

**Monmouthshire Farm School Endowment  
Trust Fund**

**Annual report  
for the year ended 31 March 2020**

Registered Charity Number: 525649

**Monmouthshire Farm School Endowment Trust Fund**  
**Annual report for the year ended 31st March 2020**

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**Trustees, officers and advisers**

**Trustees**

R Edwards  
Monmouthshire County Council

D Yeowell  
Torfaen County Borough Council

P Murphy  
Monmouthshire County Council  
Commenced during year.

Professor J D Hayes  
University College Wales Aberystwth

S B Jones  
Monmouthshire County Council  
Left during year

K Backhouse  
Director Usk Campus – Coleg Gwent  
Left during year

A Easson  
Monmouthshire County Council

Helen Morgan  
Director Usk Campus – Coleg Gwent  
Commenced during year

D W.H Jones  
Monmouthshire County Council

D Havard  
Caerphilly County Borough Council

B Thomas  
Blaenau Gwent County Borough Council

M Feakins  
Mounmouthshire County Council

Dr W O C Symondson  
University of Wales College Cardiff

B Jones  
Monmouthshire County Council  
Commenced in year.

**Secretary**

Matthew Phillips  
Head of Legal Services  
Monmouthshire County Council

**Registered Office**

County Hall, The Rhadyr, Usk, NP15 1GA

**Auditors**

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  
CF10 2DP

## **Monmouthshire Farm School Endowment Trust Fund**

### **Annual report for the year ended 31st March 2020**

## **Report of the Trustees for the year ended 31st March 2020**

The Trustees presents their annual report and the independently examined financial statements for the year ended 31 March 2020 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustees, officers and advisors 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 £26,517.

### **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 decreased in value by £30,746 (£48,903 decrease in 2018/19) over the financial year as a result of incoming resources (including income from investments and income from the Roger Edwards Educational Trust) being outweighed by outgoing resources.

Income consists of interest on investment stock and cash held of £26,508 (£25,429 in 2018/19), and £0 (£1,426 in 2018/19) in respect of the annual payment from the Roger Edwards Educational Trust. Expenditure of £29,063 (£77,358 in 2018/19) primarily comprised of grants payable of £26,517 (£75,605 in 2018/19) in line with the Charity's objects. Unrealised investment loss of £28,191 (£1,590 gain in 2018/19) 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-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 has reviewed their investment strategy and produced an investment and fund strategy for 2019/20 which was approved by Monmouthshire County Council in its capacity as Trust administrator on 6<sup>th</sup> March 2019. 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 2020**

#### **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 has received 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 Trust.

The Trust has reviewed its fund strategy and produced an investment and fund strategy for 2018-19 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 6<sup>th</sup> March 2019.

#### **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 6th March 2019.

#### **Independent examiners**

The 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 2020. 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: 21<sup>st</sup> January 2019

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

I report on the financial statements of Monmouthshire Farm School Endowment Trust Fund for the year ended 31<sup>st</sup> March 2020, which are set out on pages 5 to 10.

**Responsibilities and basis of report**

As the charity's trustees, you are responsible for the preparation of the financial statements in accordance with the requirements of the Charities Act 2011 (the Act). You are satisfied that the accounts are not required to be audited by charity law and have chosen instead to have an independent examination.

I report in respect of my examination of your charity's financial statements as carried out under section 145 of the Act; In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the Act.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the financial statements. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently I express no opinion as to whether the accounts present a 'true and fair' view and my report is limited to those specific matters set out in the independent examiner's statement.

**Independent examiner's statement**

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- accounting records were not kept as required by section 130 of the Act; or
- the accounts do not accord with those records; or
- the accounts do not comply with the applicable requirements concerning the form and content set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view which is not a matter considered as part of an independent examination; or
- the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

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

24 Cathedral Road  
Cardiff CF11 9LJ

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**Statement of financial activities (Sofa) for the year ended 31st March 2020**

	Notes	2020 Unrestricted Funds £	2019 Unrestricted Funds £
<b>Income &amp; Endowments from:</b>			
Investment income	2	26,508	25,429
Other incoming resources (REET)		0	1,436
<b>Total income &amp; Endowments</b>		<b>26,508</b>	<b>26,865</b>
<b>Resources Expended</b>			
<b>Charitable expenditure</b>			
Costs of activities in furtherance of the Charity's objects			
Expenditure on charitable activities	3	26,517	75,605
Other expenditure	3 & 4	2,546	1,753
<b>Total Resources expended</b>		<b>29,063</b>	<b>77,358</b>
Gains/(losses) on investment assets	5	(28,191)	1,590
<b>Net Income / (Expenditure)</b>		<b>(30,746)</b>	<b>(48,903)</b>
<b>Net movement in funds</b>		<b>(30,746)</b>	<b>(48,903)</b>
Fund balances brought forward 1 April 2019		<b>658,650</b>	707,553
<b>Fund balances carried forward 31 March 2020</b>		<b>627,904</b>	658,650

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 as at 31 March 2020**

	Notes	2020	2019
		Unrestricted Funds	Unrestricted Funds
		£	£
<b>Fixed assets</b>			
Investments	7	<b>614,968</b>	643,160
		<b>614,968</b>	643,160
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	<b>245</b>	7,462
Cash at bank and in hand		<b>16,615</b>	11,751
		<b>16,860</b>	19,213
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	9	<b>3,924</b>	3,724
<b>Net current assets</b>		<b>12,936</b>	15,480
<b>Net assets</b>		<b>627,904</b>	658,650
<b>The Funds of the Charity:</b>			
Unrestricted Funds	10	<b>627,904</b>	658,650
<b>Total Charity funds</b>		<b>627,904</b>	658,650

The financial were approved by the Trustees on 5<sup>th</sup> October 2020 and signed on their behalf by:

Trustee:

Date: 21<sup>st</sup> January 2019



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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2020**

**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.

## Monmouthshire Farm School Endowment Trust Fund

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

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 materially different from the assumptions and estimates.

The items in the Trust's Balance Sheet at 31st March 2020 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

#### The revaluation of investment property and property funds

Valuation techniques are used to determine the carrying amount of pooled property funds and investment property. Market activity is being impacted in many sectors by Covid-19. At the March 2020 reporting date, property fund managers and property investment valuers consider that they can attach less weight to previous market evidence for comparison purposes. They are faced with an unprecedented set of circumstances upon which to base a judgement. The fall in transactions and lack of clarity on pricing means that all major industry valuers have now added Material Uncertainty clauses to their property fund and investment property valuations.

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. A retrospective valuation was undertaken post year-end due to Covid-19 and Furlough considerations at the year-end date.

#### 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 Investment income

	2020	2019
	£	£
Interest on cash balances	87	255
Interest on Investments	26,421	25,174
	<b>26,508</b>	<b>25,429</b>

## 3 Expenditure on Charitable Activities

	2020	2019
	£	£
Grants payable	26,517	75,605
Management & administration	2,546	1,753
	<b>29,063</b>	<b>79,358</b>

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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

	2020	2019
	£	£
Net incoming resources is stated after charging:		
Auditor's remuneration	1,762	1,762
	<b>1,762</b>	<b>1,762</b>

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 decreased 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)
	2019	2020	
	£	£	£
Charibond	234,907	235,745	838
OEIC	182,392	159,116	(23,276)
COIF	225,860	220,107	(5,753)
Total	643,159	614,968	(28,191)

## 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.

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**7 Fixed asset investments**

	Total £
Valuation at 1 April 2019	643,160
Purchase	
Net revaluation loss	(28,191)
<b>Valuation at 31 March 2020</b>	<b>614,968</b>

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2020. The historical cost of the investments at 31st March 2019 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 2020 are as follows:

	£	%
COIF	220,107	35.8%
Charibond	235,745	38.3%
OEIC Fund	159,116	25.9%

The percentage shown above is the percentage of the total portfolio market value as at 31<sup>st</sup> March 2020.

**8 Debtors**

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Receivable from The Roger Edwards Educational Trust	0	1,657
	0	5,500
Welsh Church Fund		
HM Revenue and Customs	245	305
	245	7,462

**9 Creditors**

	2020 £	2019 £
<b>Amounts falling due within one year</b>		
Accruals and deferred income	3,924	3,724
	3,924	3,724

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

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**10 Unrestricted Funds**

	Balance 1 April 2019	Incoming resources	Resources Expended	Investment Gain/(Loss)	Balance 31 March 2020
	£	£	£	£	£
Permanent endowed funds	658,650	26,508	29,063	(28,191)	627,904

**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.