

**1 Accounting Policies**

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention, with items recognised at cost or transaction value unless otherwise stated in the notes to these financial statements. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but which has been withdrawn.

The Trust constitutes a public benefit entity as defined by FRS 102.

The Trustees consider there are no material uncertainties about the Trust's ability to continue as a going concern.

**b) Going Concern**

The Trustees have at the time of approving the financial statements a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**c) Investment income**

Dividends are credited to the Statement of Financial Activities "SOFA" when they are due for payment or credited to the Trust.

**d) Grant Expenditure**

Unconditional grants payable are recognised in the financial statements in the year when the offer is conveyed to the recipient, notwithstanding that the grants may be paid in future accounting periods. Grants that are subject to certain conditions being met by the grantee are recognised and, therefore, included in the financial statements, if the payment of the grant looks probable, even if the conditions have not been met.

**e) Support Costs - Governance**

Expenditure (excluding grants) is included in the SOFA on an accruals basis. Charitable activities include support costs associated with the general running of the charity. The costs include Trustees' expenses, costs of meetings, secretarial and accountancy costs and fees for the independent examination of the financial statements.

**f) Funds accounting**

Funds held by the Trust are:

**Expendable Endowment Funds** - these are funds which represent the capital of the Trust. They may be used in furtherance of the charitable objects, at the discretion of the Trustees.

**General Unrestricted Income Funds** - these are funds which represent the income of the Trust. The Trustees are free to use these funds in accordance with the charitable object of the Trust.

**Notes to the Financial Statements**

**For the year ended 31 December 2017**

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**1 Accounting Policies (continued)**

**g) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**h) Fixed Asset Investments**

Investments are stated at market value at the balance sheet date and are revalued at each period end. Realised gains and losses on the disposal of investments are taken to the Statement of Financial Activities. Unrealised gains or losses in the market value of investments are also included in the Statement of Financial Activities.

**i) Debtors and prepayments**

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any discounts due.

**j) Creditors and accruals**

Creditors and accruals are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfers of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and accruals are normally recognised at their settlement value after allowing for any discounts which may be due.

**k) Concessionary loan**

Concessionary or Programme related loans are held at cost and are reviewed at each period end for indicators of impairment.

**l) Critical Accounting Estimates and Judgements**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**m) Taxation**

The charity is exempt from income and corporation tax to the extent that income and gains are applicable and applied to charitable purposes only.

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

2 Investment Income	2017 £	2016 £
M&G investments		
Investments representing Expendable Endowment Funds - Income Received		
Charifund Income Units	37,482	35,601
Charibond Income Shares	4,780	4,780
Investments representing General Unrestricted Income Funds - Income Received		
Charifund Income Units	1,297	1,231
Charibond Income Shares	164	164
Investments representing General Unrestricted Income Funds - Income Reinvested		
Charifund Accumulation Units	631	571
Charibond Accumulation Shares	79	76
<b>Total Income Received or Reinvested as General Unrestricted Income Funds</b>	44,433	42,423
M&G investments		
Investments representing Expendable Endowment Funds - Income Reinvested		
Charifund Accumulation Units	18,259	16,493
Charibond Accumulation Shares	2,296	2,211
<b>Total Income Reinvested as Expendable Endowment Funds</b>	20,555	18,704
<b>Total investment income after deduction of fees</b>	£64,988	£61,127

The Trustees have invested in collective investment schemes. The investment management fees are levied at fund level, which is achieved by deducting amounts centrally from capital or income. It is not practicable to ascertain the fees charged to this Trust and, therefore, investment income is shown without adjustment for fees.

M&G's fees for Charifund units are deducted centrally from the fund capital at the rate of 0.47%pa and are reflected in the published prices of the units. Their fees for Charibond shares are at the rate of 0.30%pa plus VAT (equivalent to 0.36%pa) and are deducted centrally from income. There is also an audit charge.

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

3 Grants - Commitments made in the year	2017 £	2016 £
The Oxford Farming Conference - committed in 2014 to £4,000pa for conferences in January 2016, 2017 and 2018. Paid £4,000 in 2015, 2016 and 2017.	-	-
AgriFood Charities Partnership - committed in 2013 to subscriptions of £250pa for five years 2013 to 2017. Paid £250pa from 2013 to 2016. Subscription increased in 2017 to £300 and paid £300 in 2017.	- 50	- -
Agri-Leadership Programme Award - committed to £20,000 in 2016 for Holly Beckett's project. Paid £15,000 in 2016. Paid remaining £5,000 in 2017. Committed to a further £5,000 in 2017. Paid £5,000 in 2017.	- 5,000	20,000 -
Farming Scholarships Trust - committed to £8,000 in 2016 in support of Nuffield Farming lecture. Paid £8,000 in 2016.	-	8,000
Institute of Agricultural Management - committed to £10,000 in 2016 in support of an application for chartered status. Nothing paid in 2016 or 2017. Awaiting matched funding.	-	10,000
Windsor Leadership Programme - committed to £15,000 in 2017 to support an agricultural scholar on the Programme for each of the next three years, from 2018 to 2020.	15,000	-
The Science Museum - committed to £10,000 in 2017 to be applied towards the cost of the creation of "Feeding Tomorrow", the Science Museum's new Contemporary Agricultural Gallery. Paid £10,000 in 2017.	10,000	-
	<u>£30,050</u>	<u>£38,000</u>

All of the above grants were made in furtherance of the general objects of the Trust for the improvement and welfare of British agriculture.

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

### 3 Grants - Commitments made in the year (continued)

Reconciliation of grants payable	2017 £	2016 £
Outstanding Grants at 1 January 2017	19,250	8,500
Commitments made in the year 2017 (as above)	30,050	38,000
	<u>49,300</u>	<u>46,500</u>
Grants paid during the year 2017:		
AgriFood Charities Partnership (2017 subscription)	300	
The Oxford Farming Conference (for 2018 conference)	4,000	
Agri-Leadership Award for 2016 (balance for Holly Beckett)	5,000	
Holly Beckett - additional award in 2017	5,000	
The Science Museum	<u>10,000</u>	<u>(27,250)</u>
	<u>(24,300)</u>	<u>(27,250)</u>
Outstanding Grants at 31 December 2017	<u>£25,000</u>	<u>£19,250</u>

### 4 Support costs - Governance

	2017 £	2016 £
Trustees' expenses:		
- postage & stationery (2017: no Trustees, 2016: 2 Trustees)	-	14
- travel costs (2017: 2 Trustees, 2016: 1 Trustee)	932	600
AGM costs:		
- room & meals (2017: 5 Trustees, 2016: 5 Trustees)	-	-
- travel costs (2017: 4 Trustees, 2016: 2 Trustees)	256	111
Secretarial and Accountancy fees	2,000	2,000
Independent Examiner's fees (2017: £1,300 net of VAT, 2016 £1,300 net of VAT)	1,560	1,560
Independent Examiner's fees - overprovision for previous year (£25 net of VAT)	(30)	-
Subscriptions to charity journal	107	148
Bank charges	65	10
	<u>£4,890</u>	<u>£4,443</u>

**THE FRANK PARKINSON AGRICULTURAL TRUST**

**Notes to the Financial Statements**

**For the year ended 31 December 2017**

**5 Quoted Investments**

**a) Investments Representing Expendable Endowment Funds**

	<b>UK Listed Investments £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Market Value at 1 January 2017	1,336,459	1,336,459	1,231,983
Dividends reinvested by M&G - Accumulation Units/Shares	20,555	20,555	18,704
Unrealised gain on revaluation 31 December 2017	77,129	77,129	85,772
	<hr/>	<hr/>	<hr/>
Market value at 31 December 2017	£1,434,143	£1,434,143	£1,336,459
	<hr/>	<hr/>	<hr/>
Historic cost at 31 December 2017	£1,234,853	£1,234,853	£1,234,853
	<hr/>	<hr/>	<hr/>

The UK listed investments are held in the following Funds managed by M&G

	<b>Market Value 31 December 2017 £</b>	<b>Market Value 31 December 2016 £</b>
M&G:		
Charibond Income Shares	131,863	134,015
Charibond Accumulation Shares	64,777	63,495
Charifund Income Units	823,678	769,895
Charifund Accumulation Units	413,825	369,054
	<hr/>	<hr/>
	£1,434,143	£1,336,459
	<hr/>	<hr/>

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

### 5 Quoted Investments (continued)

#### b) Investments Representing General Unrestricted Income Funds

	UK Listed Investments £	Total 2017 £	Total 2016 £
Market value 1 January 2017	46,201	46,201	42,587
Dividends reinvested by M&G - Accumulation Units/Shares	710	710	647
Unrealised gain on revaluation 31 December 2017	2,666	2,666	2,967
	<hr/>	<hr/>	<hr/>
Market value at 31 December 2017	£49,577	£49,577	£46,201
	<hr/>	<hr/>	<hr/>
Historic cost at 31 December 2017	£42,686	£42,686	£42,686
	<hr/>	<hr/>	<hr/>

The UK listed investments are held in the following Funds managed by M&G

	Market Value 31 December 2017 £	Market Value 31 December 2016 £
M&G:		
Charibond Income Shares	4,558	4,633
Charibond Accumulation Shares	2,239	2,195
Charifund Income Units	28,474	26,615
Charifund Accumulation Units	14,306	12,758
	<hr/>	<hr/>
	£49,577	£46,201
	<hr/>	<hr/>

### 6 Concessionary loan

	2017 £	2016 £
Loan to R Hodgkins - unsecured, interest-free and repayable in full if he does not gift five rams per year for five years to selected beneficiaries.	20,000	-
	<hr/>	<hr/>
	£20,000	-
	<hr/>	<hr/>

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

### 7 Debtors and prepayments

	2017 £	2016 £
Sundry expenses - magazine subscriptions prepaid	-	107
	<hr/>	<hr/>
	-	£107
	<hr/>	<hr/>

### 8 Creditors: Amounts falling due within one year

	2017 £	2016 £
Independent Examiner's fees - Garbutt & Elliott LLP	1,560	1,560
Grants payable:		
AgriFood Charities Partnership - annual subscription	-	250
Oxford Farming Conference - lecture at 2018 conference	-	4,000
Holly Beckett - balance of 2017 award	-	5,000
Institute of Agricultural Management - awaiting matched funding	10,000	10,000
Windsor Leadership Programme - 2018 Scholar	5,000	-
Trustees' expenses - C P Bourchier, travel costs	200	349
	<hr/>	<hr/>
	£16,760	£21,159
	<hr/>	<hr/>

### 9 Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Grants payable:		
Windsor Leadership Programme - 2019 and 2020 Scholars	10,000	-
	<hr/>	<hr/>
	£10,000	-
	<hr/>	<hr/>



# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

### 10 Analysis of Net Assets Between Funds - Current Year

	General Unrestricted Income Funds £	Expendable Endowment Funds £	Total Funds £
Fund balances at 31 December 2017 are represented by:			
Investments and concessionary loan	69,577	1,434,143	1,503,720
Cash at bank and prepayments	15,014	13,162	28,176
Liabilities: due within one year	(16,760)	-	(16,760)
Liabilities: due after more than one year	(10,000)	-	(10,000)
	<hr/>	<hr/>	<hr/>
	£57,831	£1,447,305	£1,505,136
	<hr/>	<hr/>	<hr/>

### Analysis of Net Assets Between Funds - Previous Year

	General Unrestricted Income Funds £	Expendable Endowment Funds £	Total Funds £
Fund balances at 31 December 2016 are represented by:			
Investments	46,201	1,336,459	1,382,660
Cash at bank and prepayments	20,630	13,162	33,792
Liabilities: due within one year	(21,159)	-	(21,159)
Liabilities: due after more than one year	-	-	-
	<hr/>	<hr/>	<hr/>
	£45,672	£1,349,621	£1,395,293
	<hr/>	<hr/>	<hr/>

### 11 Trustees' Remuneration

Neither the Trustees, nor any persons connected with them, have received any remuneration from the Trust during the year 2017 or 2016.

### 12 Related Party Transactions

Trustee expenses have been reimbursed as disclosed in Note 4 to the financial services.  
There were no other related party transactions during the year 2017 or 2016.

### 13 Financial Instruments

	2017 £	2016 £
<i>Carrying amount of Financial Assets</i>		
Equity assets measured at fair value	1,503,720	1,382,660
Financial assets that are debt instruments measured at amortised cost	<hr/> 28,176	<hr/> 33,685
<i>Carrying amount of Financial Liabilities</i>		
Financial liabilities measured at amortised cost	<hr/> 26,760	<hr/> 21,159

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Statement of Financial Activities

For the year ended 31 December 2017

	Notes	General Unrestricted Income Funds	Expendable Endowment Funds	Total 2017	Total 2016
		£	£	£	£
<b>Income:</b>					
Investment income	2	44,433	20,555	64,988	61,127
<b>Total Income</b>		44,433	20,555	64,988	61,127
<b>Expenditure on:</b>					
<i>Charitable Activities: Grant Making</i>					
Grants - Commitments made in the year	3	30,050	-	30,050	38,000
Support costs - Governance	4	4,890	-	4,890	4,443
<b>Total Expenditure</b>		34,940	-	34,940	42,443
<b>Net income before other recognised gains</b>		9,493	20,555	30,048	18,684
<b>Net gains/(losses) on investments:</b>					
Unrealised Gains on Revaluation of Investments	5	2,666	77,129	79,795	88,739
<b>Net Income and net increase in funds</b>		12,159	97,684	109,843	107,423
<b>Reconciliation of Funds:</b>					
Total funds brought forward		45,672	1,349,621	1,395,293	1,287,870
<b>Total funds carried forward</b>		£57,831	£1,447,305	£1,505,136	£1,395,293

The notes on pages 14 to 23 form part of these accounts.

A detailed Statement of Financial Activities for the year ended 31 December 2016 is shown in Note 14.

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Notes to the Financial Statements

For the year ended 31 December 2017

### 14 Statement of Financial Activities - Previous Year

	General Unrestricted Income Funds	Expendable Endowment Funds	Total 2016	Total 2015
	£	£	£	£
<b>Income:</b>				
Investment income, after fees	42,423	18,704	61,127	61,681
<b>Total Income</b>	42,423	18,704	61,127	61,681
<b>Expenditure on:</b>				
<i>Charitable Activities: Grant Making</i>				
Grants - Commitments made in the year	38,000	-	38,000	45,000
Support costs - Governance	4,443	-	4,443	4,438
<b>Total Expenditure</b>	42,443	-	42,443	49,438
<b>Net income before other recognised gains</b>	(20)	18,704	18,684	12,243
<b>Net gains/(losses) on investments:</b>				
Unrealised Gains/(Loss) on Revaluation of Investments	2,967	85,772	88,739	(14,109)
<b>Net Income /(Expenditure) and net movement in funds</b>	2,947	104,476	107,423	(1,866)
<b>Reconciliation of Funds:</b>				
Total funds brought forward	42,725	1,245,145	1,287,870	1,289,736
<b>Total funds carried forward</b>	£45,672	£1,349,621	£1,395,293	£1,287,870



**Report and Financial Statements**

**For the year ended**

**31 December 2017**

# **THE FRANK PARKINSON AGRICULTURAL TRUST**

## **Report and Financial Statements**

**For the year ended 31 December 2017**

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<b>INDEX</b>	<b>Page</b>
Trustees and professional advisors	1
Trustees' Report	2 - 10
Independent Examiner's Report	11
Statement of Financial Activities	12
Balance sheet	13
Notes to the Financial Statements	14 - 23

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Report and Financial Statements

For the year ended 31 December 2017

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### Trustees and professional advisors

Trustees	Mr C P Bourchier BSc (Hons) Agric Professor J D Leaver Professor J P G Webster Mr D Gardner Mr A Morrison	Chairman    Agricultural Trustee
Secretary to the Trustees	Miss J Smith FCA	
Bankers	CAF Bank Ltd Kings Hill West Malling Kent ME19 4JQ	
Independent Examiner	Laura Masheder FCA DChA Garbutt & Elliott LLP Chartered Accountants 33 Park Place Leeds LS1 2RY	
Registered Office	Miss J Smith FCA Trust Secretary 11 Alder Drive Leeds LS28 8RD	
Governing Document	Trust Deed dated 4 May 1943, having as its principal object the improvement and welfare of British agriculture.	
Registered Charity Number	209407	

## **THE FRANK PARKINSON AGRICULTURAL TRUST**

### **Trustees' Report**

#### **For the year ended 31 December 2017**

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The Trustees present their report along with the financial statements of the Trust for the year ended 31 December 2017.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Trust Deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102) applicable in the UK and Republic of Ireland issued on 16 July 2014.

#### **Structure, Governance and Management**

The Trust was incorporated under a Trust Deed dated 4 May 1943, having as its principal object the improvement and welfare of British agriculture. The Trust was established by a gift from Frank Parkinson, who died in 1946, and is a lasting tribute to him. The Trust does not actively fundraise and seeks to continue the charitable work desired by Frank Parkinson through careful stewardship of its existing resources.

The names of the Trustees who have served during the year and since the year-end are set out on page 1.

Trustees are appointed by the board of Trustees. They are chosen for their knowledge of British agriculture or the skills and expertise they can contribute to the management of the Trust. On being appointed as new Trustees they are given copies of the Trust Deed, Trust Accounts and minutes of Trustees' meetings and are made aware of the Charity Commission publication "The essential trustee : what you need to know, what you need to do". They are also made aware of the administrative procedures of the Trust, its history and philosophical approach. From time to time the Trust Secretary makes the Trustees aware of other Charity Commission publications, to help keep them up to date.

The Trustees have appointed an investment sub-committee, currently consisting of Prof Leaver and Prof Webster, to advise them on the trust investments and to monitor the performance of the investments. All of the Trustees receive valuations directly from the investment managers every three months, to enable them to monitor the Trust portfolio.

The Trustees have delegated the day to day administration of the Trust to the Trust Secretary, Miss J Smith FCA, who is also the Trust correspondent. However, all applications received during the year are forwarded to the Agricultural Trustee for his consideration and incorporation in a separate Report given by him at the Trustees' Annual General Meeting. The Report contains his recommendations for consideration by the other Trustees. One or more applicants may be invited to attend the Trustees' meeting and explain their requirements. Occasionally, applications received at other times are discussed by the Trustees by means of email.

The Trustees hold their Annual General Meeting (AGM) in April each year, to approve and sign the Annual Report and Financial Statements, to receive submissions from applicants for major funding and to receive the annual reports of the Chairman, the Secretary, the Agricultural Trustee and the investment sub-committee.

At their AGM in April 2017 the Trustees considered seven applications for funding. The Trust's Agri-leadership Award was awarded to one applicant. The Trustees agreed to support one other application, as it fell within the wider aims of the Trust. Another application was received later in the year and, after some consideration and various email, the Trustees also supported this application. Details are set out below.

The Trustees have examined the major risks to which the Trust is exposed and they are satisfied that adequate systems of internal control have been established to mitigate these risks. One of the ways in which they have mitigated these risks is by investing in Common Investment Funds, which represent a diverse range of investments.

## **THE FRANK PARKINSON AGRICULTURAL TRUST**

### **Trustees' Report (continued)**

**For the year ended 31 December 2017**

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#### **Objects and Activities for the public benefit**

The Trustees may, at their discretion, apply trust income or capital towards any one or more of the following objects:

- a) The improvement and welfare of British agriculture
- b) The undertaking of agricultural research or the provision of grants in aid of agricultural research
- c) The establishment of scholarships, bursaries and exhibitions at any University, College or other technical institution or under any scheme of training in any branch of the agricultural industry
- d) The granting of financial assistance in any form and under any conditions to enable young persons of ability who are in need of assistance and are working in the agricultural industry to improve their education and experience by working, training or otherwise
- e) The establishment of convalescent homes, hospitals, hostels and social and welfare amenities of all kinds for workpeople in the agricultural industry
- f) The encouragement and assistance of the social and cultural welfare of workpeople in the agricultural industry
- g) The making of grants to any charity or organisation which is carrying on any work in connection with the provision of any of such benefits as aforesaid.

In view of their limited resources, the Trustees have focused their grant-making activities on those projects which they believe will have the greatest influence on the improvement and welfare of British agriculture in the future. The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

#### **Grant making policy**

The Trust has established its grant making policy to achieve its objects for the public benefit.

The principal objective of the Trust is to support the improvement and welfare of British agriculture. The Trustees have developed a progressive strategy, informed by the conclusions and recommendations of the Foresight Report "The Future of Food and Farming" and other strategic reports addressing global issues. This strategy is centred on enhancing the productivity of British agriculture to meet the challenges of a growing world population and increased competition for resources. This must be achieved in partnership with the wider population and local communities. The Trustees are keen to encourage applications for support from projects and programmes that identify and spread best practice for the benefit of British agriculture. However, grants will only be made where clear benefits are quantified together with details of how these will be communicated and applied to the industry as a whole. The key element is 'leadership' - as the Trustees wish to see robust outcomes translated into widespread practical action.

Guidelines for grant applications are available from the Trust Secretary.

#### **Achievements and Performance**

The Trust supported the following projects, which influence, educate and promote British agriculture for the public benefit:

The Oxford Farming Conference (OFC) -

The OFC is a registered charity that invests in agricultural education and knowledge-sharing. The conference has been held annually for over 70 years and has a reputation for strong debate and exceptional speakers. Since April 2000 the Trustees have sponsored the Frank Parkinson Lecture at each conference. Following a presentation at the 2014 AGM, by the Chairman of the OFC, the Trustees agreed to sponsor the lectures at the conferences in January 2016, 2017 and 2018 at the rate of £4,000pa. Payment of £4,000 was made in 2017 for the lecture at the January 2018 conference, which was given by Eve Turow Paul and entitled "Understanding Food Culture - How the Digital Age is Driving the Future of Food".



## THE FRANK PARKINSON AGRICULTURAL TRUST

### Trustees' Report (continued)

For the year ended 31 December 2017

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#### Achievements and Performance (continued)

##### The AgriFood Charities Partnership (AFCP) -

The AFCP is a registered charity whose overall aim is to promote education and research in agriculture and food production by supporting charities in this sector. The Trust has subscribed to AFCP since its creation in 2008. In 2013 the Trustees committed to the subscriptions for the following five years, including 2017, at the rate of £250pa. The 2017 subscription was increased by £50 to £300 and was paid in 2017. The Trustees decided that the subscriptions will be considered on a year by year basis in future.

##### The Agri-Leadership Award -

Since 2015 a project bursary of up to £20,000pa has been made available for potential industry leaders, who are backed by either the Worshipful Company of Farmers, Institute of Agricultural Management, Nuffield Farming Scholarships Trust or John Edgar Trust. The projects will focus on improving the productivity of British agriculture to meet the challenges of a growing world population and increased competition for resources.

The first award was granted to Alastair Leake and Philip Jarvis of the Allerton Trust for their project "a review of the research that agro-ecological and integrated farming techniques can contribute to sustainable intensification." The award of £20,000 was paid in 2015. Their interim reports were discussed at the Trustees' AGM in 2016. Their final reports were launched at the 25-year celebration of the Allerton Project in June 2017, which was attended by the Agricultural Trustee. These reports are now available to the public on the agricology website.

In 2016 the Trustees received an application for funding from Holly Beckett (2015 Nuffield Scholar), for a project to introduce mindfulness within agriculture. Holly made a presentation to the Trustees at their 2016 AGM. The project is intended to set up a national network that will offer support to farmers and help to tackle the issues of depression and isolation. The Trustees agreed to award the 2016 bursary of £20,000 to Holly. £15,000 was paid to her in 2016 and the balance of £5,000 was paid to her following the presentation of her report to the Trustees in April 2017. Holly reported that a video series has been created to explain the benefits of mindfulness and has been delivered to over 90 people who signed up via the website. Some participants have also received further coaching. Holly requested an additional £5,000 to help develop the project. The Trustees agreed to the request and another £5,000 was paid to Holly in 2017.

At the 2017 AGM the Trustees received an application from Rob Hodgkins (2012 Nuffield Scholar) for funding for a project to breed sheep carrying the "Myomax" gene, in order to increase their lean muscle mass and reduce fat, thereby improving profitability for the owners. Rob plans to import rams carrying the gene and to integrate them into his in-house breeding programme, so that eventually all his sheep will carry the gene. However, the main aim of this project is to offer practical help to the next generation of sheep farmers. Working with the National Sheep Association and the Trustees, he will give away five rams with the gene per year for five years free of charge to selected young sheep farmers. The Trustees resolved to pay the 2017 award of £20,000 to Rob. The Trustees believe that the value of the gifted rams will be considerably higher than the £20,000 invested by the Trust and will be a substantial public benefit. However, the Trustees resolved to make the payment as an unsecured, interest-free loan to Rob until such time as he has given away five rams per year for five years. When he has made all of these gifts, the loan will be written off and treated as a grant to Rob. If, in the opinion of the Trustees, the gifts have not been made within a reasonable time, the loan must be repaid in full.

Other applications were also considered at the 2017 AGM but these applications were rejected by the Trustees.

## **THE FRANK PARKINSON AGRICULTURAL TRUST**

### **Trustees' Report (continued)**

**For the year ended 31 December 2017**

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#### **Achievements and Performance (continued)**

##### **The Institute of Agricultural Management (IAgrM) -**

The IAgrM is a registered charity which aims to maintain and improve the standards of the practice of agricultural management. In 2016 an application was received from Richard Cooksley on behalf of IAgrM for funding to cover the costs of an application for chartered status for those working within agriculture. The aim is to improve the quality, status and aspirations of those working in the sector. The total cost of the project is estimated at £20,000. The Trustees agreed to provide funding of £10,000, provided that Richard could obtain matched funding of £10,000 elsewhere. No payment was made in 2016 or 2017, as matched funding had not been obtained. However, in March 2017 the Trustees received a report from Richard indicating that some progress had been made. It is possible that payment will be made in 2018.

##### **Nuffield Farming Scholarships Trust (NFST) -**

The NFST is a registered charity which gives study grants to suitable candidates working in agriculture. In 2016 an application was received from NFST for £8,000 to co-fund an inaugural Nuffield Farming Lecture. The lecture will be a biennial, major lecture to be presented by a respected expert to a select audience. It is hoped these lectures will assume national importance. The total cost is estimated at £21,000. The Trustees agreed to provide funding of £8,000. This amount was paid in 2016. The first lecture, which is scheduled for 4 July 2018, is to be given by Professor Michael Winter OBE and entitled "How does the UK farmer deliver to the UK food culture(s) of 2030?".

##### **The Windsor Leadership Trust (WLT) -**

The WLT is a registered charity which provides leadership development programmes for senior leaders of private, public and charitable sector organisations. In 2017 the Trustees received an application from WLT for £16,000 to sponsor one farming participant per year for the next three years on their Emerging Leaders Programme. The application was discussed by the Trustees at their 2017 AGM. They agreed to provide funding of £15,000 over three years, subject to the introduction by WLT of a framework for participants or alumni to contribute towards the costs of the Programme in the future. The 2018 participant has been selected. The first payment is due in 2018 and subsequent payments will be due in 2019 and 2020.

##### **The Science Museum -**

The Science Museum is a registered charity which aims to educate and inspire visitors to their exhibitions. In 2017 the Trustees received a request for funding of £10,000 to support a new contemporary agriculture gallery within the Museum, aimed at inspiring, challenging and educating visitors to the complexities of modern farming. The Trustees agreed to support the application and £10,000 was paid in 2017.

#### **Plans for the future**

The Trust is a lasting testimony to the generosity of its founder Frank Parkinson. In the longer term the Trustees intend to continue supporting those causes that will, in the opinion of the Trustees, have the greatest benefit on British agriculture. The Trustees will be seeking applications for the 2018 Agri-Leadership Award.

# THE FRANK PARKINSON AGRICULTURAL TRUST

## Trustees' Report (continued)

For the year ended 31 December 2017

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### Financial Review

The Statement of Financial Activities shows net income and a net increase in funds of £109,843 for the year to 31 December 2017.

The funds at 31 December 2017 totalled £1,505,136. The Trustees consider the financial position to be satisfactory and are of the opinion that the Trust can continue as a going concern for the foreseeable future.

### Investment Policy

#### 1. Introduction

- 1.1 The Frank Parkinson Agricultural Trust is a grant making charity established by Trust Deed, whose purposes are described on Page 3.
- 1.2 The Endowment aims to balance the needs of current and future beneficiaries. The capital remains invested to provide for future beneficiaries and the income received, after deduction of investment management fees, is distributed to current beneficiaries.
- 1.3 The Trust has approximately £1.5 million of investment assets at 31 December 2017. These finance the grant making activities.
- 1.4 The Trustees have appointed an investment sub-committee to advise them on the Trust's investments.

#### 2. Investment Objectives

- 2.1 The Trust seeks to produce the best financial return within an acceptable level of risk.
- 2.2 The investment objective is to generate an income received of between £30,000 and £40,000 per annum (after investment management fees) over the long term, while allowing the Trust to maintain the real value of its assets.

#### 3. Risk

##### 3.1 Attitude to risk

The Trust relies on the investment return to fund grant making. However, grants are generally one off awards and the number and value of these may vary depending on circumstances. The key risk to the long term sustainability of the endowment is inflation, and the assets should be invested to mitigate this risk over the long term.

##### 3.2 Assets

The Trust's assets are invested in common investment funds, with cash funds used as necessary. The investment sub-committee are charged with advising on a suitable asset allocation strategy, which is set so as to achieve the overall Trust investment objectives.

The investment sub-committee have agreed a target strategic asset allocation in order to balance the maintenance of the real value of the Trust's capital as well as its income. It is: Equities 85%, Bonds 15%, with 30% of each invested in accumulation units/shares.

Asset allocation will vary from this target, due to market movements. Formal review of the portfolio asset allocation occurs on an annual basis.

##### 3.3 Currency

The base currency of the investment portfolio is Sterling. Investment may be made in non Sterling assets, but should not exceed 40% of the total investment portfolio value.

##### 3.4 Credit

The Trust's cash balances should be deposited with institutions with a minimum rating of A, or invested in a diversified money market fund. Deposits should be subject to a maximum exposure of £60,000 per institution. Bond exposure should be focused on investment grade issuers.

## THE FRANK PARKINSON AGRICULTURAL TRUST

### Trustees' Report (continued)

For the year ended 31 December 2017

#### Investment policy (continued)

##### 4. Liquidity Requirements

4.1 The Endowment aims to balance the needs of current and future beneficiaries and as such aims to set a sustainable income target, whilst ensuring the capital is expected to grow in line with inflation over the long term. The current target for income received from the Endowment is set at between £30,000 and £40,000 per annum (after investment manager's fees), growing with inflation.

4.2 The Trustees of the Endowment are unwilling to draw down capital and as such there is no requirement for short term capital liquidity within the investment portfolio.

##### 5. Time Horizon

5.1 The Trust is expected to exist in perpetuity and investments should be managed to meet the investment objectives and ensure this sustainability.

5.2 The Trust can adopt a long term investment time horizon.

##### 6. Ethical Investment Policy

6.1 The Trustees of the Endowment do not wish to impose any specific ethical investment policy; however the Investment Sub-Committee is required to consider the congruence of potential investments with the objectives listed in the Trust Deed.

##### 7. Management, Reporting and Monitoring

7.1 The Trustees have appointed an investment sub-committee to advise them on the Trust's investments and to monitor the performance of the investments. The Trust has nominated a list of authorised signatories, two of which are required to sign instructions to the investment manager.

7.2 The investment committee is to report formally to the full trustee board on at least an annual basis.

##### 8. Approval and Review

8.1 This Investment Policy Statement was prepared by the investment sub-committee of the Frank Parkinson Agricultural Trust to provide a framework for the management of its investment. It will be reviewed on an annual basis to ensure continuing appropriateness.

#### a) Investments Representing Expendable Endowment Funds

There were no purchases or sales of investments in the year 2017. Income of £20,555 was reinvested in accumulation units or shares.

The performance of the trust portfolio for the year to 31 December 2017 may be summarised as follows:

	Historic Cost 31 Dec 2017 £	Market Value 31 Dec 2017 £	Market Value 31 Dec 2016 £
<b>M&amp;G investments</b>			
Charifund Income Units	731,731	823,678	769,895
Charifund Accumulation Units	318,361	413,825	369,054
Charibond Income Shares	129,130	131,863	134,015
Charibond Accumulation Shares	55,631	64,777	63,495
	<u>£1,234,853</u>	<u>£1,434,143</u>	<u>£1,336,459</u>

The Historic Cost shown above represents the original cost of the investments in 2014, without regard to reinvested income.

The income for the year 2017 (after investment management fees) totalled £62,817 (£59,085 in 2016), of which £42,262 was received in cash and £20,555 was reinvested by M&G in accumulation units or shares.

## THE FRANK PARKINSON AGRICULTURAL TRUST

### Trustees' Report (continued)

For the year ended 31 December 2017

#### b) Investments Representing General Unrestricted Income Funds

During 2012 the Trustees re-invested part of the income that was awaiting distribution. This income is still available for distribution.

There were no sales or purchases during 2017. Income of £710 was reinvested in accumulation units or shares.

The performance of these investments in the year to 31 December 2017 may be summarised as follows:

	Historic Cost 31 Dec 2017	Market Value 31 Dec 2017	Market Value 31 Dec 2016
	£	£	£
<b>M&amp;G</b>			
Charifund Income Units	25,293	28,474	26,615
Charifund Accumulation Units	11,006	14,306	12,758
Charibond Income Shares	4,464	4,558	4,633
Charibond Accumulation Shares	1,923	2,239	2,195
	<u>£42,686</u>	<u>£49,577</u>	<u>£46,201</u>

The income for the year 2017 (after investment management fees) totalled £2,171 (£2,042 in 2016), of which £1,461 was received in cash and £710 was reinvested by M&G in accumulation units or shares.

#### c) Investments In Both Funds

The change in the value of the Trust's investments during 2017, compared with the relevant FTSE index, is as follows:

	2017 £	2016 £
M&G Charifund Income Units	+7.0%	+7.1%
M&G Charifund Accumulation Units (with income reinvested)	+12.1%	+12.4%
FTSE All-Share Index	+9.0%	+11.9%
M&G Charibond Income Shares	-1.6%	+5.7%
M&G Charibond Accumulation Shares (with income reinvested)	+2.0%	+9.5%
FTSE UK Gilts All-Stocks Index	-1.0%	+7.3%

## **THE FRANK PARKINSON AGRICULTURAL TRUST**

### **Trustees' Report (continued)**

**For the year ended 31 December 2017**

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#### **Reserves Policy**

The Trustees have decided that it is not necessary to hold substantial cash reserves, because they do not have any long term commitments and, if necessary, the investments in the Endowment Fund can be made available to meet any future expenditure.

The Trustees do not have the power to accumulate income. Accordingly, it is the Trustees' policy to distribute all of the income they receive within a reasonable time, taking one year with the next and after having regard to any applications that may be under consideration from time to time.

The balance sheet shows a balance of General Unrestricted Income Funds at 31 December 2017 of £57,831. In the opinion of the Trustees, the reserves are adequate for the Trust to fulfil its grant-making activities.

## THE FRANK PARKINSON AGRICULTURAL TRUST

### Trustees' Report (continued)

For the year ended 31 December 2017

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#### Statement of Trustees' responsibilities in relation to the financial statements

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

The law applicable to charities in England and Wales 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 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 accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and The Trust Deed. 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.

BY ORDER OF THE TRUSTEES

CHAIRMAN .....

Date of approval .....

## THE FRANK PARKINSON AGRICULTURAL TRUST

### Independent Examiner's Report to the Trustees of The Frank Parkinson Agricultural Trust

For the year ended 31 December 2017

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I report to the trustees on my examination of the accounts of the Frank Parkinson Agricultural Trust for the year ended 31 December 2017.

This report is made solely to the Charity's Trustees, as a body, in accordance with Section 145 of the Charities Act 2011. My independent examination work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent Examiner's Report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my independent examination work, for this report, or for the opinions I have formed.

#### Responsibilities and basis of report

As the charity trustees of the Trust you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ("the Act").

I report in respect of my examination of the Trust's accounts carried out under section 145 of the 2011 Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under Section 145(5)(b) of the Act.

#### Independent Examiner's Statement

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the Trust as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Laura Masheder FCA DChA  
**Garbutt & Elliott LLP**

.....

Chartered Accountants

33 Park Place  
Leeds  
LS1 2RY



# THE FRANK PARKINSON AGRICULTURAL TRUST

## Balance sheet

At 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
<b>FIXED ASSETS:</b>					
Fixed Asset Investments					
- Expendable Endowment Funds	5		1,434,143		1,336,459
- General Unrestricted Income Funds	5		49,577		46,201
Concessionary Loan	6		20,000		-
			<hr/>		<hr/>
			1,503,720		1,382,660
<b>CURRENT ASSETS:</b>					
Debtors and prepayments	7	-		107	
Cash at bank : current account		28,176		33,685	
		<hr/>		<hr/>	
		28,176		33,792	
<b>CURRENT LIABILITIES:</b>					
Creditors:					
Amounts falling due within one year	8	(16,760)		(21,159)	
		<hr/>		<hr/>	
<b>NET CURRENT ASSETS</b>			11,416		12,633
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,515,136		1,395,293
<b>LIABILITIES</b>					
Creditors:					
Amounts falling due after more than one year	9		(10,000)		-
			<hr/>		<hr/>
<b>NET ASSETS</b>			£1,505,136		£1,395,293
			<hr/> <hr/>		<hr/> <hr/>
<b>THE FUNDS OF THE CHARITY:</b>					
Expendable Endowment Funds	10		1,447,305		1,349,621
General Unrestricted Income Funds	10		57,831		45,672
			<hr/>		<hr/>
			£1,505,136		£1,395,293
			<hr/> <hr/>		<hr/> <hr/>

The notes on pages 14 to 23 form part of these financial statements.

Approved on behalf of the Trustees

Trustee .....

Trustee .....

Date of approval .....