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# STATES OF JERSEY



## HOWARD DAVIS FARM TRUST: REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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Presented to the States on 15th August 2019  
by the Minister for Treasury and Resources

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STATES GREFFE



**The Howard Davis Farm Trust**

**Report and Financial Statements**

For the year ended 31 December 2018

## **The Howard Davis Farm Trust**

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## **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 (Retired 3 July 2018)

Pierre Horsfall, C.B.E.

Advocate Vincent Obbard (Appointed 3 July 2018)

#### **Address**

Chaumarais  
La Rue de Samarès  
St Clement  
Jersey  
JE2 6LS

Charity registration number NPO0714

Jersey Charities Commission registration has been applied for but is currently outstanding.

## **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 2018**

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 2018. 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 Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 Trust has also applied for registration with The Jersey Charities Commission and is currently awaiting a decision on that application.

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 original trustees were appointed by the Trust's constitution and subsequent changes have been approved by the trustees as a whole.

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 seek and respond to applicants for grants in these areas which 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 2018 (continued)**

**Achievements and Performance**

During the year, the trustees received total income from grants and investments of £117,245 (2017: £109,588) and made grants totalling £97,095 (2017: £69,620). After deducting the administrative expenses and adding the investment revaluation reserve, the total valuation of the Trust's net assets as at 31 December 2018 was £445,103 (2017: £460,155).

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 £79,100 (2017: £120,909).

**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 2018, the investment portfolio generated income of £10,729 (2017: £8,570). Realised gains on sale of investments amounted to £720 (2017: £6,166). During the year, the value of the investment portfolio decreased by £33,838 (2017: Increase of £16,174). 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 seek further applications for grants and to consider those applications.



## **The Howard Davis Farm Trust**

### **Report of the trustees for the year ended 31 December 2018 (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 <sup>1</sup> July 2019 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") which comprise the Statement of Financial Activities, the Balance Sheet as at 31 December 2018 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 (United Kingdom Generally Accepted Accounting Practice), including Charities Statement of Recommended Practice (SORP) Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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 2018, and of its incoming resources and resources expended, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

**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 ("FRC") Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with those 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.

## **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**The Howard Davis Farm Trust**

**Use of our report**

This report is made solely to the Trustees. Our audit work has been undertaken so that we might state to the Trustees 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.

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

Date: *2 July 2014*

## The Howard Davis Farm Trust

### Statement of Financial Activities For the year ended 31 December 2018

	Note	31 December 2018	31 December 2017
		£	£
<b>INCOMING RESOURCES</b>			
<b>Incoming resources from generated funds:</b>			
Voluntary income			
- Grants	2	106,411	100,967
Activities for generating funds			
- Deposit interest		105	51
- Investment income		10,729	8,570
<b>Total incoming resources</b>		<b>117,245</b>	<b>109,588</b>
<b>RESOURCES EXPENDED</b>			
Charitable activities	3	97,095	69,620
Governance costs	4	2,084	2,448
<b>Total resources expended</b>		<b>99,179</b>	<b>72,068</b>
Net incoming resources before other recognised gains/(losses):		<b>18,066</b>	<b>37,520</b>
<b>Other recognised gains/(losses):</b>			
Realised gain on disposal of investments		720	6,166
Unrealised (loss)/gain on revaluation of investments		(33,838)	16,174
Net (loss) /gain on investments	6	<b>(33,118)</b>	<b>22,340</b>
<b>Net movement in funds</b>		<b>(15,052)</b>	<b>59,860</b>
<b>Total incoming funds brought forward</b>		<b>460,155</b>	<b>400,295</b>
<b>Total funds carried forward</b>		<b>445,103</b>	<b>460,155</b>

The Howard Davis Farm Trust

Balance Sheet as at 31 December 2018		Unrestricted funds at 31 December 2018	Unrestricted funds at 31 December 2017
	Note	£	£
<b>FIXED ASSETS</b>			
Listed investments	6	253,367	312,643
<b>CURRENT ASSETS</b>			
Cash held by broker	7	38,767	2,490
Cash at bank	8	154,269	146,322
		193,036	148,812
<b>Creditors: amounts falling due within one year</b>			
Creditors	9	1,300	1,300
		1,300	1,300
<b>Net current assets</b>		<b>191,736</b>	<b>147,512</b>
<b>Net assets</b>		<b>445,103</b>	<b>460,155</b>
<b>Total unrestricted funds</b>		<b>445,103</b>	<b>460,155</b>

Approved by the Trustees on <sup>at</sup> July 2019 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 2018**

#### **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 Government 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) Laws 2008 and 2018.

Notes to the financial statements  
For the year ended 31 December 2018 (continued)

3. Charitable activities

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Agricultural symposium	18,121	21,339
Study of Jersey cattle	10,087	-
Educational courses	29,078	28,405
What's for dinner talks	3,000	3,000
Training courses	16,400	1,937
Equipment	11,300	-
Travel, conferences and research visits	4,809	8,400
Jersey tree survey	-	1,932
Genetic profiling	-	2,000
Miscellaneous	4,300	2,607
<b>Total grants awarded</b>	<b>97,095</b>	<b>69,620</b>

4. Governance costs

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Investment advisory fees	500	500
Audit fees	1,260	1,170
Sundry expenses	324	778
	<b>2,084</b>	<b>2,448</b>

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 2018 (continued)

6. Listed investments

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
At 1 January	312,643	215,920
Additions	-	85,508
Disposals	(26,158)	(11,125)
Realised gain on disposal	720	6,166
Unrealised (loss)/gain on revaluation	(33,838)	16,174
<b>At 31 December</b>	<b>253,367</b>	<b>312,643</b>

Listed investments are stated at market value. The difference between cost and market value of the investments at 31 December 2018 is £20,542 (2017: £54,380).

The investments are categorised as follows:

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Fixed interest bonds	26,973	54,763
Mutual funds	226,394	257,880
	<b>253,367</b>	<b>312,643</b>

7. Cash held by broker

	Year ended 31 December 2018 £	Year ended 31 December 2017 £
Brewin Dolphin	38,767	2,490
	<b>38,767</b>	<b>2,490</b>

**The Howard Davis Farm Trust**

**Notes to the financial statements  
For the year ended 31 December 2018 (continued)**

**8. Cash at Bank**

	<b>Year ended 31 December 2018 £</b>	<b>Year ended 31 December 2017 £</b>
HSBC	154,269	146,322
	<u>154,269</u>	<u>146,322</u>

**9. Creditors**

	<b>Year ended 31 December 2018 £</b>	<b>Year ended 31 December 2017 £</b>
<b>Amounts falling due within one year</b>		
Audit fees	1,300	1,300
	<u>1,300</u>	<u>1,300</u>

**10. Commitments**

During the year up to 31 December 2018, 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 £79,100 (2017: £120,909).

## **The Howard Davis Farm Trust**

### **Notes to the financial statements For the year ended 31 December 2018 (continued)**

#### **11. Related party transactions**

None of the trustees received any remuneration during the year. Mr Richard Pirouet was reimbursed an amount of £27 (2017: £53) 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.