

The Margaret Dobson Further Education Trust

Annual Report and Financial Statements

for the Year Ended 5 April 2021

The Margaret Dobson Further Education Trust

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The Margaret Dobson Further Education Trust

Reference and Administrative Details

Trustees	Mr R J Gray, Chair Mr W J Williams Mrs S Shortland Mrs S Huggins Ms P Patty-Bradley Mr S E Collins Ms J A Kippax
Principal Office	39 Montagu Court Gosforth Newcastle Upon Tyne NE3 4JL
Charity Registration Number	1000585
Investment Advisers	Chase De Vere 60 New Broad Street London EC2M 1JJ
Independent Examiner	TC Group 33 Boston Road Holbeach Spalding Lincolnshire PE12 7LR
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS

The Margaret Dobson Further Education Trust

Trustees' Report

The trustees present the annual report together with the financial statements of the charity for the year ended 5 April 2021.

Objectives and activities

Objects and aims

The objects of the charity are to provide grants and donations to or for the benefit of charitable institutions or charitable purposes for the advancement and promotion of education, learning, training, recreation and rehabilitation among and for people with special needs.

The Margaret Dobson Further Education Trust was founded from an investment by the late Mrs Margaret Dobson and was intended as an attempt by her to help young people and others with learning difficulties and other special needs to fulfil their potential, both in educational and practical skills following formal education. The Trust seeks to achieve this by the making of grants to other charities which are providing services with similar aims. Decisions are made by the Trustees after consideration of the written applications placed before them. These applications are made by charities. The Trustees have a set of guidelines to assist charities who are seeking grants.

Public benefit

In making grants the charity supports individuals with a learning disability, without prejudice, via other charitable organisations.

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Grant making policies

The purposes for which the grant is to be used must conform to the objects of the Trust as set out in the Trust Deed. The Trustees focus on learning disabled adults and, within that field, smaller charities where they feel they can make a substantial difference. Grants are made only to institutions or organisations, and it is not possible to make a grant for the benefit of an individual. It is expected that organisations will specify clearly the purpose for which a grant is required, by whom the service will be provided and the benefits that will result. Applications of a general kind, which have no specific purpose, other than to increase the financial resources available to the charity, are unlikely to be successful. It is expected that applications for grants will include a copy of the organisation's most recent annual accounts and, if the project is a new one, a business plan which is properly costed and convincing. The Trustees take an on-going interest in those organisations that the Trust has helped, and expect to be kept informed about developments to which they have given support. The Trustees have a policy that applications for a grant by any charity will only be considered every other year. Grantees will be expected to produce a report at the end of the funding period and will not be considered for further grants if reports are not received.

The Margaret Dobson Further Education Trust

Trustees' Report

Achievements and performance

The trustees held two meetings in the year, in June and October.

The June meeting was the usual annual meeting at which twelve bids were considered, of the 40 received. The following grants were made:

Carousel (Carousel Media) - £3,500.00
Goals Beyond Grass (Coach) - £3,003.00
Foyle Down Syndrome Trust (Downright Crafty) - £4,500.00
Heart n Soul (Do Your Own Thing) - £5,000.00
Team Dominica (Café Domenica) - £5,000.00
The Ethel Trust (Unlocking Confidence) - £4,775.00
Total grants approved - £25,778.00

It was decided at the June meeting that we would like to support organisations facing additional hardship due to the Coronavirus pandemic. We therefore held a second meeting in October. Bids were sought, by invitation only, from organisations we had supported in recent years.

Seven bids were received and four further grants were agreed as follows:

Yellow Submarine - £2,645.00
Transitions UK - £3,000.00
Carousel - £1,000.00
The Ethel Trust - £2,500.00
Total grants approved - £9,145.00

We recognised that this will impact on the available funds for the next year but felt it was better to help those in need now.

There were no resignations or new trustees in the year.

Simon Collins took on the role of treasurer, releasing that role from the secretary.

Financial review

Policy on reserves

The Trustees have agreed a policy of using all net income for grants. This will mean that there should be no significant change in reserves. Occasionally it may be that there are insufficient grant applications of an acceptable quality. If this were to be the case then not all the net income would be expended as grants. Once there were improved applications, higher levels of grants would then be made. The reserves policy is reviewed annually.

At the end of the year the bank account balance was £20,903 (2020 - £27,174).

Structure, governance and management

Nature of governing document

The Trust was established under a Trust Deed dated 1 October 1990 and was approved by the Inland Revenue Charity Division on the 25 April 1991.

Recruitment and appointment of trustees

Trustees are selected for their interest in the welfare of people with special needs and the contributions which they are able to make to the efficient administration of the Trust. They are each elected at an ordinary meeting of the Trustees, for a period of three years.

The Margaret Dobson Further Education Trust

Trustees' Report

Induction and training of trustees

Trustee induction consists of provision of the Deed of Trust, copies of previous notes, the latest accounts, current guidelines and policies. The potential Trustee attends one meeting as an observer. This gives opportunity for consideration by both the existing Board and the potential Trustee. The potential Trustee is then elected at the next ordinary meeting of the Trustees.

Organisational structure

There were seven Trustees at the year end, who form the governing body that meets at least once a year.

The day to day management is vested in the Chairman, Secretary and Treasurer. All major decisions relating to donations to be made, and the management of the Trust's investments, are the responsibility of all the Trustees.

Major risks and management of those risks

Trust finances

Poor investment performance or fraud involving those financial institutions that funds are invested in or via could result in assets and/or income decreasing in value.

The means of mitigating this risk is to invest in a range of assets.

Grants

There is a possibility that a grant made could be "mis-spent", either through poor management of the organisation receiving the grant or through fraud.

The Trustees consider that, given the typical value of grants, the level of checks the Trust carries out is sufficient.

Cyber attack

A new risk was identified now that the charity has moved towards electronic communications. This is mitigated through information being stored in multiple locations.

Trustees are asked to ensure portable equipment used for MDFET business is password protected.

Financial instruments

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

The annual report was approved by the trustees of the charity on 2 February 2022 and signed on its behalf by:

Mr R J Gray
Chair

The Margaret Dobson Further Education Trust

Statement of Trustees' Responsibilities

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

The law applicable to charities 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper 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 applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution. The trustees 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.

Approved by the trustees of the charity on 2 February 2022 and signed on its behalf by:

Mr R J Gray
Chair

The Margaret Dobson Further Education Trust

Independent Examiner's Report to the trustees of The Margaret Dobson Further Education Trust

I report on the accounts of the charity for the year ended 5 April 2021 which are set out on pages 7 to 13.

Respective responsibilities of trustees and examiner

The trustees are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 130 of the Charities Act 2011; and
- to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Christopher McKenna ACA

TC Group

33 Boston Road
Holbeach
Spalding
Lincolnshire
PE12 7LR

2 February 2022

The Margaret Dobson Further Education Trust

Statement of Financial Activities for the Year Ended 5 April 2021

	Note	Unrestricted £	Total 2021 £	Total 2020 £
Income and Endowments from:				
Donations and legacies	2	25	25	25
Investment income	3	<u>26,376</u>	<u>26,376</u>	<u>31,208</u>
Total Income		<u>26,401</u>	<u>26,401</u>	<u>31,233</u>
Expenditure on:				
Charitable activities	4	<u>(32,874)</u>	<u>(32,874)</u>	<u>(38,528)</u>
Total Expenditure		<u>(32,874)</u>	<u>(32,874)</u>	<u>(38,528)</u>
Gains/(losses) on disposal of listed investment assets		(8,107)	(8,107)	(5,868)
Gains/(losses) on listed investment assets revaluations		<u>187,313</u>	<u>187,313</u>	<u>(101,697)</u>
Net movement in funds		172,733	172,733	(114,860)
Reconciliation of funds				
Total funds brought forward		<u>802,823</u>	<u>802,823</u>	<u>917,683</u>
Total funds carried forward	11	<u><u>975,556</u></u>	<u><u>975,556</u></u>	<u><u>802,823</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2020 is shown in note 11.

The Margaret Dobson Further Education Trust

(Registration number: 1000585)
Balance Sheet as at 5 April 2021

	Note	2021 £	2020 £
Current assets			
Investments	8	955,553	776,549
Cash at bank and in hand	9	<u>20,903</u>	<u>27,174</u>
		976,456	803,723
Creditors: Amounts falling due within one year	10	<u>(900)</u>	<u>(900)</u>
Net assets		<u>975,556</u>	<u>802,823</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted		<u>975,556</u>	<u>802,823</u>
Total funds	11	<u>975,556</u>	<u>802,823</u>

The financial statements on pages 7 to 13 were approved by the trustees, and authorised for issue on 2 February 2022 and signed on their behalf by:

Mr R J Gray
Chair

The Margaret Dobson Further Education Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

1 Accounting policies

Statement of compliance

The 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 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

Basis of preparation

The Margaret Dobson Further Education 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 notes.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

Income and endowments

Voluntary income including donations, gifts, legacies and grants that provide core funding or are of a general nature is recognised when the charity has entitlement to the income, it is probable that the income will be received and the amount can be measured with sufficient reliability.

Donations and legacies

Donations and legacies are recognised on a receivable basis when receipt is probable and the amount can be reliably measured.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

The Margaret Dobson Further Education Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

Current asset investments

Current asset investments are included at market value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

The Margaret Dobson Further Education Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

Derivative financial instruments

The charity uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The charity does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in statement of financial activities immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in statement of financial activities depends on the nature of the hedge relationship.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

2 Income from donations and legacies

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Donations and legacies;			
Donations and grants	25	25	25
	<u>25</u>	<u>25</u>	<u>25</u>

3 Investment income

	Unrestricted		
	General	Total	Total
	£	2021	2020
		£	£
Income from dividends;			
Dividends	26,346	26,346	31,147
Interest receivable and similar income;			
Interest receivable on bank deposits	30	30	61
	<u>26,376</u>	<u>26,376</u>	<u>31,208</u>

4 Expenditure on charitable activities

		Unrestricted		
		General	Total	Total
	Note	£	2021	2020
			£	£
Grants payable		30,148	30,148	30,470
Governance costs	5	2,726	2,726	8,058
		<u>32,874</u>	<u>32,874</u>	<u>38,528</u>

The Margaret Dobson Further Education Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

5 Analysis of governance and support costs

Governance costs

	Unrestricted General £	Total 2021 £	Total 2020 £
Accountancy fees	900	900	900
Trustees expenses	31	31	658
Legal and professional fees	-	-	4,500
Sundry expenses	-	-	100
Investment charges	1,791	1,791	1,896
Bank charges	4	4	4
	2,726	2,726	8,058

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

7 Taxation

The charity is a registered charity and is therefore exempt from taxation.

8 Current asset investments

	2021 £	2020 £
Listed other shares	954,691	775,990
Cash deposits	862	559
	955,553	776,549

9 Cash and cash equivalents

	2021 £	2020 £
Cash at bank	3,403	4,701
Short-term deposits	17,500	22,473
	20,903	27,174

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	900	900

The Margaret Dobson Further Education Trust

Notes to the Financial Statements for the Year Ended 5 April 2021

11 Funds

	Balance at 6 April 2020 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 5 April 2021 £
Unrestricted					
General	802,823	26,401	(32,874)	179,206	975,556

	Balance at 6 April 2019 £	Incoming resources £	Resources expended £	Other recognised gains/(losses) £	Balance at 5 April 2020 £
Unrestricted					
General	917,683	31,233	(38,528)	(107,565)	802,823

12 Analysis of net assets between funds

	Unrestricted funds General £	Total funds at 5 April 2021 £
Current assets	976,456	976,456
Current liabilities	(900)	(900)
Total net assets	975,556	975,556