Thomas (Highways, Waste and Property) Councillor Dafydd Roberts (Education and the Welsh Language)	
Head of Service:	Marc Jones	
Report Author:	Bethan Owen	
Tel:	(01248) 752663	
E-mail:	BethanOwen2@ynysmon.llyw.Cymru	
Local Members:	n/a	
A - Recommendation/s and reason/s		
<ul style="list-style-type: none"> To approve the Draft Annual Report and Accounts for the Anglesey Further Education Trust for the year 2022/23 (Appendix A). To delegate to the Director of Function (Resources) / Section 151 Officer the authority to sign the Final Annual Report and Accounts and file with the Charity Commission upon satisfactory completion of the audit. 		
B - What other options did you consider and why did you reject them and/or opt for this option?		
<ul style="list-style-type: none"> No other options are available as it is a requirement of the Charities Commission that the annual accounts are approved by the responsible body, which, in this case, is the Executive. 		
C - Why is this a decision for the Executive?		
<ul style="list-style-type: none"> This matter is delegated to the Executive. 		
CH - Is this decision consistent with policy approved by the full Council?		
Yes		
D - Is this decision within the budget approved by the Council?		
Yes		
Dd – Assessing the potential impact (if relevant):		
1	How does this decision impact on our long term needs as an Island?	Not applicable. The decision required is merely to accept the accounts of the Trust and has no impact on the long term needs of the Island.
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	Not applicable
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom	Not directly applicable, but the Trust has distributed funds through the 5 secondary schools and through Coleg Cymraeg Cenedlaethol.

4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	Not applicable
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	Not applicable
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	Not applicable
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	Not applicable
E - Who did you consult?		What did they say?
1	Chief Executive / Leadership Team (LT) (mandatory)	The report was considered by the LT and any comments made incorporated into the report.
2	Finance / Section 151 (mandatory)	n/a – this is the Section 151 Officer's report.
3	Legal / Monitoring Officer (mandatory)	The Monitoring Officer is a member of the LT and any comments made would have been considered at the LT meeting.
4	Human Resources (HR)	Not applicable
5	Property	Not applicable
6	Information Communication Technology (ICT)	Not applicable
7	Scrutiny	Not applicable
8	Local Members	Not applicable
9	Any external bodies / other/s	The accounts have been audited by an External Auditor and their report forms part of the accounts.
F - Appendices:		
<ul style="list-style-type: none"> Appendix A - Anglesey Further Education Trust Annual Report and Accounts 2022/23 		
FF - Background papers (please contact the author of the Report for any further information):		
<ul style="list-style-type: none"> Anglesey Further Education Trust Update Report – Executive, 28 October 2019 (item 13) 		

DAVID HUGHES CHARITABLE ESTATE AND ANGLESEY FURTHER EDUCATION TRUST

1. PURPOSE OF THE REPORT

- 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 2022/23.
- 1.2 The report also updates Members on the progress made to distribute more of the Trust's funds to meet the charitable purposes of the Trust.

2. BACKGROUND INFORMATION

- 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 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 is then transferred to the Anglesey Further Education Fund, which is sub-divided into two specific funds.

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. The purpose of the fund is to provide financial assistance to senior pupils of the 5 secondary schools in order that they can complete their courses.

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 fund is to be used to provide benefits to persons under the age of 25 who have attended one or more of the 5 secondary schools for a period of two years and who are in need of financial assistance for further or higher education or training.

2.2 Legal Status

- 2.2.1. 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.

2.2.2. Certain functions in respect of the Trust have been delegated to officers in conjunction with the relevant portfolio holder:-

- The Director of Education, Skills and Young People 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 Director of Function (Resources) / Section 151 Officer has delegated authority to determine how much is allocated to the 3 schemes in each year (from 2019/20 onwards), this will be dependent on the surplus made by the fund;
- The Chief Executive Officer can exercise any function which has been delegated to Heads of Service.

3. UTILISATION OF THE FUND DURING 2022/23

3.1 In October 2019, the Executive resolved to allocate a one off sum of £56,000 to each secondary school to fund the cost of Learning Coaches within each school. The Learning Coaches would support senior pupils undertaking GCSE and A Level courses. It would be for each school to decide over what period the funding would be used. This was to be funded from the 1/3 Restricted Fund, utilising the majority of the fund balance of £183,346 (as at 1 April 2022). More detail on the use made of these allocations in 2022/23 is provided in paragraph 4 below.

3.2 The Executive also resolved to allocate an additional £8,000 per secondary school to provide grants to assist financially disadvantaged students to obtain places at Colleges and Universities and / or to help with the purchase of books and equipment required to attend the courses in the first year. It will be for each school to assess each application and award grants based on their assessment criteria. The total cost of £40,000 was to be funded from the 2/3 Restricted Fund, which had a balance of £186,426 (as at 1 April 2022). Details of the use made of these funds in 2022/23 is provided in paragraph 5 below.

3.3 Coleg Cymraeg Cenedlaethol would also administer a scholarship scheme for students from financially disadvantaged backgrounds to undertake University and College courses through the medium of Welsh.

4. FINANCIAL PERFORMANCE 2022/23

4.1 David Hughes Charitable Estate (Endowment Fund)

4.1.1. The Estate generated £128,364 through the rental of properties and the recharge of water rates. £14,324 was generated through other income, dividends and investment interest. £147,164 was incurred as expenditure on repairs and maintenance, professional services and a provision for bad and doubtful debts. £12,276 was incurred on property management administrative costs and accounting and auditing costs. This results in a £16,752 loss on Investment.

4.1.2. There has been a £5,002 loss on the listed investments of funds charged to the Statement of Financial Activities.

4.1.3. The value of the Estate, as at 31 March 2023, was £4,587,793, which is made up of the value of the Properties, £3,810,500, investments traded on the Stock Exchange, £165,554, and net current assets of £611,739.

4.2 Further Education Trust (Restricted Funds)

- 4.2.1. The Trust fund generated £6,752 of investment income.
- 4.2.2. £75,306 was utilised for charitable purposes (see paragraphs 5 and 6 below).
- 4.2.3. The overall value of the Trust decreased from £369,772 at the beginning of the financial year to £297,756 as at 31 March 2023. This was made up of investments traded on the Stock Exchange of £115,691 and cash in bank accounts of £182,065.
- 4.2.4. The value of the 1/3 Fund as at 31 March 2023 was £111,886 and the value of the 2/3 Fund as at the same date was £185,870.

5. LEARNING COACHES (Allocated from the 1/3 Fund)

- 5.1 Following the Executive's decision, in October 2019 to allow the Fund to be used to contribute to the costs of Learning Coaches in the 5 secondary schools, a sum of £55,280 was allocated to each school to be used for this purpose. The table below shows the expenditure incurred by each school during 2022/23:-

School	Sum Allocated prior to 1 April 2019	Balance as at 31 March 2020	Balance as at 31 March 2021	Balance as at 31 March 2022	Sum Utilised by Schools in 2022/23	Sum Allocated from 2022/23	Balance as at 31 March 2023
	£	£	£	£	£	£	£
Ysgol Syr Thomas Jones	55,280	53,909	50,168	55,168	37,000	0	18,168
Ysgol Uwchradd Caergybi	55,280	46,817	5,753	10,753	6,865	0	3,888
Ysgol Gyfun Llangefni	55,280	22,826	2,860	7,860	0	0	7,860
Ysgol David Hughes	55,280	56,160	33,650	38,650	28,441	0	10,209
Ysgol Uwchradd Bodedern	55,280	56,160	59,020	64,020	0	0	64,020
TOTAL	276,400	235,872	151,451	176,451	72,306	0	104,145

6. GRANTS ALLOCATED TO STUDENTS (Allocated from the 2/3 Fund)

- 6.1 Following the Executive's decision, in October 2019, to ask the 5 secondary schools to undertake the administration of the awarding of grants, each school was allocated an initial sum of £8,560 to distribute. However, due to the pandemic, the schools were not in a position to invite applications during the 2021/22 school year and, as a result, no grants were awarded.

- 6.2** After a discussion with the Auditor of the accounts, it was agreed that, for the purpose of the accounts, the distribution of the funds to the schools should be considered as charitable activities for the purposes of the Trust.
- 6.3** During 2022/23, 8 scholarships were offered through Coleg Cymraeg Cenedlaethol, with six £500 scholarship grants awarded to pupils to enable them to complete their higher education.
- 6.4** The balance of £185,870 is available for distribution, either through the schools or through Coleg Cymraeg Cenedlaethol.

7. INVESTMENT PROPERTY

- 7.1** The David Hughes Endowment is comprised of 13 farm dwellings and 1 parcel of land, with a total area of 1,140.68 acres. Tŷ Coch Farm was placed on the market for sale and generated a lot of interest. The farm was sold during the financial year for £550,000 which resulted in a gain on disposal of £264,540 against the calculation undertaken in 2021/22. This has enabled further investment in the estate, resulting in repairs and maintenance expenditure of £134k. The total value of the estate is now £3,810,500.

**CRONFA YMDDIRIEDOLAETH ADDYSG
BELLACH YNYS MÔN**

**ANGLESEY FURTHER EDUCATION TRUST
FUND**

**ADRODDIAD BLYNYDDOL A
CHYFRIFON**

**ANNUAL REPORT AND
ACCOUNTS**

2022/23

Rhif Cofrestru Elusen / Charity Registration No.

525254

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31 MARCH 2023

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their report with the financial statements of the charity for the year ended 31 March 2023. 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 – Dylan Williams
- Deputy Chief Executive – Rhys Hughes
- 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 has identified three schemes which are intended to increase the number of grants awarded in future.

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. This may be via payments made to each secondary school or via a scholarship scheme to be administered by 'Coleg Cymraeg Cenedlaethol' for students from financially disadvantaged backgrounds to undertake courses through the medium of Welsh.

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.

The charity now allocates funding to each of the island's secondary schools. To assist current pupils each school was initially offered up to £56k to fund the cost of Learning Coaches. Each school was also given £8,560 to enable them to assist financially disadvantaged students to obtain places at colleges and universities and/or to help with the purchase of books and equipment required to attend the courses in the first year.

During 2022/23 the 'Coleg Cymraeg Cenedlaethol' scholarships scheme continued, with six former pupils each receiving £500.

FINANCIAL REVIEW

Financial performance:

Before gains & losses on investments the Endowment Fund had a net expenditure of £16,752 due to increased investment in its property portfolio.

The Trust's investments have decreased in value by £8,464 this year but the sale of one of its properties resulted in a gain of £264,540. This gives the charity an overall increase in funds of £170,770 for the year.

As a result, total funds as at 31 March 2023 were £4,885,549, 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:

Mr R Marc Jones CPFA

Head of Function (Resources) / Section 151 Officer

Date

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 31st March 2023 which are set out on pages 7-15.

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 2023

				31.3.2023	31.3.2022
	Notes	Restricted Funds £	Endowment Funds £	Total Funds £	Total Funds £
Income and Endowments from:					
Investment Income	2	6,752	142,688	149,440	137,396
Total Income		6,752	142,688	149,440	137,396
Expenditure on:					
Investment Management	3	-	(147,164)	(147,164)	(78,665)
Charitable Activities	4	(75,306)	-	(75,306)	(10,000)
Support Costs	5	-	(12,276)	(12,276)	(13,958)
Total Expenditure		(75,306)	(159,440)	(234,746)	(102,623)
Net Income / (Expenditure) available for distribution before Gains and Losses on Investments		(68,554)	(16,752)	(85,306)	34,773
Payment of 25% of net income to David Hughes Charity for the Poor	6	-	-	-	(10,286)
Transfer of remaining net Endowment income to the Further Education Trust Funds		-	-	-	-
Net Income / (Expenditure) before Gains and Losses on Investments		(68,554)	(16,752)	(85,306)	24,487
Net Gains / (Losses) on Investments	7	(3,462)	259,538	256,076	74,484
Net Income / (Expenditure)		(72,016)	242,786	170,770	98,971
Net Movement in Funds		(72,016)	242,786	170,770	98,971
Reconciliation of Funds:					
Total Funds brought forward		369,772	4,345,007	4,714,779	4,615,808
Total Funds carried forward		297,756	4,587,793	4,885,549	4,714,779

BALANCE SHEET FOR THE YEAR ENDED 31 MARCH 2023

				31.3.2023	31.3.2022
	Notes	Restricted Funds	Endowment Fund	Total Funds	Total Funds
	£	£	£	£	£
Investments listed or traded on a recognised Stock Exchange	7a	115,691	165,554	281,245	289,709
Investment Properties - the David Hughes Estate	7b	-	3,810,500	3,810,500	4,093,000
Total Fixed Assets		115,691	3,976,054	4,091,745	4,382,709
Current Assets					
Debtors	8	-	62,832	62,832	68,899
Cash at bank and in hand	9	182,065	566,255	748,320	285,024
Total Current Assets		182,065	629,087	811,152	353,923
Liabilities					
Creditors: amounts falling due within one year	10	-	(17,348)	(17,348)	(21,853)
Net Current Assets or (Liabilities)		182,065	611,739	793,804	332,070
Creditors: amounts falling due after more than one year		-	-	-	-
Provisions for liabilities		-	-	-	-
Total Net Assets or (Liabilities)		297,756	4,587,793	4,885,549	4,714,779
The Funds of the Charity	11				
Endowment Funds		-	4,587,793	4,587,793	4,345,007
Restricted Income Funds		297,756	-	297,756	369,772
Total Charity Funds		297,756	4,587,793	4,885,549	4,714,779

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

Mr R Marc Jones CPFA

Head of Function (Resources) / Section 151 Officer

Date

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

Investment Income	Restricted Funds	Endowment Funds	Total 31.3.23	Total 31.3.22
	£	£	£	£
Rents received	-	127,364	127,364	123,303
Water rates - recharges	-	1,000	1,000	5,385
Other income from David Hughes Estate	-	-	-	-
Dividends and and Investment Interest	3,977	5,693	9,670	8,577
Other Interest	2,775	8,631	11,406	131
Total Investment Income	6,752	142,688	149,440	137,396

3. INVESTMENT MANAGEMENT COSTS

Investment Management Costs	Restricted Funds £	Endowment Funds £	Total 31.3.23 £	Total 31.3.22 £
Repairs and Maintenance of the David Hughes Estate	-	(134,036)	(134,036)	(67,067)
Water Charges	-	(3,474)	(3,474)	(4,937)
Professional Services	-	-	-	(2,058)
Other property expenses	-	(5,057)	(5,057)	-
Bad Debt provision	-	(4,597)	(4,597)	(4,603)
Total Investment Management Costs	-	(147,164)	(147,164)	(78,665)

4. CHARITABLE ACTIVITIES

Charitable Activities	Restricted Funds £	Endowment Funds £	Total 31.3.23 £	Total 31.3.22 £
Education grants awarded	(3,000)	-	(3,000)	(10,000)
Grants to schools - learning coaches	(72,306)	-	(72,306)	-
Grants to schools - help towards higher education	-	-	-	-
Total Charitable Expenditure	(75,306)	-	(75,306)	(10,000)

The Education grants awarded comprises six £500 scholarship grants awarded to former pupils through 'Coleg Cymraeg Cenedlaethol'.

The Trust applies 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 31.3.23 £	Total 31.3.22 £
Property management administrative costs	-	(7,919)	(7,919)	(9,601)
Accounting and support costs	-	(3,387)	(3,387)	(3,427)
Independent Examiner's / Auditor's Remuneration	-	(970)	(970)	(930)
Total Support Costs	-	(12,276)	(12,276)	(13,958)

6. DISTRIBUTION OF ENDOWMENT FUND NET INCOME

25% of the net income before gains and losses on investments for the Endowment fund is to be paid to the David Hughes charity for the poor. The remainder is split between the restricted Further Education Trust Funds on a 1/3 and 2/3 basis:

Distribution of Endowment Fund Net Income	Total 31.3.23 £	Total 31.3.22 £
Net income available for distribution before gains and losses on investments	-	41,143
25% paid to David Hughes Charity for the Poor	-	10,286
25% transferred to Further Education Trust 1/3	-	10,286
50% transferred to Further Education Trust 2/3	-	20,571

7. INVESTMENTS

Net Gains / (Losses) on Investments	Restricted Funds £	Endowment Funds £	Total 31.3.23 £	Total 31.3.22 £
Gains / (Losses) on listed Investment Funds	(3,462)	(5,002)	(8,464)	14,384
Gains / (Losses) on Investment Properties	-	264,540	264,540	60,100
Total Net Gains / (Losses)	(3,462)	259,538	256,076	74,484

a. INVESTMENTS LISTED OR TRADED ON A RECOGNISED STOCK EXCHANGE

Investments Listed or Traded on a Recognised Stock Exchange	Restricted Funds £	Endowment Funds £	Total 31.3.23 £	Total 31.3.22 £
Market Value				
At 1 April	119,153	170,556	289,709	275,325
Additions	-	-	-	-
Disposals	-	-	-	-
Revaluations	(3,462)	(5,002)	(8,464)	14,384
Transfers	-	-	-	-
Net Book Value at 31 March	115,691	165,554	281,245	289,709

There were no investment assets outside the UK.

The investments are mainly in BLK Charities UK Charity Authorised 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	31.3.23 £	31.3.22 £
Market Value at 1 April	4,093,000	4,032,900
Additions	-	-
Disposals	(282,500)	-
Impairment	-	-
Revaluation Gain / (Loss)	-	60,100
Transfers	-	-
Net Book Value at 31 March	3,810,500	4,093,000

The David Hughes Endowment is comprised of 12 farm dwellings and 1 parcel of land, with a total area of 1,140.68 acres.

The Ty Coch dwelling was sold during the year for £550,000 which resulted in a gain on disposal of £264,540 against the 21/22 valuation. This has enabled further investment in the estate, resulting in repairs and maintenance expenditure of £134k this year.

The Estate was valued as at March 2023 at a total value of £3,810,500 on the existing use value basis by Sarah V. Williams, the Isle of Anglesey County Council's Senior Valuations Officer.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Debtors: Amounts Falling due within One Year	31.3.23 £	31.3.22 £
Amounts recoverable on contract	111,151	112,621
Bad Debt Provision	(48,319)	(43,722)
Total Debtors	62,832	68,899

It was decided in 2017/18 that it would be prudent to create a provision for bad debts owing to the amount of historic debts that have built up. However, efforts to collect the amounts owed from previous tenants have increased with some successes.

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.

Cash at Bank	Further Education Trust 1/3 £	Further Education Trust 2/3 £	David Hughes Charitable Estate £	Total Funds 31.3.23 £	Total Funds 31.3.22 £
Cash at Bank	33,484	148,581	566,255	748,320	285,024
Bank Deposits	33,484	148,581	566,255	748,320	285,024

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors: Amounts Falling due within One Year	Restricted Funds £	Endowment Funds £	Total 31.3.23 £	Total 31.3.22 £
Other creditors	-	(17,348)	(17,348)	(21,853)
Total Creditors	-	(17,348)	(17,348)	(21,853)

11. MOVEMENT IN FUNDS

a.

Movement in Funds	1.4.22 £	Net Movement in Funds £	31.3.23 £
Further Education Trust 1/3	183,346	(71,460)	111,886
Further Education Trust 2/3	186,426	(556)	185,870
Restricted Funds	369,772	(72,016)	297,756
David Hughes Charitable Estate	4,345,007	242,786	4,587,793
Endowment Funds	4,345,007	242,786	4,587,793
Total Funds	4,714,779	170,770	4,885,549

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

Net Movement in Funds included in the above:	Income Resources £	Expenditure £	Transfers £	Gains and Losses £	Movement in Funds £
Further Education Trust 1/3	3,206	(72,306)	-	(2,360)	(71,460)
Further Education Trust 2/3	3,546	(3,000)	-	(1,102)	(556)
Restricted Funds	6,752	(75,306)	-	(3,462)	(72,016)
David Hughes Charitable Estate	142,688	(159,440)	-	259,538	242,786
Endowment Funds	142,688	(159,440)	-	259,538	242,786
Total Funds	149,440	(234,746)	-	256,076	170,770

12. TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

No trustees' remuneration was paid in the year ended 31 March 2023 or the year ended 31 March 2022. 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 Note 13 (Related party disclosures) in connection with the fees paid to the corporate trustee for property and financial administration costs incurred.

13. 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 £7,919 (£9,601 in 2021/22) was charged by the Council for the administration of the David Hughes Estate. In addition, a financial management fee of £3,387 (£3,427 in 2021/22) has been charged to the Trust for financial administration and accounts production. Total fees recharged by the Council were, therefore, £11,306.

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.