

FAIRWOOD TRUST
(A company limited by guarantee)

Report and Financial Statements

For the year ended 31st October 2016

Charity No: 518759
Company No: 894742



FAIRWOOD TRUST
COMPANY NUMBER 0894742
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

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FAIRWOOD TRUST
Company No: 0894742
Charity No: 518759

Report of the Board of Trustees – Directors
Period ending 31st October 2016

The Trustees are pleased to present their annual Trustees Report together with the financial statements of the charity for the year ended 31st October 2016, which are also prepared to meet the requirements for a Directors Report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Associations, and Accounting and Reporting by Charities Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities.

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 Trust is now in a wind down phase and will cease operating in 2017 or early 2018. Consequently, board meetings will now be held twice a year.

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
- Mr John Bevan, resigned November 2013

Registered Office and Operations Address
88 Parc Y Fro
Creigiau
Cardiff
CF15 9SB

Accountants

Curtis Bowden and Thomas Limited
101 Dunraven Street
Tonypandy
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 2015-16

During the year the Trust has supported the following projects.

1. Alabre – Service Veteran Homes
Alabre was awarded a grant of £25k to support 20 ex-service personnel with re-training to re-enter the employment market.
2. Bursary Programme (entry into University)
During the year the Trust awarded grants of £50k to students across Rhondda, Bridgend and Cardiff. This year is the final year for the Bursary Programme and over the past 6 years the Trust has supported over 120 young people in achieving first and post graduate degrees.
3. ICE Centre for Innovation and Enterprise (Enterprise Bursaries)
During the year the Trust provided a final grant of £16k in support of 10 young entrepreneurs.
4. Willows High School
The Trust awarded the school with a grant of £12k to support a specialised delivery programme aimed at reaching the most disadvantaged pupils to re-enter mainstream education.
5. Valleys Golf Enterprise
The Trust distributed a final grant of £30k to complete the project's outcomes. Working in one of the most deprived areas in South East Wales through the sport of golf, the project targets young people aged 8-18 year old to re-engage them with mainstream education and training.
6. SOS Athletic
A final grant of £2k was awarded to complete the project's outcomes. SOS was recently awarded "Best Small Independent Fitness Centre" in the UK.

7. Stephens & George Charity

The Trust awarded the charity a grant of £25k to support a training, mentoring and coaching programme aimed at improving employability prospects for 20 young people.

8. Shednets

A grant of £20k was awarded to support a start-up of this new, innovative social enterprise scheme in the heart of the Rhondda Valley. The overall aim being to reach and help those experiencing high levels of social deprivation.

9. Smaller Grants

- Rotary Club Llandaff was awarded £2k to support 4 young people to complete a Leadership Programme.
- Community Foundation Wales was awarded £4k to support entrepreneurship and enterprise awarded.

10. Fund Legacy Grant £430K

In line with the Trust's original strategy of being a spend-out charity, it was agreed by the Trustee Board that the Trust would cease operating in December 2017. In relation to this, it was agreed that the Trust's property, Fairwood House, would be sold and the proceeds made available as a "Final Legacy Fund". This fund to be opened to large type bids and successful projects to be completed by the end of 2017.

The professional valuation of Fairwood House is circa £430k-£440k and the full value of the sale to be allocated to the "Final Legacy Fund".

The process of marketing the fund and selection of projects to commence in November 2016. It is anticipated that successful projects will be identified and begin operations by February 2017.

Results

The company has achieved a deficit during the period in the sum of £193,985 (2015 deficit £297,032).

Income amounted to £38,537 (2015 £39,362). Expenditure amounted to £232,342 (2015 £336,395) leaving net outgoing resources of £193,985 (2015 £297,033).

The company paid out £186,290 donations which relate to the Trustees policy of making donations. The fund balance now stands at £566,607 compared with £760,591 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 2016 the reserves were as follows:

	31/10/2016	31/10/2015
Total Funds	£ 566,607	£ 760,591
Free Reserves (net current assets)	£ 131,607	£ 325,591

(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 which is to distribute all reserves in the next 12 months.

2. Maintenance of the Reserves at the agreed level

2.1 As noted above the new strategic plan is to distribute all reserves to worthwhile causes over the next 12 months.

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;
- Observe the methods and principles of the Charities SORP.
- 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 15th June 2017 and signed on its behalf by:



..... (Trustee)
Mr B Lakin

FAIRWOOD TRUST
COMPANY NUMBER 0894742
EXAMINERS' UNQUALIFIED REPORT CHARITABLE COMPANY
FOR THE YEAR ENDED 31ST OCTOBER 2016

Independent examiner's report to the Trustees of Fairwood Trust

I report on the accounts of the company for the year ended 31st October 2016, 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 2015) 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 FCCA
Independent Examiner



Curtis Bowden & Thomas Limited
Chartered Certified Accountants and
Registered Auditors

101 Dunraven Street
Tonypandy
CF40 1AR

Date: 15th June 2017

FAIRWOOD TRUST
COMPANY NUMBER 0894742
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST OCTOBER 2016

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 31/10/2016	Total Funds 31/10/2015
		£	£	£	£
Incoming Resources from Generated Funds					
Investment Income	5	38,357	-	38,357	39,362
Total Incoming Resources		<u>38,357</u>	<u>-</u>	<u>38,357</u>	<u>39,362</u>
Resources Expended					
Costs of generating funds					
Investment management	6	41,258	-	41,258	16,092
Charitable Activities					
- Charitable Donations	7	186,290	-	186,290	287,759
- Publicity and Advertising		1,133	-	1,133	17,756
Governance	6	3,661	-	3,661	14,788
		<u>232,342</u>	<u>-</u>	<u>232,342</u>	<u>336,395</u>
Net movement of Funds		(193,985)	-	(193,985)	(297,033)
Revaluation Reserve		75,000	-	75,000	75,000
Balance brought forward 1 st November 2015		685,592	-	685,592	982,624
Balance carried forward 31 st October 2016		<u>566,607</u>	<u>-</u>	<u>566,607</u>	<u>760,951</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

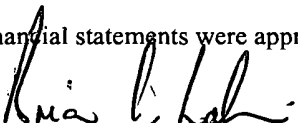
FAIRWOOD TRUST
COMPANY NUMBER 0894742
BALANCE SHEET AS AT 31ST OCTOBER 2016

	Notes	31/10/16	31/10/15
		£	£
Fixed Assets			
Tangible Assets	11	435,000	435,000
Investments		-	-
		<u>435,000</u>	<u>435,000</u>
Current Assets			
Cash at Bank		132,257	334,192
Prepayments		<u>1,060</u>	<u>-</u>
		133,317	334,192
Liabilities: Amounts falling due Within one year	12	(1,710)	(8,601)
Net Current Assets		<u>131,607</u>	<u>325,591</u>
Net Assets		<u><u>566,607</u></u>	<u><u>760,591</u></u>
Funds			
Unrestricted		566,607	760,591
Restricted		-	-
		<u><u>566,607</u></u>	<u><u>760,591</u></u>

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 15th June 2017 and signed on its behalf by:


..... Trustee
Mr Brian Lakin

FAIRWOOD TRUST
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

1. ACCOUNTING POLICIES

a. Basis of Preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities; Statement of Recommended Practice Applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015) and the Companies Act 2006. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies notes.

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 appointed 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
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

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 2015 – Nil).

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES AND GENERATED FUNDS

	Unrestricted	Restricted	31/10/2016 Total	31/10/2015 Total
	£	£	£	£
Investment Income				
Rent	37,500	-	37,500	37,500
Interest receivable	857	-	857	1,862
	-----	-----	-----	-----
	38,357	-	38,357	39,362
	=====	=====	=====	=====

6. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Investment Income	Charitable Expenditure	Fund Raising & Publicity	Governance	Total 31/10/16	Total 31/10/15
		£	£	£	£	£	£
Property Costs	Direct	2,251				2,251	2,517
Bank Charges	Direct	152				152	146
Website Fees	Direct				204	204	138
PR/Legacy Marketing	Direct			1,133		1,133	5,862
Administration Fees	Time	34,068				34,068	35,684
Audit /Accounts Fees	Direct				1,820	1,820	1,729
Entertainment	Direct				1,637	1,637	1,025
Charitable Donations	Direct		186,290			186,290	287,759
Legal & Professional	Direct	4,787				4,787	1,535
		-----	-----	-----	-----	-----	-----
		41,258	186,290	1,133	3,661	232,342	336,935
		=====	=====	=====	=====	=====	=====

FAIRWOOD TRUST
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

7. ANALYSIS OF CHARITABLE DONATIONS

	31/10/16	31/10/15
Bursaries to Students	59,035	96,938
Fairbridge Cymru		15,000
Cardiff Deaf Centre		1,500
ESU South Wales		2,000
Leading Wales Awards		5,000
Dylans Den		6,344
Buttle UK Limited		10,500
Ice Project	32,000	16,000
Bridgend College		5,000
Valleys Golf Enterprise	30,880	51,152
Stephens and George	25,000	
Community Foundation Grant		9,500
University of South Wales		14,000
RCT Sports Development		10,000
Rotary Club	1,875	2,025
Purple Shoots		25,000
SOS Athletic		10,800
Rhondda Housing		7,000
Willows High School	12,000	
Alabre Veterans Home	12,500	
Shednet	10,000	
Gwyrosudd Primary School	3,000	
	----- 186,290 =====	----- 287,759 =====

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	31/10/16 £	31/10/15 £
Accountants Fees	1,820 =====	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
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

11. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings
	£
Cost or Valuation	
At 1 st November 2015	435,000
Additions	
Revaluation	-

At 31 st October 2016	<u><u>£435,000</u></u>
Depreciation	
At 1 st November 2015	-
Charge for period	-

At 31 st October 2016	-

Net book value	
At 31 st October 2016	<u><u>£ 435,000</u></u>

At 31 st October 2015	<u><u>£ 435,000</u></u>

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 property was sold on 1st February 2017 for £430,000.

12. CREDITORS: Amounts falling due within one year.

	2016	2015
	£	£
Accruals and other creditors	<u><u>1,710</u></u>	<u><u>8,601</u></u>

FAIRWOOD TRUST
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

13. CAPITAL COMMITMENT

The following grant donations have been approved and are due to be paid within the financial year ending 31st October 2017 as follows:

	2017 £
Alabre	12,500
SOS Athletic	2,000
Shednet	10,000
Miscellaneous Small Grants	5,000
Legacy Fund	430,000

	459,500
	=====

14. ANALYSIS OF NET BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	360,000	-	-	360,000
Revaluation Reserves	75,000	-	-	75,000
Current assets	133,317	-	-	133,317
Current liabilities	(1,710)	-	-	(1,710)
	-----	-----	-----	-----
Net assets at 31 st October 2016	566,607	-	-	566,607
	=====	=====	=====	=====

FAIRWOOD TRUST
COMPANY NUMBER 0894742
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2016

15. MOVEMENTS IN FUNDS

	At 1st November 2015	Incoming Resources	Outgoing Resources	At 31st October 2016
	£	£	£	£
Restricted Funds	-	-	-	-
Unrestricted funds:				
Designated funds	-	-	-	-
General funds	685,591	38,357	(232,342)	491,606
Revaluation Reserve	-	75,000	-	75,000
Total unrestricted funds	685,591	113,357	(232,342)	566,606
Total funds	685,591	113,357	(232,342)	566,606

16. TRUSTEES REMUNERATION

No trustees received any remuneration.

Mr R. Partridge was reimbursed £126 (£270 2015) for expenses incurred conducting business for the Trust, and Mr B Hitchcock was reimbursed £35 (nil 2015)