

DRAFT

Shropshire Federation of YFC

Annual Report and Statement of Accounts

For the year ended 31st August 2021



Sigma House
Hadley Park East
Hadley
Telford
Shropshire
TF1 6QJ

Shropshire Federation of YFC
Annual Report and Statement of Accounts
For the year ended 31 August 2021

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Shropshire Federation of YFC
Registered Charity Number 524412

Trustees

Mr D Roberts
Mr H Jones
Ms R Cooper
Mr C Potter
Mr FJ Allen
Mr A Joynt
Mr J Dale (Resigned 2021)
Ms C Evans (Appointed 2020)

Charity Number

524412

Principle address

YFC County Office
Shrewsbury Cattle Market
Bowman Way
Shrewsbury
Shropshire
United Kingdom
SY4 3DR

Independent Examiner

Integrity Partnership
Sigma House
Hadley Park East
Hadley
Telford
Shropshire
TF1 6QJ

Shropshire Federation of YFC

Trustees' Report for the year ended 31 August 2021

The trustees present their report and financial statements for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, the Charities Act 2011 and "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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

The charity's objectives are:

- To advance the education of young members of the public at large in agriculture, home crafts, country life and related subjects.
- The provision of facilities for recreation and other leisure time occupation

Significant activities

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Throughout the year the charity would normally host a wide range of activities all over Shropshire targeted at those aged between 10 and 26. These activities would help our members to build self-confidence through public speaking, performing and outdoor events to name but a few. This wide range of activities means that all our member can find something to excel at and opportunities always exist for our members to aid with the organisation of events, further improving transferable skills and self-confidence. This year however has been particularly affected by the Covid-19 pandemic and there has regrettably, but inevitably been a significant reduction in the programme provided to members.

Achievements and performance

Some of the many activities carried out by Shropshire Federation of Young Farmers were as follows:

- Many drama events took place throughout the year. It was great to see so many clubs and members on stage performing, whether in the drama competition or in the One Plus competition.
- Public speaking competitions were also held and the trustees were pleased to see increased participation in those competitions.
- A successful training weekend was also held at the beginning of the year to welcome newly elected officials from all 18 clubs and county committee office holders. The trustees were pleased to see a wide participation in the weekend and encouraged by the positivity displayed by the attendees after the event, along with an increased awareness of the responsibilities that are associated with the offices they have taken on.

While the trustees were inevitably saddened to see the cancellation of the organisation's significant annual fundraisers and show piece events such as the County Rally, County Show and County Chairman's Ball they were pleased to see that clubs has adapted to the challenges of the global pandemic and were very impressed by ingenuity of individual members and the speed with which the federation's member clubs embraced the digital technology and remote meeting.

Financial review

It is the policy of Shropshire Federation of Young Farmers to maintain unrestricted reserves at a level which equates to 12 months operating expenditure. This provides back up funds for situations such as cancelled social arrangements and the replacement of essential assets.

We are always conscious of the risks of having to cancel fund raising events at very short notice and due to circumstances completely out of our control, for example a rural disease outbreak, weather conditions or as we have seen this year a global pandemic. Traditionally we would hold our largest fund-raising event only a few days before the end of the year and the cancellation of the 2020 County Chairman's Ball has had an inevitable catastrophic effect on the county's finances.

Having recovered from the previous downturn in our finances the County Federation has again found itself in a position where expenditure has exceeded income and we have needed to draw on our reserves. The board of management has responded to this by taking action to co-opt further role specific members to the board.

Conscious of the uncertain year ahead in the face of Covid-19 pandemic the investment review has been postponed to ensure the organisation has sufficient liquid assets to smoothly maintain the organisation though what is currently a very unforecastable and unprecedented period going forward.

The trustees remain committed to ensuring the federation is able to "bounce back" better than ever when conditions allow, providing maximum benefit to the membership base. In the meantime, the trustees are continuing to access as many grants and subsidies as possible to bolster the income, while continuing to utilise the furlough and job support schemes as provided by Her Majesties Treasury. However, the trustees are mindful that the organisations reserves are not unlimited and are regularly meeting to assess the major risks and unprecedented circumstances to which the charity is exposed and are satisfied that management systems are in place to mitigate exposure to aforementioned major risks. The trustees also continue to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks.

Structure, governance and management

The charity was registered 8 January 1973 and is governed by its constitution adopted 4 December 1971 and amended 1 November 2002. We are now governed by an updated constitution adopted on 11th November 2017.

The trustees who served during the year were:

Mr D Roberts
Mr H Jones
Ms R Cooper
Mr C Potter
Mr F J Allen
Mr A Joynt
Mr J Dale (resigned 2021)
Ms C Evans (appointed October 2020)

New trustees are appointed in accordance with the constitution: 5ii The board of management shall appoint trustees from their committee and will comprise of the Chairman of the Management Committee, County President and County Treasurer.

Shropshire Federation of YFC
Trustees' Report for the year ended 31 August 2021

The trustees' report was approved by the Board of Trustees.

.....
Mr H Jones

Trustee

Dated:

Shropshire Federation of YFC
Independent Examiner's Report to the Trustees of Shropshire Federation of YFC
for the year ended 31 August 2021

I report on the financial statements of the charity for the year ended 31 August 2021, which are set out on pages 5 to 15.

Respective responsibilities of trustees and examiner

The charity's trustees are responsible for the preparation of the financial statements. The charity's 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:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow procedures laid down in the general directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act; and
- (iii) 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 financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, 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 financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared financial statements in accordance with Accounting and reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard 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 has now been withdrawn.

I understand that this has been done in order for the financial statements to provide a true and fair view in accordance with Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- (a) Which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) To keep accounting records in accordance with section 130 of the 2011 Act; and
 - (ii) To prepare financial statements which accord with the accounting records and comply with the accounting requirements of the 2011 Account;
have not been met or
- (b) To which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

Integrity Partnership
Sigma House
Hadley Park East
Hadley
Telford
TF1 6QJ

Dated:

Shropshire Federation of YFC
Statement of Financial Activities for the year ended 31 August 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
INCOME					
Incoming resources from generated funds					
Donations and Legacies	(3)	48,856	-	48,856	34,116
Other Trading Activities	(4)	6,233	-	6,233	27,203
Investment	(5)	452	-	452	1,277
Furlough grants		13,542	-	13,542	-
Total income		69,083	-	69,083	62,596
EXPENDITURE					
Funds raised	(6)	2,131	-	2,131	20,752
Charitable activities		48,079	-	48,079	90,081
Total resources expended		50,210	-	50,210	110,833
Net income/(expenditure)		18,873	-	18,873	(48,237)
RECONCILIATION OF FUNDS					
Total funds brought forward		241,005	882	241,887	290,124
Total funds carried forward		259,878	882	260,760	241,887

Shropshire Federation of YFC
Balance Sheet at 31 August 2021

	Note		2021 £	2020 £
Fixed assets				
Tangible fixed assets	(9)		371	742
Current assets				
Stock	(10)	1,357	1,357	
Debtors	(11)	9,243	22,578	
Cash at bank and in hand		265,343	229,602	
Investment	(12)	2,000	2,000	
		277,943	255,537	
Creditors: Amounts falling due within one year	(13)	17,554	14,392	
Net current assets			260,389	241,145
Net assets			260,760	241,887
The funds of the charity				
Unrestricted funds			259,878	241,005
Restricted funds	(15)		882	882
			260,760	241,887

Approved by the General Committee on 16th October 2021 and signed on its behalf by:-

.....

Chairman

1 Accounting Policies

Charity Information

Shropshire Federation of YFC is a charity governed by its constitution adopted November 2017

1.1 Accounting Convention

The financial statements have been prepared in accordance with the charity's (governing document), the Charities Act 2011 and "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 the Republic of Ireland (FRS 102) (effective 1 January 2019)".

The Charity is a public Benefit Entity as defined by FRS 102

The charity has taken advantage of the provision in the SORP for charities applying FRS 102 update Bulletin 1 not to prepare a statement of Cash Flows.

The Financial Statements 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 the Statement of Recommendation Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice, which is referred to in the regulations, but which has since been withdrawn.

The financial statements are prepared in sterling which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going Concern

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

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

1.5 Expenditure

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Fixtures, fittings and equipment 50% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and costs.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial asset

Basic financial asset, which include debtors and cash and bank balance, are initially measured at transaction price including, transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial asset classified as receivable within one year are not amortised.

Basic Financial Liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at the market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefit

The Cost of any unused holiday entitlement is recognised in the period in which the employee services are received

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payment to defined contribution retire benefit schemes are charged as an expense as they fall due.

1.13 Taxation

The charity is exempt from tax on its charitable activities

1.14 Fund accounting

Unrestricted funds can be used in accordance with the charitable objective at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

2 Critical accounting estimates and judgements

In the application of the Charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amounts of the assts 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 affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Donations and Legacies

	2021	2020
	£	£
Subscriptions	43,261	38,838
NFYFC affiliation fee	(16,972)	(19,928)
Club closure	1,779	-
Sponsorship	<u>20,788</u>	<u>15,206</u>
	<u>48,856</u>	<u>34,116</u>

4 Other Trading Activities

	2021	2020
	£	£
Training	720	3,620
Fundraising Events	<u>5,513</u>	<u>23,583</u>
	<u>6,233</u>	<u>27,203</u>

Shropshire Federation of YFC
Notes to the accounts for the year ended 31 August 2021 (continued)

5 Investments

	Unrestricted Funds 2021 £	Unrestricted Funds 2020 £
Interest Received	<u>452</u>	<u>1,277</u>

6 Raising funds

	2021 £	2020 £
<u>Cost of Merchandising and Events</u>		
Dances and social events	-	3,553
Shropshire county show	-	112
Chairman's ball	786	8,114
Competitions	1,270	6,695
Advertising	-	2,278
SFYFC grant	75	-
	<u>2,131</u>	<u>20,752</u>

7 Trustees

There were no trustees' remuneration or other benefits for they year end 31 August 2021 nor the year ended 31 August 2020

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2021 nor for the year ended 31st August 2020

8 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Employees	2	2

Employment Cost

	2021 £	2020 £
Wages and Salaries	<u>28,772</u>	<u>51,593</u>

9 Tangible fixed assets

	Fixtures, fitting & equipment £
Cost	
At 1 September 2020	15,518
Additions	-
At 31 August 2021	<u>15,518</u>
Depreciation	
At 1 September 2020	14,776
Depreciation charge for the year	371
At 31 August 2021	<u>15,147</u>
Net Book Value	
2021	<u>371</u>
2020	<u>742</u>

10 Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>1,357</u>	<u>1,357</u>

11 Debtors

	2021 £	2020 £
Amounts falling due within one year		
Trade Debtors	7,353	20,828
Prepayments and accrued income	<u>1,890</u>	<u>1,750</u>
	<u>9,243</u>	<u>22,578</u>

12 Current asset investments

	2021 £	2020 £
Unlisted Investments	<u>2,000</u>	<u>2,000</u>

13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts falling due within one year:		
Other Taxes and social security	-	2,372
Trade Creditors	1,636	692
Other Creditors	99	184
Accruals and deferred income	<u>15,819</u>	<u>11,144</u>
	<u>17,554</u>	<u>14,392</u>

14 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

15 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	As at 31/08/2021	Resources	As at 31/08/20
	£	£	£
Training Grants	<u>882</u>	-	<u>882</u>

Training Grants

The money in this fund is available for members of the charity who wish to receive a grant towards training costs

Designated Funds

The trustees have decided to designate £150,000 towards future investment in the organisation.

16 Analysis of net assets between funds

	Unrestricted	Restricted	Total
	2021	2020	2020
	£	£	£
Funds as at 31/08/21			
Tangible Assets	371	-	371
Current assets/(liabilities)	<u>259,507</u>	<u>882</u>	<u>260,389</u>
	<u>259,878</u>	<u>882</u>	<u>260,760</u>

17 Related Party Transaction

There were no disclosable related party transaction during the year (2020- None)

**Shropshire Federation of YFC
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR END 31 AUGUST 2021**

	2021	2020
	£	£
Incoming Resources		
Voluntary income		
Unrestricted		
Subscriptions	43,261	38,838
NFYFC affiliation fee	(16,972)	(19,928)
Club closure	1,779	-
Furlough Grant	13,542	
Sponsorship	<u>20,788</u>	<u>15,206</u>
	<u>62,398</u>	<u>34,116</u>
Other Incoming resources		
Unrestricted		
Dances and social events	179	3,144
Shropshire county show	162	1,474
YFC Rally and Dance	-	3,043
Chairman's ball	-	29
Competitions	985	9,620
Training	720	3,620
Sale of merchandise	-	163
Christmas Cards	896	-
Christmas Raffle	717	-
Chairman's Trip	2,510	-
Handbook	-	8,820
Chairman's Event	64	(2,710)
	<u>6,233</u>	<u>27,203</u>
Investment Income		
Interest received	<u>452</u>	<u>1,277</u>
Total Incoming resources	<u>69,083</u>	<u>62,596</u>

Shropshire Federation of YFC
DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR END 31 AUGUST 2021

	2020	2021
	£	£
Resources expended		
Costs of raising funds		
Unrestricted		
Dances and social events	-	3,553
Shropshire county show	-	112
Chairman's ball	786	8,114
Competitions	1,270	6,695
Advertising	-	2,278
SFYFC grant	75	-
	<u>2,131</u>	<u>20,752</u>
Charitable expenditure		
Unrestricted		
Training Courses	-	10,894
Wages	28,772	51,593
Depreciation	371	737
Insurance	2,664	5,691
Light, heat and rent	3,180	3,138
Telephone	1,885	2,089
Postage and Stationery	706	3,679
Promotion costs	-	2,068
Mileage	7	812
Officer expenses	155	144
Office cost	3,217	3,592
Accountancy	3,813	3,228
Sundries	-	2,216
Honorarium	2,500	-
Bank Charges	809	
Restricted		
Training courses	-	200
	<u>48,079</u>	<u>90,081</u>
Total Resource expenditure	50,210	110,833
Net income/(expenditure)	<u>18,873</u>	<u>(48,237)</u>

