

**Monmouthshire Farm School Endowment  
Trust Fund**

**Annual report  
for the year ended 31 March 2015**

-Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

**Contents**

Trustees, officers and advisors	1
Report of the Trustees	2
Independent examiners report	4
Statement of financial activities	5
Balance sheet	6
Notes to the financial statements	7

**Monmouthshire Farm School Endowment Trust Fund  
Annual report for year ended 31st March 2015**

**Trustees, officers and advisors**

**Trustees**

D L Edwards  
Monmouthshire County Council

R Edwards  
Monmouthshire County Council

R J W Greenland  
Monmouthshire County Council

S B Jones  
Monmouthshire County Council

A Easson  
Monmouthshire County Council

D.W.H Jones  
Monmouthshire County Council

L Winnett  
Blaenau Gwent County Borough Council

Dr W O C Symondson  
University of Wales College Cardiff

D Yeowell  
Torfaen County Borough Council  
(Started during year)

B. Mawby  
Torfaen County Borough Council  
(Left during year)

Professor J D Hayes  
University College Wales Aberystwth

K Backhouse  
Director Usk Campus – Coleg Gwent

D Havard  
Caerphilly County Borough Council

**Secretary**

P Matthews – Acting Monitoring Officer, Monmouthshire County Council

**Registered Office**

@innovation House, PO box 106, Magor NP26 9AN

**Auditors**

Wales Audit Office, 24 Cathedral Road, Cardiff, CF11 9LJ

**Solicitors**

R Tranter, Head of Legal Services, Monmouthshire County Council

**Investment custodian**

Monmouthshire County Council

**Bankers**

Barclays Bank, Leicester, Leicestershire LE87 2BB

## **Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2015**

### **Report of the Trustee for the year ended 31st March 2015**

The Trustees present their annual report and the audited financial statements for the year ended 31<sup>st</sup> March 2015. The information with respect to Trustees, officers and advisors set out on page 1 forms part of this report. The financial statements comply with the Charity's trust deed, applicable accounting standards in the United Kingdom and the Statement of Recommended Practice (SORP) issued in October 2005 and the Charities Act 1993.

#### **Status and administration**

The Charity is governed by the 1959 Principal Scheme as amended by the Altering Scheme of 1971, although the governing body may rightly claim a history stretching back to 1894. The Fund is registered with the Charity Commission under charity number 525649.

#### **Objects**

The primary object of the Charity, as stated in its governing document, is to make awards to students in need of assistance to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects. The governing body can use its discretion to apply any unawarded income to provide funding towards the cost of their facilities or amenities at Usk College which would benefit these students.

#### **Review of activities and future developments**

The statement of financial activities for the year is set out on page 5 of the financial statements. A summary of the financial results and the work of the Charity are set out below.

The Fund has increased in value by £23,380 (£16,640 increase in 2013/14) over the financial year as a result of outgoing resources being outweighed by incoming resources.

Income is comprised of interest on investment stock and cash held of £5,163 (£5,172 in 2013/14), and £37,328 (£56,161 in 2013/14) in respect of the annual payment from the Roger Edwards Educational Trust Fund. Expenditure of £46,457 (£41,480 in 2013/14) primarily comprised of grants payable of £44,200 (£39,192 in 2013/14) in line with the Charity's objects. Unrealised investment gain of £27,346 (£3,213 loss in 2013/14) were made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries.

#### **Investment powers, policy and performance**

Under the terms of the Trust Deed, the Trustees have general powers of investment, subject to the provisions of the Trustee Act 2000. The Trustee has reviewed its investment strategy and produced an investment and fund strategy for 2013/14 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 6<sup>th</sup> March 2013. Investments are strategically placed in low-risk investments. Investment performance is reviewed periodically in light of prevailing economic changes.

#### **Grant making policy**

Grants are made in pursuance of the Charity's objectives in assisting students in need to attend Usk Agricultural College, or at the discretion of the governing body, any other college, institution or university to pursue courses of study in agricultural subjects.

#### **Changes in fixed assets**

The movements in fixed asset investments during the year are set out in note 7 to the financial statements. During the year a new investment strategy was approved by the trustees and as a result two new investments were made, these are detailed in note 7.

## **Monmouthshire Farm School Endowment Trust Fund Annual report for year ended 31st March 2015**

### **Reserves**

The Fund consists primarily of the sale proceeds of the Former Monmouthshire Farm School by the governing body of the school to Monmouthshire County Council. The fund receives an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the annual investment and rental income accrued to the Foundation.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2013-14 which states that it is the Trust's policy to maintain funds at approximately the current level and utilise the annual income received to fund its charitable expenditure. This was approved by Cabinet on the 5<sup>th</sup> March 2014.

### **Governance of the Charity**

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (four years); the other representative Trustees have a term of office of three years and the co-operative Trustees have a term of office of five years. The Trustees are listed on page 1.

### **Risk management**

Monmouthshire County Council as appointed administrator of the Trust Fund periodically review the major risks to which the Charity is exposed as part of the Authority's overall risk management and financial control processes. The Roger Edwards Educational Trust provide significant income to this trust and forms the majority of income that can be used for grants. This income is received after the audited accounts have been agreed and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 6<sup>th</sup> March 2013.

### **Auditors**

The Wales Audit Office are the appointed auditors to the Charity.

### **Trustees' responsibilities**

The Trustees are required by charity law 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 net incoming/outgoing resources of the Charity as at the end of the financial year.

The Trustees confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31st March 2015. The Trustees also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustees are responsible for keeping proper accounting records that 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 1993. 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.

### **By order of the Trustees**

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund  
Annual report for year ended 31st March 2015**

**Report of the independent examiner to the trustee of  
Monmouthshire Farm Endowment Trust Fund**

I report on the accounts of Monmouthshire Farm Endowment Trust Fund for the year ended 31st March 2015, which are set out on pages 5 to 10.

**Respective responsibilities of trustee and independent examiner**

The charity's trustee is responsible for the preparation of the accounts. The charity's trustee considers that an audit is not required for this year under section 144(2) of the Charities Act 2011 and that an independent examination is needed.

It is my responsibility:

- To examine the accounts under section 145 of the 2011 Act;
- To follow the procedures laid down in the general directions given by the Charity Commission under section 145 (5) of the 2011 Act; and
- To state whether particular matters have come to my attention.

**Basis of independent examiner's report**

My examination was carried out in accordance with the general directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking of explanations from you as trustee concerning such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

**Examiner's statement**

In connection with my examination, no matter has come to my attention:

- which gives me reasonable cause to believe that in any material respect the requirements:
  - to keep accounting records in accordance with Section 130 of the 2011 Act; and
  - to prepare accounts which accord with the accounting records and to comply with the accounting requirements of the 2011 Act;have not been met; or
- to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Ann-Marie Harkin  
On behalf of the Auditor General for Wales  
Date:

Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

**Statement of financial activities for the year ended 31st March 2015**

	Notes	2015 £	2014 £
<b>Incoming resources</b>			
Investment income	2	5,163	5,172
Receivable from The Roger Edwards Educational Trust Fund		37,328	56,161
<b>Total incoming resources</b>		<b>42,491</b>	61,333
<b>Charitable expenditure:</b>			
Costs of activities in furtherance of the Charity's objects			
Grants payable		44,200	39,192
Management and administration		2,257	2,288
<b>Total resources expended</b>	3	<b>46,457</b>	41,480
<b>Net incoming resources before transfers – surplus / (loss)</b>	4	<b>(3,966)</b>	19,853
<b>Net incoming resources before revaluations and investment asset disposals</b>		<b>(3,966)</b>	19,853
Gain / (Loss) on the revaluation and disposal of investment assets	5	27,346	(3,213)
<b>Net movement in funds – surplus / (loss)</b>		<b>23,380</b>	16,640
Fund balances brought forward 1 April		679,053	662,413
<b>Fund balances carried forward 31 March</b>		<b>702,433</b>	679,053

All incoming resources and resources expended are derived from continuing activities. There are no recognised gains or losses other than those disclosed above.

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

**Balance Sheet at 31st March 2015**

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Investments	7	<b>477,869</b>	40,523
		<b>477,869</b>	40,523
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	<b>36,305</b>	668,346
Cash at bank and in hand		<b>192,786</b>	0
		<b>229,091</b>	668,346
Creditors: amounts falling due within one year	9	<b>4,527</b>	29,816
<b>Net current assets</b>		<b>224,564</b>	638,350
<b>Total assets less current liabilities</b>		<b>702,433</b>	679,053
<b>Net assets</b>		<b>702,433</b>	679,053
<b>Reserves:</b>			
Endowment Funds	10	<b>702,433</b>	679,053
<b>Total funds</b>		<b>702,433</b>	679,053

The accounts were approved by the Trustees on 22nd July 2015 and signed on their behalf by:

Trustee:

Date:



**Monmouthshire Farm School Endowment Trust Fund  
Annual report for year ended 31st March 2015**

**Notes to the financial statements for the year ended 31<sup>st</sup> March  
2015**

**1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Statement of Recommended Practice (SORP) published in October 2005. A summary of the principal accounting policies, which have been applied consistently, are set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, as modified by the inclusion of investments at market value. During the year the Charity reviewed its accounting policies in accordance with FRS18 'Accounting Policies'. No accounting policies have been changed as a result.

**Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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.

**Incoming Resources**

All income received is accounted for on a receivable basis and has been classified under the appropriate categories.

**Grants payable**

Grants payable are accounted for in full as liabilities of the Charity when approved by the Trustees and accepted by the beneficiaries.

**Management and administration**

Monmouthshire County Council administer the Trust Fund on behalf of the Trustees. Management and administration costs include expenditure on administration of the Charity and compliance with constitutional and statutory requirements, and an appropriate apportionment of support service recharges and overhead apportionments.

**Irrecoverable VAT**

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate.

**Recognition of liabilities**

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events.

**Fund accounting**

General funds are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity. Investment income and gains are allocated to the appropriate fund.

**Investments**

Investments are included at market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities.

**Cash flow statement**

The Charity is exempt from publishing a cash flow statement as it qualifies for exemption as a small charitable company under Financial Reporting Standard 1 paragraph 5(f) on the basis that it meets the relevant conditions and size criteria specified in the Companies Act 1985 (Accounts of Small and Medium-Sized Companies and Minor Amendments) Regulations 1997 (SI 1197/220).

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

**2 Investment income**

	2015	2014
	£	£
Interest on government securities	0	1,750
Interest on cash balances	2,591	3,033
Interest on Investments	2,572	389
	<b>5,163</b>	<b>5,172</b>

**3 Resources expended**

	2015	2014
	£	£
Grants payable	44,200	39,192
Management & administration	2,257	2,288
	<b>46,457</b>	<b>41,480</b>

Grants payable comprise numerous payments to individual students in respect of part-time courses attended. It is not possible to provide further details due to restrictions of confidentiality.

**4 Net incoming resources**

	2015	2014
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,701	2,088
	<b>1,701</b>	<b>2,088</b>

Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Councils' fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustee for any wrong decisions that may have been made.

**5 Gains and losses on revaluation and disposal of investment assets**

	Market Value 31/03/14	Additions	Market Value 31/03/15	Gain/(Loss)
	£	£	£	£
2.5% Consolidated Stock	40,523	0	70,329	29,806
Charibond		210,000	205,538	(4,462)
OEIC		200,000	202,002	2,002
Total	40,523	410,000	477,869	27,346

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

**6 Taxation**

The Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Charity falls with Monmouthshire County Council regulations for VAT, and therefore any liability is accounted for within Monmouthshire County Council.

**7 Fixed asset investments**

	<b>Total</b>
	<b>£</b>
Valuation at 1 April 2014	<b>40,523</b>
Additions	<b>410,000</b>
Disposals at opening market value	<b>0</b>
Net revaluation (loss) / gain	<b>27,346</b>
<b>Valuation at 31 March 2015</b>	<b>477,869</b>

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2015. The historical cost of the investments at 31st March 2015 was £434,474. All of the Charity's investments are quoted in the UK. During the year a new investment strategy was approved by the trustees and as a result two new investments were made. The details of these are disclosed in the table below, being Charibond and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2015 are as follows:

	<b>£</b>	<b>%</b>
Consolidated 2.5% stock	40,523	9.0%
Charibond	210,000	46.6%
OEIC Fund	200,000	44.4%

The percentage shown above is the percentage of the total portfolio market value as at 31<sup>st</sup> March 2015.

**8 Debtors**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Accrued interest receivable	<b>0</b>	5,493
Receivable from The Roger Edwards Educational Trust Fund	<b>36,000</b>	76,161
Barclays Bank	<b>0</b>	586,342
HM Revenue and Customs	<b>305</b>	350

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for year ended 31st March 2015**

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**36,305**      668,346

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## 9 Creditors

	<b>2015</b>	2014
	<b>£</b>	<b>£</b>
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<b>Amounts falling due within one year</b>		
Accruals and deferred income	<b>4,527</b>	29,816
	<b>4,527</b>	29,816

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## 10 Funds

	Balance 1 April 2014	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2015
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Permanent endowed funds	679,053	42,491	(46,457)	27,346	<b>702,433</b>

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## 11 Related party transactions

No remuneration directly or indirectly out of the funds of the Charity was paid or payable for the year to any trustee. Payments have been made to Monmouthshire County Council respect of management and administration expenses.