

**FAIRWOOD TRUST**  
(A company limited by guarantee)

**Report and Financial Statements**

**For the year ended 31<sup>st</sup> October 2017**

Charity No: 518759  
Company No: 894742

THURSDAY



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19/07/2018  
COMPANIES HOUSE

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

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**FAIRWOOD TRUST**  
**Company No: 0894742**  
**Charity No: 518759**

**Report of the Board of Trustees – Directors**  
**Period ending 31<sup>st</sup> October 2017**

The Trustees are pleased to present their annual Trustees Report together with the financial statements of the charity for the year ended 31<sup>st</sup> October 2017, 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 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 2 times a year at 6 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**

88 Parc Y Fro  
Creigiau  
Cardiff  
CF15 9SB

## **Accountants**

Curtis Bowden & 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 2016-17**

During the year the Trust has supported the following projects.

1. Alabre – Service Veteran Homes  
Alabre was awarded a final grant of £12.5k 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 £4k 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. 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.
4. Shednets  
A final grant of £10k 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.
5. 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 has been awarded to Amelia Farm trust £130k, Bridgend College £225k and Tenovus Cancer Research £75k.

The full value of the sale of Fairwood House of £430,000 has been allocated to the "Final Legacy Fund".

## **Results**

The company has achieved a deficit during the period in the sum of £268,094 (2016 deficit £193,985).

Income amounted to £3,931 (2016 £38,537). Expenditure amounted to £264,887 (2016 £232,342) leaving net outgoing resources of £(260,956) (2016 £193,985).

During the year the property Fairwood House was sold, the net loss on the sale was £7,138.

The company paid out £233,500 donations which relate to the Trustees policy of making donations. The fund balance now stands at £298,513 compared with £566,607 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 31<sup>st</sup> October 2017 the reserves were as follows:

	31/10/2017	31/10/2016
Total funds	£298,513	£566,607
Free Reserves (net current assets)	£298,513	£ 131,607

(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 14<sup>th</sup> June 2018 and signed on its behalf by:



(Trustee)  
Mr B Lakin

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**EXAMINERS' UNQUALIFIED REPORT CHARITABLE COMPANY**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

**Independent examiner's report to the Trustees of Fairwood Trust**

I report on the accounts of the company for the year ended 31<sup>st</sup> October 2017, 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: 14<sup>th</sup> June 2018

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

	Notes	Unrestricted Funds	Restricted Funds	Total Funds 31/10/2017	Total Funds 31/10/2016
		£	£	£	£
<b>Incoming Resources from Generated Funds</b>					
Investment Income	5	3,931	-	3,931	38,357
Total Incoming Resources		3,931	-	3,931	38,357
<b>Resources Expended</b>					
Costs of generating funds					
Investment management	6	20,687	-	20,687	41,258
Charitable Activities					
- Charitable Donations	7	233,500	-	233,500	186,290
- Publicity and Advertising		5,632	-	5,632	1,133
Governance	6	5,068	-	5,068	3,661
		264,887	-	264,887	232,342
Net movement of Funds for year		(260,956)	-	(260,956)	(193,985)
Profit/(Loss) on disposal of property		(7,138)	-	(7,138)	-
Revaluation Reserve			-		75,000
Balance brought forward 1 <sup>st</sup> November 2016		566,607	-	566,607	685,592
Balance carried forward 31 <sup>st</sup> October 2017		298,513	-	298,513	566,607

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 31<sup>ST</sup> OCTOBER 2017**

	Notes	31/10/17	31/10/16
		£	£
<b>Fixed Assets</b>			
Tangible Assets	11	-	435,000
Investments		-	-
		-----	-----
			435,000
<b>Current Assets</b>			
Cash at Bank		300,253	132,257
Prepayments		-	1,060
		-----	-----
		-	133,317
<b>Liabilities: Amounts falling due</b>			
Within one year	12	(1,740)	(1,710)
		-----	-----
Net Current Assets		298,513	131,607
		-----	-----
Net Assets		298,513	566,607
		=====	=====
<b>Funds</b>			
Unrestricted		298,513	566,607
Restricted		-	-
		-----	-----
		298,513	566,607
		=====	=====

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 14<sup>th</sup> June 2018 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 31<sup>ST</sup> OCTOBER 2017**

**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 applicable in the UK and Republic of Ireland (FRS 102) (effective 1<sup>st</sup> January 2015) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

**b. First Year Adaption**

These financial statements for the year ended 31<sup>st</sup> October 2017 are the first that are prepared in accordance with FRS102. The previous financial statements were prepared in accordance with UK GAAP. The date of transition to FRS 102 is 1<sup>st</sup> November 2015.

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS 102 the restatement of comparatives was required. No adjustments deemed necessary

**c. 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.

**d. 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 and the amount can be measured reliably by the charity.

**e. Resources Expended**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party. Expenditure is classified as:

- 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.

**f. Fixed Assets**

Freehold property was sold in February 2017.

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

**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 31<sup>st</sup> October 2016 – Nil).

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES AND GENERATED FUNDS**

	Unrestricted	Restricted	31/10/2017 Total	31/10/2016 Total
	£	£	£	£
<b>Investment Income</b>				
Rent	3,904	-	3,904	37,500
Interest receivable	27	-	27	857
	-----	-----	-----	-----
	3,931	-	3,931	38,537
	=====	=====	=====	=====

**6. TOTAL RESOURCES EXPENDED**

	Basis of Allocation	Investment Income	Charitable Expenditure	Fund Raising & Publicity	Governance	Total 31/10/17	Total 31/10/16
		£	£	£	£	£	£
Property Costs	Direct	3,780				3,780	2,251
Bank Charges	Direct	118				118	152
Website Fees	Direct	114				114	204
PR/Legacy Marketing	Direct			5,632		5,632	1,133
Administration Fees	Time	16,579				16,579	34,068
Audit /Accounts Fees	Direct				1,818	1,818	1,820
Entertainment	Direct				3,250	3,250	1,637
Charitable Donations	Direct		233,500			233,500	186,290
Legal & Professional	Direct	96				96	4,787
		-----	-----	-----	-----	-----	-----
		20,687	233,500	5,632	5,068	264,887	232,342
		=====	=====	=====	=====	=====	=====

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

**7. ANALYSIS OF CHARITABLE DONATIONS**

	31/10/17	31/10/16
Bursaries to Students	4,000	59,035
Ice Project	-	32,000
Valleys Golf Enterprise	-	30,880
Stephens and George	-	25,000
Rotary Club	-	1,875
SOS Athletic	2,000	-
Willows High School	-	12,000
Alabre Veterans Home	12,500	12,500
Shednet	10,000	10,000
Gwyrosudd Primary School	-	3,000
Amelia Farm Trust	130,000	-
Tenovus	75,000	-
	-----	-----
	233,500	186,290
	=====	=====

**8. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging:

	31/10/17	31/10/16
	£	£
Accountants Fees	1,818	1,820
	=====	=====

**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 31<sup>ST</sup> OCTOBER 2017**

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings</b>
	<b>£</b>
<b>Cost or Valuation</b>	
At 1 <sup>st</sup> November 2016	435,000
Additions	
Disposal	(360,000)
Revaluation	(75,000)
	-----
At 31 <sup>st</sup> October 2017	£Nil
	=====
<b>Depreciation</b>	
At 1 <sup>st</sup> November 2016	-
Charge for period	-
	-----
At 31 <sup>st</sup> October 2017	-
	=====
<b>Net book value</b>	
At 31 <sup>st</sup> October 2017	£Nil
	=====
At 31 <sup>st</sup> October 2016	£ 435,000
	=====

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 property was sold on 1<sup>st</sup> February 2017 for £427,862.

**12. CREDITORS: Amounts falling due within one year.**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Accruals and other creditors	1,740	1,710
	=====	=====

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

**13. CAPITAL COMMITMENT**

The following grant donations have been approved and have or are due to be paid within the financial year ending 31<sup>st</sup> October 2018 as follows:

	2018 £
Alabre	-
SOS Athletic	-
Shednet	-
Legacy Fund Bridgend College	225,000
	-----
	225,000
	=====

**14. ANALYSIS OF NET BETWEEN FUNDS**

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets		-	-	
Revaluation Reserves		-		
Current assets	300,253	-	-	300,253
Current liabilities	(1,740)	-		(1,740)
	-----	-----	-----	-----
Net assets at 31 <sup>st</sup> October 2017	298,513	-	-	298,513
	=====	=====	=====	=====

**FAIRWOOD TRUST**  
**COMPANY NUMBER 0894742**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> OCTOBER 2017**

**15. MOVEMENTS IN FUNDS**

	At 1st November 2016	Incoming Resources	Outgoing Resources	Transfers	At 31st October 2017
	£	£	£	£	£
<b>Restricted Funds</b>	-	-	-	-	-
<b>Unrestricted Funds</b>					
Designated Funds	-	-	-	-	-
General Funds	491,607	3,931	272,025	75,000	298,513
Revaluation Reserve written off	75,000	-	-	(75,000)	-
Total unrestricted funds	566,607	3,931	272,025	-	298,513
Total funds	566,607	3,931	272,025	-	298,513

**16. TRUSTEES REMUNERATION**

No trustees received any remuneration.

**17. FUTURE DEVELOPMENTS**

As the charity is now coming to the end of its existence, no applications for grants will now be received.