

## **Felix Thornley Cobbold Agricultural Trust**

### **Report of the trustees for the year ended 31 March 2010**

#### **Charitable Objectives**

The Trust's objective is to provide grants to "advance and improve agriculture, in particular to educate farmers and young persons in agricultural methods, developments and techniques" in Suffolk and the adjoining counties.

Founded in 1910, the Trust has continued to evolve throughout the past 100 years to ensure it meets the changing needs of agriculture for charitable support.

#### **Trustees and Governance**

Selwyn Pryor resigned as a trustee on 28 April 2009, reducing the number of trustees to six.

On 7 July 2009, it was agreed that "The Trust should comprise a maximum of nine independent trustees, appointed by invitation only, each serving a three-year term and eligible for re-election, with three trustees retiring by rotation at each annual general meeting." Trustees to retire as follows:

Stephen Cobbald, Chairman, to retire 2010

Robert Baker, Vice-chairman, to retire 2010

Dr Philip Draycott, to retire 2011

John Field, to retire 2011

George Harris, to retire 2012

Bruce Hinton, to retire 2012

Mike May and Alan Hawes were appointed trustees on 26 January 2010, with particular interests in research projects and finance matters respectively.

#### **Trustees Induction and Training**

Prior to appointment trustees are given an outline of their role and responsibilities to the Charity. Regular trustees meetings are held throughout the year to assess and inform and to address any training issues arising.

#### **Management policy**

Trustees are selected to provide the Trust with the range of knowledge and understanding of agriculture related matters necessary to meet its obligations.

Meetings are held in January, April, July and October to discuss and decide action on issues brought before it by its Legal and Financial Advisers, Land Agents and Administrator.

The Land Agents manage the Trust's estate of land and property, liaise with tenants, collect rents, pay some minor bills and transfer income from property to the Trust's COIF deposit account.

The Administrator manages the Trust's charitable activities, assesses and processes applications for grants, monitors progress of grant funded projects, manages the bank general account and keeps trustees informed of the state of investments and reserves. The Administrator's responsibilities have been extended to include making all VAT returns to HMRC. The Administrator is responsible for the Trust's information, promotion and development services, and may also carry out any other business agreed with the trust.

A major item on the agenda at each meeting is to consider grant applications.

### **Asset strategy**

A review of the Trust's asset management policy was carried out 2008. The policies agreed at that review were followed throughout the year. The next regular review of asset management strategy is due in 2011.

The Trust continued with its major holdings in land and property, no new investment in equities were made due to the continuing uncertainty in stock markets, cash surplus from income was transferred to the COIF deposit account.

13.3 hectares of bare land at Pear Tree Farm, on the Trust's boundary, was purchased and added to the tenancy of Stanaway Farm.

A new grainstore was built at Stanaway Farm to replace a derelict barn.

An additional 0.31 hectares of land has been leased to Sroughton Parish Council to provide six new allotments.

710 m of rabbit-proof fencing has been erected on Hope Farm land.

The land and property agents keep the condition of the trust's holdings under review and recommend any works to prevent deterioration of houses, buildings, fencing and land.

### **Risk Management Policy**

Trustees have considered risks appropriate to the Trust's activities and are of the opinion that procedures and

controls in place are sufficient to mitigate these risks. A procedure for annual review is established.

### **Public Benefit**

The trustees confirm that they referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and on planning future activities and setting the grant making policy.

### **Grant awards**

Grants may be awarded in the following categories:

- Education and Training
- Research and Trials
- Promotion and Publicity

- Capital and equipment
- Production and Marketing
- Environment and Wildlife

11 applications for grants were received during the year ending 31 March 2010, of which 10 were approved. New awards comprised three for higher education, three for research, three for promoting public awareness of British food production, and one for farm output valuation. The total value of these awards was £103,500.

### **Fulfilling the Trust Objectives**

In furtherance of its objectives the Trust has sought to further develop its links with other organisations:

- Support for Otley College to develop agricultural courses
- Continued relationship with The Arable Group (NIAB/TAG)
- Funding for and host to the Sustainable Trial for Arable Rotation (STAR) project
- Support for the Suffolk Agricultural Association and the School Farm Fair
- Support for Essex Agricultural Society and the Schools Food and Farming Day
- Support for other suitable projects to meet the Trust's objectives
- Support for the AgriFood Charities Partnership.

### **Grant Making Policy**

Grants may be awarded to deserving individuals, educational bodies, organisations or other charities to improve agricultural knowledge and efficiency in the defined region.

Grant applications are accepted only on the Trust's standardised application forms, to ensure that all required information is provided and that all submissions for grant are considered on a fair and equal basis. Applicants may provide additional written information, providing it is relevant.

All applications are assessed by the Administrator for eligibility, processed into an appropriate format, and included on the agenda for consideration by the Trustees at the next quarterly meeting.

### **Investment Policy**

The Trust's income is derived from rents on property and land, dividends on stock-market investments, and interest on cash holdings.

Property holdings consist of: the site of Otley College, including Charity Farmhouse, extending to 24.5 hectares; three blocks of farmland, Charity Farm, Stanaway Farm, and Hope Farm totalling 289.2 ha in the parishes of Otley, Ashbocking and Sproughton, let on agricultural leases; Allotments of 1.23 ha in the village of Sproughton; Stanaway Farmhouse, let on a residential lease; three former farm buildings at Stanaway Farm, let on commercial leases. The house at Hope Farm, together with the farm buildings and 2.1 ha of grassland is let for combined residential and business use.

Land and property holdings were valued at £3,560,040 at the beginning of the year; since when, additional land and new grainstore have been added at costs of £279,702, bringing total value of land and property to £3,839,742 at 31 March 2010.

Equities are held in COIF Charities Investment Funds – Income Units. These funds are invested mainly in equities, both in the UK (about 63%) and overseas about 18%), and the balance in bonds and property funds.

COIF holdings at 31 March 2009 totalled £664,710. A cash reserve of £233,017 was held in a COIF deposit account, and £26,493 was held in the LTSB general account.

Return on investments yielded 4.56 per cent.

#### **Planned activities for 2010-11 include:**

- To appoint one new Trustee.
- To transfer banking services from LTSB to HSBC.
- To hold an Open Day at Nelson Field to publicise the results of the STAR project.
- To commission an official history of the first 100 years of the Trust's charitable activities.
- To arrange a centenary forum lunch to discuss the Trust's future grant awarding plans.
- To continue increasing the value of grants awarded.
- To publicise the Trust's activities.
- To seek opportunities for extending the Trust's investments.
- To administer the John Forrest Memorial Awards in conjunction with The Arable Group and The Morley Agricultural Foundation.

#### **John Forrest Memorial Award**

This award, established in memory of John Forrest, late Chairman of the Trust, was given to eight young agriculturists, to help them develop public communication skills. The award was for a three-day course to be held during the first week in January, but poor traveling conditions caused postponement until June 2010. The fund is held in a separate bank account and stood at £8061 at 31 March 2010.

#### **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 Practice). The law applicable to charities in England and Wales require the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these 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;

- 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 Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Colin Smith, Administrator