

Company registration no: 05785598
Registered charity no: 1116617

The Endowment Fund For TaCRI
(A Company Limited by Guarantee)
Annual report and financial statements
for the year ended 30 June 2018



The Endowment Fund for TaCRI

Contents

	Page
Trustees and advisors	1
Report of the Trustees	2 – 5
Independent auditors' report to the members	6 – 8
Statement of financial activities	9
Balance sheet	10
Notes to the financial statements	11 – 19

The Endowment Fund for TaCRI

Trustees and advisors

Trustees	Professor Melchior Mlambiti Henry Moshi Dr Hussein Mansoor (resigned 29 August 2018) Dr Wilhelm Leonard Mafuru (appointed 29 August 2018)
Company number	05785598
Registered charity number	1116617
Registered office	St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE1 3DX
Business address	P O Box 3004 Moshi Tanzania
Auditors	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Bankers	CRDB Bank Limited P O Box 1302 Moshi Tanzania
Solicitors	Womble Bond Dickinson (UK) LLP 3 Temple Quay Temple Back East Bristol BS1 6DZ
Investment managers	Quilter Cheviot Investment Management One Kingsway London WC2B 6AN

The Endowment Fund for TaCRI

Report of the Trustees For the year ended 30 June 2018

The Trustees present their report along with the financial statements of the charity for the year ended 30 June 2018.

Governing document

The Endowment Fund for TaCRI ("the Fund") is a company limited by guarantee, incorporated on 19 April 2006 and registered as a charity on 2 November 2006. The Fund was established under a Memorandum of Association which established the objects and powers of the Fund and is governed under its Articles of Association. In the event of the Fund being wound up each member promises to pay up to £1 towards the costs of dissolution and the liabilities incurred by the charity while the contributor was a member. The charity registration number, company number, principal office and registered office are noted on page 1.

Directors and Trustees

The Directors of the Fund are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees who served throughout the year are noted on page 1. The Trustees are appointed and serve in accordance with the Articles of Association. The Trustees meet two times a year. The Trustees (and key management personnel) receive no remuneration from the charity.

The Board is composed of no fewer than three Trustees and a maximum of five Trustees of whom no fewer than two and a maximum of three are appointed by the Tanzanian Coffee Research Institute ("TaCRI") and no fewer than one and no more than two are appointed by the Government of Tanzania acting by the Minister of Agriculture.

The Trustees appoint a Chairperson and a Treasurer from amongst themselves. Sub groups and advisory boards can also be appointed to provide other resources of expertise.

The Fund's legal advisors have worked with the Trustees to compile a Trustees' Policies document, as well as a Governance Timetable. They also provide legal and regulatory updates as required, to ensure that the Trustees' knowledge remains current.

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Fund and of the incoming resources and application of resources, including the income and expenditure, of the Fund for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and enables them to ensure that the financial statements comply

The Endowment Fund for TaCRI

Report of the Trustees For the year ended 30 June 2018

with the Companies Act 2006. They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the Fund's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Objects and activities of the charity

The objects of the Fund are to promote and conduct research into all aspects of coffee production in Tanzania and to disseminate the useful results of such research for the public benefit; relieve the poverty of coffee producers in Tanzania by enabling and assisting them to improve the effective management of their natural resources; and provide assistance and support to TaCRI in respect of the objects referred to above.

Risk management

The Trustees have assessed the major risks to which the Fund is exposed, in particular those related to the operations and finances of the Fund, and are satisfied that systems are in place to mitigate their exposure to the major risks.

Public benefit

The Trustees are aware of the Charity Commission guidance on public benefit and have paid due regard to this guidance when deciding on what activities the Fund should undertake (as set out below).

Achievement and performance

During the year, grants from the Fund have supported the following projects:-

- i. Maintenance of trials and selection of fields
- ii. Maintenance of seed gardens and hybridization operations
- iii. Data collection on station and multilocation trials
- iv. Purchase of working gear, inputs and reagents for breeding, pathology and tissue culture laboratories
- v. Visit for assessment and data collection on multilocation trial sites
- vi. Continued to support 200 nurseries that contributed to the multiplication and distribution of 1,728,510 hybrid seedlings to 8,643 smallholder coffee growers in all six TaCRI coffee zones during the year.
- vii. Trained 238 extension officers, 51 farmer promoters and 3,105 coffee growers in coffee agronomy and primary processing, seedlings multiplication, coffee economics, group formation and income diversification options.
- viii. Distributed 2,334 extension materials on GAPs, hybrid seedlings multiplication, group formation, coffee economics and income diversification option.
- ix. Evaluation of liming effect on coffee plant growth and productivity and the effect of tonic application of secondary macro-nutrients and micro-nutrients on the new TaCRI coffee varieties continued well during the period. Once the trial has ended and we have the final results, we expect to start sharing the recommendations and results by 2019/20 for the use of coffee farmers.
- x. Evaluation of 3 trials on white coffee stem borer (WCSB) established in 3 different agro ecological zones continued well during the period and the final results show that: 20mls of Fipronil in 20 Lts of water can be used for banding/spraying in stems near short and long rains so as to minimize the re-infestation of the pest in their coffee farms. Currently we are in the process of registering the

The Endowment Fund for TaCRI

Report of the Trustees

For the year ended 30 June 2018

- chemical with Tropical Pesticides Research Institute (TPRI), so as to get permission to use the chemical in controlling WCSB in coffee fields.
- xi. Preliminary results on the trial to assess the response function of Compact coffee varieties to N:P:K nutrients at higher planting density indicates that 75g of NPK (20:10:10) if applied three times per year at the space of 2x1.5 or 2x1.25m is enough for CVT1 and CVT2 lines under the four years of age. Once the trial has ended and we have the final results, we expect to start sharing the recommendations and results by 2019/20 so that coffee farmers can use the technology to increase coffee production and quality.
 - xii. Preliminary results on the trial to evaluate the fertilizer requirement for tall coffee varieties indicates that, integrating organic and inorganic fertilizer is the most appropriate option because it reduces costs of inorganic fertilizers by 50% but also quantities of composts required. Once the trial has ended and we have the final results, we expect to start sharing the recommendations and results by 2018/19 for coffee farmer's uses.
 - xiii. Preliminary results on the trial to compare propagation techniques indicate that all the multiplication techniques have similar field performance and therefore tentatively we could say that the presence of tap-root (seeds) or lack thereof (cuttings) has little effect if any on growth and yield of Arabica coffee. Once the trial has ended and we have the final results, we expect to start sharing the recommendations and results and technology by 2020/21.
 - xiv. The TaCRI Soil Laboratory continued to provide quality soil, water and plant tissue analytical services to clients within and beyond the coffee sub-sector. During this period; 1204 soil samples from small holder's farmers and estates were analyzed and reports submitted.
 - xv. Brochures summarizing the reports of soil fertility surveys up to the ward level (with the aim of ensuring that more people especially farmers and extension officers make reasonable fertilizer recommendation based on the soil fertility data) were published and disseminated to the following districts: Mvomero, Moshi, Rombo, Siha, Meru, Muleba, Tarime, Kasulu and Buhigwe.

Financial review

The Fund Manager has continued to keep the Trustees up to date on the performance of the Fund's portfolio and associated management costs. The Trustees noted encouraging results in the performance of the portfolio and the assurance by Fund Manager of expected further growth. The Trustees feel that the effective percentage rate charged by the fund managers will continue to be competitive given the scale, buying power and market access.

The Fund was set up with the intention of ensuring the long-term financial sustainability of the Fund and the projects it supports for the public benefit. The Fund would normally draw funds to meet its objects. During the financial year, we continued to utilize funds withdrawn from the Fund to meet charitable objects of the Fund.

As at 30 June 2018 the endowment funds totalled \$5,038,040 (2017: \$5,685,987) and the unrestricted funds totalled \$634,541(\$599,944).

Future plans

Future plans are to draw on interest accruing from the principal, as well as from the principal, as performance of the fund improves during the next few years to achieve the above objects of the Fund. The major thrusts will be to fund further improvements to TaCRI's research facilities and infrastructure, to develop and disseminate appropriate coffee production and primary processing technologies that will reduce the costs of coffee production and processing, improve coffee quality and therefore incomes and profits of coffee growers for the sustainable reduction of poverty in coffee growing areas and improve income security and livelihoods.

The Endowment Fund for TaCRI

**Report of the Trustees
For the year ended 30 June 2018**

Reserves policy

The Fund has retained the original policy of building up the fund, but started withdrawing from accrued interest to meet the charitable objects of the Fund. During the financial year to 30 June 2018, \$973,623 was withdrawn and utilized to support activities to meet the charitable objects (2017: \$358,716).

Auditors

Saffery Champness LLP have expressed their willingness to remain in office as auditors.

This report has been prepared in accordance with current statutory requirements, the memorandum of association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 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.

Approved by the Trustees on ^{18th} march 2019 and signed on their behalf by:



Professor Melchior Mlambiti

Chair

Board of Trustees

The Endowment Fund for TaCRI

Independent auditors' report to the members For the year ended 30 June 2018

Opinion

We have audited the financial statements of The Endowment Fund for TaCRI for the year ended 30 June 2018 which comprise the Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 30 June 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Independent auditors' report to the members
For the year ended 30 June 2018**

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 2, the trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Endowment Fund for TaCRI

**Independent auditors' report to the members
For the year ended 30 June 2018**

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with JSAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members and the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Michael Strong (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors

27/3/19

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

The Endowment Fund for TaCRI

**Statement of financial activities (including income and expenditure account)
For the year ended 30 June 2018**

	Notes	Unrestricted funds	Endowment funds	2018 Total funds	2017 Total funds
		\$	\$	\$	\$
Income from:					
Investments		-	99,465	99,465	98,945
Interest		1,025	605	1,630	1,453
Total		<u>1,025</u>	<u>100,070</u>	<u>101,095</u>	<u>100,398</u>
Expenditure on:					
Charitable activities	2	931,166	-	931,166	438,931
Investment management		-	23,827	23,827	22,541
Total		<u>931,166</u>	<u>23,827</u>	<u>954,993</u>	<u>461,472</u>
Net gains/(losses) on investments		-	240,548	240,548	595,315
Net income/(expenditure)		(930,141)	316,791	(613,350)	234,241
Transfers between funds		<u>964,738</u>	<u>(964,738)</u>	<u>-</u>	<u>-</u>
Net movement in funds		34,597	(647,947)	(613,350)	234,241
Total funds brought forward		<u>599,944</u>	<u>5,685,987</u>	<u>6,285,931</u>	<u>6,051,690</u>
Total funds carried forward		<u>634,541</u>	<u>5,038,040</u>	<u>5,672,581</u>	<u>6,285,931</u>

All of the above results derive from continuing activities of the Charity.

The Statement of Financial Activities includes all gains and losses recognised in the period.

The Endowment Fund for TaCRI

**Balance sheet
As at 30 June 2018**

	Notes	2018	2017
Fixed assets:		\$	\$
Investments	6	5,034,257	5,690,209
Tangible assets	7	5,596	5,452
		<u>5,039,853</u>	<u>5,695,661</u>
Current assets:			
Debtors	8	544,383	536,081
Cash at bank and in hand		157,603	106,584
		<u>701,986</u>	<u>642,665</u>
Liabilities:			
Creditors: amounts falling due within one year	9	(69,258)	(52,395)
Net current assets		<u>632,728</u>	<u>590,270</u>
Total net assets		<u>5,672,581</u>	<u>6,285,931</u>
The funds of the charity:			
Endowment funds		5,038,040	5,685,987
Unrestricted funds		634,541	599,944
Total charity funds	10, 11	<u>5,672,581</u>	<u>6,285,931</u>

Approved by the Trustees for issue on 18th March 2019 and signed on their behalf by:



Professor Melchior Mlambiti
Chair
Board of Trustees

Company registration no.05785598

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2018

1 Accounting policies

1.1 Company information

The Endowment Fund for TaCRI is a private charitable company limited by guarantee incorporated in England and Wales, company number 05785598. The registered office is St Ann's Wharf, 112 Quayside, Newcastle Upon Tyne, NE1 3DX. The charity receives investment income and makes grants for research into coffee production in Tanzania.

1.2 Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The charity constitutes a public benefit entity as defined under FRS 102.

Under Section 7.1B of FRS 102, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

These financial statements have been prepared under the under the historical cost convention. The principal accounting policies adopted are set out below.

There are no material uncertainties about the charity's ability to continue as a going concern.

1.3 Incoming resources

Donations are credited on a receivable basis unless related to a specific period, in which case they are deferred until that period.

Investment income is credited on a receivable basis.

All other income is recognised once the charity has entitlement to the resources, it is probable the resources will be received and the monetary value of the incoming resources can be measured with sufficient reliability.

1.4 Resources expended

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis, including irrecoverable VAT and has been classified under headings that aggregate all costs related to the category.

Governance costs include those incurred with constitutional and statutory requirements.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, bank overdrafts or other short-term liquid investments with original maturities of three months or less.

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2018

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which includes other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Investments

Investments held are re-valued at the mid-market value at the balance sheet date and any gain or loss arising is taken to the Statement of Financial Activities.

1.8 Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

The endowment fund represents an expendable endowment received from the European Commission which may be applied at the discretion of the Trustees towards the charity's objects.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into US Dollars at the rates of exchange ruling at the balance sheet date. Where exchange rates have not fluctuated materially, transactions in foreign currencies are recorded at an average rate of exchange for the accounting period. Other transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Financial Activities.

1.10 Reporting currency

The charity's reporting currency is the US Dollar since this is the main currency in which the charity's assets are held.

1.11 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on these assets at annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life as follows:

Farm equipment	12.5% straight line per annum
Office equipment	12.5% straight line per annum

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2018

2 Charitable activities

	2018	2017
	\$	\$
Wages and salaries	393,361	57,043
Seminars, workshops and conferences	3,333	35,612
Coffee crop improvement research	48,200	31,616
Coffee seedlings multiplication	213,708	129,869
Coffee crop production	44,681	28,959
Grants to institution: Infrastructure improvements for TaCRI	13,323	51,022
Bank charges	2,397	1,495
Motor running costs	88,316	46,731
Office costs	25,276	25,376
Depreciation	996	897
Loss on foreign currency fluctuations	(6,452)	(3,270)
Withholding tax	54	45
Governance costs (note 3)	103,973	33,536
	<u>931,166</u>	<u>438,931</u>

During the year, the Endowment Fund for TaCRI funded salary costs for TaCRI. These costs totalled \$564,406 (2017: \$179,869). This cost has been included within coffee crop improvement research, coffee seedlings multiplication, coffee crop production and wages and salaries. No employees were contracted with the Endowment Fund for TaCRI in both 2018 and 2017 year ends.

There were no employees with emoluments above \$79,000 in either of the 2018 and 2017 year ends.

The Endowment Fund for TaCRI

**Notes to the financial statements
For the year ended 30 June 2018**

3 Governance costs

	2018	2017
	\$	\$
AGM and progress review meetings	57,611	4,518
Audit fees	33,179	24,930
Legal and professional fees	13,183	2,721
Company secretarial	-	1,367
	<u>103,973</u>	<u>33,536</u>

4 Taxation

None of the income received by the charity is subject to UK Corporation Tax. As such, there is no tax arising on the movement in funds during the year.

5 Transactions with Trustees

Three Trustees had their expenses met by the charity for their attendance at Trustee board meetings. The costs incurred covered reasonable travel, accommodation and subsistence only and totalled \$5,039 (2017: \$3,965). No Trustee received remuneration during the year.

The Endowment Fund for TaCRI

**Notes to the financial statements
For the year ended 30 June 2018**

6 Investments

	Total endowment funds 2018 \$	Total endowment funds 2017 \$
As at 1 July 2017	5,690,209	5,372,267
Additions	2,220,235	922,906
Disposals	(3,011,243)	(1,125,884)
(Loss)/gain on currency fluctuations	19,869	(77,110)
(Loss)/gain on investments	230,602	671,261
Movement on cash accounts	(115,415)	(73,231)
Balance at 30 June 2018	5,034,257	5,690,209

Investments at market value comprised:

	Total endowment funds 2018 \$	Total endowment funds 2017 \$
Fixed interest securities	867,296	985,942
Equities	3,690,931	3,835,520
Alternative investments	308,031	585,332
Cash and cash products	167,999	283,415
	5,034,257	5,690,209

The Endowment Fund for TaCRI

**Notes to the financial statements
For the year ended 30 June 2018**

7 Tangible fixed assets

	Farm equipment \$	Office equipment \$	Total \$
Cost			
At 1 July 2017	2,413	7,123	9,536
Additions	1,139	-	1,139
At 30 June 2018	<u>3,552</u>	<u>7,123</u>	<u>10,675</u>
Depreciation			
At 1 July 2017	1,074	3,010	4,084
Charge for the year	340	656	996
At 30 June 2018	<u>1,414</u>	<u>3,666</u>	<u>5,079</u>
Net book value			
As at 30 June 2018	<u>2,138</u>	<u>3,458</u>	<u>5,596</u>
As at 30 June 2017	<u>1,339</u>	<u>4,113</u>	<u>5,452</u>

8 Debtors

	2018 \$	2017 \$
Other debtors	<u>544,383</u>	<u>536,081</u>

Included within other debtors is \$531,152(2017: \$531,152), due after more than one year.

9 Creditors: amounts falling due within one year

	2018 \$	2017 \$
Trade creditors	23,098	14,822
Other creditors	1,336	-
Accruals	<u>44,825</u>	<u>37,573</u>
	<u>69,258</u>	<u>52,395</u>

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2018

10 Analysis of charitable funds

	Balance 1 July 2017 \$	Incoming resources \$	Resources expended \$	Transfers between funds \$	Gain/(Loss) on investments \$	Balance 30 June 2018 \$
Unrestricted funds	599,944	1,025	(931,166)	964,738	-	634,541
Endowment funds	<u>5,685,987</u>	<u>100,070</u>	<u>(23,827)</u>	<u>(964,738)</u>	<u>240,548</u>	<u>5,038,040</u>
	<u>6,285,931</u>	<u>101,095</u>	<u>(954,993)</u>	<u>-</u>	<u>240,548</u>	<u>5,672,581</u>

The endowment fund represents an amount received from the European Commission which may be applied at the discretion of the Trustees towards the charity's objects.

During the year, \$973,623 (2017: \$358,716) was withdrawn from the fund for use towards the charitable objects. The balance remaining unspent at the year-end is included within unrestricted funds as the fund is expendable at the discretion of the Trustees.

11 Analysis of net assets between funds

	Unrestricted funds \$	Endowment funds \$	Total \$
Investments and fixed assets	5,596	5,034,257	5,039,853
Debtors	534,800	9,583	544,383
Cash at bank and in hand	157,603	-	157,603
Creditors	<u>(63,458)</u>	<u>(5,800)</u>	<u>(69,258)</u>
	<u>634,541</u>	<u>5,038,040</u>	<u>5,672,581</u>

12 Financial commitments

At the year end, contractual commitments totalling \$nil(2017: \$nil) were in place in respect of future building improvements work to be undertaken.

The Endowment Fund for TaCRI

Notes to the financial statements For the year ended 30 June 2018

13 Related party transactions

Included in other debtors is \$531,152 (2017:\$531,152) of amounts advanced to TaCRI under a bridging loan finance agreement. No interest was accrued on this loan. After the year end the trustees approved a request to convert the loan to a grant. As at the year end this amount was still due in full.

During the year, a grant of \$13,323 (2017: \$51,022) was awarded to TaCRI towards infrastructure improvements.

During the year, the charity funded wages and salary costs of TaCRI totalling \$564,406 (2017: \$179,869).

TaCRI is related to the charity by a common director.

14 Comparative statement of financial activities

	Unrestricted funds	Endowment funds	2017 Total funds
	\$	\$	\$
Income from:			
Investments	-	98,945	98,945
Interest	1,178	275	1,453
Total	<u>1,178</u>	<u>99,220</u>	<u>100,398</u>
Expenditure on:			
Charitable activities	438,931	-	438,931
Investment management	-	22,541	22,541
Total	<u>438,931</u>	<u>22,541</u>	<u>461,472</u>
Net gains/(losses) on investments	-	595,315	595,315
Net income/(expenditure)	(437,753)	671,994	234,241
Transfers between funds	358,716	(358,716)	-
Net movement in funds	(79,037)	313,278	234,241
Total funds brought forward	<u>678,981</u>	<u>5,372,709</u>	<u>6,051,690</u>
Total funds carried forward	<u>599,944</u>	<u>5,685,987</u>	<u>6,285,931</u>