

ISLE OF ANGLESEY CHARITABLE ASSOCIATION

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1 Hydref 2020 hyd at 30 Medi 2021

ANNUAL REPORT

**1 October 2020 to 30 September
2021**

Isle of Anglesey Charitable Association
County Offices
LLANGFN
Ynys Môn
LL77 7TW

ISLE OF ANGLESEY CHARITABLE ASSOCIATION

County Offices

Llangefni

Ynys Môn

LL77 7TW

Registered Charity No. : 1174536

THE ANNUAL REPORT 1 October 2020 to 30 September 2021

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. The assets of the Isle of Anglesey Charitable Trust were transferred to the Isle of Anglesey Charitable Association on 1 October 2019 (Registered Charity No. 1174536).

TRUSTEES

The 30 elected Members of the Isle of Anglesey County Council plus 2 independent elected Trustees act as the Charitable Association's trustees. The Trustees during the period 1 October 2020 to 30 September 2021 were as follows:-

Trefor Lloyd Hughes MBE (Chairman)	Llinos Medi Huws
Richard Owain Jones (Vice-Chairman)	Robert Griffith Parry OBE Frags
Richard Griffiths	Ieuan Williams
Glyn Haynes	Meirion Jones
Robin Wyn Williams	Nicola Fay Roberts
Eric Wyn Jones	Robert Llewelyn Jones
Bryan Owen	Richard Anthony Dew
Dafydd Roberts	Dafydd Rhys Thomas
Margaret Murley Roberts	Dylan Wyn Rees
Alun Roberts	Arwel Roberts
Carwyn Elias Jones	Kenneth Pritchard Hughes
Alun Wyn Mummery	Peter Standing Rogers
John Wyn Griffith	Lewis Davies (to May 2021)
Vaughan Hughes	Gary Pritchard (from May 2021)
Aled Morris Jones	Jeffrey Evans (from May 2021)
Gwilym O Jones	

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Two independent trustees were appointed on 12th October 2020:-

Michael Wilson (resigned on 25th January 2021)

Greg Evans (resigned on 26th January 2021)

OFFICERS

- Secretary** - Mrs Annwen Morgan (Chief Executive – Isle of Anglesey County Council), to 27th September 2021
- Treasurer** - Mr Marc Jones (Director of Function (Resources) / Section 151 Officer – Isle of Anglesey County Council)
- Solicitor** - Ms Lynn Ball (Head of Function (Council Business) / Monitoring Officer – Isle of Anglesey County Council), to 27th September 2021
- Chief Executive** - Mrs Celyn Menai Edwards, from 27th September 2021

ADVISERS

The advisers of the Trust during the period 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". On 1 October 2019, the Isle of Anglesey Charitable Trust became the Isle of Anglesey Charitable Association.

The Isle of Anglesey Charitable Association is managed by the 30 Council elected Members who act as individual Trustees and are appointed as a result of being elected Council Members. In addition, the Association's Constitution requires the appointment of at least 2 independent elected trustees who have the same rights and powers as the Council trustees. Each independent elected trustee is appointed for a term of three years.

The Isle of Anglesey Charitable Association employed its first employee, the current Chief Executive, Ms Celyn Menai Edwards, on 27th September 2021.

The Constitution of the Charitable Association also allows for any person who is interested in furthering the charitable purposes of the Association to become a member of the Charitable Association. Members can vote on resolutions at a general meeting or on written resolutions.

Full meetings, as the Isle of Anglesey Charitable Association, are held at least twice a year to decide on policy and on total expenditure for the year. The Charitable Association has three committees, each Member of the Council being a member of one committee (with the Chairman and Vice-chairman of the Association 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 Association investments through the investment advisers, for matters relating to the property in the Association 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 Association 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 Association and, on occasion, other officers of the County Council, advise the Charitable Association at its meetings. Few decisions are delegated to them.

The day to day activities, as approved by the Association, are administered on behalf of the Association by the Isle of Anglesey County Council. Some features of the grant application process are common to this Association and other funds administered by the County Council in order to streamline the process for applicants.

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

OBJECTIVES AND ACTIVITIES

The charitable purposes of the Association 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;
- the sponsoring of publications and educational research projects.

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 Association operates are stated in the Association's Constitution. The main powers are to further charitable purposes and to make such arrangements for the management and administration of the Association as it sees fit.

The Association 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 Oriel Ynys Môn 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 small grants (less than £8,000) and the Association 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 Association and the Association 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);
- Larger 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 Association considers that the current level of reserves is sufficient to provide future investment income to cover grant payments and also support governance costs.

INVESTMENT PERFORMANCE

The Association 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 (i.e. that the value of the endowment should increase in line with inflation - calculated excluding land valuation) is as follows:-

A target of £17.291m was determined for 30th September 2021 (adjusted in line with RPI) and the actual value was £21.428m, which is £4.137m above target. This compares to a valuation of £19.215m as at 30th September 2020, which was £2.726m above the target of £16.489m.

Investment Income:-

A target of £673,900 was determined at 1st October 2020, while realised value was £553,626, which is £120,274 below target.

Performance compared with benchmark

The agreed long term investment strategy is to return 5% above the current Bank of England base rate, with the following benchmark for asset allocation:-

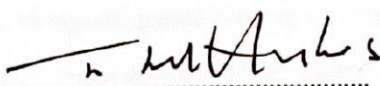
U.K Equities	30%	(Actual 27%)
Overseas Equities	36.5%	(Actual 59%)
Fixed Interest	25%	(Actual 4%)
Alternatives	6%	(Actual 9%)
Cash	2.5%	(Actual 1%)

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 Association's Annual Report and the Accounts, shown on pages 7 to 17, were approved by the meeting of the Association held on .

Approved by the Association on: 26.07.2022

and signed on its behalf by: 

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30
SEPTEMBER 2021**

	Not e	General fund £	Capital funds £	Total £	2019/20 £
INCOMING RESOURCES					
<u>Investment income</u>	2				
Dividends and fixed interest income		553,626	-	553,626	560,192
Interest		123	-	123	44,465
Other income		-	-	-	2,904
Total incoming resources		553,749	-	553,749	607,561
RESOURCES EXPENDED					
<u>Cost of generating funds</u>	3				
Investment management costs		110,478	-	110,478	103,766
Legal and marketing costs		4,852	-	4,852	7,182
Total cost of generating funds		115,330	-	115,330	110,948
Net incoming resources available for charitable application		438,419	-	438,419	496,613
<u>Charitable activities</u>	5				
Grants in furtherance of the objects of the charity					
Isle of Anglesey County Council - Oriel Ynys Môn		107,500	-	107,500	215,000
Community and voluntary associations		121,462	-	121,462	159,080
Larger grants		-	491,170	491,170	413,329
Less allocations forgone		(166,921)	(129,830)	(296,751)	-
Total cost of grants and activities		62,041	361,340	423,381	787,409
<u>Governance</u>	6				
Fees and expenses		2,595		2,595	3,125
Total Charitable Expenditure		64,636	361,340	425,976	790,534
Total resources expended		179,966	361,340	541,306	901,482

Net incoming resources		373,783	(361,340)	12,443	(293,921)
Holding gains and losses					
Gains/(losses) on revaluation and disposal of investment assets	14		2,519,230	2,519,230	(1,515,454)
Net movement of funds		373,783	2,157,890	2,531,673	(1,809,375)
Total funds brought forward 1 October 2020		354,573	19,214,776	19,569,349	21,378,724
Total funds carried forward on 30 September 2021		728,356	21,372,666	22,101,022	19,569,349

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**BALANCE SHEET AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Fixed Assets			
Investments	8	24,301,316	21,336,497
Current Assets			
Debtors and accrued income	9	87,667	88,239
Cash at bank		7,640	7,517
Total current assets		95,307	95,756
Liabilities: amounts due within one year			
Creditors	10	(1,352,965)	(623,285)
Allocations not defrayed	11	(942,636)	(1,239,619)
Total liabilities		(2,295,601)	(1,862,904)

Net current Assets / (Liabilities)		(2,200,294)	(1,767,148)
Net assets		22,101,022	19,569,349
Funds	12,1 2		
Unrestricted funds			
: General reserve		728,356	354,573
: Capital		24,239,218	21,719,988
: Grants allocated from capital		(2,866,552)	(2,505,212)
Total funds		22,101,022	19,569,349

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**CASH FLOW STATEMENT AS AT 30 SEPTEMBER 2021**

	Not ^	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided (used in) operating activities	15	(108,485)	(102,273)
Cash flows from investing activities			
Dividends, interest and rent from investments		554,198	573,297
Proceeds from sale of investments		26,119,330	14,015,625
Purchase of investments		(26,699,911)	(14,443,654)
Net cash provided by (used in) investing activities		(26,383)	145,268
Change in cash and cash equivalents in the reporting period		(134,868)	42,995
Cash and cash equivalents at the beginning of the reporting period		453,902	410,907
Cash and cash equivalents at the end of the reporting period		319,034	453,902

Approved by the

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 2019) – (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 Association 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) **Grants Payable** are recognised in the accounts when the allocation has been approved by the Association and the necessary conditions that enable the funding are confirmed.
- (c) **Investment Income** is included in the accounts:-
- for short term deposits and balances on a daily accrual basis;
 - for equity – when stocks are declared ex-dividend;
 - for rents – in the year to which it related;
 - for collective funds and other income on a receipts basis.

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

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

Charitable expenditure comprises grants to voluntary and local organisations and contributions to public services. It has also included direct expenditure on an historic building in the Association'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 Association.

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

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

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

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

- (f) **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.

2. INVESTMENT INCOME

Almost all the Association'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) for the current period was £553,749.

3. COST OF GENERATING FUNDS

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

	30 September 2021 £	30 September 2020 £
Investment Managers' Fee	110,478	103,766
Legal Costs	4,852	7,182
	115,330	110,948

4. ASSOCIATION REMUNERATION & RELATED PARTY TRANSACTIONS

No Trustee received any remuneration during the year.

The key management personnel of the Association are the CEO of the Association (as of 27 September 2021), The Council's Chief Executive (up to 27th September 2021), Section 151 Officer, Grants Manager, Senior Accountant and the Administrative Assistant of the Isle of Anglesey County Council.

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5. GRANTS

Below is the direct charitable expenditure by the Isle of Anglesey Charitable Association:-

	30 September 2021 £	No	30 September 2020 £	No
Isle of Anglesey County Council – Oriel Ynys Môn	107,500	1	215,000	1
Grants to Community and Voluntary Organisations				
- Community and Sporting Facilities and Other Voluntary Organisations	121,462	24	74,080	18
- Village Hall Running Costs			85,000	32

	30 September 2021 £	No	30 September 2020 £	No
Larger Grants	365,695		413,329	
-Amlwch Snooker Club	8,000			
-Amlwch War Memorial Hall	8,313			
-Anglesey Column Trust	25,000			
-Anglesey Young Farmers	15,000			
-Ardal Chwarae Llangaffo	30,000			
-Canolfan Gymuned Llanfechell	10,737			
-Cemaes Bay Football Club	34,978			
-Cwm Cadnant Community Council	20,000			
-Cyfeillion Swtan	14,640			
-Cylch Meithrin Rhoscolyn	14,818			
-Cymdeithas Cae Chwarae Rhosmeirch	8,347			
-Girl Guiding Anglesey	8,000			
-Mencap Môn	20,000			
-Menter Mechell	35,000			
-Môn FM	19,345			
-Parc y Plant Niwbwrch	30,000			
-Pwylgor Cae Chwarae Bodffordd	15,432			
-St Davids Hospice	8,000			
-Tir Dewi	8,000			
-Tŷ Gobaith	8,084			
-Urdd Gobaith Cymru	24,000			
Large Grants 2019/2020	125,475			
-Anglesey Young Farmers	30,000			
-Môn FM	47,475			
-Urdd Gobaith Cymru	48,000			
-Talwrn Village Hall			26,422	3
-Criw Niwbwrch cyf			8,000	1
-Llanfihangel Esceifiog Community Council			16,000	1
-Cybi Events			50,000	1
-Amlwch Sports & Social Association			16,367	1
-Llangoed & Penmon Community Trust			15,700	1
-3D Kids			9,417	1
-Plas Road Allotment Association			8,506	1
-Moelfre Rowing Club			13,733	1
-Bryngwran Cymunedol Cyf			26,305	2
-Digwyddiadau Sbarc CC			8,101	1
-Llaingoch Community Centre			22,350	1
-Community Sports CIC			8,000	1
-Llangoed Football Club			20,737	1
-Pwllgor Hen Ysgol Marianglas			8,000	1
-Caru Amlwch			3,000	1
-Age Well			5,000	1
-CAB			11,000	1
-Menter Môn			25,000	1
-MSparc			7,000	1
-Seiriol Alliance			3,878	1
-4x4 Response Wales			1,000	1
-Amlwch Men's Sheds			5,000	1
-Medrwn Môn Family Resource packs			6,000	1
- Menter Môn Leader Scheme			63,813	1
- Anglesey Food Bank			25,000	1
	720,132		787,409	

Grant allocations awarded during the previous financial year 2019/2020 and totalling £125,475 have been provided for in the current Financial Statements. The total includes three separate grants which have been shown separately in the analysis of grants.

Allocations Forgone

Grants allocated but not claimed within the eligibility period are written off and funds returned to the general and capital fund for future allocations.

	30 September 2021 £	30 September 2020 £
Community organisations	100,371	
Village halls	66,550	
Larger grants	129,830	
	296,751	-

6. GOVERNANCE

The Association was currently administered by the Isle of Anglesey County Council at a zero administrative cost to the Association. The Governance expenses represent fees to other bodies for specialist services and members' travel and subsistence costs. The Association had no staff, until 27th September 2021, when a Chief Executive was appointed. Details of the management and administrative expenses are:-

	30 September 2021 £	30 September 2020 £
Auditor's Fee – for Audit services	3,700	3,125
Employee benefits	300	
Miscellaneous	(1,405)	
	2,595	3,125

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 Association 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 30 September 2021. The Valuer is a Member of the Royal Institute of Chartered Surveyors (MRICS) and is an employee of the Council.

The Association 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:-

	30 September 2021 £	30 September 2020 £
Equity - UK	851,451	5,820,855
Global Equity	14,221,622	6,820,563
Fixed Interest	6,659,896	5,976,391
Alternatives	2,256,953	2,272,303
	<u>23,989,922</u>	<u>20,890,112</u>
Cash	311,394	446,385
	24,301,316	21,336,497

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

Further details on the type of non-cash investments utilised within the period are shown in the table below:-

HSBC GIF Global Government (fixed income in GBP)	8.19%
iShares Core MCSI EM IMI ETF (equities, USD)	6.13%
HSBC GIF Global Emerging Markets Local Debt (fixed income, USD)	4.67%
Charities Property Inc (other, GBP)	4.46%
HSBC American Index (equities, GBP)	4.26%
HSBC GIF Global Corporate Bond (fixed income, GBP)	3.48%
HSBC MSCI Canada ETF (equities, GBP)	2.96%
HSBC GIF Global Emerging Markets Bond (fixed income, GBP)	2.85%
Invesco US Treasury Bond 1-3 (fixed income, GBP)	2.52%
Microsoft registered shares (equities, USD)	2.33%
Other holdings	58.15%

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

The corresponding historical values at 30 September 2021 are as follows:-

	Historical Cost £'000	Market Value £'000	Difference £'000
Equity - UK	718	851	133
Equity - Global	14,398	14,222	(176)
Fixed Interest	6,770	6,660	(110)
Alternatives	836	2,257	1,421
	22,722	23,990	1,268

	Historical Cost £'000	Market Value £'000	Realised Gain £'000
Brought Forward	20,519	20,891	
Sales and Redemptions	(23,947)	(26,120)	2,173
Purchases and Rights Issues	26,700	26,700	
Total Gains / (Losses) in year		2,519	
	23,272	23,990	

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

	30 September 2021 £	30 September 2020 £
Accrued Investment Income	87,667	88,239
	87,667	88,239

10. CREDITORS AND ACCRUALS

	30 September 2021 £	30 September 2020 £
Investment Management Fee	27,821	25,952
Isle of Anglesey County Council	1,318,594	594,783
Other	6,550	2,550
	1,352,965	623,285

11. ALLOCATIONS NOT DEFRAID

These are grants awarded 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.

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

12. FUNDS

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 Association. 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 Association.

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 Association 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 Association's annual grants programme also relate to this reserve.

13. ANALYSIS OF MOVEMENTS BETWEEN FUNDS

	Balance b/fwd from Trust	Incoming Resources	Resources Expended	Gains and Losses	Movement on Investment s	Balance c/fwd
	£	£	£	£	£	£
General Reserve	354,573	553,749	(179,966)			728,356
Capital Fund	21,719,988				2,519,230	24,239,218
Grants Allocated	(2,505,212)		(361,340)			(2,866,552)
	19,569,349	553,749	(541,306)		2,519,230	22,101,022

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

	30 September 2021 £	30 September 2020 £
Realised (Loss) on the sale of Fixed Asset	-	-
Unrealised (Loss) on Revaluation	-	-
Realised and unrealised Gain on the Value of Investments Held	2,519,230	(1,515,454)

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	2,519,230	(1,515,454)
Net Incoming Resources	12,443	(293,921)
Total	2,531,673	(1,809,375)

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

	30 September 2021 £	30 September 2020 £
Net movement in funds for the reporting period	2,531,673	(1,934,850)
Adjustment for:		
Dividends, interest and rents from investments	(554,198)	(573,297)
Unrealised and realised gains on disposals	(2,519,230)	1,515,454
(Increase) / decrease in debtors	572	(31,360)
Increase / (decrease) in creditors	432,698	921,780
Net cash provided by (used in) operating activities	(108,485)	(102,273)

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees 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 Trustees 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 Trustees are 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 Trustees 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.

Independent auditor's report to the Trustees of the Isle of Anglesey Charitable Association

Opinion

We have audited the financial statements of Isle of Anglesey Charitable Association for the year ended 30 September 2021, which comprise of the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30th September 2022 and of its incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the trustees either

intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the joint engagement team had the appropriate competence, capabilities and skills to identify or acknowledge non-compliance with applicable laws and regulations;
- We identified the laws and regulations that apply to the company through discussions with other directors and managers, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations that we thought could have a significant direct impact on a company's financial statements or operations, including legislation such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed compliance with the laws and regulations set out above by making management inquiries and examining legal correspondence, and
- Identified laws and regulations were routinely communicated within the audit team and the team remained alert to non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including gaining an understanding of how fraud may occur, by:

- Make inquiries from management about where they thought there was a tendency to fraud, their knowledge of genuinely suspected and alleged fraud;
- Consider the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

In order to address the risk of fraud through management bias and disregard of controls, we:

- Perform analytical procedures to identify any unusual or unexpected relationships;
- Test accounting records for unusual transactions;
- Assessing whether judgments and assumptions made in arriving at the accounting estimates indicate possible bias;
- Investigate the logic behind significant or unusual transactions.

In response to the risk of irregularity and non-compliance with laws and regulations, we designed procedures that included, but not limited to:

- Agree financial statement disclosures to basic supporting documents;
- Read the minutes of meetings of those charged with governance;
- Inquire of management regarding actual and potential litigation and claims;

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- Review correspondence with HM Revenue & Customs, relevant regulators and the company's legal advisers.

There are inherent limitations in our audit procedures described above. The more laws and regulations are removed from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to interrogate the directors and other managers and to scrutinize regulatory and legal correspondence, if any.

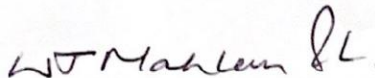
Material misstatements arising from fraud may be more difficult to detect than those arising from an error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities].

This description forms part of our auditor's report.

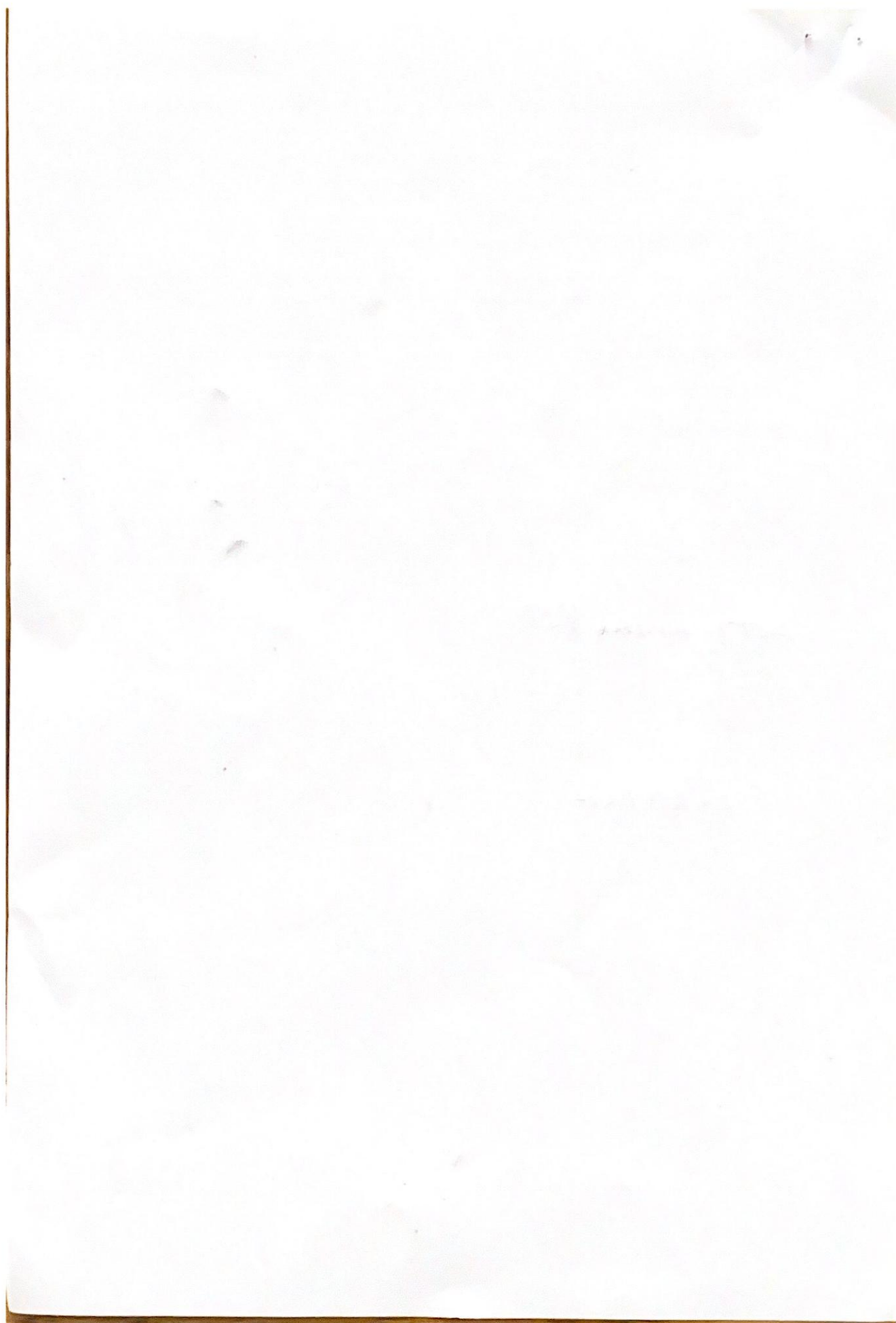
Use of our report

This report is made solely to the Charity's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and the regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the trustees 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 responsibility to anyone other than the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 26/07/2022



Version 14/07/2022

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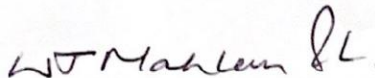
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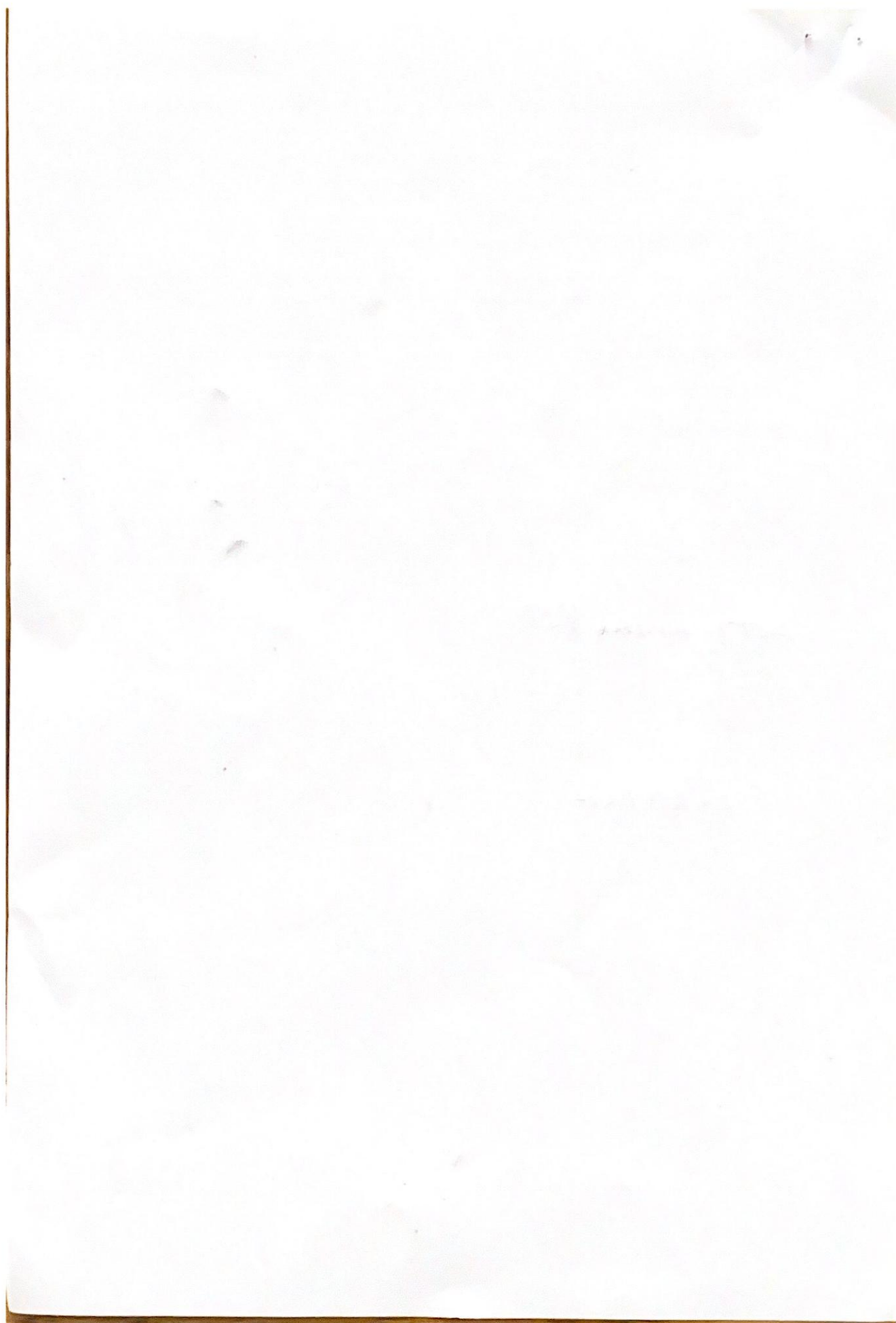
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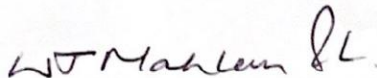
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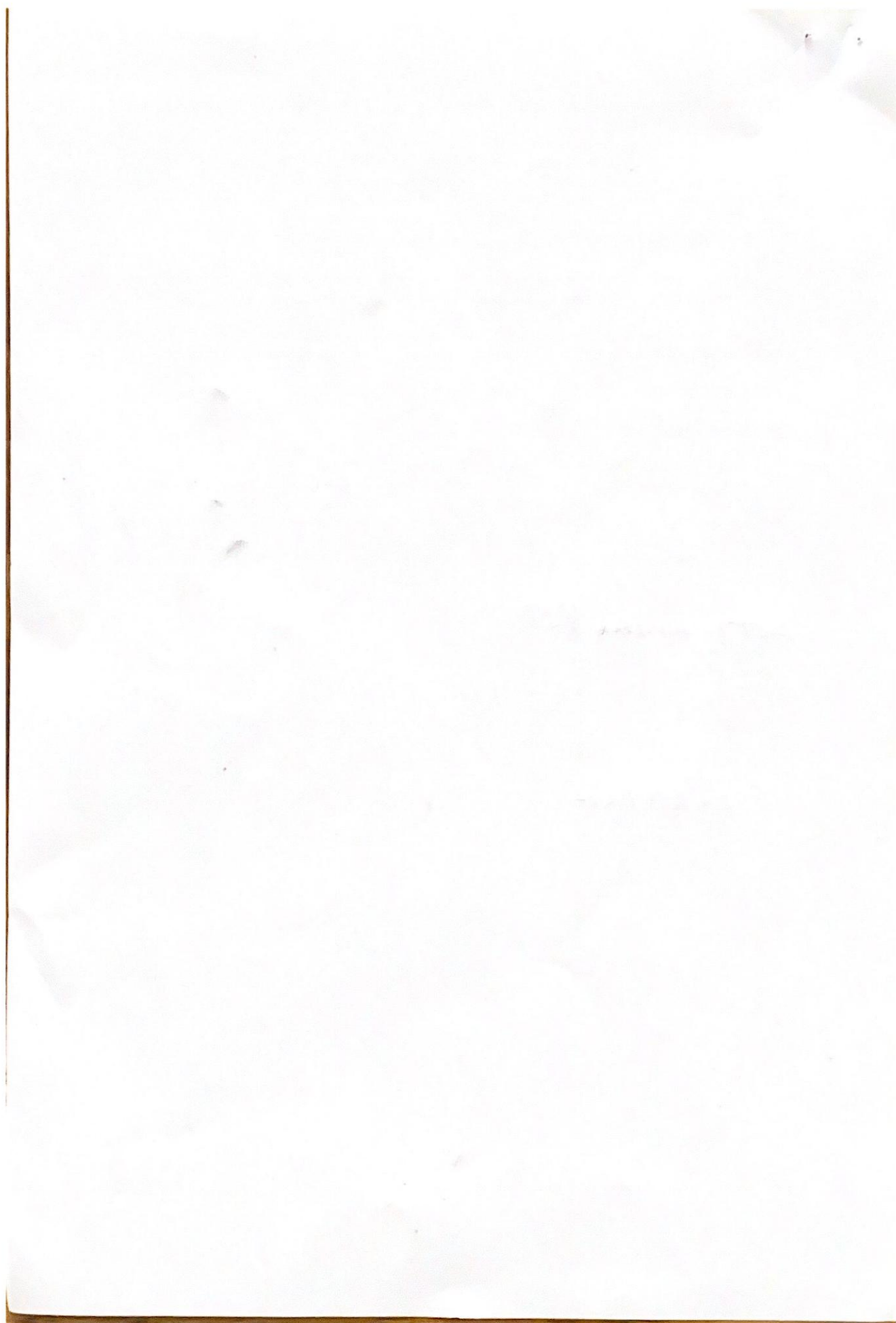
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WJ Matthews & Son
Statutory Auditor
Chartered Accountants
11-15 Bridge Street
Caernarfon
Gwynedd
LL55 1AB

Date: 26/07/2022



ISLE OF ANGLESEY CHARITABLE ASSOCIATION

ADRODDIAD BLYNYDDOL

1 Hydref 2020 hyd at 30 Medi 2021

ANNUAL REPORT

**1 October 2020 to 30 September
2021**

Isle of Anglesey Charitable Association
County Offices
LLANGFNI
Ynys Môn
LL77 7TW

ISLE OF ANGLESEY CHARITABLE ASSOCIATION

County Offices

Llangefni

Ynys Môn

LL77 7TW

Registered Charity No. : 1174536

THE ANNUAL REPORT 1 October 2020 to 30 September 2021

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. The assets of the Isle of Anglesey Charitable Trust were transferred to the Isle of Anglesey Charitable Association on 1 October 2019 (Registered Charity No. 1174536).

TRUSTEES

The 30 elected Members of the Isle of Anglesey County Council plus 2 independent elected Trustees act as the Charitable Association's trustees. The Trustees during the period 1 October 2020 to 30 September 2021 were as follows:-

Trefor Lloyd Hughes MBE (Chairman)	Llinos Medi Huws
Richard Owain Jones (Vice-Chairman)	Robert Griffith Parry OBE Frags
Richard Griffiths	Ieuan Williams
Glyn Haynes	Meirion Jones
Robin Wyn Williams	Nicola Fay Roberts
Eric Wyn Jones	Robert Llewelyn Jones
Bryan Owen	Richard Anthony Dew
Dafydd Roberts	Dafydd Rhys Thomas
Margaret Murley Roberts	Dylan Wyn Rees
Alun Roberts	Arwel Roberts
Carwyn Elias Jones	Kenneth Pritchard Hughes
Alun Wyn Mummery	Peter Standing Rogers
John Wyn Griffith	Lewis Davies (to May 2021)
Vaughan Hughes	Gary Pritchard (from May 2021)
Aled Morris Jones	Jeffrey Evans (from May 2021)
Gwilym O Jones	

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Two independent trustees were appointed on 12th October 2020:-

Michael Wilson (resigned on 25th January 2021)

Greg Evans (resigned on 26th January 2021)

OFFICERS

- Secretary** - **Mrs Annwen Morgan (Chief Executive – Isle of Anglesey County Council), to 27th September 2021**
- Treasurer** - **Mr Marc Jones (Director of Function (Resources) / Section 151 Officer – Isle of Anglesey County Council)**
- Solicitor** - **Ms Lynn Ball (Head of Function (Council Business) / Monitoring Officer – Isle of Anglesey County Council), to 27th September 2021**
- Chief Executive** - **Mrs Celyn Menai Edwards, from 27th September 2021**

ADVISERS

The advisers of the Trust during the period 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". On 1 October 2019, the Isle of Anglesey Charitable Trust became the Isle of Anglesey Charitable Association.

The Isle of Anglesey Charitable Association is managed by the 30 Council elected Members who act as individual Trustees and are appointed as a result of being elected Council Members. In addition, the Association's Constitution requires the appointment of at least 2 independent elected trustees who have the same rights and powers as the Council trustees. Each independent elected trustee is appointed for a term of three years.

The Isle of Anglesey Charitable Association employed its first employee, the current Chief Executive, Ms Celyn Menai Edwards, on 27th September 2021.

The Constitution of the Charitable Association also allows for any person who is interested in furthering the charitable purposes of the Association to become a member of the Charitable Association. Members can vote on resolutions at a general meeting or on written resolutions.

Full meetings, as the Isle of Anglesey Charitable Association, are held at least twice a year to decide on policy and on total expenditure for the year. The Charitable Association has three committees, each Member of the Council being a member of one committee (with the Chairman and Vice-chairman of the Association 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 Association investments through the investment advisers, for matters relating to the property in the Association 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 Association 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 Association and, on occasion, other officers of the County Council, advise the Charitable Association at its meetings. Few decisions are delegated to them.

The day to day activities, as approved by the Association, are administered on behalf of the Association by the Isle of Anglesey County Council. Some features of the grant application process are common to this Association and other funds administered by the County Council in order to streamline the process for applicants.

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

OBJECTIVES AND ACTIVITIES

The charitable purposes of the Association 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;
- the sponsoring of publications and educational research projects.

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 Association operates are stated in the Association's Constitution. The main powers are to further charitable purposes and to make such arrangements for the management and administration of the Association as it sees fit.

The Association 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 Oriel Ynys Môn 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 small grants (less than £8,000) and the Association 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 Association and the Association 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);
- Larger 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 Association considers that the current level of reserves is sufficient to provide future investment income to cover grant payments and also support governance costs.

INVESTMENT PERFORMANCE

The Association 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 (i.e. that the value of the endowment should increase in line with inflation - calculated excluding land valuation) is as follows:-

A target of £17.291m was determined for 30th September 2021 (adjusted in line with RPI) and the actual value was £21.428m, which is £4.137m above target. This compares to a valuation of £19.215m as at 30th September 2020, which was £2.726m above the target of £16.489m.

Investment Income:-

A target of £673,900 was determined at 1st October 2020, while realised value was £553,626, which is £120,274 below target.

Performance compared with benchmark

The agreed long term investment strategy is to return 5% above the current Bank of England base rate, with the following benchmark for asset allocation:-

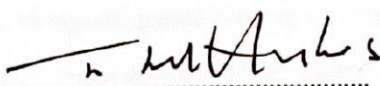
U.K Equities	30%	(Actual 27%)
Overseas Equities	36.5%	(Actual 59%)
Fixed Interest	25%	(Actual 4%)
Alternatives	6%	(Actual 9%)
Cash	2.5%	(Actual 1%)

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 Association's Annual Report and the Accounts, shown on pages 7 to 17, were approved by the meeting of the Association held on .

Approved by the Association on: 26.07.2022

and signed on its behalf by: 

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 30
SEPTEMBER 2021**

	Not e	General fund £	Capital funds £	Total £	2019/20 £
INCOMING RESOURCES					
<u>Investment income</u>	2				
Dividends and fixed interest income		553,626	-	553,626	560,192
Interest		123	-	123	44,465
Other income		-	-	-	2,904
Total incoming resources		553,749	-	553,749	607,561
RESOURCES EXPENDED					
<u>Cost of generating funds</u>	3				
Investment management costs		110,478	-	110,478	103,766
Legal and marketing costs		4,852	-	4,852	7,182
Total cost of generating funds		115,330	-	115,330	110,948
Net incoming resources available for charitable application		438,419	-	438,419	496,613
<u>Charitable activities</u>	5				
Grants in furtherance of the objects of the charity					
Isle of Anglesey County Council - Oriel Ynys Môn		107,500	-	107,500	215,000
Community and voluntary organisations		121,462	-	121,462	159,080
Larger grants		-	491,170	491,170	413,329
Less allocations forgone		(166,921)	(129,830)	(296,751)	-
Total cost of grants and activities		62,041	361,340	423,381	787,409
<u>Governance</u>	6				
Fees and expenses		2,595		2,595	3,125
Total Charitable Expenditure		64,636	361,340	425,976	790,534
Total resources expended		179,966	361,340	541,306	901,482

Net incoming resources		373,783	(361,340)	12,443	(293,921)
Holding gains and losses					
Gains/(losses) on revaluation and disposal of investment assets	14		2,519,230	2,519,230	(1,515,454)
Net movement of funds		373,783	2,157,890	2,531,673	(1,809,375)
Total funds brought forward 1 October 2020		354,573	19,214,776	19,569,349	21,378,724
Total funds carried forward on 30 September 2021		728,356	21,372,666	22,101,022	19,569,349

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**BALANCE SHEET AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Fixed Assets			
Investments	8	24,301,316	21,336,497
Current Assets			
Debtors and accrued income	9	87,667	88,239
Cash at bank		7,640	7,517
Total current assets		95,307	95,756
Liabilities: amounts due within one year			
Creditors	10	(1,352,965)	(623,285)
Allocations not defrayed	11	(942,636)	(1,239,619)
Total liabilities		(2,295,601)	(1,862,904)

Net current Assets / (Liabilities)		(2,200,294)	(1,767,148)
Net assets		22,101,022	19,569,349
Funds	12,1 2		
Unrestricted funds			
: General reserve		728,356	354,573
: Capital		24,239,218	21,719,988
: Grants allocated from capital		(2,866,552)	(2,505,212)
Total funds		22,101,022	19,569,349

ISLE OF ANGLESEY CHARITABLE ASSOCIATION**CASH FLOW STATEMENT AS AT 30 SEPTEMBER 2021**

	Not ^	2020/21 £	2019/20 £
Cash flows from operating activities			
Net cash provided (used in) operating activities	15	(108,485)	(102,273)
Cash flows from investing activities			
Dividends, interest and rent from investments		554,198	573,297
Proceeds from sale of investments		26,119,330	14,015,625
Purchase of investments		(26,699,911)	(14,443,654)
Net cash provided by (used in) investing activities		(26,383)	145,268
Change in cash and cash equivalents in the reporting period		(134,868)	42,995
Cash and cash equivalents at the beginning of the reporting period		453,902	410,907
Cash and cash equivalents at the end of the reporting period		319,034	453,902

Approved by the

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 2019) – (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 Association 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) **Grants Payable** are recognised in the accounts when the allocation has been approved by the Association and the necessary conditions that enable the funding are confirmed.
- (c) **Investment Income** is included in the accounts:-
- for short term deposits and balances on a daily accrual basis;
 - for equity – when stocks are declared ex-dividend;
 - for rents – in the year to which it related;
 - for collective funds and other income on a receipts basis.

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

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

Charitable expenditure comprises grants to voluntary and local organisations and contributions to public services. It has also included direct expenditure on an historic building in the Association'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 Association.

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

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

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

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

- (f) **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.

2. INVESTMENT INCOME

Almost all the Association'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) for the current period was £553,749.

3. COST OF GENERATING FUNDS

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

	30 September 2021 £	30 September 2020 £
Investment Managers' Fee	110,478	103,766
Legal Costs	4,852	7,182
	115,330	110,948

4. ASSOCIATION REMUNERATION & RELATED PARTY TRANSACTIONS

No Trustee received any remuneration during the year.

The key management personnel of the Association are the CEO of the Association (as of 27 September 2021), The Council's Chief Executive (up to 27th September 2021), Section 151 Officer, Grants Manager, Senior Accountant and the Administrative Assistant of the Isle of Anglesey County Council.

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5. GRANTS

Below is the direct charitable expenditure by the Isle of Anglesey Charitable Association:-

	30 September 2021 £	No	30 September 2020 £	No
Isle of Anglesey County Council – Oriel Ynys Môn	107,500	1	215,000	1
Grants to Community and Voluntary Organisations				
- Community and Sporting Facilities and Other Voluntary Organisations	121,462	24	74,080	18
- Village Hall Running Costs			85,000	32

	30 September 2021 £	No	30 September 2020 £	No
Larger Grants	365,695		413,329	
-Amlwch Snooker Club	8,000			
-Amlwch War Memorial Hall	8,313			
-Anglesey Column Trust	25,000			
-Anglesey Young Farmers	15,000			
-Ardal Chwarae Llangaffo	30,000			
-Canolfan Gymuned Llanfechell	10,737			
-Cemaes Bay Football Club	34,978			
-Cwm Cadnant Community Council	20,000			
-Cyfeillion Swtan	14,640			
-Cylch Meithrin Rhoscolyn	14,818			
-Cymdeithas Cae Chwarae Rhosmeirch	8,347			
-Girl Guiding Anglesey	8,000			
-Mencap Môn	20,000			
-Menter Mechell	35,000			
-Môn FM	19,345			
-Parc y Plant Niwbwrch	30,000			
-Pwylgor Cae Chwarae Bodffordd	15,432			
-St Davids Hospice	8,000			
-Tir Dewi	8,000			
-Tŷ Gobaith	8,084			
-Urdd Gobaith Cymru	24,000			
Large Grants 2019/2020	125,475			
-Anglesey Young Farmers	30,000			
-Môn FM	47,475			
-Urdd Gobaith Cymru	48,000			
-Talwrn Village Hall			26,422	3
-Criw Niwbwrch cyf			8,000	1
-Llanfihangel Esceifiog Community Council			16,000	1
-Cybi Events			50,000	1
-Amlwch Sports & Social Association			16,367	1
-Llangoed & Penmon Community Trust			15,700	1
-3D Kids			9,417	1
-Plas Road Allotment Association			8,506	1
-Moelfre Rowing Club			13,733	1
-Bryngwran Cymunedol Cyf			26,305	2
-Digwyddiadau Sbarc CC			8,101	1
-Llaingoch Community Centre			22,350	1
-Community Sports CIC			8,000	1
-Llangoed Football Club			20,737	1
-Pwllgor Hen Ysgol Marianglas			8,000	1
-Caru Amlwch			3,000	1
-Age Well			5,000	1
-CAB			11,000	1
-Menter Môn			25,000	1
-MSparc			7,000	1
-Seiriol Alliance			3,878	1
-4x4 Response Wales			1,000	1
-Amlwch Men's Sheds			5,000	1
-Medrwn Môn Family Resource packs			6,000	1
- Menter Môn Leader Scheme			63,813	1
- Anglesey Food Bank			25,000	1
	720,132		787,409	

Grant allocations awarded during the previous financial year 2019/2020 and totalling £125,475 have been provided for in the current Financial Statements. The total includes three separate grants which have been shown separately in the analysis of grants.

Allocations Forgone

Grants allocated but not claimed within the eligibility period are written off and funds returned to the general and capital fund for future allocations.

	30 September 2021 £	30 September 2020 £
Community organisations	100,371	
Village halls	66,550	
Larger grants	129,830	
	296,751	-

6. GOVERNANCE

The Association was currently administered by the Isle of Anglesey County Council at a zero administrative cost to the Association. The Governance expenses represent fees to other bodies for specialist services and members' travel and subsistence costs. The Association had no staff, until 27th September 2021, when a Chief Executive was appointed. Details of the management and administrative expenses are:-

	30 September 2021 £	30 September 2020 £
Auditor's Fee – for Audit services	3,700	3,125
Employee benefits	300	
Miscellaneous	(1,405)	
	2,595	3,125

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 Association 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 30 September 2021. The Valuer is a Member of the Royal Institute of Chartered Surveyors (MRICS) and is an employee of the Council.

The Association 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:-

	30 September 2021 £	30 September 2020 £
Equity - UK	851,451	5,820,855
Global Equity	14,221,622	6,820,563
Fixed Interest	6,659,896	5,976,391
Alternatives	2,256,953	2,272,303
	<u>23,989,922</u>	<u>20,890,112</u>
Cash	311,394	446,385
	24,301,316	21,336,497

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

Further details on the type of non-cash investments utilised within the period are shown in the table below:-

HSBC GIF Global Government (fixed income in GBP)	8.19%
iShares Core MCSI EM IMI ETF (equities, USD)	6.13%
HSBC GIF Global Emerging Markets Local Debt (fixed income, USD)	4.67%
Charities Property Inc (other, GBP)	4.46%
HSBC American Index (equities, GBP)	4.26%
HSBC GIF Global Corporate Bond (fixed income, GBP)	3.48%
HSBC MSCI Canada ETF (equities, GBP)	2.96%
HSBC GIF Global Emerging Markets Bond (fixed income, GBP)	2.85%
Invesco US Treasury Bond 1-3 (fixed income, GBP)	2.52%
Microsoft registered shares (equities, USD)	2.33%
Other holdings	58.15%

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

The corresponding historical values at 30 September 2021 are as follows:-

	Historical Cost £'000	Market Value £'000	Difference £'000
Equity - UK	718	851	133
Equity - Global	14,398	14,222	(176)
Fixed Interest	6,770	6,660	(110)
Alternatives	836	2,257	1,421
	22,722	23,990	1,268

	Historical Cost £'000	Market Value £'000	Realised Gain £'000
Brought Forward	20,519	20,891	
Sales and Redemptions	(23,947)	(26,120)	2,173
Purchases and Rights Issues	26,700	26,700	
Total Gains / (Losses) in year		2,519	
	23,272	23,990	

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

	30 September 2021 £	30 September 2020 £
Accrued Investment Income	87,667	88,239
	87,667	88,239

10. CREDITORS AND ACCRUALS

	30 September 2021 £	30 September 2020 £
Investment Management Fee	27,821	25,952
Isle of Anglesey County Council	1,318,594	594,783
Other	6,550	2,550
	1,352,965	623,285

11. ALLOCATIONS NOT DEFRAID

These are grants awarded 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.

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

12. FUNDS

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 Association. 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 Association.

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 Association 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 Association's annual grants programme also relate to this reserve.

13. ANALYSIS OF MOVEMENTS BETWEEN FUNDS

	Balance b/fwd from Trust	Incoming Resources	Resources Expended	Gains and Losses	Movement on Investment s	Balance c/fwd
	£	£	£	£	£	£
General Reserve	354,573	553,749	(179,966)			728,356
Capital Fund	21,719,988				2,519,230	24,239,218
Grants Allocated	(2,505,212)		(361,340)			(2,866,552)
	19,569,349	553,749	(541,306)		2,519,230	22,101,022

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

	30 September 2021 £	30 September 2020 £
Realised (Loss) on the sale of Fixed Asset	-	-
Unrealised (Loss) on Revaluation	-	-
Realised and unrealised Gain on the Value of Investments Held	2,519,230	(1,515,454)

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	2,519,230	(1,515,454)
Net Incoming Resources	12,443	(293,921)
Total	2,531,673	(1,809,375)

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

	30 September 2021 £	30 September 2020 £
Net movement in funds for the reporting period	2,531,673	(1,934,850)
Adjustment for:		
Dividends, interest and rents from investments	(554,198)	(573,297)
Unrealised and realised gains on disposals	(2,519,230)	1,515,454
(Increase) / decrease in debtors	572	(31,360)
Increase / (decrease) in creditors	432,698	921,780
Net cash provided by (used in) operating activities	(108,485)	(102,273)

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees 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 Trustees 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 Trustees are 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 Trustees 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.

Independent auditor's report to the Trustees of the Isle of Anglesey Charitable Association

Opinion

We have audited the financial statements of Isle of Anglesey Charitable Association for the year ended 30 September 2021, which comprise of the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 30th September 2022 and of its incoming resources and application of resources 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, including the trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the trustees either

intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the joint engagement team had the appropriate competence, capabilities and skills to identify or acknowledge non-compliance with applicable laws and regulations;
- We identified the laws and regulations that apply to the company through discussions with other directors and managers, and from our commercial knowledge and experience of the sector;
- We focused on specific laws and regulations that we thought could have a significant direct impact on a company's financial statements or operations, including legislation such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- We assessed compliance with the laws and regulations set out above by making management inquiries and examining legal correspondence, and
- Identified laws and regulations were routinely communicated within the audit team and the team remained alert to non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including gaining an understanding of how fraud may occur, by:

- Make inquiries from management about where they thought there was a tendency to fraud, their knowledge of genuinely suspected and alleged fraud;
- Consider the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

In order to address the risk of fraud through management bias and disregard of controls, we:

- Perform analytical procedures to identify any unusual or unexpected relationships;
- Test accounting records for unusual transactions;
- Assessing whether judgments and assumptions made in arriving at the accounting estimates indicate possible bias;
- Investigate the logic behind significant or unusual transactions.

In response to the risk of irregularity and non-compliance with laws and regulations, we designed procedures that included, but not limited to:

- Agree financial statement disclosures to basic supporting documents;
- Read the minutes of meetings of those charged with governance;
- Inquire of management regarding actual and potential litigation and claims;