

**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**

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**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 Trustee presents its annual report and the audited financial statements for the year ended 31 March 2016 of The Monmouthshire Farm School Endowment Trust Fund. The information with respect to the Trustee, officers and advisors set out on page 1 forms part of this report. The accounts (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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015. 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.

#### **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. The grant 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. Grants were awarded to 18 people and the total awards were £21,547.

#### **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 Trustee has 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 5<sup>th</sup> 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 Trustee 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 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.

### **Trustee's responsibilities**

The Trustee is 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 Trustee confirms 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 Trustee also confirms that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Trustee is 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 Trustee**

Trustee:

Date:

**Monmouthshire Farm School Endowment Trust Fund  
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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 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

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**Statement of financial activities (Sofa) for the year ended 31st March 2016**

	Notes	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Endowment Funds £	2016 Total Funds £	2015 Total Funds £
<b>Income &amp; Endowments from:</b>						
Donations & Legacies		0	0	0	0	0
Charitable Activities		0	0	0	0	0
Investment income	2	23,314	0	0	23,314	5,163
Other Trading Activities		0	0	0	0	0
Other incoming resources (REET)		32,479	0	0	32,479	37,328
<b>Total income &amp; Endowments</b>		<b>55,793</b>	<b>0</b>	<b>0</b>	<b>55,793</b>	<b>42,491</b>
<b>Resources Expended</b>						
Raising funds:						
Investment Property Professional fees		0	0	0	0	0
Management and administration		0	0	0	0	0
Movement in bad debt provision		0	0	0	0	0
		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Charitable expenditure</b>						
Costs of activities in furtherance of the Charity's objects						
Grants payable	3	27,651	0	0	27,651	44,200
Management and administration	4	2,476	0	0	2,476	2,257
Governance Costs		0	0	0	0	0
<b>Total Resources expended</b>		<b>30,127</b>	<b>0</b>	<b>0</b>	<b>30,127</b>	<b>46,457</b>
Gains/(losses) on investment assets	5	(23,167)	0	0	(23,167)	27,346
<b>Net Income / Expenditure</b>		<b>2,499</b>	<b>0</b>	<b>0</b>	<b>2,499</b>	<b>23,380</b>
<b>Transfers between funds</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Recognised Gains / (Losses)</b>						
Gains/(losses) on the revaluation and disposal of tangible fixed assets		0	0	0	0	0
<b>Net movement in funds</b>		<b>2,499</b>	<b>0</b>	<b>0</b>	<b>2,499</b>	<b>23,380</b>
Fund balances brought forward 1 April 2015		702,433	0	0	702,433	679,053
<b>Fund balances carried forward 31 March 2016</b>		<b>704,932</b>	<b>0</b>	<b>0</b>	<b>704,932</b>	<b>702,433</b>

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 2016**

	Notes	2016 Unrestricted Funds £	2015 Unrestricted Funds £
<b>Fixed assets</b>			
Investments	7	611,952	477,869
		<b>611,952</b>	<b>477,869</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	35,393	36,305
Cash at bank and in hand		59,687	192,786
		<b>95,080</b>	<b>229,091</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	9	2,100	4,527
<b>Net current assets less current liabilities</b>		<b>92,980</b>	<b>224,564</b>
Long term liabilities: Provisions		0	0
<b>Net assets less Liabilities</b>		<b>704,932</b>	<b>702,433</b>
<b>The Funds of the Charity:</b>			
Unrestricted Funds	10	704,932	702,433
<b>Total Charity funds</b>		<b>704,932</b>	<b>702,433</b>

The accounts were approved by the Trustee on 18<sup>th</sup> July 2016 and signed on their behalf by:

Trustee:

Date:



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**Notes to the financial statements for the year ended 31<sup>st</sup> March 2016**

**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) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). 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 and tangible fixed assets at market value. During the year the Charity reviewed its accounting policies in accordance with FRS 102 '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. The income received from the Roger Edwards Educational Trust is an estimation of income based on historical data, the actual income relating to 2015-16 has not been received at the time of this report, and therefore any adjustment will be made in the accounts for 2016-17.

**Grants payable**

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

**Management and administration**

Monmouthshire County Council administer the Trust Fund on behalf of the Trustee. 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 Trustee 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.

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### 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).

### 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
	<b>23,314</b>	5,163

### 3 Resources expended

	2016	2015
	£	£
Grants payable	27,651	44,200
Management & administration	2,476	2,257
	<b>30,127</b>	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
	<b>1,701</b>	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)
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	£	£	£	£
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)
<b>Total</b>	<b>477,869</b>	<b>157,250</b>	<b>611,952</b>	<b>(23,167)</b>

The 2.5% consolidated stock was redeemed during the financial year with the realised loss accounted for in the SOFA. Following the redemption of this the funds were invested in line with the investment policy.

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

Fixed asset investments solely consist of the quoted investments. All investments are stated at their market value at 31st March 2016. 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	227,606	32.7
Charibond	199,805	37.2
OEIC Fund	184,541	30.1

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

## 8 Debtors

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	2016	2015
	£	£
<b>Amounts falling due within one year</b>		
Receivable from The Roger Edwards Educational Trust Fund	32,000	36,000
Accrued Interest Receivable	2,330	
HM Revenue and Customs	1,063	305
	<b>35,393</b>	<b>36,305</b>

The majority of the debt relates to the payment from the Roger Edwards Educational Trust. This is an estimate of the income based on historical payments.

## 9 Creditors

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

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

## 10 Funds

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

## 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.