

HEELEY CITY FARM LIMITED
REGISTERED IN ENGLAND AND WALES UNDER COMPANY NUMBER 2141420
REGISTERED CHARITY NUMBER 1111482

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019

TINGLE ASHMORE LTD
CHARTERED ACCOUNTANTS AND REGISTERED AUDITORS
SHEFFIELD

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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TRUSTEES' ANNUAL REPORT

The trustees present their annual report and the audited financial statements of the charity for the year ended 31st December 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

Objectives and activities

- 1 To promote the benefit of the inhabitants of Heeley and the neighbourhood thereof (hereinafter called "the area of benefit") without distinction of sex or race, or political, religious or other opinions by associating the local authorities and or voluntary organisations and inhabitants in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and other leisure time occupation with the object of improving the condition of life for the said inhabitants, and particularly of those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances;
- 2 To advance the education of the said inhabitants, and particularly young members of the public at large, in agriculture, horticulture, home-crafts, country-life and related subjects and in the principles of self-discipline and good citizenship through their leisure-time activities so that they develop their physical, mental and spiritual capacities and grow to full maturity as individuals and members of society and their conditions of life are improved;
- 3 To provide education and training for persons who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances, resident in the said area of benefit, so as to prepare them for any trade or occupation.

Our vision is that: HEELEY CITY FARM IDENTIFIES, CONFRONTS AND ADDRESSES THE PROBLEMS OF POVERTY, INEQUALITY, PREJUDICE AND LACK OF OPPORTUNITY IN OUR INNER CITY COMMUNITY BY SUPPORTING AND PROMOTING COMMUNITY REGENERATION AND SELF HELP WITHIN ENVIRONMENT FRIENDLY AND SELF-SUSTAINING SYSTEMS, USING THE BACKGROUND OF A MINI-FARM, COMMUNITY GARDENS AND RELATED RESOURCES.

Our purpose is: To improve the quality of life for disadvantaged people in Sheffield and to build resilient communities.

Our values are:

- Promoting pro-environmental behaviour change and championing sustainable living
- Reducing our carbon footprint and tackling the effects of Climate Change
- Promotion of social justice, fairness and respect
- Valuing diversity, empowering and enabling others

Achievements and performance against our objectives during 2019

2019 has been another year of change & transition for Heeley City Farm, with this being the first full year with our 2018 incoming Chief Executive Sue Pearson at the helm, bringing the teams together to deliver collaboratively against our **Heeley City Farm Business Plan 2018-2022**.

These are the **4 key outcome areas** and impact that the Farm delivers:

- Community Development – enabling community action and building community cohesion – addressing disadvantage and poverty
- Environmental Sustainability – championing the cause of tackling climate change
- Community Learning – providing opportunities, developing skills and personal development
- Health and Wellbeing – improving mental and physical health outcomes and quality of life for the people of Sheffield

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All the many diverse activities at the Farm and our other project sites contribute to one or more of the above outcomes and we continue to strengthen our ability to be able to better evidence the positive impact on individuals and communities.

The economic factors affecting the Farm and the voluntary/charity sector as a whole continued to be as challenging in 2019 as in previous years with sources of charity income reducing, static fees from contracts, rising demand and increased operating costs. We had recognised in 2018 that we needed to take action to reduce our cost base in line with expected income.

So the year started with the implementation of a planned redundancy programme which had been agreed by the Board in November 2018.

This was part of the strategy to focus on consolidating the Farm's core business & creating new sustainable income streams, at the same time as cutting back in those areas where we were losing money, and making significant cost-savings including on the salary bill.

This was needed following the Locality Lifeboat service review in October 2018, and was as a direct result of the Board acting on the recommendations made in the Locality report.

By the end of March 2019, the staff salary bill for the Farm had been reduced by between £7,500 - £8,000 net per month. 12 people's job roles were affected either by voluntary or compulsory redundancy, or by staff taking up new roles and not being replaced (staff turnover).

This in-year reduction in staffing (from 54 individuals in April 2018 to 39 in April 2019) was necessary to cut costs and 'live within our means', but it did not come without significant impact on our remaining staff capacity. We are very grateful to all the staff team who stepped up to work even harder to replace the capacity we lost, and who adapted their workplans accordingly.

It is to the credit of the core staff team & committed volunteers that all the Farm's main activities and provision – and more – were delivered successfully during the rest of the year, with huge crowds once again enjoying the highlight of the year – the Heeley Festival in June 2019.

In October 2019 Senior Managers and Board members came together for a productive Strategy Away Day held at the Conference centre at St Mary's Bramall Lane, where we focussed on our key strengths.

Activities undertaken for public benefit:

Children and young people from disadvantaged backgrounds: the Farm provides a wide range of activities for children, young people and families all year round. The farm animals, small animals, gardens, playground and practical conservation activities offer plenty of variety. Young volunteers help run the Farm at weekends, caring for the animals and welcoming visitors – growing in confidence and learning to be a part of a team. We are pleased that young people from Sheffield and the surrounding areas, who are seeking to develop a career in animal care, agriculture or in land management, use Heeley City Farm as their work experience venue to gain the necessary skills, experience and confidence.

Case Study from young person

JM has progressed to Sheaf Training 16+ (part of Sheffield College) and continues to come to Heeley City Farm on his placement one day per week. JM is an outstanding success story from the Farm, originally referred from Becton Hospital with mental health issues 4 years ago. JM now has a 3-day a week apprenticeship with a Sheffield manufacturing company and volunteers independently at the farm. He has also progressed in Maths and English with us in 2019.

JM has been engaged with forging and has been inspired to do blacksmithing after making numerous hand-made belt buckles, leather work, wooden spoons, key rings, steel fire pokers and more. This has led to him starting his own business called 'Fireside Forging' at the back end of 2019.

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Led by Julie Blacker, our Youth and Training Partnership Manager, we deliver an accredited Alternative Programme education, learning and work programme for young people who are struggling at school and young people not in employment, education or training (NEETs).

Working with Job Centre Plus, Sheffield City Council Lifelong Learning Skills and Communities, Sheffield Inclusion Unit and other agencies we provide training and work experience, alternative educational placements, learning and qualifications for young people excluded or at risk of exclusion from mainstream education as well as those post-16 and not in employment, education or training.

New in 2019 – we started a new programme for the Academic Year 2019-20 in partnership with Sheffield College – the Further Education institution delivering Animal Care Qualifications (Levels 1 and 2) to young people aged 16+ (post-GCSE). Over a 20-week block in term-time, 2 groups of students – 22 in all - are attending the farm site on 2 days a week, to learn 'hands-on' practical animal care experience, alongside their academic studies.

Sarah Wild is also developing our farm animal population, bringing in more 'Rare Breed' animals – goats, pigs, sheep, cows and poultry. We are one of 19 Rare Breeds Survival Trust Conservation Farm Parks in the country, only the second in Yorkshire and the Humber.

78 new young people benefitted in 2019 – impact: engaged/re-engaged in learning and progression; reduced risk of unemployment.

132 animals were cared for (including new arrivals in 2019).

Activities for adults with LDD (Learning Difficulties and Disabilities)

Supported placements offer a variety of stimulating and interesting experiences 'tailor made' to individual's interests, support needs and abilities. We work with 70 individuals who can choose to concentrate on one main area or 'pick and mix' between areas and activities. We also offer placements in our farm kitchen and garden centre which enable participants the opportunity to gain customer care and work skills.

Support staff work with a wide range of people with learning disabilities who may also have physical and/or mental health support needs. Individuals receive training and experience in activities including animal care, gardening, drumming, sport, arts and crafts, cooking and healthy eating, woodwork and building, recycling and composting; placements also offer the opportunity to support individuals to develop/increase social and personal skills and promote social inclusion. Placements give the opportunity to learn to work in groups and cooperatively, develop increased self-confidence and assertiveness, being safe and 'street smart', independent living, mixing with others (visitors, children, teenagers, customers, volunteers, peers), making choices and decisions. By working outside and doing physical work, placements often also benefit and improve individual's health and fitness, develop mobility and dexterity.

Supported Placement participants are also involved with the wider farm activities helping with the many farm events such as Heeley Festival, Beer and Food festivals, school visits and tours – educating visitors about the small animals and helping to run petting sessions. Participants work with a wide range of students who need to gain direct experience of supporting people in community settings - Occupational therapy, Social work, Nursing and Sociology / Psychology students.

Sheffield City Council again renewed our annual Safe Places contract. In May we appointed Olivia Trevor to the role of Safe Places Co-Ordinator and she has brought new energy and vigour to this city-wide programme. She is supported by a trained volunteer team of adults with learning disabilities who travel across Sheffield, identifying and supporting approved 'safe places' where people with learning disabilities supported by trained

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staff if they feel lost, ill or unsafe in the city. Safe places also support people who have experienced hostility because of their disability, they may have experienced a hate incident or hate crime. Safe Places supports the person to report this to the police.

Sheffield Safe places is run by the farm advocacy group 'Have your Say' which meets once a month.

This year we are extending the Safe Places programme to include people with dementia and are promoting dementia awareness throughout the city.

Urban Farming and Local Food-growing:

Darrell Maryon leads our food growing team. We are the leading Sheffield community organic local food grower, helping to manage 10 local food-growing sites throughout the city, with over 150 regular volunteers during 2019 across all the sites. In addition to Heeley City Farm, our other core sites – Meersbrook Park Walled Garden (managed with Meersbrook Park Users Trust), Norfolk Park Community Food Growing Garden, Lowedges Fire Station, Firth Park Community Allotment, Gleadless Valley Methodist Church (with the church and Foodbank), St Swithuns Church garden, Manor (with Manor Foodbank, St Swithuns Church and S2 Food Poverty Group), Dovercourt, Skye Edge garden (with Dovercourt GP surgery), St Mary's Church, Handsworth, Gresley Road Community Orchard, Lowedges and Wortley Hall Walled Garden – are all flourishing.

Nick Horne, our beekeeper (and local food grower) is continuing to develop our apiaries at the farm site, Norfolk Park Community Food Growing Garden and Wortley Hall Walled Garden – collecting 450kg of honey during 2019.

In 2019 we received a small grant from the council's Cohesion Fund to support our volunteer garden sessions on the smaller community sites – demonstrating how we are using gardening and growing to bring together people from diverse backgrounds including refugees and asylum-seekers and new arrivals to Sheffield – we hosted a site visit at the Farm for new arrivals from the New Beginnings project (Voluntary Action Sheffield).

Heeley City Farm is a key provider of Green Care (or Horticultural Therapy, the Natural Health Service, Green Gyms and Care Farming). People, especially vulnerable and disadvantaged people - adults with learning disabilities, people with mental health issues, food bank users, refugees and asylum seekers, older people etc. – are getting outdoors, taking physical exercise, learning how to grow their own food and improving the physical and natural environment. We know that engaging in outdoor activity improves individual's health, helps people form new friendships and brings communities together.

National Lottery Community Fund – we are very grateful for the funding for the Local Food programme and were proud to welcome 2 visitors from NLCF in July 2019 and show them around some of the growing sites where they met volunteers and talked to staff delivering the programme.

200 local food volunteers, helping to produce 12 tonnes of fresh food – 2019.

South Yorkshire Energy Centre at Heeley City Farm is the leading Sheffield provider of advice and support to individuals, households, families and communities on how to heat their homes and keep warm more economically and effectively. Sharon Smith and Pete Burgess-Allen run our fuel poverty and affordable warmth provision. We have been able to give advice to communities, families and individuals on how to reduce their fuel bills, change energy suppliers and make their accommodation warmer.

In 2019 we had a boost for this work in the form of our corporate partnership with Planet First Energy, with volunteer support from their team, donations and activities.

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We delivered 50 home visits to targeted households, providing much-needed practical help in staying warm at less cost. We evidenced cost-savings of £450 minimum per household and reduced carbon emissions through the introduction of Small Measures.

Heeley City Farm is one of the Sheffield City Council People Keeping Well (PKW) lead partners on the community-based health improvement programme for Heeley and Gleadless. Activities include Social Prescribing programmes, where GPs refer patients for a non-medical activity. These include our Health Walks, Social Cafés such as our Food, Fun and Friendship group, advice and practical support on diet and health, healthy eating, local food growing & cooking on a budget (the popular Farm to Fork courses delivered by Dawn Young).

In 2019, Mohan Babu represented us on the Long-term Conditions Steering Group, working with local GP surgeries & Heeley Trust, and delivered a programme of Men's Mental Health Support. The Farm is a key contributor to city-wide health programmes including Cancer Champions and the Community Wellbeing Programme, and we awarded over £3,000 in small health grants to other local partners to support grass-roots community health activity.

Lee and Andrew Pearce lead our dementia care programme. A new 3-year People Keeping Well dementia contract started delivery successfully in February 2019. Working with many partners (a wide variety of organisations, charities, community hubs, dementia research, neurologists, GPs, Universities, Sheffield Dementia Action Alliance, Care Farms etc.) we are helping dementia sufferers to stay in their own home for as long as possible, supporting dementia sufferers at home, in the community and in care homes, providing activities and helping improve the facilities and infrastructure of care homes, supporting carers, friends and families of dementia sufferers and developing and delivering local, regional and national events promoting dementia awareness in the wider community. Our monthly Frontotemporal Dementia Carers group supports carers of sufferers of this early onset dementia. Farming Comes to You, our animal road show, visits care homes, community centres, schools and nurseries. In 2019 we delivered 36 sessions engaging over 600 individuals across dementia care homes, sheltered housing schemes and lunch clubs, while collaborating with citywide dementia organisations.

Successes in 2019 – the Farm was awarded £38,620 from the Dunhill Medical Trust for a 2-year research project exploring the impact of inter-generational interventions on dementia sufferers and their families through animal assisted therapy, while developing new training programmes and recorded positive impacts to inform policies and health and wellbeing of people with dementia.

In December 2019, HCF was also awarded one-off funding of £13,548 in respect of the work done with 3rd year medical students from Sheffield University on one-month placements with us since 2017.

The Farm Kitchen café, managed by Alison Lewis, uses the best of our locally grown produce and is more popular than ever – we brought in many new menu options from 2019 and receive frequent positive feedback and endorsements from vegetarian / vegan customers on our Social Media accounts.

Successes in 2019, the café staff again delivered the popular Breakfast Club for young people during the 6-weeks School Summer Holidays, aimed at ensuring that young people in receipt of free school meals in term-time do not go hungry during the holidays and can access healthy nutritious food alongside educational activities.

Sharon Claxton manages our Garden Centre and shop. We continue to sell high-quality plants, hanging baskets, wooden craft items and other products to improve the landscapes of Sheffield's gardens and community spaces and provide bargains for visitors. Products from our on-site composting enabled many gardeners to improve the quality of their soil and gardens. Our staff and valued volunteers enjoyed visits to trade fairs and successfully delivered our 'Rent-a-Christmas Tree Scheme' in December 2019 – a much more sustainable / environmental option than buying a 'one-off' cut tree. Demand outstripped supply.

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Throughout the year we welcomed over 95,000 visitors to the Heeley City Farm site. Our 4 main seasonal events, Spring Fair, Heeley Festival, Autumn Horticultural Show and the Winter Fayre were attended by over 11,000 people. Other seasonal events included our popular Easter Egg hunt and a mini-Beer Festival. All our community events are led and supported by the local community and we received praise and thanks and 1,000s of Facebook 'likes'.

Volunteering:

Heeley City Farm can only thrive with the support of many dedicated, regular volunteers. 72 adult and young volunteers helped in all our activities: looking after the animals, growing food, site maintenance and repairs, heritage workers, helping with events, supporting vulnerable and disadvantaged people, helping in the Farm Kitchen café and garden centre and much more.

Special shout-outs for Stephen, Charlotte, Nigel, Jack and Stuart.

Awards and Recognition in 2019:

- Britain in Bloom – The Royal Horticultural Society and Yorkshire in Bloom presented Heeley City Farm with a 2019 'It's your Neighbourhood' Award of Level 5 – outstanding.
- Heeley City Farm, Meersbrook Park Walled Garden, Norfolk Park Community Food Growing Garden, Firth Park Community Allotment and Wortley Hall Walled Garden were again awarded the Green Flag Community Awards in 2019.
- Both Firth Park and Wortley were also awarded Outstanding Level 5 in Yorkshire in Bloom 'It's Your Neighbourhood' category.
- Great Yorkshire Show – highlight for the Young People's trip and the rare Breeds – certificates in 2019.
- Firth Park Big Lunch – July 2019.
- Selected for the Big Give Christmas Challenge, receiving over £10,000 in donations by February 2019, with 172 donations being match-funded by our champion: the Garfield Weston Foundation, who had earlier awarded the Farm a core grant of £30,000 over 2 years in July 2019 – thank you !
- Press Coverage and Social Media – thank you to Andrew Pearce, our Publicity and Marketing Officer, for promoting many positive stories throughout 2019.

We continue to celebrate the outcomes we achieve and the positive impact we make on people's lives. We are investing in our IT capacity and systems to better evidence the effectiveness and impact of our projects and activities. We constantly reflect and review - are our projects and activities effective and do they have a positive effect on participants? Can we do more and better? We are building on our Quality Assurance Framework and refreshing our working practices and procedures, whilst remaining true to our community values and maintaining the unique ethos and core values of the Farm.

In February 2019 we moved over to Microsoft 365 in readiness for changes required in digital tax systems, and to ensure compliance and safety/security of our data.

We have introduced new procedures including a bid budget approval system, and the Project Initiation Note to risk assess and approve all new initiatives.

At the end of 2019 I am delighted to extend my thanks and praise to all the volunteers, young people, students and trainees, staff and fellow Directors who have made Heeley City Farm what it is and who will continue to ensure our success in 2020 and beyond into 2021, when the Farm will celebrate our 40th Anniversary with all our many supporters. The work of the farm is more relevant than ever – in social, economic and environmental terms – and we thrive on the enthusiasm and commitment of all involved.

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Thank you to all our generous funders and donors: Key Fund, Sheffield City Council, Garfield Weston Foundation, Police and Crime Commissioner, National Community Lottery Fund, Ward Pots, People Keeping Well Community Wellbeing Programme, Sheffield Renewables, Friends of Firth Park Community Allotment, Planet First Energy, Greenhill and Bradway TARA, Better Energy Savings Network, SCC Community Fund, Cohesion Fund, Dunhill Medical Trust, The Big Give, JustGiving.

Financial review

The statement of financial activities on page 15 shows a reduction of £22k in total income to £928k. Grant and contract funding was £45k lower and training provision reduced by £20k, these were partly offset by the increases in cafe, garden centre and food growing income, as well as higher health and core funding. Note 1 on page 21 lists the various restricted grant and contract funds, with the 2 National Community Lottery Fund Reaching Communities grants accounting for 61% and the various Council funds over 20% of the total. Total expenditure reduced significantly by £125k to £921k. Salary costs were £82k lower, as detailed in note 7, light heat and power fell by £12k and depreciation was £36k lower. The latter being a result of the signing of a new 30 year property lease, reducing the land and building depreciation provision. After the transfer of overheads funded by the 3 Lottery funds, there was a surplus of £46K on unrestricted funds, while the restricted fund balances carried forward have reduced by £38K to £452K.

Public benefit

The trustees consider that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and that the detailed review of activities demonstrates that the charity delivers public benefit.

Reserves policy

The trustees aim to establish sufficient cash reserves to allow the Farm to continue trading should a major source of funding be lost or reduced. To allow replacement funding to be obtained, it is estimated that 3 months of essential expenditure will need to be financed. The minimum level of general reserves is therefore targeted to be £150,000. This requires a return to overall profitability building on the in-year surplus of 2019, and can therefore only be achieved over a period of time, which is likely to be up to 3 years. Our 4-year Business Plan shows a break-even year (2019 ended with a 7% surplus), followed by 3 consecutive years each achieving a £50K surplus.

Asset Management

During 2019 the trustees requested a commercial valuation of the Energy Centre building and the subsequent surveyor's report confirmed a value of £130,000 for this asset, wholly owned by the charity.

Future Development and Social Investment

In May 2019, the Farm applied to the Key Fund for a Grant/Loan package which will enable us to re-invest in the Farm site (access, signage, security & IT infrastructure).

The plans include a major refurbishment and upgrade of the Farm Kitchen Café in 2020, and we have had architect plans / options drawn up in 2019 as part of the application process for social investment.

Other investment plans for 2020 include upgrading our IT/broadband, improving signage and facilities around the main farm site and upgrading our classroom facilities.

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Principal funding sources

The principal regular funding sources of the Farm are contract income, grants (both restricted and unrestricted), donations and earned income from trading & sales of produce.

Our main contracts include the provision of community health services, adult community learning, Learning Disability day support and young people's education and learning including our alternative provision.

We wish to express our gratitude to our main grant funders: the National Community Lottery Fund, Sheffield City Council, Garfield Weston Foundation and the Dunhill Medical trust.

Structure, Governance and Management

Governing Document

Heeley City Farm Limited is a charitable company limited by guarantee, incorporated on 19th June 1987, and governed by its Memorandum and Articles of Association, as amended by written resolution dated 15th September 2005. It was registered as a charity with the Charity Commission on 28th September 2005. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

Appointment of Trustees

All directors of the company are also trustees of the charity. There are no other trustees. All the trustees named on page 9 served for at least part of the year. One third of the trustees retire at the Annual General Meeting but are eligible for re-appointment. The trustees may appoint a person as a trustee to fill a vacancy or to act as an additional trustee provided that the appointment does not cause the number of trustees to exceed 15.

The charity has issued an invitation for new trustees to join our board (September 2019) to build capacity.

Organisation

The charity is organised so that its Board of Directors meets bi-monthly to manage its affairs. There are 7 members of the Senior Management Team who support the CEO in the management of the day to day administration of the charity. The SMT meet monthly to progress the Business Plan.

Risk Management

The trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the charity and are satisfied that systems are in place to mitigate the exposure to major risks.

A Risk Register is maintained and reviewed annually in July by the Board, and all identified risks are scored for (a) probability and (b) impact, enabling action-planning for risk management and mitigation which prioritises those risks which are more likely and/or more potentially serious.

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Reference and administrative details

Directors and trustees

Barry Handyside Lee-Potter - Chair
Carl Clive Lee - Vice Chair
Kathleen Murphy – stepped down November 2019
Mary Jane Webb
Stephen Rundell – stepped down September 2019
Melanie Jane Rimmer – stepped down July 2019
Lewis William Dagnall
Grace Lucy Radford

Secretary

Gloria Ward

Key management personnel

Chief executive

Sue Pearson

Finance Manager

Gloria Ward

Registered office

Richards Road
Sheffield
S2 3DT

Auditors

Tingle Ashmore Ltd
Chartered Accountants and Statutory Auditors
Enterprise House
Broadfield Court
Sheffield
S8 0XF

Bankers

Co-operative Bank plc
84-86 West Street
Sheffield
S1 3SX

Registered in England and
Wales under company number

2141420

Registered charity number

1111482

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Statement of trustees' responsibilities

The trustees (who are also directors of Heeley City Farm Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the 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 financial year, which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for the year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgments 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 the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

The Annual Report was approved by the trustees on _____ and signed on their behalf by

.....
Barry Handyside Lee-Potter - Chair

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HEELEY CITY FARM LIMITED

Opinion

We have audited the financial statements of Heeley City Farm Limited (the charitable company) for the year ended 31st December 2019 which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 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 31st December 2019, and of its incoming resources and application of resources, including its income and expenditure, 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.

Material uncertainty related to going concern

We draw attention to the principal accounting policy 'preparation of the accounts on a going concern basis' and note 16 'Going concern'. These indicate that a material uncertainty exists that may cast significant doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. 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.

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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 matters 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 (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 directors' report.

We have nothing to report in respect of the following matters where the 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, 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.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HEELEY CITY FARM LIMITED

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HEELEY CITY FARM LIMITED

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.

.....
Kevan Tingle FCA
Senior Statutory Auditor
for and on behalf of Tingle Ashmore Ltd
Chartered Accountants and Statutory Auditors
Enterprise House
Broadfield Court
Sheffield
S8 0XF

Date

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER 2019

STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT

	Unrestricted funds	Restricted funds	Total funds 2019	Total funds 2018
Notes	£	£	£	£
Income from:				
Donations and legacies	31,645	-	31,645	26,988
Charitable activities				
Grant and contract funds receivable	1 -	257,360	257,360	301,948
Training provision	281,970	-	281,970	302,228
Café, garden centre, festival and community food growing income	194,127	-	194,127	186,176
South Yorkshire Energy Centre	11,977	-	11,977	9,765
Health	124,431	-	124,431	108,495
Core funding	7,500	-	7,500	-
Other trading activities				
Disclosure and Barring Service checks	13,747	-	13,747	10,525
Rent receivable	3,500	-	3,500	2,733
Lottery	2,030	-	2,030	1,764
Total income	<u>670,927</u>	<u>257,360</u>	<u>928,287</u>	<u>950,622</u>
Expenditure on:				
Raising funds	10,012	-	10,012	7,896
Charitable activities				
Grants payable	54,290	-	54,290	43,944
Grant repayable	-	8,067	8,067	-
Café, garden centre, festival and community food growing costs	144,686	422	145,108	155,480
Salaries and travel	2 324,395	194,101	518,496	598,697
Premises and equipment	3 82,857	34,268	117,125	166,539
Support costs	4 42,245	20,643	62,888	68,976
Governance costs	5 4,950	-	4,950	4,950
Total expenditure	<u>663,435</u>	<u>257,501</u>	<u>920,936</u>	<u>1,046,482</u>
Net income/(expenditure) for the year	7,492	(141)	7,351	(95,860)
Transfers between funds	6 38,116	(38,116)	-	-
Net movement in funds	7 45,608	(38,257)	7,351	(95,860)
Funds brought forward at 1st January 2019	(61,724)	490,416	428,692	524,552
Funds carried forward at 31st December 2019	<u>£(16,116)</u>	<u>£452,159</u>	<u>£436,043</u>	<u>£428,692</u>

The SOFA includes all gains and losses recognised in the year
All income and expenditure derives from continuing activities.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
BALANCE SHEET

	Notes	2019	2018
		£	£
Fixed assets			
Tangible assets	9	530,526	561,341
Investment	10	<u>100</u>	<u>100</u>
		530,626	<u>561,441</u>
Current assets			
Stock		5,976	5,831
Debtors	11	93,884	57,215
Cash at bank and on hand		<u>6,592</u>	<u>1,662</u>
		106,452	64,708
Creditors - amounts falling due within one year	12	<u>201,035</u>	<u>197,457</u>
Net current liabilities		<u>(94,583)</u>	<u>(132,749)</u>
Net assets		<u>£436,043</u>	<u>£428,692</u>
Funds			
Unrestricted funds			
General funds	14	(129,087)	(178,690)
Designated funds	14	<u>112,971</u>	<u>116,966</u>
		(16,116)	(61,724)
Restricted funds	14	<u>452,159</u>	<u>490,416</u>
Total funds	15	<u>£436,043</u>	<u>£428,692</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved and authorised for issue by the Board on
and signed on their behalf by

..... Barry Handyside Lee-Potter - Chair

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
STATEMENT OF CASH FLOWS

	2019	2018	
	£	£	
Cash flows from operating activities:			
Net cash flow from operating activities	<u>16,216</u>	<u>(40,054)</u>	
Cash flow from investing activities			
Receipt from sale of tangible fixed asset	<u>350</u>	<u>-</u>	
Cash flows from financing activities:			
Repayments of borrowing	<u>(500)</u>	<u>(21,908)</u>	
Change in cash and cash equivalents in the year	16,066	(61,962)	
Cash and cash equivalents at the beginning of the year	<u>(56,464)</u>	<u>5,498</u>	
Cash and cash equivalents at the end of the year	<u>£(40,398)</u>	<u>£(56,464)</u>	
Analysis of cash and cash equivalents			
Cash in hand	6,592	1,662	
Bank current account	<u>(46,990)</u>	<u>(58,126)</u>	
	<u>£(40,398)</u>	<u>£(56,464)</u>	
Reconciliation of net income/(expenditure) to net cash flow from operating activities:			
Net income/(expenditure) for the year	7,351	(95,860)	
Adjustments for:			
Depreciation charges	30,465	66,354	
Key Fund loan interest	(325)	3,900	
Increase in stock	(145)	(142)	
(Increase)/decrease in debtors	(36,669)	3,968	
Increase/(decrease) in creditors	<u>15,539</u>	<u>(18,274)</u>	
Net cash flow from operating activities	<u>£16,216</u>	<u>£(40,054)</u>	
Analysis of changes in net debt	At start of year	Cash flows	At end of year
	£	£	£
Cash	1,662	4,930	6,592
Bank overdraft repayable on demand	<u>(58,126)</u>	<u>11,136</u>	<u>(46,990)</u>
Total liabilities	<u>(56,464)</u>	16,066	<u>(40,398)</u>
Loan falling due within one year	<u>(28,000)</u>	<u>500</u>	<u>(27,500)</u>
Total net debt	<u>£(84,464)</u>	<u>£16,566</u>	<u>£(67,898)</u>

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
PRINCIPAL ACCOUNTING POLICIES

General information and basis of preparation

Heeley City Farm is a company limited by guarantee registered in England and Wales. 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 address of the registered office is given in the charity information on page 9 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

Preparation of the accounts on a going concern basis

The trustees assess the income and expenditure budgets and cash flows prepared by the key personnel. Regular scrutiny of cashflow and income/expenditure projections are carried out by the Finance sub-committee. The trustees determine the ongoing viability of the charity and agree income increasing or cost cutting measures, as necessary. The charity reported net income of £45,608 on unrestricted funds for the year, while the restricted fund balances carried forward have reduced by £38,257 to £452,159. The trustees are of the view that the measures that have been taken, as detailed in note 16, will secure the immediate future of the charity for the next 12 to 18 months. On this basis, the trustees are of the view that the charity is a going concern.

Income

Donations and legacies

Donations, gifts and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource.

Charitable activities

Grants and contract funds receivable

Funds in respect of revenue items are written off to the income and expenditure account in the period to which they relate. Funds in respect of specific projects are credited to a restricted fund, against which relevant expenditure is charged.

Funds are not recognised as receivable until all conditions for receipt have been met. Where donor imposed restrictions apply to the timing of the related expenditure, as a pre-condition for its use, the funds are treated as deferred income until those restrictions are met.

Funds relating to fixed assets are credited to a restricted fund on the income and expenditure account from which amounts are released to revenue over the shorter of the depreciation period of the relevant assets or the term of the project.

Training provision and energy income are accounted for in the period in which the service is provided. All income is stated net of value added tax where appropriate.

Café, garden centre, festival and community food growing income is credited to the period in which the income is receivable.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
PRINCIPAL ACCOUNTING POLICIES

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis exclusive of value added tax. Amounts expended on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services. Governance costs are incurred in meeting the constitutional and statutory requirements of the charity.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Only individual items costing above £2,500 will be capitalised, those costing less will be written off as expenditure.

Depreciation is calculated to write down the cost of the fixed assets over their expected useful lives.

The rates and bases used are as follows:-

South Yorkshire Energy Centre	2%	per annum straight line basis.
Other permanent buildings		Over the remaining life of the lease
Equipment, fixtures and fittings	15%	per annum reducing balance basis.
Motor vehicles	25%	per annum reducing balance basis.

The other permanent buildings are now covered by a new 30 year lease and these accounts incorporate this in the calculation of the depreciation provision.

Impairment of tangible assets

Impairment reviews of fixed assets are only carried out where there is an indication that the recoverable amount of a functional fixed asset is below its net book value. Where a review is required, the trustees will assess the net realisable value of the asset and if this is below net book value, the value in use will be considered. If the value in use is above net book value then net book value will be used. Value in use will be quantified in relation to future cash flows, where possible, or alternatively net replacement cost. The impairment loss is recognised as an expense in the period in which it arises.

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently at their market value at the balance sheet date. All gains and losses are taken to the Statement of Financial Activities as they arise.

Leased assets

All leases are considered to be 'operating leases' and the relevant annual rentals are charged wholly to the Statement of Financial Activities.

Irrecoverable value added tax

Irrecoverable value added tax is written off to the Statement of Financial Activities in the year in which it arises.

Stock

Horticultural produce and café stock are valued at the lower of cost and net realisable value. Cost is calculated using the first in first out (FIFO) basis.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
PRINCIPAL ACCOUNTING POLICIES

Debtors

Trade and other debtors are recognised at the settlement amount due after any discount offered.

Creditors

Creditors are recognised when 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Pension

The charity makes employer contributions to stakeholder pension schemes in favour of certain members of staff. The pension charge in the Statement of Financial Activities is the amount of contributions payable by the charity.

Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The charity recognises termination benefits when it is demonstrably committed to either (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Fund accounting

Funds held by the charity are either:-

Unrestricted funds - these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds - these have been set up to identify those unrestricted funds that are not free funds in that they represent the net book value of capital assets attributable to the charity's own reserves.

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

Legal status of the charity

The charity is a company limited by guarantee 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.

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

	2019	2018
	£	£
1 Grant and contract funds receivable		
Grant funds receivable		
Community, Health and Food		
Big Lottery - Reaching Communities, Local Food	84,918	98,898
Big Lottery - Reaching Communities, Youth	73,941	34,195
Citizens Advice - Big Energy Saving Network	14,000	5,000
Dementia:Dunhill Medical	18,795	-
Sheffield City Council - Safe Places Grant	22,500	22,500
Sheffield City Council Placements - Dementia	13,548	-
Sheffield City Council - various local food grants	9,760	-
Holiday Hunger programme	6,840	-
Sheffield City Council- Gleadless Valley Master Plan	2,500	2,500
Sheffield City Council Heritage - Lowedges project	2,500	-
Sheffield City Council - Cohesion Grant	2,000	-
Sheffield City Council - Farming Comes to You	1,500	-
Sanctuary Housing-Firth Park Allotment	1,000	-
Yorkshire Gardens Trust-Wortley Hall Walled Gardens	500	-
Groundwork UK- Tesco Bags of Help	458	4,542
Peoples Millions	-	49,800
South Yorkshire Housing Association - Dementia	-	35,000
Voluntary Action Sheffield - Ageing Better	-	10,693
Tinsley Area Trust	-	10,427
Heritage Lottery Fund - Tinsley Time & Travel	-	10,000
National Energy Action - Small Measures	-	5,000
Scottish Power	-	4,943
Sheffield City Council - Sheltered Housing	-	3,750
Grant from Stanley Smith	-	1,800
Hyman Winstone Foundation	-	500
	254,760	299,548
Contract funds receivable		
Young People		
South Yorkshire Police - Youth	2,400	2,400
RBST - Youth	200	-
	2,600	2,400
Total grant and contract funds receivable	£257,360	£301,948

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

	Unrestricted funds	Restricted funds	Total funds 2019	Total funds 2018
	£	£	£	£
2	Salaries and travel			
	Salaries and national insurance	310,347	188,970	499,317
	Pension contributions	8,359	204	8,563
	Transport and travel	5,689	4,927	10,616
		<u>£324,395</u>	<u>£194,101</u>	<u>£518,496</u>
				<u>£598,697</u>
3	Premises and equipment			
	Maintenance, security and cleaning	29,135	8,104	37,239
	Rent, rates and insurance	26,247	2,251	28,498
	Light, heat and power	20,877	46	20,923
	Depreciation and loss on sale of assets	6,598	23,867	30,465
		<u>£82,857</u>	<u>£34,268</u>	<u>£117,125</u>
				<u>£166,539</u>
4	Support costs			
	Livestock purchases and upkeep	1,632	17,304	18,936
	Staff and volunteers training	2,568	-	2,568
	Beneficiaries, volunteers and childcare	3,750	9	3,759
	Subscriptions	2,125	785	2,910
	Advertising and publicity	938	-	938
	Telephone and fax	4,685	-	4,685
	Stationery, postage, software and office equipment	3,942	59	4,001
	Legal and professional fees	5,768	2,475	8,243
	Bad debts	2,473	-	2,473
	Bank charges and interest	5,720	-	5,720
	Key Fund loan interest	(325)	-	(325)
	Sundry expenses	1,407	11	1,418
	Irrecoverable value added tax	7,562	-	7,562
		<u>£42,245</u>	<u>£20,643</u>	<u>£62,888</u>
				<u>£68,976</u>
5	Governance costs			
	Audit and accountancy	£4,950	£-	£4,950
		<u>£4,950</u>	<u>£-</u>	<u>£4,950</u>

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

- 6 Transfers between funds
 These relate to the reallocation of overhead costs to restricted funds.

	2019	2018
	£	£

7 Net movement in funds		
This is stated after charging:		
Depreciation and loss on disposal of fixed assets	30,465	66,354
Auditor's remuneration - audit	1,850	1,850
- accounts	3,100	3,100
Salaries	543,032	619,950
Employer's national insurance	30,756	34,067
Pension contributions	8,790	10,854
Redundancy costs	15,179	4,145
	30,465	66,354

	2019	2018
--	------	------

- 8 Staff and trustee details
 No employee had emoluments in excess of £60,000 in either year.
 No remuneration was paid nor expenses reimbursed to trustees during either year.
 The average number of employees by function was

Charitable activities	36	43
Management and administration	4	4
	40	47

The key management personnel of the charity comprise the trustees, the Chief Executive and the Finance Manager.

The total employee benefits of the key management personnel were £62,723 (2018: £64,341).

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

9	Tangible assets	Permanent buildings	Equipment, fixtures and fittings	Motor vehicles	Total
		£	£	£	£
	Cost				
	As at 1st January 2019	1,027,574	177,221	12,094	1,216,889
	Disposal	-	-	(7,000)	(7,000)
	As at 31st December 2019	<u>1,027,574</u>	<u>177,221</u>	<u>5,094</u>	<u>1,209,889</u>
	Depreciation				
	As at 1st January 2019	495,386	152,265	7,897	655,548
	Provided during the year	23,798	3,753	311	27,862
	Eliminated on disposal	-	-	(4,047)	(4,047)
	As at 31st December 2019	<u>519,184</u>	<u>156,018</u>	<u>4,161</u>	<u>679,363</u>
	Net book value				
	As at 31st December 2019	<u>£508,390</u>	<u>£21,203</u>	<u>£933</u>	<u>£530,526</u>

All assets are used in direct furtherance of the charity's objects. The property at Alexandra Road and other assets of the charity are subject to charges given as security for the bank overdraft. The overdraft at the year end represents 28% of the net book value of the property.

- 10 Investment
The charity has paid £100 to purchase 100 £1 shares in Seed Co-operative. This is a community owned business and the shares carry no right to dividend but could earn interest in the future.

	2019	2018
	£	£
11 Debtors		
Trade debtors	53,342	11,739
Grants in arrears	7,665	25,641
Other income in arrears	20,190	17,699
Other debtors and prepayments	12,687	2,136
	<u>£93,884</u>	<u>£57,215</u>

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

	2019	2018
	£	£
12 Creditors - amounts falling due within one year		
Bank overdraft - secured	46,990	58,126
Key Fund loan - secured	-	325
Trade creditors	56,154	25,074
Taxation and social security	11,450	14,582
Accruals	28,716	20,525
Other creditors	5,625	5,625
Loan	27,500	28,000
Deferred income	24,600	45,200
	<u>£201,035</u>	<u>£197,457</u>
Deferred income		
Balance at 1st January 2019	45,200	71,717
Amount released to income from charitable activities	(45,200)	(71,717)
Amount deferred in the year	24,600	45,200
	<u>£24,600</u>	<u>£45,200</u>
Deferred income refers to amounts received in advance for services provided after the year end.		
13 Operating lease commitments		
The charity had operating leases at the year end with total future minimum lease payments as follows:		
Land and buildings		
The charity signed a new lease with effect from September 2020 at the same payments of £750 per annum for a term of 30 years.		
Office equipment and motor vehicle		
Amount falling due:		
Within 1 year	5,361	873
Within 2 to 5 years	10,906	2,181
	<u>10,906</u>	<u>2,181</u>

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

14 Statement of funds

	Balance at 1st Jan 2019	Movement in resources		Transfers	Balance at 31st Dec 2019
	£	Incoming £	Outgoing £	£	£
Unrestricted funds:					
General funds	(178,690)	670,927	(656,837)	35,513	(129,087)
Designated funds	116,966	-	(6,598)	2,603	112,971
	<u>(61,724)</u>	<u>670,927</u>	<u>(663,435)</u>	<u>38,116</u>	<u>(16,116)</u>
Restricted funds:					
Capital projects	444,475	-	(23,867)	(2,953)	417,655
Young People	-	2,600	(2,600)	-	-
Community, Health and Food	45,941	254,760	(231,034)	(35,163)	34,504
	<u>490,416</u>	<u>257,360</u>	<u>(257,501)</u>	<u>(38,116)</u>	<u>452,159</u>
Total funds	<u>£428,692</u>	<u>£928,287</u>	<u>£(920,936)</u>	<u>£-</u>	<u>£436,043</u>

Prior year comparison

	Balance at 1st Jan 2018	Movement in resources		Transfers	Balance at 31st Dec 2018
	£	Incoming £	Outgoing £	£	£
Unrestricted funds:					
General funds	(175,660)	648,674	(682,195)	30,491	(178,690)
Designated funds	129,008	-	(12,042)	-	116,966
	<u>(46,652)</u>	<u>648,674</u>	<u>(694,237)</u>	<u>30,491</u>	<u>(61,724)</u>
Restricted funds:					
Capital projects	498,787	-	(54,312)	-	444,475
Young People	7,800	2,400	(10,200)	-	-
Community, Health and Food	64,617	299,548	(287,733)	(30,491)	45,941
	<u>571,204</u>	<u>301,948</u>	<u>(352,245)</u>	<u>(30,491)</u>	<u>490,416</u>
Total funds	<u>£524,552</u>	<u>£950,622</u>	<u>£(1,046,482)</u>	<u>£-</u>	<u>£428,692</u>

HEELEY CITY FARM LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER 2019
NOTES TO THE FINANCIAL STATEMENTS

Capital projects relate to four building developments being:

- The rebuilding of the Training and Resource Centre;
- The purchase and refurbishment of the South Yorkshire Energy Centre;
- The construction of the Small Animals House;
- The toilet block improvements.

In addition, farm and computer equipment funded from grants are included in the fund.

The fund balances reduce by depreciation on the grant funded proportion of the fixed assets.

Other restricted funds arise from Government and other grants provided for specific projects to fund salaries and other direct charitable costs. These relate to the areas of youth work, promoting the growing and eating of healthy organic food, the improvement of the Farm for visitors, environmental education, dementia concerns and the provision of staff to tend and care for the animals.

The designated fund has been set up to identify unrestricted funds that are not free funds and represents the net book value of expenditure on capital assets from the charity's own reserves.

15 Analysis of net assets between funds

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	112,971	417,655	530,626
Net current liabilities	(129,087)	-	34,504	(94,583)
Net (liabilities)/assets	<u>£(129,087)</u>	<u>£112,971</u>	<u>£452,159</u>	<u>£436,043</u>

Prior year comparison

Fund balances at 31st December 2018 were represented by:-

	Unrestricted funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Fixed assets	-	116,966	444,475	561,441
Net current liabilities	(178,690)	-	45,941	(132,749)
Net (liabilities)/assets	<u>£(178,690)</u>	<u>£116,966</u>	<u>£490,416</u>	<u>£428,692</u>

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16 Going concern

The 2018 accounts predicted that the measures taken to reduce salary costs in that year would lead to an £83k saving on the annual salary bill, excluding the £15k expected to be incurred on redundancies. Note 7 above shows that the actual saving in 2019 over 2018 was £82k with redundancies at the anticipated £15k. This is the main reason that the £96k net expenditure figure in 2018 was turned into net income of £7k in 2019. One other change that assisted the reversal was the signing of the new 30 year lease with Sheffield City Council, resulting in a reduction of £30k in the depreciation provision on land and buildings. The improvement in the results shown by the Statement of Financial Activities is encouraging, in particular the £50k positive movement in general funds. There remains a material uncertainty related to going concern evidenced by the £95k net current liability position shown on the balance sheet. Cash flow forecasts produced to the end of the 2020 accounting year are encouraging with a substantial increase in funds held at the bank and numerous Covid related grants having been received from national and local government as well as other benefactors. The projection for the annual salaries cost indicates that the 2020 figure will be less than 1% higher than 2019, although the actual increase to the end of July was around 7.5%.

17 Related party transactions

There are no related party transactions during the year (2018 : £Nil).

18 Prior year comparatives

A detailed breakdown of the 2018 statement of financial activities between unrestricted and restricted funds is as follows:

	Unrestricted funds	Restricted funds	Total funds 2018
	£	£	£
Income from:			
Donations and legacies	26,988	-	26,988
Charitable activities	606,664	301,948	908,612
Other trading activities	15,022	-	15,022
	<u>648,674</u>	<u>301,948</u>	<u>950,622</u>
Expenditure on:			
Charitable activities	686,341	352,245	1,038,586
Raising funds	7,896	-	7,896
Total expenditure	<u>694,237</u>	<u>352,245</u>	<u>1,046,482</u>
Net expenditure for the year	(45,563)	(50,297)	(95,860)
Transfers between funds	30,491	(30,491)	-
Net movement in funds	<u>£(15,072)</u>	<u>£(80,788)</u>	<u>£(95,860)</u>