

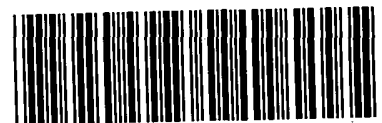
FAIRWOOD TRUST
(A company limited by guarantee)

Report and Financial Statements

For the year ended 31st October 2015

Charity No: 518759
Company No: 894742

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FAIRWOOD TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

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FAIRWOOD TRUST

Company No: 0894742

Charity No: 518759

Report of the Board of Trustees – Directors

Period ending 31st October 2015

Legal and Administrative Information

Background

Fairwood Trust is an independent learning and educational trust, a registered charity and a company limited by guarantee.

The Trust was born out of funds generated through the operations of a successful social enterprise, Training Services Wales Limited, incorporated in 1966 and its parent organisation, Training Trust Wales, registered as a charity in 1978.

The Fairwood Trust is effectively a continuation of the charity, which was renamed in 2008.

The key difference now and in the future is that the Trust is a pure philanthropic organisation with no trading arm and no fundraising intention.

Fairwood Trust is governed by its Memorandum and Articles of Association. Its purpose is:

To improve the quality of life for people in the South Wales communities, which we aim to achieve through our grant making programme. This is focused supporting the education and learning development of individuals wishing to enter Higher Education, coupled with those who intend to be employed/self employed in industry, commerce, business and other voluntary sectors.

Fairwood Trust is governed by a Board of Directors who are the Trustees of the Charity. They make an invaluable contribution to the strategic direction of the organisation and in establishing policy and reporting standards for the charity.

The Trustees meet a minimum of 4 times a year at 3 monthly periods. Combined with this the current part-time Director has monthly meetings with the Chair.

The Board consists of business people from a variety of commercial and public backgrounds.

Board of Trustees – Fairwood Trust

- Mr Brian Lakin (Chair) re-elected 2013
- Mr Richard Partridge re-elected 2013
- Mr Barry Hitchcock re-elected 2012
- Mrs Kath Durbin elected 2008
- Mr Andrew Walker elected 2012
- Mrs Ruth Rowe appointed June 2010
- Secretary Mr Charles Middleton

Registered Office and Operations Address
24 Talbot Close
Talbot Green
Pontyclun
CF72 8AS

Accountants

Curtis Bowden and Thomas Limited
101 Dunraven Street
Tonypany
Rhondda Cynon Taff
CF40 1AR

Bankers

Barclays Bank Plc
Dunraven Place
Bridgend
South Wales

Solicitors

Morgan Cole Cardiff

Review of the past year

Beneficiary Organisations – Projects 2014-15

During the year the Trust has supported the following projects.

1. **English Speaking Union**
The Trust provides both in kind and financial support to schools in preparation for pupils undertaking public speaking/debating programmes. It also provides financial support for the Wales heats and the Welsh Region Final Competition, held annually in March. This in turn feeds into the UK Final, held annually in July.
2. **Buttle UK**
Continuation Grant of £12.5k approved, aimed at supporting 15/20 seriously disadvantaged young people age 18-25 to re-enter employment or further education.
3. **ICE Centre for Innovation & Enterprise**
ICE Centre for Innovation and Enterprise continuation grant of £48k in support of 10 young entrepreneurs aged 20-30 years to expand and grow their business ideas. The Trust classifies these as enterprise bursaries.
4. **Valleys Golf Enterprise**
Continuation grant of £52k for year 2 aimed at engaging with young people aged 8-18 years, who are targeted through the local primary and secondary schools. The focus is on introducing young people in the most deprived areas of the Rhondda Valley to the sport of Golf.

The project also aims to develop the life skills of young people involved, which are designed to enable re-entry into education and/or employment.
5. **RCT Sports Initiative £20k**
Awarded as Sports Bursaries for high performing, financially disadvantaged young athletes aimed at enabling them to purchase sport's kit relevant to their particular discipline. The initiative is managed by the local authority's Sports Welfare Department.

6. Purple Shoots £20k
Awarded to help establish Self Reliant Groups (SRG) in our most disadvantaged communities. The aim of the project is to create a social hub from which micro businesses can be developed. From this people will grow in confidence, discover and develop new skills and talents that should help them to reach their potential.
7. SOS Athletics £12.5k
Awarded to help train the 2 owners of the business to gain specialised expertise and qualifications within the field of health and fitness. This in turn will considerably assist in growing the business.
8. Stephens & George Charity £25k
This funding is awarded to provide training and experience to 20 young people from the Merthyr area classed as NEETS, enabling them to re-enter employment/education.
9. Fairbridge Cymru £15k
A one-off payment to part fund a project supporting the NEETS Agenda in Cardiff.
10. Willows High School £12k
Provided to support a pilot project in working with those pupils aged 12-15 most disengaged with the school's education provision.
11. Small Individual Grants
 - a) Rhondda Housing Association £7k supporting the provision of literacy and numeracy for tenant groups.
 - b) Studio 34 Bridgend College £5k one-off capital grant to refurbish the student technology room.
 - c) Community Foundation Wales £5k one-off grant to support awards for social enterprise start-ups.
 - d) Dylan's Den £6k one off grant to assist with the purchase of equipment for science and technology at primary school level.
12. Schools' Bursary Programme (entry into University)
The Trust currently supports 80 bursary students attending university years 1-3. Each student receives £2k per annum over the 3 year period. The core aim of the project is to help with student accommodation costs, thus allowing them to live on campus and thereby gain from the broad benefits of university life.

Results

The company has achieved a deficit during the period in the sum of £297,033 (2014 deficit £324,443).

Income amounted to £39,362 (2014 £43,190). Expenditure amounted to £336,395 (2014 £367,633) leaving net outgoing resources of £297,033 (2014 £324,443).

The company paid out £287,759 donations which relate to the Trustees policy of making donations. The fund balance now stands at £760,591 compared with £982,624 at the previous year end.

Reserves policy

1. Origin and Need for Reserves

1.1 The charity's Reserves have been built up from surpluses in charitable trading activities.

1.2 At 31st October 2015 the reserves were as follows:

| | 31/10/2015 | 31/10/2014 |
|---|-------------------|-------------------|
| Total Funds | £ 760,591 | £ 982,624 |
| Free Reserves (net current assets) | £ 325,591 | £ 622,624 |
| (i.e. those assets not tied up in fixed assets or designated or restricted funds) | | |

1.3 The trustees have previously resolved to hold free reserves in the Charity to approximately £450K. The current situation is that free reserves are in deficit of these aims and in line with the new strategic plan these will be reduced significantly over the next year.

2. Maintenance of the Reserves at the agreed level

2.1 After the sale of the trading arm of the charity in 2008 the group is in a period of transition and the reserve policy is currently under discussion by the Trustees.

However, in the early years the intention of the trustees is to donate, as a minimum, an amount equal to investment income less operating costs for the charitable purposes.

3. Review and Monitoring Process

3.1 The trustees review the reserves policy at least annually but in addition when substantial income is added to the level of Reserves or when substantial expenditure is made from the Reserves.

Investment Policy – Charity

The Trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate these risks. Internal risks are minimised by the implementation of procedures of authorisation of transactions and projects to ensure consistent quality of delivery for operation aspects of the charitable company.

Responsibilities of the management committee

Charity and company law requires the management committee to prepare financial statements for each year which give a true and fair view of the statement of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources including income and expenditure, for the financial year. In preparing those financial statements, the management committee should follow best practice and:

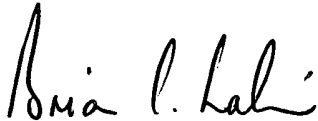
- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statement on the going concern basis unless it is inappropriate to assume that the company will continue on that basis.

The management committee is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The management committee is also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the management committee

Members of the management committee who are directors, for the purpose of the company law and Trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 1.

Approved by the management committee on 23rd June 2016 and signed on its behalf by:



..... (Trustee)
Mr B Lakin

FAIRWOOD TRUST
EXAMINERS' UNQUALIFIED REPORT CHARITABLE COMPANY
FOR THE YEAR ENDED 31ST OCTOBER 2015

Independent examiner's report to the Trustees of Fairwood Trust

I report on the accounts of the company for the year ended 31st October 2015, which are set out on pages 8 to 15.

Respective responsibilities of trustees and examiner

The trustees (who are also the directors of the company for the purpose of company law) are responsible for the preparation of the accounts. The charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

Having satisfied myself that the charity is not subject to audit Part 16 of the Companies Act 2006 and is eligible for independent examination, 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)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

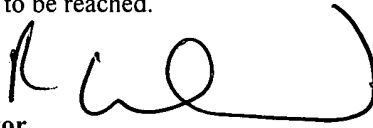
My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items of disclosures in the accounts, and the seeking of explanations from you as trustees concerning any 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.

Independent 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:
 - (a) to keep accounting records in accordance with section 386 of the Companies Act 2006, and
 - (b) to prepare accounts which accord with the accounting records, comply with the accounting requirements of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005) 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.



Mr R. Lloyd
Senior Statutory Auditor
Curtis Bowden & Thomas Limited
Chartered Certified Accountants and Registered Auditors
101 Dunraven Street
Tonypany
CF40 1AR

Date: 23rd June 2016

FAIRWOOD TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST OCTOBER 2015

| | Notes | Unrestricted Funds | Restricted Funds | Total Funds 31/10/2015 | Total Funds 31/10/2014 |
|---|-------|-----------------------|---------------------|------------------------------|------------------------------|
| | | £ | £ | £ | £ |
| Incoming Resources from Generated Funds | | | | | |
| Investment Income | 5 | 39,362 | - | 39,362 | 43,190 |
| Total Incoming Resources | | <u>39,362</u> | <u>-</u> | <u>39,362</u> | <u>43,190</u> |
| Resources Expended | | | | | |
| Costs of generating funds | | | | | |
| Investment management | 6 | 16,092 | - | 16,092 | 16,915 |
| Charitable Activities | | | | | |
| - Charitable Donations | 7 | 287,759 | - | 287,759 | 311,102 |
| - Publicity and Advertising | | 17,756 | - | 17,756 | 22,451 |
| Governance | 6 | 14,788 | - | 14,788 | 17,165 |
| | | <u>336,395</u> | <u>-</u> | <u>336,395</u> | <u>367,633</u> |
| Net movement of Funds | | (297,033) | - | (297,033) | (324,443) |
| Revaluation Reserve | | 75,000 | - | 75,000 | - |
| Balance brought forward 1 st November 2014 | | <u>982,624</u> | <u>-</u> | <u>982,624</u> | <u>1,307,067</u> |
| Balance carried forward 31 st October 2015 | | <u>760,591</u> | <u>-</u> | <u>760,591</u> | <u>982,624</u> |

The statements of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activity.

The notes on pages 3 to 15 form part of these financial accounts

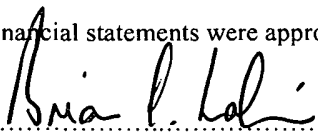
FAIRWOOD TRUST
BALANCE SHEET AS AT 31ST OCTOBER 2015

| | Notes | 31/10/15 | 31/10/14 |
|---|-------|----------|----------|
| | | £ | £ |
| Fixed Assets | | | |
| Tangible Assets | 11 | 435,000 | 360,000 |
| Investments | | - | - |
| | | ----- | ----- |
| | | 435,000 | 360,000 |
| Current Assets | | | |
| Cash at Bank | | 334,192 | 624,885 |
| Liabilities: Amounts falling due Within one year | 12 | (8,601) | (2,261) |
| | | ----- | ----- |
| Net Current Assets | | 325,591 | 622,624 |
| | | ----- | ----- |
| Net Assets | | 760,591 | 982,624 |
| | | ===== | ===== |
| Funds | | | |
| Unrestricted | | 760,591 | 982,624 |
| Restricted | | - | - |
| | | ----- | ----- |
| | | 760,591 | 982,624 |
| | | ===== | ===== |

For the year in question the charitable company was entitled to exemptions from an audit under section 477 of the Companies Act 2006.

The members have not required the charitable company to obtain an audit of its accounts in accordance with sections 476 of the act. The trustees and directors acknowledge their responsibilities for complying with requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

The financial statements were approved by the board on 23rd June 2016 and signed on its behalf by:


..... Trustee
Mr Brian Lakin

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

1. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the statements of Recommended Practice – Accounting and Reporting by charities (SORP 2005) issued in March 2005, applicable UK Accounting Standards and the Companies Act 2006. The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

b. Fund Accounting

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

c. Incoming Resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Investment income is included when receivable.

d. Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Publicity and advertising expenditure relate to marketing and sales services.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and includes the audit fees and costs linked to the strategic management of the charity.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis.

e. Fixed Assets

Freehold property was revalued at market value in the year ended 31st October 2015 and is stated at this value.

Depreciation was provided at a rate of 2% per annum on a straight line basis up to 28th February 2005. However, the trustees have now opted to operate a nil % depreciation rate.

FAIRWOOD TRUST

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2015

2. STATUS

The Trust is a Company Limited by guarantee and has no share capital.

3. TAXATION

The association is a registered charity and accordingly is exempt from taxation on its income and gains where they are applied for charitable purposes.

4. DONATIONS

No gift aid donations were received during the year (year ended 31st October 2014 – Nil).

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES AND GENERATED FUNDS

| | Unrestricted | Restricted | 31/10/2015 Total | 31/10/2014 Total |
|--------------------------|--------------|------------|---------------------|---------------------|
| | £ | £ | £ | £ |
| Investment Income | | | | |
| Rent | 37,500 | - | 37,500 | 37,500 |
| Interest receivable | 1,862 | - | 1,862 | 5,690 |
| | ----- | ----- | ----- | ----- |
| | 39,362 | - | 39,362 | 43,190 |
| | ===== | ===== | ===== | ===== |

6. TOTAL RESOURCES EXPENDED

| | Basis of Allocation | Investment Income | Charitable Expenditure | Fund Raising & Publicity | Governance | Total 31/10/15 | Total 31/10/14 |
|----------------------|------------------------|----------------------|---------------------------|--------------------------------|------------|-------------------|-------------------|
| | | £ | £ | £ | £ | £ | £ |
| Property Costs | Direct | 2,517 | - | - | - | 2,517 | 2,517 |
| Bank Charges | Direct | 146 | - | - | - | 146 | 89 |
| Website Fees | Direct | - | - | - | 138 | 138 | - |
| Public Relations | Direct | - | - | 5,862 | - | 5,862 | 8,176 |
| Administration Fees | Time | 11,894 | - | 11,894 | 11,896 | 35,684 | 42,824 |
| Audit/Accounts Fees | Direct | - | - | - | 1,729 | 1,729 | 1,710 |
| Entertainment | Direct | - | - | - | 1,025 | 1,025 | 1,180 |
| Charitable Donations | Direct | - | 287,759 | - | - | 287,759 | 311,102 |
| Legal & Professional | Direct | 1,535 | - | - | - | 1,535 | 35 |
| | | ----- | ----- | ----- | ----- | ----- | ----- |
| | | 16,092 | 287,759 | 17,756 | 14,788 | 336,395 | 367,633 |
| | | ===== | ===== | ===== | ===== | ===== | ===== |

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

7. ANALYSIS OF CHARITABLE DONATIONS

| | 31/10/15 £ | 31/10/14 £ |
|---|---------------------------|---------------------------|
| Bursaries to Students | 96,938 | 142,166 |
| Fairbridge Cymru | 15,000 | |
| Cardiff Deaf Centre | 1,500 | |
| ESU South Wales | 2,000 | 5,000 |
| Leading Wales Awards | 5,000 | |
| Dylans Den | 6,344 | - |
| Buttle UK Limited | 10,500 | 12,000 |
| Ice Project | 16,000 | 49,000 |
| Peartree Foundation | - | 784 |
| Bridgend College | 5,000 | - |
| Valleys Golf Enterprise | 51,152 | 51,152 |
| Together for Cambodia | - | 6,000 |
| Unlimited | - | 10,000 |
| Community Foundation Grant | 9,500 | 5,000 |
| University of South Wales | 14,000 | 15,000 |
| RCT Sports Development Future Champions Programme | 10,000 | 10,000 |
| Rotary Club | 2,025 | - |
| Purple Shoots | 25,000 | - |
| SOS Athletic | 10,800 | - |
| Rhondda Housing | 7,000 | - |
| | ----- 287,759 ===== | ----- 311,102 ===== |

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

| | 31/10/15 £ | 31/10/14 £ |
|------------------|---------------|---------------|
| Audit Services | - | 1,710 |
| Accountants Fees | 1,729 | - |
| | ===== | ===== |

9. STAFF COSTS AND NUMBERS

There are no longer any employees of the organisation. The charity is controlled by the trustees who meet at regular intervals. They are assisted by a self employed consultant who is responsible for the administration of the charity.

10. TAXATION

The charitable company is exempt from corporation tax on its charitable activities.

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

11. TANGIBLE FIXED ASSETS

| | Freehold Land and Buildings |
|----------------------------------|--|
| | £ |
| Cost | |
| At 1 st November 2014 | 360,000 |
| Additions | - |
| Revaluation | 75,000 |
| | ----- |
| At 31 st October 2015 | £ 435,000 |
| | ===== |
| Depreciation | |
| At 1 st November 2014 | - |
| Charge for period | - |
| Revaluation | - |
| | ----- |
| At 31 st October 2015 | - |
| | ===== |
| Net book value | |
| At 31 st October 2015 | £ 435,000 |
| | ===== |
| At 31 st October 2014 | £ 360,000 |
| | ===== |

The freehold property known as Fairwood House was revalued during 2015 by Watts & Morgan on the basis of open market value at £435,000 and included in the accounts at valuation.

The historical cost of the freehold property was £561,376 and aggregated depreciation thereon would have been £138,137.

The trustees are not aware of any material changes to the value of the property since the last valuation.

12. CREDITORS: Amounts falling due within one year.

| | 2015 | 2014 |
|------------------------------|-------------|-------------|
| | £ | £ |
| Accruals and other creditors | 8,601 | 2,261 |
| | ===== | ===== |

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

13. CAPITAL COMMITMENT

The following grant donations have been approved and are due to be paid within the financial year ending 31st October 2016 as follows:

| | 2016 |
|----------------------------|-------------|
| | £ |
| Valleys Golf Enterprise | 50,000 |
| General Bursaries | 90,000 |
| Buttle UK Limited | 25,000 |
| Ice Centre | 50,000 |
| Newport University | 10,000 |
| Together for Cambodia | 6,000 |
| Purple Shoots | - |
| RCT Future Champions | - |
| SOS Athletic | - |
| Rhondda Housing | - |
| Studio 34 | - |
| Community Foundation Grant | - |
| Stephens and George | 25,000 |
| Alabare | 25,000 |
| | ----- |
| | 281,000 |
| | ===== |

14. ANALYSIS OF NET BETWEEN FUNDS

| | General | Designated | Restricted | Total |
|---|----------------|-------------------|-------------------|--------------|
| | Funds | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Tangible fixed assets | 360,000 | - | - | 360,000 |
| Revaluation Reserves | 75,000 | - | - | 75,000 |
| Current assets | 334,192 | - | - | 334,192 |
| Current liabilities | (8,601) | - | - | (8,601) |
| | ----- | ----- | ----- | ----- |
| Net assets at 31 st October 2015 | 760,591 | - | - | 760,591 |
| | ===== | ===== | ===== | ===== |

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2015

15. MOVEMENTS IN FUNDS

| | At 1st November 2014 | Incoming Resources | Outgoing Resources | At 31st October 2015 |
|---------------------------------|----------------------------|-----------------------|-----------------------|----------------------------|
| | £ | £ | £ | £ |
| Restricted Funds | - | - | - | - |
| Unrestricted funds: | | | | |
| Designated funds | - | - | - | - |
| General funds | 982,624 | 39,362 | (336,395) | 685,591 |
| Revaluation Reserve | - | 75,000 | - | 75,000 |
| Total unrestricted funds | 982,624 | 114,362 | (336,395) | 760,591 |
| Total funds | 982,624 | 114,362 | (336,395) | 760,591 |

16. TRUSTEES REMUNERATION

No trustees received any remuneration.

Mr R. Partridge was reimbursed £270 (£50 2014) for expenses incurred conducting business for the Trust.