

Registered Charity number: 1003690

**THE CONGELow ORGANIC EDUCATIONAL
CHARITABLE TRUST**

**TRUSTEES' REPORT AND UNAUDITED
FINANCIAL STATEMENTS**

***FOR THE YEAR ENDED
5 APRIL 2021***

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

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THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

CHARITY INFORMATION

Trustees: M Ensoll
A R Perrett
W B S Wass
A Reynolds

Registered Charity number: 1003690

Principal Address: Bank House
Bank Street
Tonbridge
Kent
TN19 1BL

Independent Examiner J P Healey FCA
Lindeyer Francis Ferguson Limited
Chartered Accountants
North House
198 High Street
Tonbridge
Kent TN9 1BE

Bankers: Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh EH12 9JN

Investment Advisers: Atrium Wealth Management
5 Longbrooks
Knowle Road
Brenchley
Tonbridge
Kent TN12 7D

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees presents their annual report together with the financial statements of The Congelow Organic Educational Charitable Trust ("Congelow" or "the Trust") for the year ended 5 April 2021. The Trustees confirm that the annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the governing document and the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019) (Charities SORP (FRS 102)).

The information set out on page 1 forms part of this report.

Structure, governance and management

The Congelow Organic Educational Charitable Trust was formed on 3 July 1991. The Trust is registered with the Charity Commission (No. 1003690) and is constituted by deed of trust, which is its governing document.

The Trust is administered by its Trustees, listed on page 1 of this report.

The power of appointing new Trustees of the Trust is vested in the Founder (as defined in the Deed of Trust), now deceased, and the continuing Trustees. New Trustees may be appointed at any time, by replacement or addition, to a maximum total number of Trustees of eight.

Trustees are recruited when the existing Trustees believe that the Board requires additional skills, using the professional contacts of the existing Trustees. Trustees are not formally trained but are inducted by being given a brief history of the Trust and its current aims and activities, and are referred to the Charity Commission guidance "The Essential Trustee".

Objectives and activities

The deed of trust directs the Trustees to apply the income and capital of the Trust for any charitable purpose and, without prejudice to the generality of the foregoing, to the advancement of the education of the public in the principles of organic farming, growing and gardening through the carrying out of research and the publication of the useful results of that research.

The Trust's main aims are currently to promote the education of the public in horticulture, and the strategy for achieving those aims is the giving of grants to suitable recipients, with a focus on those who are local to the Trust or those who work with vulnerable children. Grant-making is therefore currently the only significant charitable activity. Success is measured by receiving reports from grantees and qualitatively assessing the impact of the funding provided.

The Trustees have had due regard to guidance on public benefit published by the Charity Commission in section 17 of the Charities Act 2011 in selecting the Trust's activities.

Achievements and performance

During the period, the Trust made grants totalling £12,000 (2020: £21,000) to suitable recipients. These were made to Nexus School (£3,000) for the creation of a garden for the benefit of children with profound, severe and complex needs, Dandelion Time (£4,000) for their work in gardening projects used in restorative counselling for vulnerable children and their families, and KCC Medway Valley Countryside Project (£5,000) for ongoing projects supporting eco-friendly woodlands and rivers.

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TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees meet regularly to consider the making and monitoring of grants and are satisfied that the grants made during the period have made a meaningful difference to the Trust's beneficiaries. They have therefore achieved the current aims.

The Trustees continue to meet on a regular basis, to ensure that a suitable proportion of the Trust income is awarded in grants or gifts to other charities.

Financial review and reserves policy

During the period the Trust reported a surplus of £1,089,762 (2020: deficit of £27,086). The surplus arose as a result of a significant legacy in the form of three parcels of farmland with a probate value of £885,000 which were transferred to the Trust by the executors in the year. The Trust has been notified that it is also due to receive a cash legacy representing one-fifth of the residue of the same estate; however at the time of approving the financial statements the amount of this legacy could not be reliably estimated and so it has not been included in the Statement of Financial Activities. The current best estimate according to the executors is £630,000.

At the balance sheet date, the Trust's total unrestricted reserves were £2,328,571 (2020: £1,238,809). The free reserves (that is, unrestricted reserves excluding those represented by illiquid investment property and unlisted investments) were £396,071 (2020: £353,309).

The Trustees consider it prudent to hold free reserves in the region of £50,000 - £100,000 to cover at least one year's expenditure and allow for potential unforeseen maintenance cost of the land and property, in case of unforeseen circumstances. The Trustees are currently considering the use of the remaining free reserves in line with the Trust's aims.

Investment policy

The Trust owns investment property (one residential property and various parcels of farmland) and also a portfolio of listed investments.

The residential property is currently commercially let to generate funds for the Trust's activities. The Trustees are currently considering the best use of the Trust's farmland to maximise income. At the balance sheet date, part of this land was let on a Farming Business Tenancy however this ceased in September 2021 and the land is currently being managed by the Caroline Veall Will Trust, a non-charitable trust of which Trustee A Reynolds is also a Trustee.

The listed investments are managed by an external financial adviser and takes a low risk approach in order to protect the Trust's capital. The Trustees are satisfied with the performance in the year.

Principal risks and uncertainties

The Trustees have considered the principal risks and uncertainties to which the Trust is currently exposed. These are considered to be as follows:

- **Governance:** The Trustees consider that there is a conflict of interest since Trustee A Reynolds is also a Trustee of the Caroline Veall Will Trust (CVWT) which currently farms the Trust's land. A Reynolds was also a director and had significant influence in a company - Harry Veall Limited, which farmed the land under a Farm Business Tenancy before the CVWT.

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 5 APRIL 2021

The Trustees acknowledge that Charity Commission approval is required for the disposals of land (including granting a lease) to connected people, and that this approval has not been sought. However, the former Farm Business Tenancy has now ceased and there is nothing ongoing in the Trustees' opinion that requires Charity Commission approval.

The Trustees also acknowledge that A Reynolds may have benefitted financially for the above arrangements, and that A Reynolds has been active in decisions made regarding the above arrangements.

The Trustees have taken expert advice on managing the conflict and are considering the options available.

- **Financial:** The Trust is in a strong position financially, but the Trustees are aware that there is always a risk involved in investing in securities. This risk is managed by adopting a low-risk approach and taking the advice of external advisers.
- **Financial:** The Trust is considering how to maximise the investment return on its farmland particularly following the receipt of the significant legacy.

Plans for future periods

Following the receipt of the land and with the forthcoming residuary legacy in mind, the Trustees are currently in discussions over the Trust's future aims and activities. The Trustees wish to keep the advancement of education at the forefront of the Trust's plans but are considering expanding its activities to meet those aims. The Trustees are also looking at options to increase the income that the Trust derives from its assets, or to use those assets directly for charitable purposes.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Trustee's 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 & 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 Trust and of the incoming resources and application of resources of the Trust 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 accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the Trust's transactions and disclose with reasonable accuracy at any time the financial position of the Trust and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

**TRUSTEES' REPORT
FOR THE YEAR ENDED 5 APRIL 2021**

This report was approved by the Board of Trustees on 11 April 2022 and signed on its behalf by:

A R Perrett
Trustee

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES FOR THE YEAR ENDED 5 APRIL 2021

I report to the Trustees on my examination of the accounts of the Congelow Organic Educational Trust (the Trust) for the year ended 5 April 2021.

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.

Independence

Lindeyer Francis Ferguson Limited also provides bookkeeping services to the charity. The FRC's Revised Ethical Standard has been applied. The partner responsible for the bookkeeping services has no involvement in the independent examination.

Independent examiner's statement - matter of concern identified

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

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.

In carrying out my examination I have noted the ongoing conflict of interest, the details of which are included in the Principal risks & uncertainties section of the Trustee Report. I note that the conflict is still being resolved, but this could result in regulatory impacts for the Trust and Trustees. On this basis, I consider it appropriate to draw attention to these disclosures in my report.

I confirm that there are no other matters to which your attention should be drawn to enable a proper understanding of the accounts to be reached.

Date: 11 April 2022

J P Healey FCA

Lindeyer Francis Ferguson Limited
Chartered Accountants
North House, 198 High Street
Tonbridge
Kent TN9 1BE

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 5 APRIL 2021

		2021 Total funds £	2020 Total funds <i>Restated</i> £
Income from:	Note		
Legacies	3	885,000	-
Investments:			
Interest		1,547	2,670
Dividends		739	395
Rental income		14,418	16,527
Total income		<u>901,704</u>	<u>19,592</u>
Expenditure on:			
Raising funds	4	7,824	20,663
Charitable activities	5	21,940	24,631
Total expenditure		<u>29,764</u>	<u>45,294</u>
Net gains / (losses) on investments	7	217,822	(1,384)
Net income / (expenditure) and net movement in funds		<u>1,089,762</u>	<u>(27,086)</u>
Reconciliation of funds:			
Unrestricted funds brought forward		<u>1,238,809</u>	<u>1,265,895</u>
Unrestricted funds carried forward		<u>2,328,571</u>	<u>1,238,809</u>

There were no restricted or endowment funds in the current nor preceding period.

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

BALANCE SHEET AS AT 5 APRIL 2021

		2021 Total funds £	2021 Total funds £	2020 Total funds <i>Restated</i> £	2020 Total funds <i>Restated</i> £
	Note				
Fixed assets					
Investment property	9		1,932,000		885,000
Listed investments	10		289,586		236,283
Unlisted investments			500		500
			<u>2,222,086</u>		<u>1,121,783</u>
Current assets					
Rent receivable		425		175	
Cash at bank and in hand		111,640		117,961	
		<u>112,065</u>		<u>118,136</u>	
Current liabilities					
Creditors: amounts falling due within one year					
Accruals		(5,580)		(1,110)	
				<u>(1,110)</u>	
Net current assets			106,485		117,026
Total net assets			<u>2,328,571</u>		<u>1,238,809</u>
The funds of the charity					
Unrestricted funds					
General funds			2,328,571		1,238,809
			<u>2,328,571</u>		<u>1,238,809</u>

The financial statements were approved by the Board of Trustees on 11 April 2022 and signed on their behalf by:

A R Perrett
Trustee

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 5 APRIL 2021

	2021 Total funds £	2020 Total funds £
Cash flows from operating activities:		
Net cash used in operating activities	A (25,544)	(44,424)
Cash flows from investing activities:		
Dividend, interest and rents from investments	16,704	19,592
Proceeds from the sale of listed investments	128,490	115,804
Purchase of listed investments	(125,971)	(113,304)
Net cash provided by investing activities	19,223	22,092
Change in cash and cash equivalents in the reporting period	(6,321)	(22,332)
Cash and cash equivalents at the beginning of the reporting period	117,961	140,293
Cash and cash equivalents at the end of the reporting period	111,640	117,961
A. Net cash used in operating activities		
Net income / (expenditure) for the period as per the Statement of Financial Activities	1,089,762	(27,086)
Adjustments for:		
Non-cash legacies	(885,000)	-
(Gains) / losses on investments	(217,822)	1,384
Dividend, interest and rents from investments	(16,704)	(19,592)
(Increase) / decrease in debtors	(250)	850
Increase in creditors	4,470	20
Net cash used in operating activities	(25,544)	(44,424)

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

1 Status

The Congelow Organic Educational Charitable Trust is a charitable trust registered in England and Wales governed by its Trust Deed dated 3 July 1991. The address of the principal office is Bank House, Bank Street, Tonbridge TN9 1BL.

2 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

2.1 Basis of preparation

These financial statements have been prepared in accordance with "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (Effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Congelow Organic Educational Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are presented in pounds sterling and rounded to the nearest pound.

There are no material uncertainties about the charity's ability to continue, and so the going concern basis of accounting has been adopted.

In the prior period the charity elected to prepare its accounts on the receipts and payments basis. The charity is not eligible for this basis for the year ended 5 April 2021, and as a result the comparatives have been restated on the accruals basis.

2.2 Income

Income from legacies is recognised when there has been a grant of probate, the executors have established that there are sufficient assets in the estate, after settling any liabilities, to pay the legacy, any conditions attaching to the legacy are either within the control of the charity or have been met, and the amount of any residuary legacy can be estimated reliably.

Rental income is recognised in the period to which it relates. Interest income is recognised when receivable and dividends are recognised on receipt.

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

2 Accounting policies continued

2.3 Expenditure

Expenditure is recognised when a present legal or constructive obligation exists at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and the amount can be estimated reliably. All expenditure is accounted for on an accruals basis.

Expenditure has been classified under headings that aggregate all costs related to the category.

Support costs have been allocated to raising funds and charitable activities pro rata based on the direct costs incurred by those activities.

2.4 Investment property

Investment property is property held to generate rental income where the use of the property is outside the charity's objectives. It is stated in the balance sheet at fair value. Fair value gains or losses are recognised in the Statement of Financial Activities.

2.5 Listed investments

Listed investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Fair value gains or losses are recognised in the Statement of Financial Activities.

2.6 Financial Instruments

The charity only has financial instruments of a kind that qualify as basic financial instruments. Short term debtors, prepayments and creditors are measured at their settlement value.

2.7 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

3 Legacies

During the year, the charity received a legacy in the form of three parcels of land with a probate value of £885,000. The land is shown as investment property at fair value as it is not currently being used by the charity for a purpose in line with its objectives.

The charity has also been notified that it is due to receive a further legacy from the same estate, which will be in the form of cash comprising one-fifth of the residue. At the balance sheet date the amount of this legacy cannot be reliably estimated and so it is not included in income. The current best estimate according to the executors of the estate is £630,000.

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

4 Expenditure on raising funds	2021 £	2020 £
Direct rental costs	724	14,127
Investment management fees	3,555	3,490
	<u>4,279</u>	<u>17,617</u>
Allocation of support costs (Note 6)	3,545	3,046
	<u>7,824</u>	<u>20,663</u>
	<u><u>7,824</u></u>	<u><u>20,663</u></u>
5 Expenditure on charitable activities	2021 £	2020 £
Grants payable:		
Nexus School	3,000	6,000
Dandelion Time	4,000	2,500
KCC Medway Valley	5,000	-
KCC Kent Orchards	-	12,500
	<u>12,000</u>	<u>21,000</u>
Allocation of support costs (Note 6)	9,940	3,631
	<u>21,940</u>	<u>24,631</u>
	<u><u>21,940</u></u>	<u><u>24,631</u></u>
6 Support costs	2021 £	2020 £
Bank charges	27	57
Bookkeeping fees paid to independent examiner	1,788	1,380
Governance costs:		
Legal and professional fees	6,450	3,900
Independent examination	3,120	1,100
Other accountancy fees paid to independent examiner	2,100	240
	<u>13,485</u>	<u>6,677</u>
	<u><u>13,485</u></u>	<u><u>6,677</u></u>

THE CONGELOW ORGANIC EDUCATIONAL CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2021

7 Net gains / (losses) on investments

	2021 £	2020 £
Realised gains / (losses) on listed investments	12,639	7,973
Fair value adjustments on listed investments	43,183	(19,357)
Fair value adjustments on investment property	162,000	10,000
	<u>217,822</u>	<u>(1,384)</u>

8 Employees

The charity did not have any employees during the period.

9 Investment property

	£
Fair value at 6 April 2020	885,000
Additions	885,000
Change in fair value	162,000
Fair value at 5 April 2021	<u>1,932,000</u>

The investment property was valued by an independent Chartered Surveyor.

10 Listed investments

	2021 £	2020 £
Fair value at 6 April 2020	236,283	250,167
Additions at cost	125,971	113,304
Disposals at carrying value	(115,851)	(107,831)
Change in fair value	43,183	(19,357)
Fair value at 5 April 2021	<u>289,586</u>	<u>236,283</u>

11 Related party transactions

The key management personnel of the charity are considered to be the Trustees.

The Trustees did not receive any remuneration, benefits or reimbursed expenses during the period.

During the period, the charity received rental income from Harry Veall Limited, a company in which one of the Trustees, A Reynolds, has significant influence, amounting to £4,218 (2020: £4,218). There were no outstanding balances at the year end (2020: none).