

**THE NFU MUTUAL CHARITABLE TRUST**  
**TRUSTEES' ANNUAL REPORT & FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Company Registered Number: 03618736**

**Registered Charity Number: 1073064**

**THE NFU MUTUAL CHARITABLE TRUST**

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**FOR THE YEAR ENDED 31 DECEMBER 2018**

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## THE NFU MUTUAL CHARITABLE TRUST

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2018

The Trustees, who are also the directors of the Company, submit their annual report and the audited financial statements of The NFU Mutual Charitable Trust for the year ended 31 December 2018. The Financial Statements have been prepared in accordance and compliance with current statutory requirements, the requirements of the Charity's governing document, The Companies Act 2006, The Statement of Recommended Practice applicable to charities in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective from 1 January 2015 and The Charities Act 2011.

#### REFERENCE AND ADMINISTRATIVE DETAILS

The full name of the Trust is The NFU Mutual Charitable Trust and it is incorporated and registered in England and Wales. Its governing document is its Articles of Association. The Trust is a company limited by guarantee and, as a registered charity, is exempt from using the word "limited" in its name. The Trust's charity registration number is 1073064 and its company registration number is 03618736.

The registered office and operation address is Tiddington Road, Stratford-upon-Avon, Warwickshire, CV37 7BJ. The Secretary to the Trustees is Mr. J.D. Creechan. The names and addresses of the Trust's advisers are:

##### Bankers

Barclays Bank plc,  
Market Cross,  
Stratford-upon-Avon,  
CV37 6AP

##### Solicitors

Addleshaw Goddard LLP,  
3 Sovereign Square,  
Sovereign Street,  
Leeds,  
LS1 4ER

##### Independent Auditor

Deloitte LLP  
1 New Street Square  
London,  
EC4A 3HQ

#### STRUCTURE AND MANAGEMENT

The Trustees of the Trust, who are also directors of the company were in office during the year and up to the date of signing the financial statements, these were:

C. R. Percy (Chairman)

M. B. Batters – Appointed 19/06/2018

J. R. Davies – Appointed 19/06/2018

W. A. Ferguson – Appointed 19/06/2018

Dr H. C. Kennedy

A. McCornick

M. D. Raymond

L. N. Sinclair

##### Resigned

S.B. Bell – Resigned 18/06/2018

S. J. L. James – Resigned 18/06/2018

Four Trustees are appointed by The National Farmers Union Mutual Insurance Society Limited ("NFU Mutual"). Two Trustees are appointed by The National Farmers Union of England and Wales, one is appointed by NFU Scotland and one is appointed by Ulster Farmers' Union. The day to day management of the Trust is delegated to NFU Mutual. Authority has been granted for NFU Mutual's Chief Executive, Mr. L. N. Sinclair, and its Company Secretary, Mr. J. D. Creechan, to approve individual grants and costs to the value of up to £1,000.

New Trustees are provided with guidance on the role and duties of a Trustee, details of the Charitable Trust's aims and objectives and guidance to assist with the grant making process.

## THE NFU MUTUAL CHARITABLE TRUST

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

### STRUCTURE AND MANAGEMENT (Continued)

Trustees are provided with regular updates and guidance on their role as a Trustee of the Charitable Trust.

The Articles contain no specific restrictions on the way in which the Trust can operate. The investment powers derived from the Articles include power to: invest in any manner after taking appropriate advice and having regard to the suitability of investments and the need for diversification; to delegate the management of investments to an organisation authorised under the Financial Services Act; and to arrange for title to investments to be held by a suitable custodian.

NFU Mutual has put in place deeds of indemnity for the benefit of the Directors and Company Secretary of NFU Mutual and of its associated companies, including The NFU Mutual Charitable Trust. The deeds of indemnity are qualifying third party indemnity provisions in accordance with the Companies Act 2006. These deeds of indemnity were in place throughout the year and continue to be in place at the date of this report.

### RISK REVIEW

The Trustees are responsible for management of risk within the Trust. The Trustees have made an assessment of the risks to which the Trust is exposed, including operational and financial risks and have put in place a risk management framework, which documents controls that manage and reduce identified risks. This framework is regularly reviewed by the Trustees.

### GOING CONCERN

After making enquiries, the Trustees consider that the Trust has adequate resources and cash flow to continue in operational existence for at least 12 months from the date that the financial statements are approved. For this reason they continue to adopt the going concern basis in preparing the financial statements.

### OBJECTIVES

The objectives, as set out in the Articles of Association, are the promotion and support of charitable purposes in the areas of agriculture, rural development and insurance in the United Kingdom - including education, the relief of poverty, social welfare and research - and any other charitable purposes.

The Trustees have decided that to provide the best value for the support it gives to organisations, the Trust will focus on initiatives which fall within the objectives and will have a significant impact on the rural community. As a result, the Trustees focus their support on initiatives with a wide reaching impact rather than local initiatives. The Trust will aim wherever possible to encourage organisations to work together in a cohesive manner to ensure that the rural community as a whole is supported.

The Trust is overseen by a Board of eight Trustees, who meet twice a year. Each request for funding is considered on its merits and a majority decision is reached. Every donation made must meet the objectives of the Trust. The Trust is supported by administrative staff employed by a subsidiary of NFU Mutual who carry out work for the Trust alongside their regular duties. No charge is made by NFU Mutual for these services (see accounting policy 1c), and no Trustee receives any remuneration or expenses from the Trust.

## THE NFU MUTUAL CHARITABLE TRUST

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

#### PUBLIC BENEFIT

The Trust refers to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set within the rural community. Further details of how some of the Trust's donations are being used for the public benefit and how they fit in with the Trust's objectives can be found below in the Operational Review.

#### FINANCIAL REVIEW

During the year the Trust made grants totalling £218,450 (2017: £271,795) to a total of 21 (2017: 23) organisations. Many of the recipients were directly connected with agriculture, but a number of other organisations were included. These also included the bursaries awarded from the Centenary fund.

In 2018 the Trust received funding of £300,295 (2017: £300,000) from NFU Mutual. At the year end, the cash balance of £310,821 (2017: £121,845) was held in deposit accounts. Funds of £204,205 (2017: £202,987) have been invested on a medium-term basis to maximise the future funds available for fulfilling the objects. Sufficient funds remain available on deposit or readily realisable from our unquoted unit trust investment to deal with current donations and commitments.

The Trust's investment policy, adopted in 2006, was reviewed by the Trustees during the year and considered to remain fit for purpose. To ensure that the operational needs of the Trust can be met when required, the Current Account and Deposit account are reviewed on a regular basis. Surplus funds are generally held in either the COIF Deposit Fund or the COIF Investment Fund.

Under the policy the aim is that between 50% and 80% of the Trust's total reserves should be held in the COIF Investment Fund to gain maximum benefit from the Investment Fund's aims of providing long term capital and income growth. Holding the majority of the reserves in this Fund allows the Trust efficient access to a wide range of investments at a low administrative cost. The Fund's portfolio is invested mainly in equities but also includes fixed interest securities, property and other assets. These funds are revalued on a yearly basis to reflect market value. The gain or loss on revaluation is allocated between restricted and unrestricted reserves, the total reserve currently stands at £106,132 (2017: £104,914). In 2018 the fund had a return of 0.6% (2017: 12.5%). The Trustees consider that the investment policy remains appropriate with regard to the prevailing stock market conditions but this will be kept under review.

The Trustees believe that the Trust should generally maintain minimum unrestricted reserves of £100,000. It is felt that this is an appropriate level of reserves to fund any unanticipated events and to give the Trustees the flexibility to support initiatives at short notice. The level of reserves set is less than the current annual income but would help the Charitable Trust to maintain a reasonable level of commitments if its income were to reduce suddenly. Reserves relating to the unrestricted fund at the year end amounted to £228,021 (2017: £135,376) and the reserves relating to the restricted fund at the year end amounted to £157,475 (2017: £170,247). The reserving policy allows the Trustees to use its reserves to fund unanticipated events which have a significant impact on the agricultural industry or farming community. Compliance with the reserve policy is monitored twice a year by the Trustees. The policy itself is renewed annually.

## **THE NFU MUTUAL CHARITABLE TRUST**

### **TRUSTEES' REPORT (Continued)**

### **FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **FINANCIAL REVIEW (Continued)**

The Trustees consider the Trust's financial position in relation to its future plans and commitments to be satisfactory.

The Trust has no connected charities or subsidiary companies.

#### **OPERATIONAL REVIEW**

During the year the Trustees have continued to make donations in accordance with the Trust's objectives to promote and support in particular the areas of education and relief of poverty in agriculture, and rural development. The Trustees assess the Trust's performance by considering the range of organisations supported and the potential impact of those organisations and any specific initiatives supported. The Trustees are satisfied that the donations made in the year support the Trust's objectives and strategy to target organisations and initiatives with a significant impact on the rural community. A list of the organisations to whom donations were made by the Trustees can be found in note 6 to the financial statements on pages 16 & 17. The donations cover a variety of organisations and types of requests for funding. Further details of two of the charities supported by the Trust during the year are given below.

##### **The National Federation of Young Farmers' Clubs (NFYFC).**

The objectives of the Trust include the advancement of the education of young people in rural areas and promoting and benefit and social welfare of inhabitants of rural communities by associating together with the inhabitants of rural communities and local authorities, voluntary or other organisations to advance education and leisure-time occupation. During 2018 the Trust provided a grant of £30,000 to NFYFC. The NFYFC used this donation to continue its personal development, training and travel programmes, which are available to all YFC members in England and Wales. The training programme helps its members learn new skills, build their self-esteem and gain access to professional development opportunities. The travel programme provides opportunities for members to experience other cultures and visit new places.

##### **Linking Environment and Farming (LEAF Education)**

The objectives of the trust include the advancement of the education of the public by means of research and dissemination of information in relation to agriculture and the education of young people in rural areas. During 2018 the Trust provided a grant of £60,000 to LEAF Education. LEAF Education works across the education, farming and food sectors to inspire, engage and mobilise farmers and teachers about the value of farming in a learning context. It provides training and resources for teachers and supports farmers to work with schools. The donation was used to increase its teacher training provision through universities; encourage farmers who engage in Open Farm Sunday to host school visits; make links with secondary schools and offer classroom activities tailored to the national curriculum; and support its collaborative countryside classroom initiative. It is also developing a British Farming Week for schools.

The Trustees remain committed to supporting education and the relief of poverty within agriculture and the rural community. In addition, the Trustees will continue to encourage charities to work together in a cohesive manner to ensure that the rural community as a whole is supported. The Trustees will continue to focus their support on initiatives which will have a significant impact on the rural community, and therefore will predominantly support organisations with a national or very large regional remit. Donations will continue to be made which, in the opinion of the Trustees, meet

## THE NFU MUTUAL CHARITABLE TRUST

### TRUSTEES' REPORT (Continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2018

#### OPERATIONAL REVIEW (Continued)

the objectives of the Trust. At all times the Trustees will bear in mind the level of reserves available to the Trust and the likely future demand for donations.

In 2018, the Charitable Trust continued to support The NFU Mutual Charitable Trust Centenary Award. The Centenary Award gives annual bursaries of up to 75% of the course fees for selected postgraduate students in agriculture. Four bursaries were awarded in 2018 (2017: four).

The award focuses on students studying one of following themes:

- sustainable agriculture and climate change;
- international agricultural development;
- and the application of science and innovative technology to the agricultural industry.

The Trustees intend to continue to make donations to other charitable organisations and initiatives in line with the Trust's objectives and strategy with particular focus on education and relief of poverty in agriculture and rural areas. It will also continue to award postgraduate bursaries through the Centenary Award for agriculture students.

#### FINANCIAL INSTRUMENTS

The Trust is exposed to financial risk through its financial assets and financial liabilities. In particular, the key risks relate to cashflow risk, market risk and interest risk.

##### Cashflow Risk

The risk is that current assets are insufficient to pay grants as they are approved. This position is managed by ensuring that sufficient funds are available from short-term notice deposit accounts to pay the grants as they are approved.

##### Market Risk

The Trust invests in an unquoted unit trust. There is a risk that the value of this investment can go down. The risk is managed by ensuring that surplus funds are spread between such investments and deposit accounts.

##### Interest Risk

The Trust holds funds in a COIF deposit account. There is a risk that the rate of interest earned on the level of the Trust's deposits will reduce. The risk is managed by ensuring that surplus funds are spread between this and the Barclays Bank deposit accounts.

#### RELATED PARTIES

The Trust received a £300,295 donation from NFU Mutual which it has used for charitable purposes (2017: £300,000). This amount has been paid in full to the Charitable Trust by NFU Mutual.

Four Trustees are appointed by NFU Mutual Insurance Society Limited. Mr Bell was Chairman of the Open Farm Weekend, Northern Ireland. Grants totalling £7,500 were approved to this organisation during the year, of which £nil were outstanding at the end of the year (2017: £7,500).

**THE NFU MUTUAL CHARITABLE TRUST**

**TRUSTEES' REPORT (Continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**INDEPENDENT AUDITORS**

The auditors Deloitte LLP, have indicated their willingness to continue in office. A resolution that they be reappointed will be proposed at the Annual General Meeting.

**SMALL COMPANIES EXEMPTION**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

By order of the Board

A handwritten signature in black ink, appearing to read 'L. N. Sinclair', with a horizontal line underneath it.

L. N. Sinclair  
26 June 2019



**THE NFU MUTUAL CHARITABLE TRUST**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

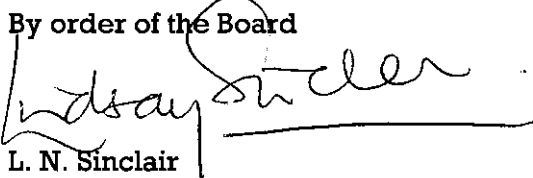
The Trustees (who are also directors of the NFU Mutual Charitable Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgments and 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 charitable company will continue in business.
- The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.
- In so far as the trustees are aware:
- there is no relevant audit information of which the charitable company'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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



L. N. Sinclair  
26 June 2019

**THE NFU MUTUAL CHARITABLE TRUST**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NFU MUTUAL CHARITABLE TRUST**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of The NFU Mutual Charitable Trust (the 'charitable company'):

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2018 and of its incoming resources and application of resources, including income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of financial activities (including income and expenditure);
- the balance sheet; and
- the related notes 1 to 14.

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).

**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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the trustees' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

THE NFU MUTUAL CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NFU MUTUAL CHARITABLE TRUST  
(continued)

FOR THE YEAR ENDED 31 DECEMBER 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 respect of these matters.

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purpose 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.

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 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 NFU MUTUAL CHARITABLE TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE NFU MUTUAL CHARITABLE TRUST  
(continued)

FOR THE YEAR ENDED 31 DECEMBER 2018

**Report on other legal and regulatory requirements**

**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, which includes the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report included within the trustees' report.

**Matters on which we are required to report by exception**

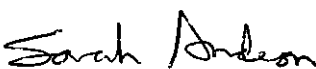
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**Use of our report**

This report is made solely to the charitable company's members, 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sarah Anderson (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds  
27 June 2019

**THE NFU MUTUAL CHARITABLE TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Unrestricted Funds <u>2018</u> £	Restricted Funds <u>2018</u> £	Total Funds <u>2018</u> £	Total Funds <u>2017</u> £
Donations and legacies	3	308,376	-	308,376	322,756
Income from investments	4	1,049	88	1,137	148
Total income and endowments		<u>309,425</u>	<u>88</u>	<u>309,513</u>	<u>322,904</u>
Expenditure on Charitable activities	6	(217,158)	(13,700)	(230,858)	(284,265)
Net Income		<u>92,267</u>	<u>(13,612)</u>	<u>78,655</u>	<u>38,639</u>
Net gain on investments	7	378	840	1,218	25,432
Net movement in funds		<u>92,645</u>	<u>(12,772)</u>	<u>79,873</u>	<u>64,071</u>
Fund balances brought forward at 1 January		<u>135,376</u>	<u>170,247</u>	<u>305,623</u>	<u>241,552</u>
Fund balances carried forward at 31 December	10	<u>228,021</u>	<u>157,475</u>	<u>385,496</u>	<u>305,623</u>

The prior year comparatives for each individual fund are stated in Note 14 of the Notes to the Financial Statements on page 20.

All of the above transactions relate to continuing operations. All gains and losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 14 -20 form an integral part of these financial statements.

**THE NFU MUTUAL CHARITABLE TRUST**

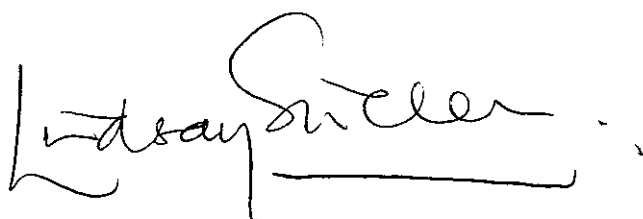
**BALANCE SHEET**

**AS AT 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u>		<u>2017</u>	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	7		204,205		202,987
<b>CURRENT ASSETS</b>					
Cash at bank and in hand		310,821		121,845	
Creditors: Amounts falling due within one year	8	(129,530)		(17,634)	
Creditors: Amounts falling due in more than one year	9		-	(1,575)	
Net current assets			181,291		102,636
<b>NET ASSETS</b>			<u>385,496</u>		<u>305,623</u>
<b>THE FUNDS OF THE CHARITY</b>					
Revaluation reserve: Unrestricted	10		40,223		39,845
Unrestricted Income Funds	10		187,798		95,531
Total Unrestricted			<u>228,021</u>		<u>135,376</u>
Revaluation reserve: Restricted	10		65,909		65,069
Restricted Income fund	10		91,566		105,178
Total Restricted			<u>157,475</u>		<u>170,247</u>
<b>TOTAL CHARITY FUNDS</b>	10		<u>385,496</u>		<u>305,623</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, 'The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008'.

The financial statements on pages 12 to 20 were approved by the Board of Trustees on 26 June 2019 and signed on its behalf by:



L. N. Sinclair  
The NFU Mutual Charitable Trust  
Company Number: 03618736  
26 June 2019

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1 ACCOUNTING POLICIES**

The financial statements have been prepared on a historical cost basis as modified by the revaluation of certain investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in compliance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Charity's governance document and the Companies Act 2006. The accounting policies have been consistently applied in the financial statements, the main policies have been outlined below:

a) **Donations and legacies**

Income received by way of donations and gifts is included in full in the Statement of Financial Activities when receivable.

b) **Expenditure on charitable activities**

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Trust and are accounted for in full as liabilities of the charitable company when approved by the Trustees and conveyed to the recipient. The expenditure is recognised in the period incurred and includes any attributable VAT which cannot be recovered. Support costs include expenditure on the administration of the Trust to comply with constitutional and statutory requirements. Included with this category are costs associated with the strategic, as opposed to the day-to-day management of the Trust's activities.

c) **Donated Services**

In accordance with SORP (FRS 102) costs are attributed to services donated by the Group Company based on time spent. These are shown within both incoming resources and resources expended on the face of the Statement of Financial Activities for disclosure purposes only.

d) **Investments**

Investments are held in the UK and included at market value at the balance sheet date. Gains and losses on investment are recognised in the Statement of Financial Activities. Unrealised gains and losses are attributed to the revaluation reserve on recognition and transferred to income funds when the gain or loss is realised.

e) **Income from Investments**

Income from investments is included in the year in which it is earned.

f) **Fund accounting**

Unrestricted funds are funds which are available for the use at the discretion of the Trustees in furtherance with the general objectives of the Trust. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charitable company for particular purposes.

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

**1 ACCOUNTING POLICIES (Continued)**

**g) Taxation**

The Trust is a registered charity and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The Trust is not registered for VAT and accordingly, all the expenditure is recorded inclusive of any VAT incurred.

**2 CASH FLOW STATEMENT**

The Trust has taken advantage of the small company exemption within Financial Reporting Standard 102 section 1A7 and 1A8 not to prepare a cash flow statement.

**3 DONATIONS AND LEGACIES**

	<u>2018</u>	<u>2017</u>
	£	£
Donations from NFU Mutual	300,295	300,000
Value of administration services provided by NFU Mutual	8,025	7,400
Private Donation	56	15,356
	<u>308,376</u>	<u>322,756</u>

**4 INCOME FROM INVESTMENTS**

	<u>2018</u>	<u>2017</u>
	£	£
Investment income represents interest held on funds held on deposit	<u>1,137</u>	<u>148</u>

**5 TRUSTEES AND EMPLOYEES**

There are no employees of the Company (2017: nil).

No Trustees received remuneration or expenses during the year in respect of their services to the company (2017: nil).



**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

**6 EXPENDITURE ON CHARITABLE ACTIVITIES**

The grants included within Expenditure on Charitable Activities are all paid to institutions with no grants paid to individuals. All grants paid to institutions from each of the Unrestricted and Restricted funds are listed below.

	<u>2018</u>	<u>2017</u>
<u>Unrestricted Funds – Grants</u>	£	£
Linking Environment and Farming	60,000	60,000
The National Federation of Young Farmers Clubs	30,000	30,000
Rural Support	20,000	20,000
Nuffield Farming Scholarships Trust	12,000	12,000
Wales Federation of Young Farmers Clubs	11,000	11,000
The Prince's Countryside Fund	10,000	10,000
Young Farmers Clubs of Ulster	10,000	10,000
Alzheimer's Society	10,000	-
Open Farm Weekend, Northern Island	7,500	7,500
Farms for City Children	6,000	6,000
Addington Fund	5,000	10,000
Royal Agricultural Benevolent Institution	5,000	10,000
Farming Community Network	5,000	10,000
Royal Scottish Agricultural Benevolent Institution (RSABI)	5,000	10,000
Social Farms and Gardens	4,750	-
Gareth Raw Rees Memorial Scholarship	2,000	1,000
St John Council Camarthenshire	1,500	-
Royal Highland Education Trust	-	17,500
Farming and Countryside Education (FACE)	-	12,000
Care Farming	-	5,360
The Worshipful Company of Farmers	-	4,000
Scottish Association of Young Farmers Clubs	-	3,000
	<hr/>	<hr/>
	204,750	249,360
<u>Unrestricted Funds – Support costs</u>		
Administration Services provided by NFU Mutual	8,025	7,400
Audit Fees (gross of VAT)	4,383	5,070
	<hr/>	<hr/>
	12,408	12,470
	<hr/>	<hr/>
<b>Total expenditure on charitable activities – Unrestricted funds</b>	<b>217,158</b>	<b>261,830</b>

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

**6 CHARITABLE ACTIVITIES (Continued)**

<u>Restricted Funds – Grants</u>	<u>2018</u> £	<u>2017</u> £
Aberystwyth University	5,370	-
Harper Adams University	6,000	5,332
University of Warwick	2,180	6,128
Scottish Rural Agricultural University College	150	-
University of Reading	-	6,250
University of London	-	4,725
	<u>13,700</u>	<u>22,435</u>
Total expenditure on charitable activities – Restricted Funds	<u>13,700</u>	<u>22,435</u>
Total expenditure on charitable activities	<u>230,858</u>	<u>284,265</u>

<b>7 <u>INVESTMENTS</u></b>	<u>2018</u> £	<u>2017</u> £
Valuation at 1 January	202,987	207,555
Net gains	1,218	25,432
Sale proceeds from disposals of investments	-	(30,000)
Valuation 31 December	<u>204,205</u>	<u>202,987</u>

Investments are stated at market value at 31 December 2018. The historical cost of the investment at 31 December 2018 was £98,073 (2017: £98,073).

The investments balance relates entirely to a COIF investment which is an unquoted unit trust and an accumulation fund.

<b>8 <u>CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	<u>2018</u> £	<u>2017</u> £
Grants Payable	125,147	7,590
Accruals	4,383	5,070
Creditors	-	4,974
	<u>129,530</u>	<u>17,634</u>

Audit fees for the financial year net of VAT were £3,653 (2017: £4,225).

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

9	<u>CREDITORS – AMOUNTS FALLING DUE IN MORE THAN ONE YEAR</u>	<u>2018</u> £	<u>2017</u> £		
	Grants Payable	-	1,575		
		-	1,575		
10	<u>RESERVES</u>				
	<u>Opening balance 1 January 2018</u>	<u>Total income and endowments</u>	<u>Expenditure on charitable activities</u>	<u>Net Investment gains</u>	<u>Closing balance 31 December 2018</u>
	£	£	£	£	£
	Unrestricted fund	95,531	309,425	(217,158)	187,798
	Revaluation fund- unrestricted	39,845	-	-	40,223
	Sub total- unrestricted funds	135,376	309,425	(217,158)	228,021
	Restricted fund	105,178	88	(13,700)	91,566
	Revaluation fund- restricted	65,069	-	-	65,909
	Sub total- restricted funds	170,247	88	(13,700)	157,475
	<b>Total</b>	<b>305,623</b>	<b>309,513</b>	<b>(230,858)</b>	<b>1,218</b>

The unrestricted fund reserve represents the free funds of the charitable company which are not designated for particular purposes. The restricted fund reserve represents the funds available under The NFU Mutual Charitable Trust Centenary Award scheme. The aim of the Centenary fund is to help generate a legacy for the future of agriculture by utilising these funds to provide a 75% bursary of course fees for postgraduate agricultural students.

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

**11 RELATED PARTY DISCLOSURES**

NFU Mutual appoints trustees to the trust and is therefore a related party. Four Trustees are appointed by NFU Mutual (2017: four).

The Trust received £300,295 donation from NFU Mutual which it has used for charitable purposes (2017: £300,000). This amount has been paid in full to the Charitable Trust by NFU Mutual.

Mr Bell was Chairman of the Open Farm Weekend, Northern Ireland, grants totaling £7,500 were approved to this organisation during the year (2017: £7,500).

**12 ANALYSIS OF NET ASSETS ACROSS FUNDS**

The net assets are held for the funds as follows:

	<u>Fixed and</u> <u>Current Assets</u>	<u>Current</u> <u>liabilities</u>	<u>Total</u>
	£	£	£
Restricted fund	163,622	(6,147)	157,475
Unrestricted fund	351,404	(123,383)	227,021
Total	<u>515,026</u>	<u>(129,530)</u>	<u>385,496</u>

**13 CAPITAL**

The charity is a company limited by guarantee. Each member has undertaken to contribute £1 to the assets of the Company to meet its liabilities if called on to do so. The members consist of the 8 Trustees and the Company Secretary. The total amount guaranteed by the members at 31 December 2018 is £9 (2017: £9).

**THE NFU MUTUAL CHARITABLE TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**AS AT 31 DECEMBER 2018**

**14 COMPARISON OF THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted Funds <u>2018</u> £	Restricted Funds <u>2018</u> £	Total Funds <u>2018</u> £	Unrestricted Funds <u>2017</u> £	Restricted Funds <u>2017</u> £	Total Funds <u>2017</u> £
Income and endowments from						
Donations and legacies	308,376	-	308,376	322,756	-	322,756
Investment income	1,049	88	1,137	131	17	148
<b>Total incoming resources</b>	<b>309,425</b>	<b>88</b>	<b>309,513</b>	<b>322,887</b>	<b>17</b>	<b>322,904</b>
Expenditure on Charitable activities	(217,158)	(13,700)	(230,858)	(261,830)	(22,435)	(284,265)
<b>Total resources expended</b>	<b>(217,158)</b>	<b>(13,700)</b>	<b>(230,858)</b>	<b>(261,830)</b>	<b>(22,435)</b>	<b>(284,265)</b>
<b>Net income/(expenditure)</b>	<b>92,267</b>	<b>(13,612)</b>	<b>78,655</b>	<b>61,057</b>	<b>(22,418)</b>	<b>38,639</b>
Gains on investment assets	378	840	1,218	6,985	18,447	25,432
<b>Net movement in funds</b>	<b>92,645</b>	<b>(12,772)</b>	<b>79,873</b>	<b>68,042</b>	<b>(3,971)</b>	<b>64,071</b>
Fund balances brought forward at 1 January	135,376	170,247	305,623	67,334	174,218	241,552
<b>Fund balances carried forward at 31 December</b>	<b>228,021</b>	<b>157,475</b>	<b>385,496</b>	<b>135,376</b>	<b>170,247</b>	<b>305,623</b>

