
STATES OF JERSEY



HOWARD DAVIS FARM TRUST: REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2017

Presented to the States on 31st July 2018
by the Minister for Treasury and Resources

STATES GREFFE

The Howard Davis Farm Trust

Report and Financial Statements

For the year ended 31 December 2017

The Howard Davis Farm Trust

<i>Contents</i>	<i>Page</i>
Legal and administrative information	3-4
Report of the Trustees	5-7
Independent Auditors' Report	8-10
Statement of Financial Activities	11
Balance Sheet	12
Notes to the Financial Statements	13-17

The Howard Davis Farm Trust

Legal and administrative information

Status

The Howard Davis Farm Trust, "The Trust", is a Charitable Jersey Trust.

The Trust was established by Act of the Royal Court of Jersey on 15 May 2009 and is registered under the Non-Profit Organisations (Jersey) Law 2008.

The Objects of the Trust are to promote -

- (a) training and research in respect of agriculture and horticulture in Jersey and/or other countries or territories;
- (b) the protection, enhancement, monitoring of, and training with regard to and research into the environment of Jersey and/or of other countries or territories; and

to monitor the objectives referred to in (a) and (b) above.

Trustees

Mrs. Aylwen Lyddell, Chairman

Richard Pirouet, Vice Chairman and Treasurer

Paul Tucker MBE, Secretary

Roderick Stevens

Atholl Swainston-Harrison

Michael Stentiford, M.B.E

Pierre Horsfall, C.B.E.

Address

Chaumarais
La Rue de Samarès
St Clement
Jersey
JE2 6LS

Charity registration number NPO0714

The Howard Davis Farm Trust

Legal and administrative information (continued)

Auditors

Moore Stephens Audit & Assurance (Jersey) Limited
P O Box 236
First Island House
Peter Street
St Helier
Jersey
JE4 8SG

Bankers

HSBC Bank Plc
P O Box 14
St Helier
Jersey
JE4 8NP

Investment Advisors

Brewin Dolphin
Kingsgate House
The Esplanade
St Helier
Jersey
JE2 3QB

The Howard Davis Farm Trust

Report of the Trustees for the year ended 31 December 2017

The Trustees of The Howard Davis Farm Trust ("the Trust") present their report together with the audited financial statements for the year ended 31 December 2017. The financial statements comply with the Trust's constitution, which is the Trust's governing document, and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Charities SORP (FRS 102) 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 January 2015) ("Charities SORP (FRS 102)").

Structure, Governance and Management

The Trust is a Charitable Jersey Trust. The Trust was established by an Act of the Royal Court of Jersey on 15 May 2009, which also approved its constitution. Any changes to that constitution require approval by the Royal Court. The trust is registered under the Non-Profit Organisations (Jersey) Law 2008, registration number NPO0714.

The Trustees' names are set out on page 3 of this report. The constitution requires that there must be at least five but no more than seven trustees at all times. At least four Trustees must be resident in Jersey.

One of the Trustees is an appointee of the Treasury Minister of Jersey and, currently, that is Pierre Horsfall. All the remaining Trustees were appointed by the Trust's constitution and any subsequent changes to those Trustees need to be approved by all Trustees.

Decisions of Trustees are taken by simple majority.

The Chairman or Vice Chairman handle the induction of any new Trustees and brief such new Trustees on the activities of the Trust.

Objectives and Activities

The Trust is a charity and exists to promote:

- (a) training and research in respect of agriculture and horticulture in Jersey and/or other countries or territories;
- (b) the protection, enhancement, monitoring of, and training with regard to and research into the environment of Jersey and/or of other countries or territories; and

to monitor the objectives referred to in (a) and (b) above.

To achieve these objectives, the Trustees receive grants from the States of Jersey in respect of the various leases covering the Howard Davis Farm. They then advertise for applicants seeking grants in these areas, consider the applications and make grants as they have considered appropriate.

These activities create benefits for the development of the agricultural industry, mainly in Jersey, in the area of enhanced research and development as well as educational and training benefits for people working or planning to work in the industry.

Report of the Trustees for the year ended 31 December 2017 (continued)

Achievements and Performance

During the year, the Trustees received total income from grants and investments of £109,588 (2016: £101,174) and made grants totalling £69,620 (2016: £67,725). After deducting the administrative expenses and adding the investment revaluation reserve, the total valuation of the Trust's net assets as at 31 December 2017 was £460,155 (2016: £400,295).

During the year, the Trustees entered into pledges for further grants which may be paid out over the next few years if certain conditions are satisfied. Should all these conditions be satisfied, the Trust will be committed to make further grants totalling approximately £120,909 (2016: £49,331).

Investment Policy and Achievements

The Trustees have invested in a portfolio of fixed interest bonds and medium risk collective investment funds. Their objectives in doing so were to balance a regular flow of income with preservation of capital in real terms. There are no social or environmental limitations on the investments purchased. The remaining available funds were invested with the Trustees' bankers on deposit accounts.

During 2017, the investment portfolio generated income of £8,570 (2016: £7,142). Realised gains on sale of investments amounted to £6,166 (2016: Nil). During the year, the value of the investment portfolio increased by £16,174 (2016: £14,697). These levels of investment income are in line with expectations and the movements in capital values are in line with market movements during the year.

Reserves policy

All surplus funds are either invested to produce additional income or held by the Trustees' bankers until required for making grants.

Risk review

The Trustees have conducted their own review of the major risks to which the Trust is exposed and systems have been established to mitigate those risks. Internal risks are mitigated by the implementation of procedures for authorisation of all transactions and activities.

Plans for the future

The Trustees intend to continue to advertise for applications for grants and to consider those applications.

The Howard Davis Farm Trust

Report of the Trustees for the year ended 31 December 2017 (continued)

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The Trustees are required to prepare financial statements for each financial year. The Trustees have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. The Trustees must prepare financial statements that give a true and fair view of the state of the Trust's affairs at the end of the year and of the net movement in resources of the Trust for the year. 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 (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in business.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Moore Stephens Audit & Assurance (Jersey) Limited have acted as auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 3 July 2018 and signed on their behalf by;



Paul Tucker MBE Secretary

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF THE HOWARD DAVIS FARM TRUST

Opinion

We have audited the financial statements of The Howard Davis Farm Trust (the "Trust") for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Balance Sheet and the 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 (United Kingdom Generally Accepted Accounting Practice) including Charities SORP (FRS 102) 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 January 2015) ("Charities SORP (FRS 102)").

In our opinion the financial statements:

- give a true and fair view, of the state of the Trust's affairs as at 31 December 2017, and of its incoming resources and resources expended, for the year then ended; and
- have been properly prepared in accordance with Charities SORP (FRS 102).

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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jersey, including the Financial Reporting Council's ("the FRC") Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

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

- the Trust's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Trust has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust'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.

The Howard Davis Farm Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees, 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.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 7, the Trustees 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.

In preparing the financial statements, the Trustees are responsible for assessing the Trust'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 Foundation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 ISAs (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.

The Howard Davis Farm Trust

Auditor's responsibilities for the audit of the financial statements (continued)

This report is made solely to the Trustees. Our audit work has been undertaken so that we might state to the Trust'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 Trust and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

Moore Stephens Audit + Assurance (Jersey) Limited

Moore Stephens Audit & Assurance (Jersey) Limited
First Island House
Peter Street
St Helier
Jersey
JE2 4SP

Date: 4 - 7 - 18

The Howard Davis Farm Trust

Statement of Financial Activities
For the year ended 31 December 2017

	Note	31 December 2017	31 December 2016
		£	£
INCOMING RESOURCES			
Incoming resources from generated funds:			
Voluntary income			
- Grants	2	100,967	93,952
Activities for generating funds			
- Deposit interest		51	80
- Investment income		8,570	7,142
Total incoming resources		109,588	101,174
RESOURCES EXPENDED			
Charitable activities	3	69,620	67,725
Governance costs	4	2,448	2,476
Total resources expended		72,068	70,201
Net incoming resources before other recognised (losses)/gains:		37,520	30,973
Other recognised (losses)/gains:			
Realised gain/(loss) on disposal of investments		6,166	-
Unrealised gain/(loss) on revaluation of investments		16,174	14,697
Net gain on investments	6	22,340	14,697
Net movement in funds		59,860	45,670
Total incoming funds brought forward		400,295	354,625
Total funds carried forward		460,155	400,295

The Howard Davis Farm Trust

Balance Sheet as at 31 December 2017		Unrestricted funds at 31 December 2017	Unrestricted funds at 31 December 2016
	Note	£	£
FIXED ASSETS			
Listed investments	6	312,643	215,920
CURRENT ASSETS			
Debtors	7	2,490	13,828
Cash at bank	8	146,322	171,897
		148,812	185,725
Creditors: amounts falling due within one year			
Creditors	9	1,300	1,350
		1,300	1,350
Net current assets		147,512	184,375
Net assets		460,155	400,295
Total Unrestricted funds		460,155	400,295

Approved by the Trustees on 3 July 2018 and signed on their behalf by:



Richard Pirouet, Treasurer

The notes on pages 13 to 17 form part of these financial statements.

The Howard Davis Farm Trust

Notes to the financial statements

For the year ended 31 December 2017

1. Accounting policies

- (a) The financial statements have been prepared under the historical cost convention (except for listed investments which are accounted for at market value) and on a going concern basis in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Charities SORP (FRS 102).
- (b) The charity has not disclosed the split of funds across different fund classes on the grounds that all funds belonging to the charity are unrestricted.
- (c) Incoming resources comprising grants, investments and bank deposits are included in full in the Statement of Financial Activities when receivable.
- (d) Resources expended are recognised in the period in which they are incurred. Resources expended are allocated to the particular activity where the cost relates directly to that activity.
- (e) Listed investments are shown at market value at the balance sheet date. Change in market value is recognised in the Statement of Financial Activities.
- (f) Grants payable are recognised in the Statement of Financial Activities when the conditions of the grant have been fulfilled and the grant is claimable.

2. Grants

Grants are received from the States of Jersey which pays the Trust part of the proceeds of rental income from leases of land and properties on Howard Davis Farm that were gifted to the Public of the Island in 1927. The amounts to be paid as grants are determined by the Howard Davis Farm (Abrogation of Covenant) (Jersey) Law 2008.

The Howard Davis Farm Trust

Notes to the financial statements For the year ended 31 December 2017 (continued)

3. Charitable activities

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Agricultural symposium	21,339	17,031
Overseas community farming project	-	5,000
Educational courses	28,405	29,590
What's for dinner talks	3,000	3,000
Training courses	1,937	7,517
Training equipment	-	2,000
Agricultural research visits	8,400	-
Jersey Tree Survey	1,932	-
Genetic Profiling	2,000	-
Miscellaneous	2,607	3,587
Total grants awarded	69,620	67,725

4. Governance costs

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Investment advisory fees	500	500
Audit fees	1,170	1,339
Sundry expenses	778	637
	2,448	2,476

5. Taxation

The Charitable Trust is exempt from Jersey Income Tax on its charitable activities under the provisions of Article 115(a) of the Income Tax (Jersey) Law 1991.

The Howard Davis Farm Trust

Notes to the financial statements

For the year ended 31 December 2017 (continued)

6. Listed investments

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
At 1 January	215,920	201,223
Additions	85,508	-
Disposals	-11,125	-
Realised gain/(loss) on disposal	6,166	-
Unrealised gain/(loss) on revaluation	16,174	14,697
At 31 December	<u>312,643</u>	<u>215,920</u>

Listed investments are stated at market value. The difference between cost and market value of the investments at 31 December 2017 is £54,380 (2016: £38,206).

The investments are categorised as follows:

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Fixed interest bonds	54,763	55,070
Mutual funds	257,880	160,850
	<u>312,643</u>	<u>215,920</u>

7. Debtors

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Brewin Dolphin	2,490	13,828
	<u>2,490</u>	<u>13,828</u>

The Howard Davis Farm Trust

Notes to the financial statements For the year ended 31 December 2017 (continued)

8. Cash at Bank

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
HSBC	146,322	171,897
	<u>146,322</u>	<u>171,897</u>

9. Creditors

	Year ended 31 December 2017 £	Year ended 31 December 2016 £
Amounts falling due within one year		
Audit fees	1,300	1,350
	<u>1,300</u>	<u>1,350</u>

10. Commitments

During the year up to 31 December 2017, the Trustees made various pledges to applicants for grants which required those applicants to satisfy various conditions before the grants would be paid to them. As at that date those conditions had not been fully satisfied and the grants were not therefore payable at that time. Should those conditions be met in the future, the Trust will be committed to make further grants totalling approximately £120,909 (2016: £49,331).

**Notes to the financial statements
For the year ended 31 December 2017 (continued)**

11. Related party transactions

None of the trustees received any remuneration during the year. Mr Rod Stevens was reimbursed £177 in respect of travelling expenses to attend a function sponsored by the trust (2016: £122). Mr Richard Pirouet was reimbursed an amount of £53 (2016: £367) which he had paid on behalf of the Trust in respect of trust expenses.

12. Controlling Party

There is no ultimate controlling party. The Trust is controlled by the Trustees.