

**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

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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

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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 31st 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 6th 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.

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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 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:

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**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

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

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

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Balance Sheet at 31st March 2015

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

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

Trustee:

Date:

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**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).

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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
	5,163	5,172

3 Resources expended

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

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
	1,701	2,088

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

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

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:

	£	%
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 31st March 2015.

8 Debtors

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

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36,305 668,346

9 Creditors

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

10 Funds

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

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.