

FAIRWOOD TRUST
(A company limited by guarantee)

Report and Financial Statements

For the year ended 31st October 2013

Charity No: 518759
Company No: 894742

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FAIRWOOD TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2013

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FAIRWOOD TRUST

Company No: 0894742

Charity No: 518759

Report of the Board of Trustees – Directors

Period ending 31st October 2013

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 John Bevan OBE re-elected 2006
- 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

Auditors

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 2012/13

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. Unlimited Wales Future Leader Programme
Continuation funding of £40k to support young, often disadvantaged people through mentoring and training, to set up social enterprises within their communities.
3. Lifemap Planners Stepping Stones Project
Continuation funding of £30k to facilitate the mentoring of the most marginalised and disadvantaged young people age 11-16, within the Cardiff and Newport city regions.
4. Dark Sky Wales
Continuation funding of £25k. The project is centred on 30 primary schools in the Rhondda Valley, focusing on years 5 & 6 (10/11 year olds). The project introduces them to robotics linked to expanding their knowledge and interest in science and technology. Over 2 years the project will have reached 1000 pupils.
5. Buttle UK
Grant of £25k approved, aimed at supporting 15/20 seriously disadvantaged young people age 18-25 to re-enter employment or further education.
6. TABs Training Centre
Final grant of £5k paid completing the project, which was delivered fully against targets.

7. ICE Centre for Innovation & Enterprise
Paid second tranche grant of £15k in support of 10 young entrepreneurs (20-30 year olds) to expand and grow their business ideas. The Trust classifies these as enterprise bursaries.
8. UWCN
Continuation of the Bright Ideas scholarships supporting 6 alumni graduates in developing their business ideas. Second tranche grant of £15k paid, which supports the graduates in mentoring and coaching from UWCN.
9. Small Individual Grants
 - a) Pendoylan Primary School, grant of £2k to build an external nature trail utilised by the pupils.
 - b) TFC Cambodia, grant of £5k to support the work of this orphanage in Cambodia with regards to education and employment initiatives.
10. Schools' Bursary Programme (entry into University)
During the year the Trust awarded 26 new bursaries to students from the Rhondda, Bridgend and Cardiff areas. Each student receives £2k per annum over 3 years. 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. In September 2013 the Trust is supporting 53 young people at various stages through university.

Results

The company has achieved deficit during the period in the sum of £182,605 (2012 deficit £286,225, after accounting for the revaluation of the property).

Income amounted to £63,742 (2012 £75,743). Expenditure amounted to £246,347 (2012 £304,296) and there were other losses relating to revaluation on the property and investments of Nil (2012 £57,672) leaving net outgoing resources of £182,605 (2012 £286,225).

The company paid out £187,602 donations which relate to the Trustees policy of making donations. The fund balance now stands at £1,307,067 compared with £1,489,672 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 2013 the reserves were as follows:

	31/10/2013	31/10/2012
Total Funds	£ 1,307,067	£ 1,489,672
Free Reserves (net current assets)	£ 947,067	£ 1,129,672
(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 the excess of these aims but in line with the new strategic plan these will be reduced significantly over the next few years.

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.

At the December meeting Mr John Bevan a long standing trustee resigned his position on the board due to personal commitments and the demands on his time. The board of trustees wish to record their gratitude for Mr Bevan's long service and contribution to the Trust and before this TSW, and wished him well.

Auditors

Curtis Bowden and Thomas Limited were re-appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

This report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by charities (issued in March 2008) and in accordance with the special provision of Part vii of the Companies Act 2006 relating to small entities.

Approved by the management committee on 17th June 2014 and signed on its behalf by:



..... (Trustee)

Mr B Lakin

**INDEPENDENT AUDITORS REPORT TO THE TRUSTEES OF
FAIRWOOD TRUST FOR THE YEAR ENDED 31ST OCTOBER 2013**

We have audited the financial statements of Fairwood Trust for the year ended 31st October 2013 which comprise the Statements of Financial Activities and the Balance Sheet and related notes. The financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purpose of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statements of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given to the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charity has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financials statements, and or whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financials statements.

Opinion

In our opinion:

- The statements give a true and fair view of the state of the charity's affairs as at 31st October 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- The financial statements have been prepared in accordance with the Companies Act 2006; and
- The information given in the Trustees' Annual Report is consistent with the financial statements.



Mr Robert Lloyd Senior Statutory Auditor
for and on behalf of:

Curtis Bowden & Thomas Limited
Chartered Certified Accountants & Statutory Auditors
101 Dunraven Street
Tonypany
Rhondda Cynon Taff
CF40 1AR

Date: 17th June 2014

FAIRWOOD TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST OCTOBER 2013

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 31/10/2013	Total Funds 31/10/2012
		£	£	£	£
Incoming Resources from Generated Funds					
Investment Income	5	63,742	-	63,742	75,743
Total Incoming Resources		63,742	-	63,742	75,743
Resources Expended					
Costs of generating funds					
Investment management	6	18,902	-	18,902	16,201
Charitable Activities					
- Charitable Donations	7	187,602	-	187,602	248,770
- Publicity and Advertising	6	22,257	-	22,257	22,546
Governance	6	17,586	-	17,586	16,779
		246,347	-	246,347	304,296
Net outgoing resources for the year					
Before other recognised gains		(182,605)	-	(182,605)	(228,553)
Other recognised gains/losses					
- Profit on Revaluation of investments		-	-	-	5,567
- Loss on Revaluation of Property		-	-	-	(63,239)
Net movement of Funds		(182,605)	-	(182,605)	(286,225)
Balance brought forward 1 st November 2012		1,489,672	-	1,489,672	1,775,897
Balance carried forward 31 st October 2013		1,307,067	-	1,307,067	1,489,672


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 19 form part of these financial accounts

FAIRWOOD TRUST
BALANCE SHEET AS AT 31ST OCTOBER 2013

	Notes	31/10/13	31/10/12
		£	£
Fixed Assets			
Tangible Assets	11	360,000	360,000
Investments	12	-	-
		<u>360,000</u>	<u>360,000</u>
Current Assets			
Cash at Bank		949,560	1,131,908
Liabilities: Amounts falling due Within one year	13	(2,493)	(2,236)
		<u>947,067</u>	<u>1,129,672</u>
Net Current Assets			
		<u>1,307,067</u>	<u>1,489,672</u>
Net Assets		<u>1,307,067</u>	<u>1,489,672</u>
Funds			
Unrestricted		1,307,067	1,489,672
Restricted		-	-
		<u>1,307,067</u>	<u>1,489,672</u>

The financial statements were approved by the Board on 17th June 2014 and signed on its behalf:


 Trustee
 Mr Brian Lakin

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2013

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 2013 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 2013

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 2012 – Nil).

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES AND GENERATED FUNDS

	Unrestricted	Restricted	31/10/2013 Total	31/10/2012 Total
	£	£	£	£
Investment Income				
Rent	37,500	-	37,500	45,000
Interest receivable	26,242	-	26,242	30,743
	-----	-----	-----	-----
	63,742	-	63,742	75,743
	=====	=====	=====	=====

6. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Investment Income	Charitable Expenditure	Fund Raising & Publicity	Governance	Total 31/10/13	Total 31/10/12
		£	£	£	£	£	£
Property Costs	Direct	2,117	-	-	-	2,117	2,115
Bank Charges	Direct	98	-	-	-	98	145
Website Fees	Direct	-	-	174	-	174	888
Public Relations	Direct	-	-	8,034	-	8,034	8,186
Administration Fees	Time	14,049	-	14,049	14,050	42,148	40,417
Audit Fees	Direct	-	-	-	1,655	1,655	1,585
Entertainment	Direct	-	-	-	1,881	1,881	1,721
Charitable Donations	Direct	-	187,602	-	-	187,602	248,770
Legal & Professional	Direct	2,638	-	-	-	2,638	469
		-----	-----	-----	-----	-----	-----
		18,902	187,602	22,257	17,586	246,347	304,296
		=====	=====	=====	=====	=====	=====

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2013

7. ANALYSIS OF CHARITABLE DONATIONS

	31/10/13 £	31/10/12 £
Bursaries to Students	101,499	58,704
Unlimited Young Achievers Award	-	30,000
Life Map Planner	10,000	40,000
Newport University	-	15,000
Dark Sky Project	12,500	25,000
ESU South Wales	4,478	1,566
Leading Wales Awards	5,000	5,000
TABS	3,000	15,000
Buttle UK	12,500	12,500
Cardiff Met	-	25,000
Ice Project	6,000	15,000
Xins Education Project	-	6,000
Peartree	716	-
School Speaking Comp Grant	2,000	-
Valleys Golf	24,964	-
Together for Cambodia	4,945	-
	----- 187,602 =====	----- 248,770 =====

8. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	31/10/13 £	31/10/12 £
Audit Services	1,655 =====	1,585 =====

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 2013

11. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings
	£
Cost	
At 1 st November 2012	360,000
Additions	-
Revaluation	-

At 31 st October 2013	£ 360,000
	=====
Depreciation	
At 1 st November 2012	-
Charge for period	-
Revaluation	-

At 31 st October 2012	-
	=====
Net book value	
At 31 st October 2013	£ 360,000
	=====
At 31 st October 2012	£ 360,000
	=====

The freehold property known as Fairwood House was revalued during the year by Watts & Morgan on the basis of open market value at £360,000 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. INVESTMENTS	2013	2012
	£	£
At: 1 st November 2012	-	149,250
Unrealised gain on investments	-	5,566
Investment realised	-	(154,816)
	-----	-----
At 31 st October 2013	-	-
	=====	=====
13. CREDITORS: Amounts falling due within one year.		
Accruals and other creditors	2,493	2,236
	=====	=====

FAIRWOOD TRUST

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2013

14. CAPITAL COMMITMENT

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

	2014 £	2015 £	2016 £	2017 £	Total £
Leading Wales Award	5,000	-	-	-	5,000
Valleys Golf	20,000	-	-	-	20,000
General Bursaries	120,000	100,000	60,000	50,000	330,000
Peartree Languages	800	-	-	-	800
Buttle UK	20,000	-	-	-	20,000
Ice Centre	40,000	-	-	-	40,000
Newport University	30,000	-	-	-	30,000
Together for Cambodia	6,000	-	-	-	6,000
	<u>241,800</u>	<u>100,000</u>	<u>60,000</u>	<u>50,000</u>	<u>451,800</u>

15. ANALYSIS OF NET BETWEEN FUNDS

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	360,000	-	-	360,000
Investments	-	-	-	-
Current assets	949,560	-	-	949,560
Current liabilities	(2,493)	-	-	(2,493)
Net assets at 31 st October 2013	<u>1,307,067</u>	<u>-</u>	<u>-</u>	<u>1,307,067</u>

FAIRWOOD TRUST
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST OCTOBER 2013

16. MOVEMENTS IN FUNDS

	At 1st November 2012	Incoming Resources	Outgoing Resources	At 31st October 2013
	£	£	£	£
Restricted Funds	-	-	-	-
	=====	=====	=====	=====
Unrestricted funds:				
Designated funds	-	-	-	-
General funds	1,489,672	63,742	(246,347)	1,307,067
	-----	-----	-----	-----
Total unrestricted funds	1,489,672	63,742	(246,347)	1,307,067
	=====	=====	=====	=====
 Total funds	 1,489,672	 63,742	 (246,347)	 1,307,067
	=====	=====	=====	=====

17. TRUSTEES REMUNERATION

No trustees received any remuneration.

Mr B. Hitchcock was reimbursed £85 and Mr R. Partridge was reimbursed £66 for expenses they incurred conducting business for the Trust.