

FARMS FOR CITY CHILDREN
(CHARITABLE COMPANY LIMITED BY GUARANTEE)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007



Registered Company No. 1177239 (England and Wales)
Registered Charity No 325120

Simpkins Edwards
Chartered Accountants • Business Advisers • Tax Consultants

FARMS FOR CITY CHILDREN

LEGAL AND ADMINISTRATIVE INFORMATION FOR THE YEAR ENDED 31 JULY 2007

Trustees (and Directors)

Nicholas Battle
Jane Feaver – resigned 9 October 2007
Anthony Gibson
Nicholas Grant - Chairman
David Little – resigned 12 December 2007
Jean McCaig
Michael Morpurgo
Clare Morpurgo
Elizabeth Owens
Elizabeth Pescops- resigned 11 December
2006

Company secretary

Clare Morpurgo

Chief Executive

Helen Chaloner

Contact address and registered office

Nethercott House
Iddesleigh
Winkleigh
Devon
EX19 8BG

Auditors

Simpkins Edwards
Michael House
Castle Street
Exeter
Devon
EX4 3LQ

Bankers

National Westminster Bank PLC
26 Bridge Street
Hatherleigh
Okehampton
Devon EX20 3HZ

Duncan Lawrie Limited
1 Hobart Place
London
SW1W 0HU

Registered charity number

325120

Registered company number

1177239

FARMS FOR CITY CHILDREN

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CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 JULY 2007

July marked the completion of another productive cycle of seasons at Farms for City Children a year-round and packed programme of weeklong visits by urban children to our three working farms. It is an experience that many of these children will never forget, it can be read on their faces and witnessed daily in their enthusiastic approach to farm life. It is expressed in writing, time and again, in feedback at the end of the week. A teacher from St John's Walham CofE Primary School in Fulham, London, encapsulated as follows their week at Wick Court, our Gloucestershire farm, in January 2007,

"It has been an absolutely incredible week and an amazing experience for both staff and children! We so appreciate the thought and planning that went into making this week such a positive learning experience for all the children. Some of their comments have really reminded us why we wanted to be teachers! I'll never forget walking across the fields to Oldbury in the dark, and have loved seeing the children freed from all the constraints of London life. The staff have so much experience and awareness of how to work with children and expose them to new challenges, as well as being expert farmers!"

At the end of the year David Little and Nick Grant will both be retiring from the Board under the Company's constitution which limits continuous service on the Board to two three year terms. David Little was Chairman from 2003 to 2006, and Nick Grant for the past year. In December 2006 Liz Pescops retired from the Board after many years of involvement with Farms for City Children, initially as a teacher bringing children to the farms and subsequently as a dedicated member of the Board. We would like to thank them all for their service to Farms for City Children. Jane Feaver joined the Board in July 2006 after retiring as Chief Executive, but since the end of the financial year has again stepped down from the Board to take up the new position of Deputy Chief Executive of the organisation. We are sorry to lose her in one capacity but pleased to welcome her in another. David Teale joins the Board in December 2007, and Liz Owens, who has been Deputy Chairman will take the chair for a three year term at the AGM in January 2008.

In August 2006, we restructured our small head office team and appointed a dedicated fundraiser for the very first time. This role has already proved invaluable in raising the much-needed funds to keep the charity going and to subsidise the true cost of each child's visit. We also now have a proper fundraising and contacts database. We still favour the human touch, but it is a powerful tool and does away with stacks of index cards! Fundraising events continued apace. 'On Angel Wings' was a sparkling Christmas concert based around a re-telling of the nativity by Michael Morpurgo and Quentin Blake. Egmont Books generously sponsored the event. The venue was the Mayfair Chapel in London and the stars Quentin Blake, Joanna Lumley and Michael Morpurgo. Michael Morpurgo had been writer in residence at the Savoy Hotel. As a result, the Savoy hosted a 'Literary Cabaret' and dinner in May and donated the profit to Farms for City Children. Again this year, we also owe a huge thanks to Michael for continuing to donate his fees from school readings and prize days to the charity.

We are constantly looking at new ways of earning more money to support our own work and this year we started letting out Nethercott House during the holidays. We did this with the help of lettings agency, Helpful Holidays and generated a profit of over £11,000. Helpful Holidays also sponsored our first ever full-colour Christmas card, using Quentin Blake's wonderful cover artwork for 'On Angel Wings' and our 3,000 copies sold out immediately. Small beginnings, but every penny counts!

CHAIRMAN'S AND CHIEF EXECUTIVE'S REPORT FOR THE YEAR ENDED 31 JULY 2007

Efforts continue to maintain and improve the farmhouses and farm facilities. At Nethercott we completed the construction of a viewing platform in the dairy, to give the children a safe, birds-eye view of the milking. At Treginnis we began a programme of making good windows that had deteriorated after twenty years of sea wind and salt. We finally repaired the very potholed driveway at Wick Court, with a proper foundation that should last us for another twenty years at least. The main property works next year will include improvements to the cow yard and dirty water drainage at Wick Court and the installation of a wood chip central heating and hot water boiler at Nethercott House.

Farms for City Children has this year engaged more closely with CEVAS (the Countryside Educational Visits Accreditation Scheme), which is becoming a widely recognised benchmark of standards at farms that host educational visits. Our manager at Wick Court completed both stages of the training and Nethercott was the venue for a three-day CEVAS training course, in which two of our managers participated. We welcome this development because it helps to assure the public at large that children can actively participate in farming in a safe manner and a supportive atmosphere.

Our work with local makers, artists and writers on the three farms is secure for the next three years thanks to funding from the Paul Hamlyn Foundation. We hope, over time, to build links with individual artists and organisations that will ensure the long-term future of creative learning as an integral part of the children's week on the farm.

Meanwhile, we look forward in 2007-8 to participating fully in the Year of Food and Farming, to celebrating the tenth anniversary of the first group of urban children to stay at Wick Court and to being the official charity of the Devon County Show in May. Have a look also at our colourful new website at www.farmsforcitychildren.org

With grateful thanks to all our many supporters, to the farmers who lend their farms and their expertise and to all our staff.

Nick Grant
Chairman

Helen Chaloner
Chief Executive

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2007

The trustees, who are also the directors of the charity, present their report and financial statements for the year ended 31 July 2007. The financial statements have been prepared in accordance with current statutory requirements, the charity's governing documents and the recommendations of the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) and comply with applicable law.

1. Status and Administration

The company is limited by guarantee, number 1177239, and is a charitable trust registered with the Charity Commission number 325120. The charity's governing document is a Memorandum of Association dated 31st December 1973. There are three different sites, Nethercott House, Lower Treginnis Farm and Wick Court. The trustees determine the general policy of the farms and delegate responsibility for the day to day operations to the management team, consisting of the Chief Executive and the farm school managers. The Board meets on a quarterly basis to review school evaluations, financial reports, reports from the management team and to decide other matters of policy, as advised by the Chief Executive. Board meetings rotate and one meeting per year is held at each of the farms.

2. Principal Activities

The activities of the company consist of the provision of practical experience, within an educational environment of agricultural and rural life for children from inner city and urban areas who might not otherwise attain the knowledge it involves.

3 Directors and their interests

The directors during the year were as follows:

David Little – resigned 12 December 2007
Nicholas Battle
Jane Feaver - resigned 9 October 2007
Anthony Gibson
Nicholas Grant - Chairman
Jean McCaig
Michael Morpurgo
Clare Morpurgo
Elizabeth Owen
Elizabeth Pescops- resigned 11 December 2006

The directors have no beneficial interest in shares in the company as it is limited by guarantee, and has no share capital.

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 JULY 2007

4. Review of Activities

The charity operated the three farms at Nethercott House, Lower Treginnis and Wick Court. Net incoming resources for the year, after including donations received for revenue purposes, were £134,009. The charity aims to welcome 87 school groups to its three farms each year and sets budgets accordingly. This target level of school bookings was not quite attained in 2007, with a total of 82 school groups visiting the farms. The charity is vulnerable to cancellations by school groups, as replacement schools can rarely slot into gaps without at least 6-8 months notice. Farms for City Children is developing strategies aimed at minimizing the risk of late cancellations. The charity operates a qualitative evaluation procedure, seeking formal feedback from teachers and pupils. This is used to assess performance and to improve services and is reviewed quarterly at Board meetings. Performance in 2007 was deemed to be more than adequate, with excellent feedback from schools and a high level of repeat bookings for future years.

The cost to visiting children is kept as low as possible and money is raised from other sources in order to make this possible. Fundraising activities include applications to trusts and foundations, fundraising events (fetes, performances, open days), letting the farm properties out of term time and newsletter mailings. The charity also raises funds through its small trading subsidiary, FFCC Enterprises Ltd, which sells books, greeting cards and other items.

5 Future Developments

We are in a period of consolidation. Despite a small number of late cancellations, there are more groups wishing to come than can be slotted into the programme. We are looking at how to accommodate them.

6 Reserves Policy

The trustees' policy is to use the charity's reserves to improve the facilities and education offered at the farms. Following the excellent fundraising efforts of the past year, a major part (£50,000) of the revenue surpluses generated have been allocated to the Development Fund which has been designated for authorised developments at Nethercott House, Lower Treginnis Farm and Wick Court. In addition, all the capital grants and donations received have been reinvested in the fabric of these sites. The majority of this income was given for spending on specific farms or purposes. The balance of the free reserves of £117,138 is held in the general fund. The trustees intend to build on this fund over the next few years to represent six months running expenses (£400,000). The trustees are conscious that farming in this country faces uncertain times. They wish to plan for adverse economic conditions and other potential threats, providing assurance to staff, supporters and users and ensuring the long-term future of the charity.

7 Investment policy

The finance sub-committee considers the most appropriate policy for investing funds and advises the Board accordingly.

8 Assets cover for funds

Note 18 to the financial statements sets out an analysis of the company's assets attributable to the various funds. These assets are sufficient to meet the company's obligations.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 JULY 2007**

9. Risk Management

The trustees have examined the major strategic, business and operational risks, which the charity faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks

10 Appointment of trustees

Trustees are recruited for their expertise based on knowledge of their skills in other fields. They come as recommendations from Board Members or as a result of the knowledge of people who are familiar with our work. Prospective trustees are interviewed by the board, and their appointment is dependent on a unanimous election by the Board Members. New trustees are provided with an induction pack of reading material including the charity's business plan. Trustees are encouraged to visit all three of the farms, either before or during the course of the board meetings scheduled at the farms throughout the year.

11. Statement of trustees' responsibilities

The trustees (directors) are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and the incoming resources and application of resources, including the net income or expenditure, for the year. In preparing those financial statements, the trustees (directors) are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees (directors) are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements of the charitable company comply with the Companies Act 1985, applicable charity law and United Kingdom Generally Accepted Accounting Practice (UK GAAP). They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

12. Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Simpkins Edwards be re-appointed as auditors of the charitable company will be put to the Annual General Meeting.

**TRUSTEES' ANNUAL REPORT
FOR THE YEAR ENDED 31 JULY 2007**

13. Statement of disclosure to auditor

- a as far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- b they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information

This report has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and was approved by the Trustees and signed on their behalf by

Chairman:

N. A. Grant

Trustee/Director:

Alan Rogers

Date

7/1/08

Date

7.1.2008

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FARMS FOR CITY CHILDREN**

We have audited the financial statements of Farms For City Children for the year ended 31 July 2007 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of investments) and the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' (who are also directors of Farms For City Children for the purposes of Company Law) Responsibilities, the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you, if, in our opinion, the Trustees' Report, and the Chairman's and Chief Executive's Report are not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the Trustees' Report, the Chairman's and Chief Executive's Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

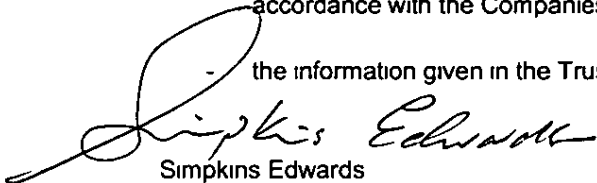
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
FARMS FOR CITY CHILDREN (CONTINUED)**

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 July 2007 and of its excess of income over expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustees Report is consistent with the financial statements



Simpkins Edwards

Chartered Accountants
Registered Auditors

Michael House
Castle Street
Exeter EX4 3LQ

7 January 2008

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2007**

	Note	Unrestricted Funds General Fund £	Development Fund £	Restricted Funds £	Total 2007 £	Total 2006 £
Incoming resources						
Incoming resources from generated funds						
<i>Voluntary income</i>						
Donations	3	356,929	-	71,006	427,935	313,939
<i>Activities for generating funds</i>						
Fundraising		18,294	-	-	18,294	12,221
Donation from trading subsidiary	9	12,923	-	-	12,923	12,839
<i>Investment income</i>						
Bank interest	4	7,620	-	-	7,620	4,765
		<u>395,766</u>	<u>-</u>	<u>71,006</u>	<u>466,772</u>	<u>343,764</u>
Incoming resources from charitable activities						
Schools accommodation		458,511	-	-	458,511	464,217
Non-school lettings		45,417	-	-	45,417	25,209
Grants	5	7,275	-	24,652	31,927	23,052
Miscellaneous	6	14,909	-	-	14,909	5,557
		<u>921,878</u>	<u>-</u>	<u>95,658</u>	<u>1,017,536</u>	<u>861,799</u>
Total incoming resources						
Resources expended						
Costs of generating funds						
		57,600	-	-	57,600	47,961
Charitable activities						
		746,566	-	68,918	815,484	793,532
Governance costs						
		10,443	-	-	10,443	11,876
		<u>814,609</u>	<u>-</u>	<u>68,918</u>	<u>883,527</u>	<u>853,369</u>
Total resources expended						
Net income/ (expenditure) before transfers						
		107,269	-	26,740	134,009	8,430
Transfers	16/17	(48,256)	50,000	(1,744)	-	-
		<u>59,013</u>	<u>50,000</u>	<u>24,996</u>	<u>134,009</u>	<u>8,430</u>
Net movement in funds						
Reconciliation of funds						
Total funds brought forward	16/17	58,125	100,000	2,443,854	2,601,979	2,593,549
		<u>117,138</u>	<u>150,000</u>	<u>2,468,850</u>	<u>2,735,988</u>	<u>2,601,979</u>
Total funds carried forward	16/17					

All resources both incoming and expended derive from continuing activities

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BALANCE SHEET AS AT 31 JULY 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	12	2,433,822		2,451,197	
Investment	9	1		1	
			2,433,823		2,451,198
Current assets					
Debtors	13	54,509		49,073	
Cash at bank and in hand	14	368,955		214,179	
			423,464		263,252
Creditors amounts falling due within one year	15	(121,299)		(112,471)	
Net current assets			302,165		150,781
Net assets			2,735,988		2,601,979
Capital and reserves					
Restricted fund	16	2,468,850		2,443,854	
Unrestricted funds					
- General	17	117,138		58,125	
Designated funds					
- Development	17	150,000		100,000	
			2,735,988		2,601,979
			2,735,988		2,601,979

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The trustees approved the financial statements and authorised their issue on 7 January 2008

Chairman: *N. A. Grant*

Company Secretary: *Care Ann*

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

1 Company status

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

2 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005, applicable accounting standards and the Companies Act 1985.

The principal accounting policies adopted in the preparation of the financial statements are shown below.

2.1 Incoming resources

Voluntary income

Voluntary income consists of all incoming resources (whether in cash or assets in hand) other than incoming resources received for investment income, gains, grants or payments for goods or services. This is recognised in the statement of financial activities as soon as entitlement to the income is determined.

Voluntary income is recognised on receipt and includes associated tax claims on a receivable basis. Legacies are recognised by reference to the date probate is granted, or if later, as soon as they are capable of being measured in financial terms. Grants of a general nature are recognised as voluntary income.

Activities for generating funds

Income from the charity's subsidiary company, and from fundraising activities are included in incoming resources in the period to which it relates.

Investment income

Investment income is included in incoming resources in the period to which it relates.

Incoming resources from charitable activities

Accommodation charges are included in the financial statements in the period to which the letting relates. Grants received for the performance of a specific service are classified as incoming resources from charitable activities. Other income is included in the financial statements when due.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

2.2 Resources expended

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

- Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds
- Charitable activities include the costs involved in the provision of services that Farms for City Children provides
- Governance costs include those incurred in the governance of the charity and its assets, and are primarily associated with constitutional and statutory requirements

Resources expended include attributable VAT which cannot be recovered

2.3 Assets and liabilities

These are included in the balance sheet at the following amounts

Fixed assets at cost less an appropriate provision for depreciation

Current assets at the lower of cost and net realisable value

Liabilities at their settlement value

2.4 Tangible fixed assets

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows

Leasehold improvements	
Lower Treginnis Farm	60 years
Wick Court	99 years
Furniture and equipment	10 years
Motor vehicles	25% per annum on cost

Freehold land is not a depreciable asset. No depreciation charge is recognised on freehold buildings in view of their very long useful economic lives and high residual values. The charity has a policy and practice of regular maintenance and repairs (charges for which are recognised in the statement of financial activities) such that the asset is kept to its previously assessed standard of performance and the assets are unlikely to suffer from economic obsolescence.

Assets with a value below £500 are not capitalised within the financial statements, but expended to the SOFA.

2.5 Unrestricted Funds

The unrestricted fund consists of general funds that the charity may use at its own discretion.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

2.6 Development Fund

The trustees have designated a specific fund for authorised developments at Nethercott House, Lower Treginnis Farm and Wick Court

2.7 Restricted Funds

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

The restricted funds balances for Nethercott, Wick Court and Treginnis are funds received for capital developments and equate with the land and property values as shown in fixed assets.

Any other restricted funds received whether revenue or capital are shown in the miscellaneous restricted fund.

Further details of the restricted funds are detailed in note 16.

2.8 Cash flow statement

The directors have taken advantage of the provision in the Financial Reporting Standard No 1 not to prepare a cash flow statement.

2.9 Operating leases

Rentals under operating leases are expended as they fall due.

2.10 Pensions

The company operates a defined contribution scheme. Contributions to the scheme are expended as they fall due. A stakeholder scheme for all staff has been operated since September 2001.

2.11 Consolidation

The charity has taken advantage of the exemption provided in Section 229 of the Companies Act 1985 not to prepare consolidated financial statements with FFCC Enterprises Limited as the results of the subsidiary are immaterial to the group. These financial statements present information about the charity as a single undertaking. All of the company's profits, which are donated to the charity, are included within the incoming resources.

3 Donations

	Unrestricted £	Restricted £	Total 2007 £	Total 2006 £
Capital				
- Donations (note 16)	-	40,000	40,000	8,000
Revenue				
- Donations (note 16)	356,929	31,006	387,935	305,939
	<u>356,929</u>	<u>71,006</u>	<u>427,935</u>	<u>313,939</u>

Grants and donations received towards capital purposes are accumulated within restricted funds. Donations for revenue purposes are recorded as restricted fund income where appropriate and any related expenditure is shown as restricted fund expenditure. Donations with no such restrictions are accumulated in the general fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

3 Donations (continued)

We are most grateful to our benefactors for their generosity during the year who include the following

The 29 th May 1961 Charitable Trust	The Henry Smith Charity
Adams Youth Trust	The Inverforth Charitable Trust
The Allan and Nesta Ferguson Charitable Trust	The Jane Hodge Foundation
The Amelia Chadwick Trust	John Coates Charitable Trust
The Ashden Trust	John Lewis Partnership Trust
The Band Trust	The John Thaw Foundation
The Batty Charitable Trust	The Laura Ashley Foundation
The Beatrice Laing Trust	Lord Barnaby's Foundation
The Bernard Sunley Charitable Foundation	Joanna Lumley
The Book People	The Magen Trust
H Callow	M&G Group
CHK Charities Ltd	John McCaig
Sarah Challis	The JF & EA Measures Chanty
Churchers College	The Peter Kershaw Trust
The Clover Trust	The Paul Hamlyn Foundation
Cranbrook School	The Peter Minet Trust
The Cuthbert Horn Trust	The Princess Anne's Charities Trust
Donald Forrester Trust	The Radcliffe Trust
The D'Oyly Carte Charitable Trust	The Rank Foundation
The Dorset Foundation	Ristway Farm Trust
The Dulverton Trust	Riverside Artists
Dutch Church in London	The Robert Gavron Charitable Trust
Edgar E Lawley Foundation	The Rufford Maurice Laing Foundation
The Equitable Charitable Trust	The Savoy Hotel
The Everest Trust	The Shauna Gosling Trust
Four Winds Trust	Shirley & Ian Watson Trust
Frampton Congregational Church	St Marys School, Shaftesbury
Garfield Weston Foundation	The Steel Charitable Trust
The Gerald Palmer Eling Trust	Tallow Chandlers' Benevolent Fund
The Goldsmiths Company Charity	The Teale Charitable Trust
L Hall	The Tudor Trust
The H B Allen Charitable Trust	The Underwood Trust
J M Harrison	The Westminster Foundation
The Hedley Foundation	W O Street Charitable Foundation

4 Interest receivable	2007	2006
	£	£
Bank deposit interest	7,620	4,765
	<hr/>	<hr/>
	2007	2006
	£	£
5 Grants		
DEFRA – Countryside Stewardship Scheme	8,662	9,360
Arts Council/Paul Hamlyn Foundation – Artist in Residence Project	21,240	12,192
Devon County Council – 30 th anniversary exhibition costs	-	1,500
Business Link - Staff training at Wick	2,025	-
	<hr/>	<hr/>
	31,927	23,052
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

					2007 £	2006 £	
6	Miscellaneous income						
	Rent received				3,150	-	
	Royalties received				460	2,288	
	Miscellaneous				11,299	3,269	
					<hr/>	<hr/>	
					14,909	5,557	
					<hr/>	<hr/>	
7	Resources expended						
	Nethercott	Treginnis	Wick	Head Office	Total 2007	Total 2006	
	£	£	£	£	£	£	
<i>Costs of generating funds</i>							
	Fundraising costs	3,479	1,031	1,591	3,537	9,638	4,030
	Staff costs	-	-	-	47,962	47,962	43,931
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		3,479	1,031	1,591	51,499	57,600	47,961
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Charitable activities</i>							
	Operation of farms						
	- Staff costs	157,531	160,772	149,890	-	468,193	446,461
	- Other	34,585	35,867	29,581	-	100,033	98,455
	Premises						
	- Depreciation	2,954	13,710	14,024	541	31,229	30,668
	- Other	60,314	54,083	39,195	9,340	162,932	138,369
	Management and administration						
	- Staff costs	-	-	-	40,336	40,336	39,932
	- Other	1,042	969	2,425	8,325	12,761	39,647
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		256,426	265,401	235,115	58,542	815,484	793,532
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Governance costs</i>							
	- Audit	-	-	-	5,500	5,500	5,500
	- Board meetings	-	-	-	943	943	2,376
	- Staff costs	-	-	-	4,000	4,000	4,000
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		-	-	-	10,443	10,443	11,876
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Total resources expended	259,905	266,432	236,706	120,484	883,527	853,369

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

8 Total resources expended	2007 £	2006 £
Total resources expended includes		
Auditors' remuneration		
-audit	5,500	5,500
-accounting and other services	2,500	11,793
Depreciation of owned fixed assets	7,364	7,103
Amortisation of leasehold property	23,865	23,565
	<hr/>	<hr/>
	39,229	47,961
	<hr/>	<hr/>

9 Investments

The charity owns the whole of the issued share capital of FFCC Enterprises Limited which was incorporated to operate the charity's trading activities. A summary of the company's results for the year is set out below

	2007 £	2006 £
Turnover	25,239	28,508
Administration expenses	(12,316)	(15,669)
	<hr/>	<hr/>
Net profit before donation	12,923	12,839
Donation by gift aid	(12,923)	(12,839)
	<hr/>	<hr/>
Retained profit for the year	-	-
	<hr/>	<hr/>

	2007 £	2006 £
Net assets of company	5,001	5,001
	<hr/>	<hr/>

FARMS FOR CITY CHILDREN

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2007

10 Staff costs

	2007 £	2006 £
Wages and salaries	511,473	485,819
Social security costs	35,049	33,292
Other pension costs	13,969	15,213
	<hr/>	<hr/>
	560,491	534,324
	<hr/>	<hr/>
Staff costs of fundraising	62,149	43,931
Operation of farms	468,193	446,461
Management and administration	26,149	39,932
Staff costs of governance	4,000	4,000
	<hr/>	<hr/>
	560,491	534,324
	<hr/>	<hr/>

No employee earned £60,000 p a or more

The average number of employees analysed by function was

	No.	No.
Trustees (Directors)	-	-
Management	4	4
Domestic and agricultural	46	42
	<hr/>	<hr/>
	50	46
	<hr/>	<hr/>

Trustees' (Directors) remuneration:

Aggregate emoluments	-	-
Company contributions to a money purchase pension scheme	-	-
	<hr/>	<hr/>

Trustees' Expenses

During the year trustees were reimbursed a total of £943 relating to travel and subsistence costs

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

10 Staff costs (continued)

Contributions are made to personal pension and stakeholder schemes for certain employees. The pension costs charged represent contributions payable by the charitable company to schemes for the year.

11 Taxation

The charitable company's surplus is applied solely for the purpose of the charity and is exempt from Corporation Tax in accordance with Section 505 of the Taxes Act 1988.

12 Tangible fixed assets

	Freehold Property £	Leasehold Property £	Furniture and Equipment £	Motor Vehicles £	Total £
Cost					
At 1 August 2006	876,702	1,891,377	112,351	6,578	2,887,008
Additions	11,256	-	2,598	-	13,854
Disposals	-	-	-	-	-
At 31 July 2007	887,958	1,891,377	114,949	6,578	2,900,862
Depreciation					
At 1 August 2006	-	340,225	89,009	6,577	435,811
Charge for the year	-	23,865	7,364	-	31,229
Disposals	-	-	-	-	-
At 31 July 2007	-	364,090	96,373	6,577	467,040
Net book value					
At 31 July 2007	887,958	1,527,287	18,576	1	2,433,822
At 31 July 2006	876,702	1,551,152	23,342	1	2,451,197

All fixed assets are used in direct furtherance of the charity's objects.

					Total £
Analysis between farms					
Wick Court	140,260	986,474	-	-	1,126,734
Treginnis	-	540,813	-	-	540,813
Nethercott	747,698	-	-	-	747,698
Other non property fixed assets	-	-	18,576	1	18,577
At 31 July 2007	887,958	1,527,287	18,576	1	2,433,822

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

13 Debtors	2007 £	2006 £
Trade debtors	34,575	30,511
Amounts due from subsidiary	12,893	13,430
Other debtors and prepayments	7,041	5,132
	<hr/>	<hr/>
	54,509	49,073
	<hr/>	<hr/>

14 Cash at bank and in hand

Includes £71,575 relating to deposits received for accommodation in the year ending 31 July 2008

15 Creditors amounts falling due within one year	2007 £	2006 £
Trade creditors	13,305	12,225
Other taxes and social security costs	-	10,629
Other creditors and accruals	36,419	35,717
Deposits received	71,575	53,900
	<hr/>	<hr/>
	121,299	112,471
	<hr/>	<hr/>

16 Restricted funds

Restricted funds are funds that can be only used for restricted purposes within the objects of the charity

Restrictions arise when specified by the donor or when funds are raised for particular purposes

The restricted capital fund balances for Nethercott, Wick Court and Treginnis are funds received for capital developments and equate with the land, property values and major plant. Major plant such as the boiler at Nethercott House are capitalised on acquisition and a transfer made from restricted to unrestricted funds as the restriction relates to the use of funds donated rather than the use of the plant itself.

Farms for City Children has received restricted donations for both capital and income projects. These are summarised overleaf, together with a description of those restricted donations.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

16 Restricted funds (continued)

Capital Funds					
	Wick Court	Treginnis	Nethercott	Misc Fund	Total
	£	£	£	£	£
Balance at 1 August 2006	1,137,668	553,743	744,443	8,000	2,443,854
Income	-	-	40,000	-	40,000
Expenditure	(10,935)	(12,930)	-	-	(23,865)
Transfers	-	-	(1,744)	-	(1,744)
Balance at 31 July 2007	1,126,733	540,813	782,699	8,000	2,458,245
Income Funds					
	Wick Court	Treginnis	Nethercott		Total
	£	£	£		£
Balance at 1 August 2006	-	-	-		-
Income	36,286	167	19,206		55,659
Expenditure	(33,986)	(167)	(10,901)		(45,054)
Balance at 31 July 2007	2,300	-	8,305		10,605

Wick Court

Restricted Capital Funds

The expenditure is the depreciation charge for the year on the leasehold property at Wick Court

Restricted Income Funds

A grant of £8,662 was received from DEFRA, towards the upkeep of the surrounding land and hedgerows. This was expended during the year.

A grant of £23,985 was received against the Artists in Residence project of which £15,990 related to the year ended 31 July 2007. £15,990 was expended during the year.

£9,167 of the grant towards the Farm Deputy's salary received in 2006 was expended during the year.

A donation of £167 was received towards Wicks 'wish list'. This was expended during the year.

A donation of £2,300 was received towards the visit of a specific school in the next financial year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

16. Restricted funds (continued)

Treginnis

Restricted Capital Funds

The expenditure is the depreciation charge for the year on the leasehold property at Lower Treginnis Farm

Restricted Income Funds

£167 was received towards Treginnis' 'wish list'

Nethercott

Restricted Capital Funds

A further £5,000 was received in respect of the new viewing platform for the milking parlour. The milking parlour was finally constructed for a cost of £11,256. As the project was completed, the balance of £1,744 of restricted funds received was transferred to unrestricted funds.

£35,000 was received in donations towards the purchase of a new boiler, which is to be acquired in the financial year 2007/08.

Restricted Income Funds

The following donations were received -

£1,000 towards the purchase of a new cooker. This had not been spent at 31 July 2007.

£2,500 towards the refurbishment of a dormitory at Nethercott. This had not been spent at 31 July 2007.

£5,540 towards the re-establishment of the Willow beds at Nethercott. £735 had been spent by 31 July 2007.

£10,000 towards re-wiring. This was expended during the year.

£166 was received towards Nethercotts' 'wish list'. This was expended during the year.

Miscellaneous capital Fund

The balance of £8,000 relates to a grant received in 2002 towards fixed asset additions at Wick Court which is being expensed over a period of 10 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

17 Unrestricted funds

	Development £	General £	Total £
Balance at 1 August 2006	100,000	58,125	158,125
Income	-	921,878	921,878
Expenditure	-	(814,609)	(814,609)
Transfer	50,000	(48,256)	1,744
	<hr/>	<hr/>	<hr/>
Balance at 31 July 2007	150,000	117,138	267,138
	<hr/>	<hr/>	<hr/>

The trustees have designated a specific fund for authorised developments at Nethercott House, Lower Treginnis Farm and Wick Court

18 Analysis of net assets between funds (restricted and income)

	Restricted Wick Court £	Restricted Treginnis £	Restricted Nethercott £	Restricted Misc Fund £	Designated Development £	Unrestricted General £
Tangible fixed assets	1,126,733	540,813	747,699	8,000	-	10,577
Investment	-	-	-	-	-	1
Net current assets	2,300	-	43,305	-	150,000	106,560
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 July 2007	1,129,033	540,813	791,004	8,000	150,000	117,138
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2007**

19 Financial commitments

At 31 July 2007 the charitable company was committed to making the following payments under non-cancellable operating leases in the year to 31 July 2008

	Land and buildings	
	2007 £	2006 £
Operating leases which expire in over five years	5,400	5,400
	<hr/>	<hr/>
	Other	
	2007 £	2006 £
Long leasehold land and buildings	441	441
	<hr/>	<hr/>

20 Capital commitments

	2007 £	2006 £
Authorised, but not contracted for	65,000	-
	<hr/>	<hr/>

21 Related party transactions

As detailed above, the charity own the whole of the issued share capital of FFCC Enterprises Limited. The charity will receive the company's net profit under the gift aid scheme, being £12,923. The balance still owed to the charity at the year end was £12,894.