

**Monmouthshire Farm School Endowment
Trust Fund**

**Annual report
for the year ended 31 March 2016**

-Registered Charity Number: 525649

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

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 2016**

Trustees, officers and advisors

Trustees

D L Edwards
Monmouthshire County Council

D Yeowell
Torfaen County Borough Council

R Edwards
Monmouthshire County Council

Professor J D Hayes
University College Wales Aberystwth

R J W Greenland
Monmouthshire County Council

K Backhouse
Director Usk Campus – Coleg Gwent

S B Jones
Monmouthshire County Council

D Havard
Caerphilly County Borough Council

A Easson
Monmouthshire County Council

D.W.H Jones
Monmouthshire County Council

L Winnett
Blaenau Gwent County Borough Council
(Left during year)

R Pagett
Blaenau Gwent County Borough Council
(Started during year)

Dr W O C Symondson
University of Wales College Cardiff

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 2016

Report of the Trustee for the year ended 31st March 2016

The Trustees present their annual report and the audited financial statements for the year ended 31st March 2016. 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 £2,499 (£23,380 increase in 2014/15) 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 £23,314 (£5,163 in 2014/15), and £32,479 (£37,328 in 2014/15) in respect of the annual payment from the Roger Edwards Educational Trust Fund. Expenditure of £30,127 (£46,457 in 2014/15) primarily comprised of grants payable of £27,651 (£44,200 in 2013/14) in line with the Charity's objects. Unrealised investment loss of £23,167 (£27,346 gain in 2014/15) 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 2014/15 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 5th March 2014. 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 2016

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 2014-15 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 5th 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 6th 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 2016**

**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 2016, 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 2016

Statement of financial activities for the year ended 31st March 2016

	Notes	2016 £	2015 £
Incoming resources			
Investment income	2	23,314	5,163
Receivable from The Roger Edwards Educational Trust Fund		32,479	37,328
Total incoming resources		55,793	42,491
Charitable expenditure:			
Costs of activities in furtherance of the Charity's objects			
Grants payable		27,651	44,200
Management and administration		2,476	2,257
Total resources expended	3	30,127	46,457
Net incoming resources before transfers – surplus / (loss)	4	25,666	(3,966)
Net incoming resources before revaluations and investment asset disposals		25,666	(3,966)
Gain / (Loss) on the revaluation and disposal of investment assets	5	(23,167)	27,346
Net movement in funds – surplus / (loss)		2,499	23,380
Fund balances brought forward 1 April		702,433	679,053
Fund balances carried forward 31 March		704,932	702,433

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 2016

Balance Sheet at 31st March 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	7	611,952	477,869
		611,952	477,869
Current assets			
Debtors: amounts falling due within one year	8	35,393	36,305
Cash at bank and in hand		59,687	192,786
		95,080	229,091
Creditors: amounts falling due within one year	9	2,100	4,527
Net current assets		92,980	224,564
Total assets less current liabilities		704,932	702,433
Net assets		704,932	702,433
Reserves:			
Endowment Funds	10	704,932	702,433
Total funds		704,932	702,433

The accounts were approved by the Trustees on 18th July 2016 and signed on their behalf by:

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016**

**Notes to the financial statements for the year ended 31st 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 2016

2 Investment income

	2016	2015
	£	£
Interest on government securities	0	0
Interest on cash balances	615	2,591
Interest on Investments	22,699	2,572
	23,314	5,163

3 Resources expended

	2016	2015
	£	£
Grants payable	27,651	44,200
Management & administration	2,476	2,257
	30,127	46,457

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

	2016	2015
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,701	1,701
	1,701	1,701

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 31/03/15	Additions (Disposals)	Market Value 31/03/16	Gain/(Loss)
	£	£	£	£
2.5% Consolidated Stock	70,329	(71,750)	0	1,421
Charibond	205,538	0	199,805	(5,733)
OEIC	202,002	0	184,541	(17,461)
COIF	0	229,000	227,606	(1,394)
Total	477,869	157,250	611,952	(23,167)

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

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
	£
Valuation at 1 April 2015	477,869
Additions	229,000
Disposals at opening market value	(71,750)
Net revaluation (loss) / gain	(23,167)
Valuation at 31 March 2016	611,952

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 2016 was £639,000. 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, COIF and OEIC Fund.

Investments with a market value greater than 5% of the total portfolio market value at 31st March 2016 are as follows:

	£	%
COIF	277,606	37.2
Charibond	199,805	32.6
OEIC Fund	184,541	30.2

The percentage shown above is the percentage of the total portfolio market value as at 31st March 2016.

8 Debtors

	2016	2015
	£	£
Amounts falling due within one year		
Receivable from The Roger Edwards Educational Trust Fund	32,000	36,000
Accrued Interest Receivable	2,300	
HM Revenue and Customs	1,063	305
	35,393	36,305

Monmouthshire Farm School Endowment Trust Fund
Annual report for year ended 31st March 2016

9 Creditors

	2016	2015
	£	£
<hr/>		
Amounts falling due within one year		
Accruals and deferred income	2,100	4,527
	2,100	4,527

10 Funds

	Balance 1 April 2015	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2016
	£	£	£	£	£
<hr/>					
Permanent endowed funds	702,433	55,793	(30,127)	(23,167)	704,932

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.