

**Farms for City Children Limited**  
**(A charitable company limited by guarantee)**  
**Report and Financial Statements**  
**Year ending 31 August 2021**



**Registered Charity Number: 325120**  
**Registered Company Number: 01177239 (England and Wales)**

# Farms for City Children Limited

## Reference and administrative details

Charity number: 325120  
Company number: 01177239  
Registered Office: Unit 2 Huxham Barns, Huxham, Exeter, EX5 4EJ

### Directors and Trustees

The Directors of the Charitable Company (Charity) are its Trustees for the purpose of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Chair	Simon Gregory	
Trustees	Sir Michael Morpurgo OBE	
	Lady Morpurgo MBE	
	Charles Huntingdon-Whiteley	(resigned 19 July 2021)
	Alison Mawle	(resigned 19 July 2021)
	Frances Harris	
	Justin Albert OBE	
	Peter Pantlin	
	Richard Ash	
	Andrew Bailey	(appointed 19 July 2021)
	Jonathan Bishop	(appointed 19 July 2021)
	Donna Edmonds	(appointed 19 July 2021, resigned 17 December 2021)
	Rachel Goult	(appointed 19 July 2021)
	Laura Reynolds	(appointed 19 July 2021)
	Mel Squires	(appointed 19 July 2021)
Secretary	Lady Morpurgo MBE	
Chief Executive	Vanessa Fox	(resigned 3 January 2022)
	Donna Edmonds (interim)	(appointed 17 January 2022)
Auditors	PKF Francis Clark Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE	
Bankers	NatWest Bank plc 59 High Street Exeter Devon EX4 3DL	

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021**

The Trustees are pleased to present their Annual Trustees' Report together with the Financial Statements of the Charity for the year ending 31 August 2021. The Report and Financial Statements are prepared to meet the Directors' Report and Accounts requirements for Companies Act purposes.

The Financial Statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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) (effective 1 January 2019).

#### **Chair's Report**

The financial year 2020-21 was extremely challenging for Farms for City Children. Guidance from the Department of Education prevented schools from undertaking residential trips during much of the Covid19 pandemic and we had to adapt to survive in these difficult times. Despite these uncertainties, we have demonstrated great resilience and agility, adapting our approach and offer to continue to meet the needs of beneficiary groups who have found themselves even further disadvantaged by the pandemic. As I write, there is a feeling of great optimism and hope in the air as we move to a 45 week operating model with a new staff team in place who have supported us to endure despite an onslaught of challenges and the children have returned to the farms for their week of muck and magic.

The past twelve months have been a year of change and I would like to thank Charles Huntington-Whiteley and Alison Mawle who stepped down as Trustees after many years of service, as well as Vanessa Fox, who stepped down in January 2022 after 4 years as Chief Executive. We welcome Donna Edmonds as interim Chief Executive.

We have been touched and moved by the generous support of our funders, donors, partners, volunteers and stakeholders throughout the year. On behalf of our beneficiaries, whose lives have been altered forever as a result of the impact of Farms for City Children, we just want to say - THANK YOU!



**Simon Gregory**  
**Chair of the Board of Trustees**

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 (*continued*)

#### Our purposes and activities

The purpose of Farms for City Children as set out in the governing document is to “advance the education of boys and girls from urban areas by the establishment and maintenance of suitable educational study centres in the countryside of England and Wales”. In order to fulfil this purpose, we provide practical experiences, within an educational environment, of agricultural and rural life for children from inner city and urban areas who might not otherwise have access to such opportunities. Activities take place at our three working farms: Nethercott House in Devon, Lower Treginnis in Pembrokeshire and Wick Court in Gloucestershire.

The main objectives we seek to meet by providing these activities are:

- Promoting an understanding of food, farming and the countryside.
- Fostering social and emotional development through teamwork.
- Total immersion through a week-long stay a ‘world away’.
- Celebrating success and building self-worth through the completion of tasks.
- Learning about good food and where it comes from.
- Promoting practical learning outside the classroom that supports the delivery of the National Curriculum.
- Drawing on our literary heritage to promote literacy and storytelling.
- Building and developing relationships between children as well as with their teachers.
- Addressing the poverty of experience which many children face.

We use these objectives to shape our activities, and as the framework for evaluating our progress. In setting our objectives and planning our activities for the year, the Trustees have considered the Charity Commission’s guidance on public benefit, including the guidance ‘public benefit: running a charity (PB2)’. The Trustees have always been proactive in ensuring that our activities are to the benefit of the public and children, and consequently have considered the guidance in all our activities and fee charging.

In usual times before the pandemic, to meet these objectives, children from urban primary schools visit the farms for a weeklong residential stay, undertaking the practical day-to-day and seasonal tasks at our working farms, as well as working with our neighbouring farming partners in order to better understand commercial agriculture. While they are with us the children are responsible for looking after a wide range of livestock; tending our kitchen gardens, harvesting fruit and vegetables for the house and cooking meals for the group using as much local produce as possible. They also undertake a range of countryside management and farming tasks which are determined by the needs of the farm that week. All tasks are purposeful, and many are repeated in order to provide children with the opportunity to overcome any fears they might have in dealing with livestock, and to be able to take increasing responsibility for their work. This helps to ensure that children can master tasks successfully, increasing their self-esteem and self-worth. Throughout their stay they are also immersed in the rural environment, getting to know the countryside around our farms and developing an appreciation for the local landscape, flora and fauna.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 *(continued)*

#### Our purposes and activities (continued)

Our main areas of activity are:-

##### 1. Promoting an understanding of food, farming and the countryside

This lies at the core of our work. At each farm children participate in a wide range of farming activities, and we are always seeking to improve and enhance this experience.

##### 2. Fostering social and emotional development through teamwork

Tasks are always undertaken with teamwork in mind, and children spend the whole week in the same workgroups in order to really get to know and appreciate their peers and to form close working relationships. Our post-visit feedback and monitoring emphasises how the week on our farms helps children to forge new friendships and extend peer-to-peer support to those children who may initially struggle with being away from home for the first time, may be daunted by a new experience, or are struggling to achieve a physically demanding task. This realignment of perceptions and embedding of a supportive approach to collective problem solving is extremely powerful, aiding the social and emotional development of the individual. Often, the children who thrive and excel at our farms are those who struggle academically or socially in the school environment. In previous years 100% of lead teachers rated the visit as either *Outstanding (5/5)* or *Very Good (4/5)* for increasing children's confidence. A boost in self-esteem is one of the most frequent comments in the free-text evaluation along with the children being given a 'level playing field' so all children be involved and succeed at a task.

##### 3. Total immersion through a week-long stay a 'world away'

Total immersion in a different life is the hallmark of our activities. The farms are all geographically remote and set in stunning countryside, in stark contrast to the urban surroundings our visiting children are used to. The farms are all free of electronic devices, and spending a whole week without mobile phones, computers and TVs is an important part of the total immersion in a different way of life. The tasks and activities the children undertake are utterly different from their day-to-day experience at home and in school.

This model of total immersion is routinely recognised and applauded by visiting teachers, as indicated by this comment on a teacher evaluation form: *'The children learn so much about farming and rural life but also, more significantly, learn about having to work together, to develop independence and to take responsibility. All of this in a beautiful, welcoming environment with exceptional staff'.*

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Our purposes and activities (continued)**

##### **4. Celebrating success and building self-worth through the completion of tasks**

Too often in schools, children who struggle with academic learning can have insufficient time or support to complete their work, while academic high-fliers may become demotivated by uninspiring, self-led, extension activities. By contrast, on the farm every task is purposeful, necessary, and finite. Every child, whatever their experience in other contexts, can experience success and enjoy the satisfaction of a job well done, providing positive and enduring benefits to the sense of agency, self-belief and determination. Teachers particularly commented on the beneficial impact for children facing specific learning challenges and wider disadvantages.

##### **5. Learning about good food and where it comes from**

We are very clear with all our visiting children that the livestock we keep are not pets but are being kept for food. Children learn about animal welfare and actively participate in their care daily. They learn about provenance and seasonality through working in our fruit and vegetable gardens, and get a clear understanding of what it takes to provide food at scale, through working with our partner farmers. The cooking sessions that each group undertakes now involves our own produce to the greatest possible extent; examples include sausage making sessions and the gathering, processing and pressing of apples and tasting the freshly pasteurised apple juice.

##### **6. Promoting practical learning outside the classroom that supports the delivery of the National Curriculum**

It is very important that the practical experience of learning on the farm does not imitate the delivery of the National Curriculum in school. We make no explicit links to curriculum subjects or approaches whilst working with the children and there are no worksheets or tick boxes. Our approach is hands-on, learning through doing outside the classroom, and this is the essence of every activity that the children undertake. However, it is important that wherever possible and relevant the activities should support the delivery of the National Curriculum by the teachers. In order to improve how we do this and to share best practice across our farms, we have worked closely with our farm teams and the teaching staff of our visiting schools to develop resources and materials to support and further embed the impact of the week-long visit when back in the classroom.

##### **7. Drawing on our literary heritage to promote literacy and storytelling**

Children's creativity is inspired by the rich rural environment, where they become part of a different way of life and are exposed to the new words, sounds, smells and pace of life in the countryside. The creative classrooms and cosy parlours at each of the farms provide space for visiting teachers to encourage children to enjoy creative writing. Each farm has a large library of books, and we continue actively to promote storytelling as an evening activity, which the majority of schools see as an integral part of the week. At Wick Court the farming week ends with a storytelling session with a professional storyteller, and at all locations the link with our founder Sir Michael Morpurgo and his work is made explicit.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Our purposes and activities (continued)**

##### **8. Building and developing relationships between children as well as with their teachers**

The visiting teachers often comment on how the levelling experience of a week on the farm allows the quieter children in the group to find their voice, take the lead, and be seen in a new light by their peers. Equally, the barriers and assumptions that exist in teacher-pupil relationships are overhauled with teachers seeing a new side to some of their pupils, and children benefitting from the opportunity to get to know their teachers outside of the formal school environment. Often, the teachers themselves are experiencing life on a farm for the first time and must overcome their own fears whilst supporting their children to do the same. This shared experience embeds a positive and enduring cooperation. In previous years 100% of teachers who completed an evaluation form rated their visit either *Outstanding (5/5)* or *Very Good (4/5)* for encouraging collaborative skills.

##### **9. Addressing the poverty of experience which many children face**

The children who visit our farms often know very little if anything about the countryside, have often not seen farm animals in the flesh, and certainly have not had the degree of contact with animals that they will experience whilst with us. Other areas of poverty of experience include a lack of access to open space – many are amazed that the extensive gardens or fields attached to the farms are theirs to play in whilst they are with us and relish the freedom to run around outdoors. The dramatic seaside location of Lower Treginnis and riverside location of Wick Court provide wonderful new experiences, as does the tiny village community of Iddesleigh with its picture-postcard thatched cottages which the children visit whilst staying at Nethercott House. A very significant but less obvious area of poverty of experience that we often encounter is that of eating home cooked food and sharing a meal around a dining table. Many of the visiting children grow up eating nutritionally poor, overly processed snack foods, take-aways and ready meals that are consumed straight from the packet in front of the television screen or games console. For these children, enjoying a home-cooked meal prepared from fresh, nutritious ingredients and eaten around a table, using cutlery, whilst sharing conversation with family, can be unfamiliar. As such, the homely environment and routines of life on the farm are as important a part of the experience and provide as much benefit as the interaction with animals.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 (*continued*)

#### Achievements and performance

In 2020-21, we were unable to welcome children to the farms for residential visits due to the prohibitive guidance from the Department for Education which prevented schools from undertaking residential trips during the Covid19 pandemic. Seeking to maximise our impact in this challenging period, we were able to pivot our offer and reached out to local schools and other education providers who were close enough to benefit from a non-residential experience. As a result, we were able to offer around 100 children and young people the experience of a day of muck and magic. Many of the children and young people who visited were quite different to our usual city, primary school groups. By diversifying our beneficiaries, we were able to work with young people based within the farms' local communities, with some of our day-farmers coming from outside of mainstream education. Many of these visitors faced a blend of challenges at home and in school, displaying low self-esteem, poor mental health and heightened anxiety from months of social isolation, and a lack of positive engagement with education.

We can be in no doubt that the group most adversely affected by the sustained periods of unregulated activity and social isolation caused by the closure of schools during the pandemic, has been the 11-19 age group. For those teenagers finding themselves crossing the intersections of disadvantage pre-pandemic, the gulf between their access and engagement grew even more. Exacerbated by a lack of intervention from adults in schools, across social care, and a drop-off in youth and child protection services, young people's anxiety, loneliness and vulnerability has rocketed. For educators and youth workers, we can see that there is a perfect storm brewing.

Refusing to shut down our services at such a time of great need, the teams across the charity were determined to keep reaching out to serve the needs of young people. As a result we have found that we have developed meaningful regular and consistent relationships with new groups of beneficiaries and it has been a pleasure to see them gaining confidence in their work in the garden and with the livestock, as well as witnessing the positive impact that being immersed in nature and spending time outside in the countryside has had on all of our young visitors.

There have been some profound and transformational impacts for some of these visiting children. One such case was a child who adored and formed a close bond with Seb – a large, gentle heavy horse at Nethercott House. During her weekly farm visits, Seb helped the child to recover from the trauma of domestic violence and eased her loneliness by providing companionship and comfort, which became a source of love and inspiration, healing the harm caused by a multitude of adverse childhood experiences.

We were thrilled to hear that one of the young people from a group attending Nethercott House has since been offered a place at agricultural college. Her time with us helped to build her confidence for the interview and enabled her to share her lived experience of real activities and achievements on the farm.

At Nethercott House our day visitors pressed apple juice, picked vegetables from the garden and cared for the horses and donkeys.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 *(continued)*

#### Achievements and performance *(continued)*

*“Our children have really enjoyed getting out on the farm, experiencing rural life and working together looking after animals and each other. Spending time at Farms for City Children is a hugely important part of our curriculum and the children love it. Although we have missed staying for the whole week this year because of Covid restrictions it has been brilliant for the children to come for weekly day-visits instead. Taking our pupils to the countryside is all the more relevant today as we all look at how to properly care for ourselves by eating good food and looking after the environment.”*

*Chris Hall, Head of School, Yeo Valley Primary School, Barnstaple*

The mountains of fresh produce from our kitchen gardens have not gone to waste over the past year. We donated fresh produce to the community interest company The Long Table, which over lockdown cooked and delivered on a pay-if-you-can basis over 48,000 meals to the most vulnerable people and to those shielding. At Lower Treginnis, we launched our local vegetable box scheme through the Open Food Network. Visiting children and young people harvested produce from the fields and polytunnels and prepared the vegetable boxes for the local community – picking, weighing and packing the orders in the new farm shop. We ventured into growing cut flowers and the children sowed sweet peas, dahlias, sunflowers and cosmos in September, planted them in the poly tunnel in December and enjoyed harvesting the beautiful blooms in the summer. Also, at Lower Treginnis we increased our laying flock of hens which provided us with plenty of eggs to sell locally. These initiatives highlight the agility of the charity and the individual farms and celebrate the values of community and neighbourliness that have become so crucial during the pandemic. In connecting with the land, Farms for City Children has found a way to connect meaningfully, in a time of great strain, with its local community and that is to be celebrated and sustained post-pandemic.

*“All of our children have fully engaged which is wonderful to see and some have even asked for a job in the farm shop when they are old enough. This is fantastic and has been such a wonderful and positive experience for both the children and staff at Marlowe St David’s.”*

*Head Teacher, Marlowe St David’s Education Unit*

*“It’s been a joy to see the pupils outside of school engaging in work to support the local community and finding new skills they are good at and enjoying learning these skills.”*

*Charley Hodgson, Teacher, Marlowe St David’s Education Unit*

The important work to renovate and improve our heritage infrastructure has continued with the generous support of many donors. The Grade II\* listed former Elizabethan hunting lodge Wick Court, needed extensive repairs and renovation in order to complete a programme of capital works started several years ago. To this end we were delighted to be the chosen recipients of one of the largest grants given out from Historic England’s Heritage Stimulus Fund. We are incredibly grateful for the generous funding received from the Historic Houses Foundation, working in conjunction with Historic England. As well as extensive repairs and restoration to the fabric of the building, we undertook works

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 *(continued)***

#### **Achievements and performance *(continued)***

to restore the water disposal system, which included clearing, repairing and preserving the large square moat that had become choked by natural growth.

The historic moat has now been restored to its former glory and provides a better quality and safer habitat for ducks, coots, moorhens and numerous species to live in. It is also an integral element of the life cycles of Wick Court's colony of bats, which use the moat as a source of food in the shape of insects. The moat is a magnificent heritage asset for our young visitors to experience and provides a wonderful ecosystem for the children to encounter.

We would also like to thank the Band Trust for their generous funding which we have used to carry out essential renovations to bathrooms across the three farms. These works were mostly completed in September 2021, in time for the new school term.

We are very fortunate that Pat Brown, who supports and runs some of the bee keeping sessions at Wick Court, is kindly donating her time and three hives to Nethercott House to diversify the offer for the young people and to enable us to meet additional environmental and sustainability goals. We look forward to developing the apiary area with the visiting children and producing our very own honey next year.

During the pandemic, we have been doubly grateful for all the support from our volunteers, partners and other stakeholders. We were delighted to receive the news that our partner farmer at Wick Court, Tim Merrett, was awarded the British Empire Medal in September in recognition of his decades-long support for the Charity. He is an inspiration to all who visit Wick Court and we are privileged to work alongside him. Indeed, the charity has long benefitted from the experience and wisdom, expertise and all-round commitment from our partner farmers. Their contribution is immeasurable. Their authenticity and lived experience is compelling for the young people who visit, and the interactions with our beneficiaries are long treasured. We are so grateful for their sustained passion for Farms for City Children.

#### **Fundraising**

Despite the challenging circumstances for us all, particularly those working in charities who saw donations and fundraising cease putting organisations at great risk, we have been constantly surprised by our generous supporters and donors who have enabled the charity to survive and to continue delivering excellent outdoor education experiences for children at a time when they have never been more needed.

We subsidise every child's visit to Farms for City Children to ensure that it is affordable. We have again received significant support from a number of charitable trusts and foundations throughout the year to support this subsidy for future years.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 *(continued)***

#### **Achievements and performance *(continued)***

We received Covid emergency funding from the Heritage Emergency Fund and the Charity Survival Fund (Julia and Hans Rausing Trust) to support core costs during the pandemic. We also received significant grants from The Underwood Trust and the Texel Foundation to enable us to continue welcoming children to the farms.

We are grateful to all our corporate supporters, in particular Brewin Dolphin South West, who elected to support us for a second year in 2021, raising over £10,000, CWM Environmental who donated 20 tonnes of compost and TBS Recycling who collected and delivered the compost to Lower Treginnis.

Our community fundraising was badly affected by the pandemic. Nevertheless Nick Gammage, a keen supporter of Farms for City Children, completed an incredible 250 miles Drover walk from Pembrokeshire to Amersham and raised over £4,700 for us, gaining some wonderful press and media coverage for our charity and our mission along the way.

#### **Fundraising Regulator**

We are registered with the Fundraising Regulator and adhere to the very highest standards as set out in the Code of Fundraising Practice. No complaints relating to fundraising activities were received during the year. We have not and have no plans to engage in any face-to-face fundraising (door-to-door, street or telephone fundraising).

#### **Operations**

In October 2020, we took the ambitious decision to extend the operational horizon from 31 weeks per year to 45 weeks per year and all farms were re-opened for residential visits in September 2021. We recruited new staff teams at each of the three farms in August and staff worked tirelessly to get the farms ready to welcome children in September.

The pandemic and subsequent lockdowns have been challenging for all children, but it has disproportionately affected inner-city children living in areas of high deprivation. The lack of routine, together with difficult home lives, poor accommodation, education loss, food insecurity and limited access to green spaces has made life very hard and isolating for many.

What remains clear is that all of the children need us now more than ever before. The fresh air, good food, nature's magic and the meaningful teamwork that happens on a farm is a tonic to children's long months of isolation and the restrictions of lockdown.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 (*continued*)

#### Financial review

Farms for City Children had an overall operating surplus of £95,298 in 2020-21 (2020: £169,642), thereby increasing total reserves to £3,518,128 (2020: £3,422,830).

The Covid19 pandemic has had a very negative impact on our finances. Total income for the year was £1,315,750 (2020: £2,081,438); adjusting for capital grants, income from operating activities was £916,410, less than half of the previous year. We raise approximately 60% of our income through grants and donations, which subsidise the cost of a week at the farm to make it as affordable as possible for all children. The other 40% of income is received via contributions from the schools that bring children for week-long visits. There were no residential visits to the farms in the financial year, although a small number of schools and groups did come for day visits, generating income of £10,030.

Lockdown and social distancing restrictions prevented us from holding fundraising events or travelling to meet with supporters and engage new donors, and almost all community activities were cancelled or postponed. Our existing corporate partners were also affected by the crisis which limited their capacity for charitable giving. This resulted in significantly less income from donations than previous years and the fundraising landscape remains challenging, particularly in the areas of corporate and community fundraising. We are, however, pleased to report an increase in grants and are grateful to all our grant funders, particularly the Heritage Emergency Fund and the Charity Survival Fund (Julia & Hans Rausing Trust), who provided Covid emergency funding to support our core costs. We also took advantage of the HMRC Coronavirus Job Retention Scheme in the year.

During the year, we have minimised expenditure where possible to match the reduction in income. Following the staff redundancies in 2020, we reduced our headcount from 72 to 22 and this small team, although partly furloughed, has kept our core functions operational in this difficult year. Farming operations were kept to a minimum throughout the year and non-critical head office operations did not restart until the summer.

Although we were unable to welcome children for residential visits to the farms in the year, our staff have worked tirelessly to keep the farms in good condition and we were delighted to receive funding from the Historic Houses Foundation for restoration works at Wick Court, the Band Trust for bathroom refurbishments across all three farms and the B&Q Foundation for works at Lower Treginnis. These improvements are essential and will enhance the children's experience at the farms.

Farms for City Children owns the sole £1 share issued by FFCC Enterprises Limited, which in previous years has operated our trading activities. As the trading activity is low in value, the Trustees made the decision to bring this activity into the main Charity from the start of this financial year.

In August 2020, the Charity agreed a Coronavirus Business Interruption Loan (CBIL) with our primary bankers, NatWest to provide cash flow during the pandemic. The facility, which was drawn down in November 2020, is interest-free for 12 months with repayments commencing after 1 year.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Financial review (continued)**

The Charity took the difficult decision to sell a portion of land at Wick Court; this sale was realised in January 2022 and the proceeds of £645,000 enabled the Charity to repay the loan at the end of January 2022.

Following the decision to extend the operating horizon to 45 weeks a year, a new financial model was approved and put in place from September 2021, which will allow the Charity to continue to subsidise the cost of a week at the farm for all our young visitors.

#### **Investment powers and policy**

The Trustees, having regard to the liquidity requirements of running Farms for City Children, have kept available funds in an interest-bearing deposit account and seek to achieve a rate on deposit which matches or exceeds inflation as measured by the retail prices index.

#### **Reserves policy**

At 31 August 2021, the free reserves of the charity (unrestricted reserves less unrestricted fixed assets) stood at £355,587 (2020: £689,339). This represents just under 2 months' operating costs.

In the long term, the Trustees believe that excessive levels of free reserves (see Note 23) are unjustified. However, in light of the financial challenges presented by the Covid19 pandemic, the Trustees made a commitment to grow free reserves over a 5-year period to be equivalent to six months' operating costs. This will ensure the Charity can better meet the needs of its beneficiaries during periods of recession and be resilient in the face of external shocks.

#### **Going concern**

As the Covid19 pandemic evolved during the year, we produced rolling forecasts to assess the impact of the pandemic on our finances. We took the opportunity to analyse our costs at a granular level, allowing us to develop a detailed budget for the new operating model. Following advice from the UK Government in May 2021 we took the decision to re-open the farms from September 2021. This gave us time to recruit and train a new staff team and re-engage with schools who had booked to attend the previous year. We are delighted with the number of schools that have booked to return to the farms for a residential visit in 2021-22. The Covid19 pandemic has adversely affected disadvantaged children and their families and a week in wellies is needed more than ever. As we extend the operating horizon to open the farms for 45 weeks of the year (see Plans for Future Periods below), we have recruited a Sales & Marketing Manager to reach out to new beneficiary groups and schools with the aim to increase the impact of the charity and the number of children who make a farm visit each year.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Financial review (continued)**

We continue to seek new funding partners who support the diverse threads of our offer and have been successful at increasing funds to support our core work in 2020-21. We are strengthening the fundraising team, with an emphasis on grants from larger trusts and foundations, and we plan to increase our income from farming and trading activities with a clear new enterprise strategy that enables us to broaden our income generation.

We have seen an increase in costs across our operations, driven in part by the impact of the Covid19 pandemic and the effects of Brexit. We are committed to recruiting, training and retaining talented staff to operate the farms year-round, and our salary and staff costs have increased to support this aim. This year will also see investment in IT, plant and machinery, and continued vital refurbishment works at the three farms.

Over the next twelve months we expect reserves to decrease as we re-open the farms with our new 45-week operating model and begin to rebuild our fundraising. However, long term budgets are in place to ensure that reserves increase to six month's operating costs over the next 5 years. The Trustees therefore believe it is appropriate to prepare the Financial Statements on the going concern basis.

#### **Plans for future periods**

We have embarked on a new strategic direction – extending operations from 31 weeks to 45 weeks of residential visits at each of our farms from September 2021. We have recruited highly skilled teams on permanent, full-time roles at each of the farms to ensure that we can deliver this strategy. This model will enable us to significantly increase our reach and welcome diverse cohorts of children for countryside, food and farming weeks during the school holidays. These non-school groups may include: looked-after children and those on the edge of care; young carers; virtual school groups; youth groups from urban, rural and coastal areas; church and mosque groups; and children of serving military personnel. We have also started to engage with more varied groups facing disadvantage in areas geographically closer to our farms. We fully appreciate that the term of disadvantage is one that has universality at present when thinking about the devastating impact on young people. All young people have been adversely affected by Covid19, and our forthcoming work must look towards supporting the needs of a wider group of youth beneficiaries as a result. This is a move undertaken with the support and drive of the farm teams who are all eager to see the benefits of our offer being enjoyed by more young people than ever before.

We are keen to keep the cost of a weekly visit to the farm as low as possible and will be working on a new income diversification strategy this year. This will include a focus on increasing income from our farming enterprises. In tandem, we will be benchmarking our internal costs so we can remain lean and fit for purpose.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Plans for future periods (continued)**

Our Estates Management plan details the ongoing maintenance and investment required to keep the three farms in a good state of repair. In 2021-22 we plan to rebuild the pole barn at Wick Court which will then be used for a broad range of purposes and activities including the storage of straw, overwintering cattle and a place for visiting groups to base themselves in inclement weather.

Investment in our staff is very important and we have launched a charity-wide training and development programme to upskill our staff in areas such as line management, mental health awareness and equality, diversity and inclusion.

Vanessa Fox stepped down as Chief Executive in January 2022 and we are delighted to welcome Donna Edmonds as Interim CEO on a short term contract.

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

##### **Governing Document**

Farms for City Children Limited, is a registered charity (No 325120) and a company (No 01177239) limited by guarantee. The governing document of Farms for City Children Limited is its Articles of Association dated 13<sup>th</sup> July 2021. The company was incorporated on 12 July 1974 and registered as a charity on 6 November 1974. The Trustees of the Charitable Company guarantee to contribute an amount not exceeding £1 to the assets of the Charity in the event of winding up.

##### **Appointment, induction and training of trustees**

Trustees are recruited for their expertise, experience and skills in a variety of relevant fields. All Trustees undertake a skills audit, and any gaps in skills are proactively considered in recruiting new Trustees. Prospective Trustees are interviewed by a nominations committee made up of the Chair of the Board and two other Trustees. Their appointment is dependent on a unanimous election by the Board. New Trustees are provided with an induction pack of reading material and an induction plan to assist them in familiarising themselves with the work, value and ethos of the Charity. Trustees are encouraged to visit all three of the farms, and to attend any relevant events alongside their attendance at quarterly meetings. Board wide training is arranged as required. Trustees serve a 3 year term and are eligible for two further 3 year terms up to a maximum of 9 years. As Founders, Clare and Michael Morpurgo are not subject to a maximum term of office as Trustees.

In December 2020 with the support of a third party specialist trainer, the Trustee Board undertook Governance training focused on the Charity Governance Code. The Trustee Board agreed to use this code as the basis for the development of the Charity's governance structures and ongoing monitoring of its governance systems and processes.

In July 2021, following a skills audit and review of the additional expertise needed on the Board of Trustees, the Charity welcomed six new Trustees to the Board. The new Trustees bring with them skills and experience in education; accounting and finance; farming and land management; marketing and strategic development.

## **Farms for City Children Limited**

### **Report of the Trustees for the year ending 31 August 2021 (continued)**

#### **Structure, Governance and Management (continued)**

##### **Organisation**

The Trustees determine the strategic direction of the Charity and delegate responsibility for the day to day management and operation to the Chief Executive and Senior Leadership Team, consisting of the Head of Fundraising & Communications, Head of Operations and Head of Finance & Resources, with support from the Senior Management Team consisting of the Finance Manager, Sales & Marketing Manager, Farm School Managers and Farm Operations/Senior Farm Managers.

The Trustees ensure the accuracy and timeliness of all financial reporting information through the Finance & Resources Committee, which reviews all financial information and progress on income generation and fundraising strategies. The Finance & Resources Committee, which meets on a quarterly basis, develops and monitors the Charity's Financial Procedures and Risk Register. In addition, it reviews operational risks in relation to employment issues as well as keeping abreast of changes in employment law and developing relevant policies. The Finance & Resources Committee also reviews the Health & Safety Policy prior to consideration and approval by the full Board.

The Board routinely meets on a quarterly basis to review the Charity's performance, consider the financial reports and reports from the Senior Leadership Team and Senior Management Team, and to decide other matters of governance and policy, as advised by the Chief Executive.

There are four sites: three farms – Nethercott House, Lower Treginnis and Wick Court – and Head Office at Huxham Barns. The Senior Leadership Team are based at Huxham Barns near Exeter, with Head Office providing a central legal, IT, finance and human resources function across the Charity, as well as leading on Charity-wide policy including Health & Safety, overseeing large capital projects, and providing the fundraising and marketing function. During the pandemic, the Head Office team worked from home and there is now a hybrid working model in place that meets the needs of the Charity and the employees. Each farm is managed by the Farm School Manager with the support of a Farm Operations Manager/Senior Farm Manager and a team of staff who provide the activities for the children, manage the accommodation and care for the livestock.

##### **Related parties and co-operation with other organisations**

None of our Trustees receive remuneration or other benefit from their work as Trustees with the Charity. Related party relationships are monitored, and a Trustees' Register of Interests maintained and checked annually. Any updates to the Register of Interests or potential conflicts due to the items shown on the agenda are recorded at the start of every Board meeting

##### **Pay policy for senior staff**

The Directors, who are the Charity's Trustees, consider themselves, the Senior Leadership Team and the Farm School Managers to be the key management personnel in charge of directing and controlling, running and operating the Charity on a day to day basis. All Directors give of their time freely and no Director received remuneration for being a Director/Trustee in the year. Details of related party transactions are disclosed in note 13 to the accounts.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 (continued)

#### Structure, Governance and Management (continued)

The Finance Committee meet in the Spring to review all salaries, including those of the Chief Executive and Senior Leadership Team. In their decisions they are informed by the recommendations of the Chief Executive (except in the case of their own salary) and by the Charity's pay policy and scales, which are benchmarked and reviewed every three years.

#### Risk management

The Trustees review the objectives, services, management and funding of the organisation as part of an ongoing planning and review process. The Finance Committee reviews the risk process, reviewing the Risk Register quarterly. There are also the routes for any additional areas of concern highlighted through routine reports or arising through changes in external circumstances, new activities or changes in the law. The risk is assessed, and any further action is identified and parameters are agreed. The Senior Leadership Team assesses day to day risks using the Risk Register as a management tool to ensure the constant mitigation of potential risks.

The Trustees have reviewed the major risks that could impact on Farms for City Children. These are:

#### Risk

Financial: The charity relies heavily on two primary sources of income: payments from visiting school groups, and charitable donations.

Health and Safety: There are considerable health & safety risks associated with farming and with children working in a farm environment.

Child protection and safeguarding: There are inherent child protection and safeguarding risks in any residential setting.

Covid19: Continuing restrictions may lead to cancellation of residential visits.

#### Mitigation

Board focus, diversification of income, increased number of operating weeks, diversification of beneficiary groups beyond primary schools and to include children in care, young carers, youth groups from urban and rural areas and military children.

Continuing good practice in terms of children working on a farm, work with health & safety advisers NFU, who audit our practice annually, provide annual action plans and provide an on-call service.

Every school group is accompanied by at least 4 members of staff from their own school who remain in loco parentis throughout the day, all staff have an up-to-date DBS check, participate in safeguarding training to the appropriate level and are regularly made aware of the Charity's child protection and safeguarding policy, including the disclosure procedure. The Safeguarding and Child Protection Policy remains under annual review and is updated as necessary.

Regular financial forecasting, diversification of income, operational plans in place ready to respond to future closures.

The Board of Trustees and staff undergo regular training and professional development to ensure they remain abreast of current developments, changes in statutes and best practice.

## Farms for City Children Limited

### Report of the Trustees for the year ending 31 August 2021 (*continued*)

#### Trustees' responsibilities in relation to the Financial Statements

The Trustees (who are also the directors of the Farms for City Children Limited for the purposes of company law) are responsible for preparing a Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare Financial Statements for each year that give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing the 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that Farms for City Children 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 Farms for City Children and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of Farms for City Children and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on Farms for City Children's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

#### Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which Farms for City Children's auditor is unaware, and
- the Trustees, having made enquiries of fellow Trustees and Farms for City Children's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a Trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



By order of the Board of Trustees  
Mr Simon Gregory (Chair)

15 March 2022

## **Farms for City Children Limited**

### **Independent Auditor's report to the Members of Farms for City Children Limited for the Year Ended 31 August 2021**

#### **Opinion**

We have audited the Financial Statements of Farms for City Children Limited "the charitable company" for the year ended 31 August 2021, which comprise the Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the original Financial Statements were authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

## **Farms for City Children Limited**

### **Independent Auditor's report to the Members of Farms for City Children Limited for the Year Ended 31 August 2021 (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report, which includes the Directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the strategic report and the Directors' report included within the Trustees' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report included within the Trustees' report.

We have nothing to report to you in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Farms for City Children Limited**

### **Independent Auditor's report to the Members of Farms for City Children Limited for the Year Ended 31 August 2021 (continued)**

#### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 17, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the charity and the sector in which it operates. The key laws and regulations we identified were charity legislation and regulations in relation to health and safety (RIDDOR) and data protection (GDPR).

We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, primarily the Companies Act 2006.

We discussed with management how compliance with these laws and regulations is monitored and discussed policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the charity complies with laws and regulations and deals with reporting any issues if they arise.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following: -

- Enquiries of management and those charged with governance regarding their knowledge of any non-compliance with laws and regulations that could affect the financial statements;

## Farms for City Children Limited

### Independent Auditor's report to the Members of Farms for City Children Limited for the Year Ended 31 August 2021 *(continued)*

#### Auditor's responsibilities for the audit of the Financial Statements *(continued)*

- Review of any health and safety incidents which have been reported under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR") during the period;
- Review of the charitable company and group's controls in relation to GDPR, Safeguarding and Environmental Stewardship and enquiries to Senior Management as to the occurrence and outcome of any reportable breaches;
- Reviewing legal and professional costs to identify any possible non-compliance or legal costs in respect of non compliance;
- Reviewing Trustees' meeting minutes;

As part of our enquiries, we discussed with management whether there have been any known instances, allegations or suspicions of fraud.

We evaluated the risk of fraud through management override including that arising from management incentives. The key risks we identified were management bias in accounting judgements and estimates. We also evaluated the risk of fraud through misappropriation of income or misapplication of grant funding.

In response to the identified risk, as part of our audit work we:

- Confirmed on a sample basis that expenditure was properly authorised and made in accordance with the terms of the relevant fund;
- Used data analytics to test journal entries throughout the year for appropriateness;
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making estimates.
- Reviewed financial statement disclosures and examined relevant supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

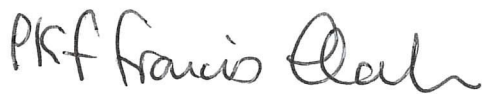
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Farms for City Children Limited

### Independent Auditor's report to the Members of Farms for City Children Limited for the Year Ended 31 August 2021 *(continued)*

#### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's 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.



Stephanie Henshaw

Senior Statutory Auditor

For and on behalf of

PKF Francis Clark

Chartered Accountants & Statutory Auditor

Centenary House

Peninsula Park

Rydon Lane

Exeter

EX2 7XE

Date: 31/8/22

**Farms for City Children Limited**  
**Statement of Financial Activities**  
**(including the Income and Expenditure Account)**  
**for the year ending 31 August 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Income</b>					
<i>Donations and legacies</i>					
Donations and legacies	3	391,791	55,900	447,691	925,650
<i>Income from charitable activities:</i>					
Charitable activities	4	295,629	544,241	839,870	1,025,601
<i>Income from other trading activities:</i>					
Trading operations	5	27,649	-	27,649	27,129
Investment income	6	540	-	540	3,063
Other income		-	-	-	99,995
<b>Total income</b>		<b>715,609</b>	<b>600,141</b>	<b>1,315,750</b>	<b>2,081,438</b>
<b>Expenditure</b>					
<i>Costs of raising funds:</i>					
Trading operations		9,605	-	9,605	-
Fundraising support costs		165,926	-	165,926	230,412
<i>Expenditure on charitable activities:</i>					
Charitable activities	7	840,613	204,308	1,044,921	1,681,384
<b>Total expenditure</b>		<b>1,016,144</b>	<b>204,308</b>	<b>1,220,452</b>	<b>1,911,796</b>
<b>Net (expenditure)/income and net movement in funds for the year</b>	9	<b>(300,535)</b>	<b>395,833</b>	<b>95,298</b>	<b>169,642</b>
<b>Reconciliation of funds</b>					
Total Funds brought forward		1,289,719	2,133,111	3,422,830	3,253,188
<b>Total funds carried forward</b>		<b>989,184</b>	<b>2,528,944</b>	<b>3,518,128</b>	<b>3,422,830</b>

The statement of financial activities includes all gains and losses recognised in the year.  
All income and expenditure derive from continuing activities.  
The notes on pages 26 to 45 form an integral part of the Financial Statements.

**Farms for City Children Limited**  
**Balance Sheet**  
**as at 31 August 2021**

	Note	2021 £	2020 As Restated £
<b>Fixed assets</b>			
Tangible assets	16	3,011,758	2,682,978
Investment		6,097	6,177
		<b>3,017,855</b>	<b>2,689,155</b>
<b>Current assets</b>			
Stock	17	29,324	43,838
Debtors	18	338,694	173,473
Cash at bank and in hand	19	1,286,447	854,470
		<b>1,654,465</b>	<b>1,071,781</b>
<b>Liabilities</b>			
Creditors falling due within one year	20	(1,154,192)	(338,106)
<b>Net Current assets</b>		<b>500,273</b>	<b>733,675</b>
<b>Net assets</b>		<b>3,518,128</b>	<b>3,422,830</b>
<b>The funds of the Charity:</b>			
Unrestricted funds	22	989,184	1,289,719
Restricted funds		2,528,944	2,133,111
<b>Total charity funds</b>		<b>3,518,128</b>	<b>3,422,830</b>

Registered Company No: 01177239

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

These financial statements were approved by the members of the Board authorised for issue on the 15<sup>th</sup> March 2022 and are signed on their behalf by:

Signed



Mr Simon Gregory, Chair of Board on behalf of the Trustees

The notes on pages 26 to 45 form an integral part of the Financial Statements.

**Farms for City Children Limited**  
**Statement of Cash Flows**  
**for year ending 31 August 2021**

	Note	2021 £	2020 £
<b>Cash used in operating activities</b>	25	<u>533,466</u>	<u>141,153</u>
<b>Cash flows from investing activities</b>			
Interest income		540	3,063
Repayment of investment from FFCC Enterprises Ltd		82	-
Sale of tangible fixed assets		-	23,748
Purchase of tangible fixed assets		(422,111)	(315,044)
<b>Cash used in investing activities</b>		<u>(421,489)</u>	<u>(288,233)</u>
<b>Cash used in financing activities</b>			
Draw down of bank borrowings (CBIL)		320,000	-
<b>Cash used in financing activities</b>		<u>320,000</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents in the year		431,977	(147,080)
Cash and cash equivalents at the beginning of the year		854,470	1,001,550
<b>Total cash and cash equivalents at the end of the year</b>		<u>1,286,447</u>	<u>854,470</u>

The notes at pages 26 to 45 form an integral part of the Financial Statements.

# Farms for City Children Limited

## Notes to the accounts for the year ending 31 August 2021

### 1. Accounting Policies

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

#### a) Basis of preparation

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 Companies Act 2006.

Farms for City Children meets the definition of a public benefit entity under FRS102. Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The Financial Statements are prepared in sterling, which is the functional currency of the entity.

#### b) Trading Subsidiary and consolidated accounts

FFCC Enterprises Ltd, the wholly owned subsidiary of the Charity, did not trade in the financial year ending 31 August 2021. Consolidated accounts have not been prepared on the basis that the subsidiary is wholly immaterial to the group.

#### c) Reclassification of comparative amounts

The accounting policies have been applied on a consistent basis with prior years with the following exceptions. First, £138,674 has been reanalysed between restricted and unrestricted funds brought forward at the start of the prior year. This adjustment was required to correct the historic allocation of funds between restricted fixed assets and the unrestricted fund. Secondly, in the current year several historic allocations of income and expenditure categories have been reanalysed and expanded to provide more clarity to the accounts; as a result the comparatives have also been reanalysed for consistency. These adjustments have no impact on overall net funds.

#### d) Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

# Farms for City Children Limited

## Notes to the accounts for the year ending 31 August 2021 *(continued)*

### 1. Accounting Policies *(continued)*

#### e) Judgements and key accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Determination of whether there are indicators of impairment of the Charity's tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance or charitable use of the asset.
- Determination of whether leases entered into by the Charity as lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determination of recoverability of trade debtors. A specific provision is made against certain debts where in the opinion of the Trustees the debt is not fully recoverable.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Leasehold property improvements are capitalised and depreciated over the remaining years of the lease. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

#### f) Preparation of the accounts on a going concern basis

As explained in the Trustees' Annual Report, the Trustees have approved a detailed budget for 2021-22, with farms re-opening from September 2021 on a new 45-week operating model and plans for increased income generation and fundraising. Having taken into consideration the availability of cash and the level of forecast reserves the Trustees believe it is appropriate to prepare the Financial Statements on the going concern basis.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 1. Accounting Policies *(continued)*

##### g) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the Charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the Charity;
- there is sufficient certainty that receipt of the income is considered probable; and
- the amount can be measured reliably.

Income from residential visits is accounted for when a school visits one of the charity's three farms. Payments received in advance of the visit are deferred until the criteria for income recognition are met.

Other trading activities are accounted for in the accounting period to which the income relates.

During the year the charity recognised HMRC Coronavirus Job Retention Scheme grant income from the Government designed to mitigate the impact of Covid19. The charity has elected to account for such grants under the accruals model as permitted by the Charities SORP (FRS102). The grants are recognised under Income from Charitable Activities in the same period as the related expenditure.

##### h) Donated services and facilities

Donated services or facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable and that economic benefit can be measured reliably. On receipt, donated services and facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### i) Interest receivable

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.

##### j) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work or for specific projects being undertaken by the Charity.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 1. Accounting Policies *(continued)*

##### k) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of trading and their associated support costs and fundraising support costs.
- Expenditure on charitable activities includes the costs of the provision of services and activities undertaken to further the purposes of the Charity and their associated support costs.
- Farms for City Children is not registered for VAT and cannot recover VAT on any of its purchases. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### l) Allocation of support costs

Support costs are those functions that assist the Charity's work but do not directly undertake charitable activities. Support costs include back office costs, finance, HR, payroll and governance costs which support the work of the Charity. The bases on which support costs have been allocated are set out in note 8.

##### m) Operating leases

The Charity classifies the lease of printing equipment as an operating lease; the title to the equipment remains with the lessor and the equipment is replaced every 5 years whilst the economic life of such equipment is normally 10 years. Rental charges are charged on a straight line basis over the term of the lease.

The Charity leases offices at Huxham Barns, Huxham, Exeter and this is classified as an operating lease. The lease is for 10 years, ending in May 2029.

The Charity leases land from the National Trust at Lower Treginnis with a rolling notice period of 12 months which is also classified as an operating lease.

The Charity classifies the letting of land at Nethercott House, Lower Treginnis and Wick Court under Farming Business Tenancy agreements as operating leases; the title to the land remains with the lessor. All agreements currently have an end date of 31 August 2026, but either party to each lease may terminate the lease by giving 12 months' notice. The total annual rent receivable is £21,119.

# Farms for City Children Limited

## Notes to the accounts for the year ending 31 August 2021 *(continued)*

### 1. Accounting Policies (continued)

#### n) 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 economic life, as follows:

<b>Asset Category</b>	<b>Depreciation Rate</b>
Freehold buildings and improvements	
Nethercott House	50 years
Leasehold improvements	
Lower Treginnis	60 years
Wick Court	99 years
Plant and machinery	5 to 25 years
Furniture and equipment	5 years

Freehold land is not depreciated.

Donated fixed assets are recognised at fair value which is the amount the Charity would have been willing to pay for the items on the open market.

Assets with a value below £2,000 or a life span of less than 1 year are not capitalised within the Financial Statements, but expensed to the SOFA.

#### o) Stock

Trading stock is included at the lower of cost and net realisable value. Net realisable value is based on selling price less any future costs expected to be incurred to completion and disposal.

Animal stocks are included at deemed cost or net realisable value. Feed and resale stock is included at cost.

#### p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

#### q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

## **Farms for City Children Limited**

### **Notes to the accounts for the year ending 31 August 2021 (continued)**

#### **1. Accounting Policies (continued)**

##### r) Creditors and provisions

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

##### s) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The financing charge to expenditure is at a constant rate calculated using the effective interest method.

##### t) Pensions

The Charity contributes to an auto enrolment compliant group money purchase defined contribution pension scheme operated by NEST. New and existing employees are automatically enrolled into the money purchase scheme unless they have exercised their right to opt out of scheme membership.

Employees joining the money purchase pension scheme operated by NEST contract directly with the insurance company. The Charity makes a matching contribution of 6% (2020: 6%) of salary to this pension scheme and acts as agent in collecting and paying over employee pension contributions.

#### **2. Legal status of the Charity**

Farms for City Children is a company limited by guarantee, incorporated in England & Wales, and has no share capital. 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.

The registered office address is Unit 2, Huxham Barns, Huxham, Exeter, EX5 4EJ.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 3. Income from donations and legacies

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Donations	337,858	55,900	393,758	891,117
Profit donated by FFCC Enterprises Ltd	8,833	-	8,833	9,721
Legacies	45,100	-	45,100	24,812
	<b>391,791</b>	<b>55,900</b>	<b>447,691</b>	<b>925,650</b>

Income from donations includes Gift Aid. From time to time Farms for City Children benefits from the involvement and support of volunteers. In accordance with accounting standards, the economic contribution of general volunteers is not recognised in the accounts.

#### 4. Income from Charitable Activities

	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
Residential visits	-	-	-	634,892
Day visits	10,030	-	10,030	-
Grants – Capital	-	399,340	399,340	-
Grants – Revenue	104,350	144,901	249,251	141,479
HMRC Coronavirus Job Retention Scheme	135,298	-	135,298	186,302
Farm produce sales	20,403	-	20,403	25,132
Farm livestock sales	10,229	-	10,229	22,489
Rural Payments Agency grants	15,319	-	15,319	15,307
	<b>295,629</b>	<b>544,241</b>	<b>839,870</b>	<b>1,025,601</b>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 5. Income earned from trading activities

Trading income consists of income from the hire and letting of spaces at the farms, other farm trading and the sale of gifts, books and cards.

	2021	2020
	£	£
Non-school lettings	-	2,940
Rent received	22,119	22,119
Sales of gifts, books and cards	4,660	-
Miscellaneous income	870	2,070
	<b>27,649</b>	<b>27,129</b>

In the year ending 31 August 2020, sales of gifts, books and cards totalling £22,736 were made in the trading subsidiary FFCC Enterprises Limited.

#### 6. Investment income

All of Farms for City Children's investment income arises from money held in interest bearing deposit accounts.

#### 7. Analysis of expenditure on charitable activities

	2021	2020
	£	£
<i>Operation of farms</i>		
Livestock purchases & produce costs	20,102	13,010
Staff costs	370,050	821,340
Premises costs	163,099	223,768
Other operating costs	93,746	170,796
Depreciation	91,682	92,246
<i>Support costs (see note 8)</i>		
Staff costs	198,444	230,337
Other costs	47,798	75,063
<i>Governance costs (see note 8)</i>		
Audit & accountancy	14,400	11,342
Board costs	7,462	3,883
Staff costs	38,138	39,599
	<b>1,044,921</b>	<b>1,681,384</b>

Of the £1,044,921 expenditure in 2020-21 (2020: £1,681,384), £840,613 was charged to unrestricted funds (2020: £1,379,009) and £204,308 to restricted funds (2020: £302,375).

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 8. Analysis of governance and support costs

Farms for City Children initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken (see note 7) in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	Analysis of support and governance costs				Basis of apportionment
	General support	Governance function	Total 2021	Total 2020	
	£	£	£	£	
Salaries, wages & related costs	198,444	38,138	236,582	271,376	Staff time
General office costs	38,615	7,462	46,077	50,708	Direct
Legal fees	9,183	-	9,183	26,818	Direct
Audit & tax fees	-	14,400	14,400	11,342	Direct
<b>Total</b>	<b>246,242</b>	<b>60,000</b>	<b>306,242</b>	<b>360,244</b>	

#### 9. Net income/(expenditure) for the year

	2021	2020
	£	£
<b>This is stated after charging:</b>		
Operating leases – equipment	38,534	38,534
Depreciation	91,682	92,246
Loss on disposal of fixed assets	1,647	-
Audit & tax fees	14,400	11,342
	<b>146,263</b>	<b>142,122</b>

#### 10. Investments

The Charity owns the sole £1 share issued by FFCC Enterprises Limited (registration number 03804473) which was incorporated to operate the charity's trading activities. The current investment value in FFCC Enterprises Limited is £6,097 (2020: £6,177), this represents £1 share capital and a loan of £6,096 (2020: £6,176). The net assets of the subsidiary at 31 August 2021 were £19,447. The registered office of FFCC Enterprises Limited is the same as that of Farms for City Children shown in the Trustees' Report.

The Trustees made the decision to bring the subsidiary's activity into the main charity from 1 September 2020. FFCC Enterprises Limited is currently dormant.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 11. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2021	2020
	£	£
Salaries and wages	657,417	1,149,496
Social security costs	58,711	70,976
Pension costs	38,032	49,586
Other employee benefits	240	-
Other wages costs (including subcontractors & recruitment)	22,482	23,326
	<b>776,882</b>	<b>1,293,384</b>

1 employee had employee benefits in excess of £60,000 (2020: nil). Pension costs are allocated to activities in proportion to the related staffing costs incurred. There were no redundancy costs in the year (2020: £149,046).

The pension costs charged represent contributions payable by the Charity to schemes for the year.

The key management personnel of Farms for City Children comprise the Chief Executive, the Head of Fundraising & Communications, the Head of Operations, the Head of Finance & Resources (appointed 1 June 2021) and three Farm School Managers. The total employee benefits of the key management personnel were £309,916 – 7 people (2020: £340,454 – 7 people).

The Trustees were not paid or received any other benefits from employment with Farms for City Children in the year (2020: £nil). No Trustees were reimbursed expenses for attending meetings in the year (2020: £570 – 3 Trustees).

#### 12. Staff Numbers

The average monthly number of employees (including casual and part time staff) analysed by function during the year was as follows:

	2021	2020
	Number	Number
Management, Fundraising & Administration	14	15
Education, domestic & agricultural	8	57
	<b>22</b>	<b>72</b>

## **Farms for City Children Limited**

### **Notes to the accounts for the year ending 31 August 2021 *(continued)***

#### **13. Defined contribution pension scheme**

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents employer contributions payable by the charity to the scheme and amounted to £38,032 (2020: £49,586).

Employee and employer contributions totalling £4,991 (2020: £9,118) were payable to the scheme at the end of the year and are included in creditors.

#### **14. Related party transactions**

Simon Gregory is a consultant at Foot Anstey LLP. Foot Anstey LLP did not supply any services in the year (2020: £10,619) but did refund fees of £316 (2020: £nil). There was no outstanding balance at the end of the year (2020: £908).

Justin Albert OBE is a Director for Wales, The National Trust. Farms for City Children paid rent for Lower Treginnis to The National Trust of £6,400 (2020: £6,400). There was no outstanding balance at the year end (2020: £nil).

Donations from Trustees amounted to £7,175 in the year (2020: £150,000).

#### **15. Corporation Taxation**

Farms for City Children is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 16. Tangible fixed assets

	Freehold Property £	Leasehold Property £	Plant & Machinery £	Furniture & Equipment £	Total £
Cost:					
As at 1 September 2020	1,097,979	2,307,010	445,820	143,438	3,994,247
Additions	9,900	409,717	2,494	-	422,111
Disposals	-	-	(3,995)	(5,515)	(9,510)
As at 31 August 2021	<b>1,107,879</b>	<b>2,716,727</b>	<b>444,319</b>	<b>137,923</b>	<b>4,406,848</b>
Depreciation:					
As at 1 September 2020	157,153	720,704	324,610	108,804	1,311,271
Disposals	-	-	(2,696)	(5,167)	(7,863)
Charge for the year	14,816	34,668	28,181	14,017	91,682
As at 31 August 2021	<b>171,969</b>	<b>755,372</b>	<b>350,095</b>	<b>117,654</b>	<b>1,395,090</b>
Net book value					
As at 1 September 2020	940,826	1,586,306	121,210	34,634	2,682,976
As at 31 August 2021	<b>935,910</b>	<b>1,961,355</b>	<b>94,224</b>	<b>20,269</b>	<b>3,011,758</b>

#### 17. Stock

	2021 £	2020 £
Animals and goods for resale	21,418	23,437
Non animal stock used in operating farms	7,906	20,401
	<b>29,324</b>	<b>43,838</b>

#### 18. Debtors

	2021 £	2020 £
Trade debtors	203,445	4,889
Prepayments and accrued income	135,249	168,584
	<b>338,694</b>	<b>173,473</b>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 19. Cash at bank and in hand

The cash figure includes £685,319 (2020: £256,363) relating to deposits and final balances received for residential visits in the period ending 31 August 2022.

#### 20. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	91,919	18,175
Other creditors and accruals	35,350	29,055
Deferred income (residential visits to 31 August 2022)	685,319	256,363
NatWest Bank Loan (CBIL)	320,000	-
Amounts due to FFCC Enterprises Ltd	-	10,951
Taxation and social security	21,604	23,562
	<u>1,154,192</u>	<u>338,106</u>

In August 2020 the Charity agreed a Coronavirus Business Interruption Loan (CBIL) with our primary bankers, NatWest to provide cash flow during the pandemic. The facility was drawn down in November 2020 and is interest-free for 12 months with repayments commencing after 1 year. The loan was repaid in full in January 2022.

Deferred income comprises deposits and balances received for residential visits. The movement on this income invoiced in advance and is as follows:

	2021	2020
	£	£
Deferred income at 1 September 2020	256,363	390,919
Resources deferred in the year	428,956	32,000
Amounts released from previous years	-	(166,556)
Deferred Income at 31 August 2021	<u>685,319</u>	<u>256,363</u>

#### 21. Contingent assets

The Charity has received notification of a residuary legacy. As the estate has not been finalised it is not possible to measure the Charity's interest in the legacy reliably. It is expected that the legacy will be received in the period ending 31 August 2022.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 22. Analysis of charitable funds

##### Analysis of movements in unrestricted funds

##### a) Year ending 31 August 2021

	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 August 2021 £
General fund	1,289,719	715,609	(1,016,144)	-	989,184

##### b) Year ending 31 August 2020 – As Restated

	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	Funds 31 August 2020 £
General fund	1,040,455	1,993,048	(1,609,420)	(134,364)	1,289,719

Name of unrestricted fund	Description, nature and purposes of the fund
General fund	Unrestricted funds used at the discretion of the Trustees to further any of the Charity's purposes. The Trustees' policy is to maintain the general fund at an appropriate level, planning for adverse economic conditions and other potential threats, safeguarding the long-term future of the charity and providing assurance to schools, staff and supporters.

# Farms for City Children Limited

## Notes to the accounts for the year ending 31 August 2021 (continued)

### 22. Analysis of charitable funds (continued)

#### Analysis of movements in restricted funds

##### a) Year Ending 31 August 2021

	Balance 1 September 2020 £	Incoming resources £	Resources expended £	Transfers	Funds 31 August 2021 £
<u>Charity wide</u>					
Geographically restricted child places	-	40,523	-	-	40,523
Access Funds	26,993	17,500	-	-	44,493
Covid emergency funding	-	101,950	(101,950)	-	-
Residential and day visits	-	14,700	(8,700)	-	6,000
Restoration of buildings	-	120,000	-	(58,776)	61,224
Governance Fund	-	1,688	(1,688)	-	-
	26,993	296,361	(112,338)	(58,776)	152,240
<u>Nethercott House</u>					
Outdoor Games	129	-	(129)	-	-
Day Visits	-	5,671	(5,671)	-	-
Farm equipment	-	2,086	-	-	2,086
All other donations < £1,000	-	1,922	(1,922)	-	-
Own Use Property	575,357	-	(14,770)	6,000	566,587
	575,486	9,679	(22,492)	6,000	568,673
<u>Lower Treginnis</u>					
Restoration of buildings	2,126	4,830	(1,262)	-	5,694
Farm equipment & garden work	5,915	1,500	(7,415)	-	-
All other donations < £1,000	-	2,443	(2,443)	-	-
Own use Property	446,903	-	(15,388)	15,635	447,150
	454,944	8,773	(26,508)	15,635	452,844
<u>Wick Court</u>					
Pond dipping	843	-	(843)	-	-
Friends of Wick Court	10,470	437	(10,907)	-	-
Roof	4,037	-	(4,037)	-	-
Restoration of buildings	-	279,340	-	(279,340)	-
Day Visits	-	5,080	(5,080)	-	-
All other donations < £1,000	-	471	(471)	-	-
Own use Property	1,060,338	-	(21,632)	316,481	1,355,187
	1,075,688	285,328	(42,970)	37,141	1,355,187
<b>Total</b>	<b>2,133,111</b>	<b>600,141</b>	<b>(204,308)</b>	<b>-</b>	<b>2,528,944</b>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 22. Analysis of charitable funds (continued)

##### Analysis of movements in restricted funds

##### b) Year Ending 31 August 2020 – As Restated

	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers	Funds 31 August 2020 £
<u>Charity wide</u>					
Geographically restricted child places	-	47,050	(47,050)	-	-
Access Funds	57,244	-	(5,251)	(25,000)	26,993
	57,244	47,050	(52,301)	(25,000)	26,993
<u>Nethercott House</u>					
Farm School Manager's salary	-	15,000	(15,000)	-	-
Pig Shed	-	8,429	(8,429)	-	-
Outdoor Games	567	-	(438)	-	129
Roundhouse	15,000	-	(15,000)	-	-
All other donations < £1,000	-	1,113	(1,113)	-	-
Own Use Property	614,520	-	(14,350)	(24,813)	575,357
	630,087	24,542	(54,330)	(24,813)	575,486
<u>Lower Treginnis</u>					
Restoration of buildings	23,438	-	(21,312)	-	2,126
Cookery classroom	199	-	(199)	-	-
Café	19,091	-	(19,091)	-	-
Farm equipment & garden work	6,707	-	(792)	-	5,915
Own use Property	380,268	-	(13,441)	80,076	446,903
	429,703	-	(54,835)	80,076	454,944
<u>Wick Court</u>					
Pond dipping	3,904	-	(3,061)	-	843
Friends of Wick Court	12,845	3,098	(5,473)	-	10,470
Roof	88,970	13,000	(118,623)	20,690	4,037
All other donations < £1,000	-	700	(700)	-	-
Own use Property	989,980	-	(13,053)	83,411	1,060,338
	1,095,699	16,798	(140,910)	104,101	1,075,688
<b>Total</b>	<b>2,212,733</b>	<b>88,390</b>	<b>(302,376)</b>	<b>134,364</b>	<b>2,133,111</b>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 22. Analysis of charitable funds (continued)

Name of restricted fund	Description, nature and purposes of the fund
Geographically restricted child places Access Funds	Donations received to support children from specific geographical areas of the UK or specific schools. Funding received from Four Acre and Zephyr Charitable Trust which was allocated to support schools that would not be able to visit our farms without additional financial support. Due to the pandemic, this fund could not be used in the year and will be used in the period ending 31 August 2022.
Covid emergency funding	Funding received from the Heritage Emergency Fund (£49,900) and the Charity Survival Fund (Julia and Hans Rausing Trust) (£52,050) to support core costs during the Covid19 pandemic.
Residential visits (all farms)	Funding received from POM Charitable Trust to support residential visits.
Day visits (all farms)	Funding and donations received to support children to visit the farm for day during the Covid19 pandemic.
Restoration of buildings (all farms)	Grants received to support the restoration, maintenance & improvement of the farm buildings. £120,000 was received from the Band Trust, mainly towards bathroom refurbishments across all three farms, £279,340 was received from the Historic Houses Foundation for works at Wick Court and £4,830 was received from the B&Q Foundation towards works at Lower Treginnis. Funds awarded in 2018-19 from the Linbury Trust also enabled restoration works to buildings at Lower Treginnis.
Governance Fund Own use Property (all farms)	Funds received to assist with recruitment of new Trustees. The restricted capital fund balances for Nethercott House, Lower Treginnis and Wick Court include funds received for specific capital developments, and assets including land, property values and major plant.
All other donations < £1,000 (all farms)	Donations received for a specific farm; donations enabled the farms to continue operating during the Covid19 pandemic.
Nethercott House: Outdoor Games	Funding received from GC Gibson Charitable Fund Trust for the purchase of outdoor games for visiting children.
Nethercott House: Farm equipment	Funds received from the Co-op Community Fund to purchase log splitters for the children to use on the farm.
Nethercott House: Farm School Manager's salary	Funds received from the Ernest Cook Trust supported the Farm School Manager's salary at Nethercott House.
Nethercott House: Pig shed	Funds received enabled the refurbishment of a farrowing house.
Nethercott House: Roundhouse	Funds received enabled the construction of a new Roundhouse at Nethercott House.
Lower Treginnis: Cookery classroom	Funds received from the Co-operative Local Community Fund enabled the set up of a cookery classroom at Lower Treginnis.

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 22. Analysis of charitable funds (continued)

Name of restricted fund	Description, nature and purposes of the fund
Lower Treginnis: Café	Funds received Jewson to convert an outbuilding at Lower Treginnis.
Lower Treginnis: Farm equipment & garden work	Funds received from Puffin Produce and a local donor to fund new pig and poultry fencing, pallet forms and general garden works.
Wick Court: Pond dipping	Funds received from the Halpin Trust and local businesses for the construction of a new pond dipping platform and associated equipment.
Wick Court: Friends of Wick Court	Donations received this year partly funded restoration works at Wick Court.
Wick Court: Roof	Grants received funded the replacement of the main house roof.

#### 23. Analysis of net assets between funds

##### a) Year ending 31 August 2021

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	633,597	2,378,161	3,011,758
Investment	6,097	-	6,097
Cash at bank and in hand	1,160,664	125,783	1,286,447
Other net current assets/(liabilities)	(811,174)	25,000	(786,174)
<b>Total</b>	<b>989,184</b>	<b>2,528,944</b>	<b>3,518,128</b>

##### b) Year ending 31 August 2020 – As Restated

	Unrestricted Funds £	Restricted Funds £	Total £
Tangible fixed assets	600,380	2,082,598	2,682,978
Investment	6,177	-	6,177
Cash at bank and in hand	833,926	20,544	854,470
Other net current assets/(liabilities)	(150,764)	29,969	(120,795)
<b>Total</b>	<b>1,289,719</b>	<b>2,133,111</b>	<b>3,422,830</b>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 (continued)

#### 24. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021 £	2020 £
Not later than 1 year	37,869	37,707
Later than 1 year and not later than 5 years	120,934	120,928
Later than 5 years	80,520	102,480
	<u>239,323</u>	<u>261,115</u>

#### 25. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	95,298	169,642
Add back depreciation charge	91,682	92,246
Deduct interest income shown in investing activities	(540)	(3,063)
Loss/(profit) on disposal of fixed assets	1,647	-
Decrease/(increase) in stock	14,514	(2,901)
(Increase)/decrease in debtors	(165,221)	62,808
Increase/(decrease) in creditors	496,086	(177,579)
<b>Net cash used in operating activities</b>	<u><b>533,466</b></u>	<u><b>141,153</b></u>

#### 26. Net debt reconciliation

	Balance 1 September 2020 £	Cashflows £	Other non- cash changes £	Balance 31 August 2021 £
Cash at bank and in hand	854,470	431,977	-	1,286,447
Bank loan falling due within 1 year	-	(320,000)	-	(320,000)
	<u>854,470</u>	<u>111,977</u>	<u>-</u>	<u>966,447</u>

## Farms for City Children Limited

### Notes to the accounts for the year ending 31 August 2021 *(continued)*

#### 27. Capital Commitments

Farms for City Children has future commitments for the following projects and expects these commitments to be contracted within the next year and financed by cash reserves and grants.

	2021 £	2020 £
Capital expenditure that has been contracted but has not been provided for in the Financial Statements	<u>66,917</u>	<u>2,126</u>

#### 28. Post Balance Sheet Events

The Charity realised the sale of a portion of land at Wick Court in January 2022. The total sale price was £645,000.

The Coronavirus Business Interruption Loan (CBIL) was repaid in January 2022.