

APPENDIX 2

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2023**

Registered Charity Number: 525649

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

Contents

| | |
|-----------------------------------|---|
| Trustees, officers and advisers | 1 |
| Report of the Trustees | 2 |
| Independent examiner's 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 the year ended 31st March 2023

Trustees, officers and advisers

Trustees

R Edwards
Monmouthshire County Council
(left during year)

P Murphy
Monmouthshire County Council

A Easson
Monmouthshire County Council
(left during year)

D WH Jones
Monmouthshire County Council

B Thomas
Blaenau Gwent County Borough Council
(left during year)

M. Cross
Blaenau Gwent County Borough Council
(started in year)

Dr W O C Symondson
University of Wales College Cardiff

R Clark
Torfaen County Borough Council

M Feakins
Mounmouthshire County Council
(left during year)

B Jones
Monmouthshire County Council
(left during year)

M Groucutt
Monmouthshire County Council
(started in year)

J McKenna
Monmouthshire County Council
(started in year)

M. Stevens
Monmouthshire County Council
(started in year)

L. Wright
Monmouthshire County Council
(started in year)

P. James
University College Wales Aberystwth

Helen Morgan
Director Usk Campus – Coleg Gwent

D Havard
Caerphilly County Borough Council
(left in year)

C. Andrews
Caerphilly County Borough Council
(started in year)

Secretary
Matthew Phillips
Head of Legal Services
Monmouthshire County Council

Registered Office

County Hall, The Rhadyr, Usk, NP15 1GA

Independent Examiners

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

Solicitors

Matthew Phillips
Head of Legal Services
Monmouthshire County Council

Investment custodian

Monmouthshire County Council

Bankers

Barclays Bank
1-5 St David's Way
St David's Centre
Cardiff

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2023

CF10 2DP

Report of the Trustees for the year ended 31st March 2023

The Trustees present their annual report and the independently examined financial statements for the year ended 31 March 2023 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisers set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and Charity Act 2011. The financial statements comply with the Charity's trust deed.

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. The Trustees also have regard to the Charity Commission's guidance on public benefit.

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 facilities or amenities at Usk College which would benefit these students. The grants awarded have allowed the beneficiaries to pursue land based courses to enhance career opportunities. The area of benefit is clearly defined; household income is a consideration when making the award. The total grant awards were £3,871 (£9,182 in 2021/22).

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 is set out below.

The Fund has decreased in value by £61,321 (£29,978 increase in 2021/22) over the financial year as a result of losses on unrealised investments which exceeded income resources.

Income consists of dividends and interest from investments and cash held of £26,287 (£23,448 in 2021/22), and £1,077 (£4,716 2021/22) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £5,839 (£10,840 in 2021/22) primarily comprised grants payable of £3,871 (£9,182 in 2021/22) in line with the Charity's objects. An unrealised investment loss of £82,846 (£12,721 gain in 2021/22) was made in relation to investments held.

The current strategy is to ensure that there are sufficient funds to meet the needs of beneficiaries. This income generation forms the main basis of the following year's grant allocations to ensure continuity and non-

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2023

degradation of the fund's capital assets and to perpetuate the Charity as a going concern.

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 Trustees have reviewed their investment strategy and produced an investment and fund strategy for 2022/23 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 2nd March 2022. 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.

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2023

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 is entitled to receive an annual payment from The Roger Edwards Educational Trust (Charity Number 525638) equivalent to two thirds of the net annual investment and rental income accrued to the Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2022/23 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 3rd March 2022.

Governance of the Charity

Representative Trustees appointed by Monmouthshire County Council have a term of office equivalent to the term of a County Council (five years); the other representative Trustees have a term of office of three years and the co-opted Trustees have a term of office of five years. County Council Trustees are elected to the board of Trustees. Trustees that represent other organisations are internally appointed. 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 processes. The Roger Edwards Educational Trust has historically provided significant income to this trust to be used for the distribution of grants. This income is received after the independent examination of the accounts and therefore this is usually late in the financial year. A risk assessment policy was approved by Cabinet on 2nd March 2022.

Independent examiners

Audit Wales are the appointed independent examiners 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 2023. 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 the year ended 31st March 2023

Report of the independent examiner to the Trustees of
Monmouthshire Farm School Endowment Trust Fund

To be undertaken

Statement of financial activities (Sofa) for the year ended 31st

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

March 2023

| | Notes | 2023 Unrestricted Funds £ | 2022 Unrestricted Funds £ |
|---|-------|------------------------------------|------------------------------------|
| Income & Endowments from: | | | |
| Investment income | 2 | 26,287 | 23,448 |
| Income from Roger Edwards Educational Trust | | 1,077 | 4,716 |
| Total income & Endowments | | 27,364 | 28,164 |
| Resources Expended | | | |
| Charitable expenditure | | | |
| Costs of activities in furtherance of the Charity's objects | | | |
| Expenditure on charitable activities | 3 | (3,871) | (9,182) |
| Other expenditure | 3 & 4 | (1,968) | (1,658) |
| Total Resources expended | | 5,839 | 10,840 |
| (Losses) / Gains on investment assets | 5 | (82,846) | 12,721 |
| Net Income / (Expenditure) | | (61,321) | 30,045 |
| Net movement in funds | | | |
| Fund balances brought forward 1 April 2022 | | 683,970 | 653,925 |
| Fund balances carried forward 31 March 2023 | | 622,649 | 683,970 |

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

Balance Sheet as at 31 March 2023

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

| | Notes | 2023 | 2022 |
|--|-------|--------------------|--------------------|
| | | Unrestricted Funds | Unrestricted Funds |
| | | £ | £ |
| Fixed assets | | | |
| Investments | 7 | 560,755 | 643,602 |
| | | 560,755 | 643,602 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 8 | 1,138 | 7,306 |
| Cash at bank and in hand | | 62,819 | 34,927 |
| | | 63,957 | 42,233 |
| Current Liabilities | | | |
| Creditors: amounts falling due within one year | 9 | (2,063) | (1,865) |
| Net current assets | | 61,894 | 40,368 |
| Net assets | | 622,649 | 683,970 |
| The Funds of the Charity: | | | |
| Unrestricted Funds | 10 | 622,649 | 683,970 |
| Total Charity funds | | 622,649 | 683,970 |

The financial statements were approved by the Trustees on 17th July 2023 and signed on their behalf by:

Trustee:

Date:

Notes to the financial statements for the year ended 31st March

Monmouthshire Farm School Endowment Trust Fund

Annual report for the year ended 31st March 2023

2023

1 Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic (FRS 102) and Charity Act 2011.

The trust constitutes a public benefit entity as defined by FRS 102. The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern.

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. The income from the Roger Edwards Educational Trust is an estimate of the income to be received for the year.

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. The basis of the apportionment is a fixed fee agreed with the Trustees of £200 per year.

Debtors/ Creditors

Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

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.

Assumptions made about the future and other major sources of estimation uncertainty

Monmouthshire Farm School Endowment Trust Fund Annual report for the year ended 31st March 2023

The Statement of Accounts contains estimated figures that are based on assumptions made by the Trust about the future or that are otherwise uncertain. Estimates have been made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be different from the assumptions and estimates.

The items in the Trust's Balance Sheet at 31st March 2023 for which there is a significant risk of adjustment in the forthcoming financial year are as follows:

The revaluation of investment property and property funds

Changes in the valuation assumptions used, together with significant changes in rental growth could affect (increase or decrease) the fair value of property-based investments. Indicative net asset statements for property funds are subject to uncertainty at the reporting date and the valuation for pooled property funds and investment property is less reliable than usual. As the investments are held on a long-term strategy basis, the fund does not foresee any long-term negative effect in the generation of future income streams.

Transition to FRS 102

The opening fund position at the date of transition has not been restated and no subsequent restatement of items has been required in making the transition to FRS 102. The transition date was 1 April 2016.

Cash flow statement

The Charity has taken exemption from preparing a cash flow under Charities SORP FRS 102 Update Bulletin 1.

2 Income from Investments

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Interest on cash balances | 1,072 | 151 |
| Interest on Investments | 25,215 | 23,297 |
| | 26,287 | 23,448 |

3 Expenditure on Charitable Activities

| | 2023 | 2022 |
|-----------------------------|----------------|-----------------|
| | £ | £ |
| Grants payable | (3,871) | (9,182) |
| Management & administration | (1,968) | (1,658) |
| | (5,839) | (10,840) |

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

4 Governance Costs

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

| | 2023 | 2022 |
|--|----------------|----------------|
| | £ | £ |
| Net incoming resources is stated after charging: | | |
| Independent Examiner's remuneration | (1,458) | (1,458) |
| | (1,458) | (1,458) |

No indemnity insurance for Trustees liability has been purchased by the Charity. Though no specific indemnity insurance has been purchased by the Charity, the Fund is covered by Monmouthshire County Council's fidelity guarantee insurance. Insurance covers financial losses incurred as a result of fraudulent acts conducted by Authority employees but does not cover the Trustees for any wrong decisions that may have been made. Governance costs have remained the same during the year as a result of the Public Audit Wales Act and in particular the duty placed on the Wales Audit Office to ensure full cost recovery in its audit fees. The audit fee is included in the management and administration spend as per note 3.

5 Gains and losses on revaluation and disposal of investment assets

| | Market Value | Market Value | Gain/(Loss) |
|-----------|--------------|--------------|-------------|
| | 2022 | 2023 | |
| | £ | £ | £ |
| Charibond | 224,812 | 208,660 | (16,151) |
| OEIC | 168,600 | 141,092 | (27,508) |
| COIF | 250,190 | 211,003 | (39,187) |
| Total | 643,602 | 560,755 | (82,846) |

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

Total

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

| | £ |
|-----------------------------------|----------------|
| Valuation at 1 April 2022 | 643,602 |
| Purchase | 0 |
| Net revaluation loss | 82,846 |
| Valuation at 31 March 2023 | 560,755 |

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2023. The historical cost of the investments at 31st March 2023 was £639,000. All of the Charity's investments are quoted in the UK. The details of these are disclosed in the table below, being Charibond, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2023 are as follows:

| | £ | % |
|-----------|---------|-----|
| COIF | 211,003 | 38% |
| Charibond | 208,660 | 37% |
| OEIC Fund | 141,092 | 25% |

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2023.

8 Debtors

| | 2023 | 2022 |
|--|-------|-------|
| | £ | £ |
| Amounts falling due within one year | | |
| REET | 1,076 | 4,716 |
| Other | 62 | 2,590 |
| | 1,138 | 7,306 |

9 Creditors

Monmouthshire Farm School Endowment Trust Fund
Annual report for the year ended 31st March 2023

| | 2023 £ | 2022 £ |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Accruals and deferred income | (2,063) | (1,865) |
| | (2,063) | (1,865) |

The amounts owed relate to audit fees and payments to Monmouthshire County Council to administer the trust.

10 Unrestricted Funds

| | Balance 1 April 2022 £ | Incoming resources £ | Resources Expended £ | Investment Gain/(Loss) £ | Balance 31 March 2023 £ |
|-------------------------|---------------------------------|----------------------------|----------------------------|--------------------------------|--|
| Permanent endowed funds | 683,970 | 27,364 | (5,839) | (82,846) | 622,649 |

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 Trustees. Payments have been made to Monmouthshire County Council respect of management and administration expenses.