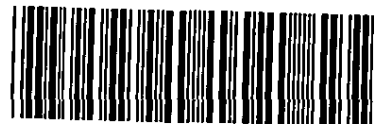


COMPANY NUMBER 07240359
CHARITY REGISTRATION NUMBER 1136077

**THE PRINCE'S COUNTRYSIDE FUND
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

TUESDAY



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COMPANIES HOUSE



THE PRINCE'S
COUNTRYSIDE
FUND

THE PRINCE'S COUNTRYSIDE FUND

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2012

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THE PRINCE'S COUNTRYSIDE FUND

**TRUSTEES AND ADVISORS
YEAR ENDED 30 JUNE 2012**

TRUSTEES

Mark Price, Chair of Trustees
Mark Allen
Sara Bennison
Edwin Booth
Elizabeth Buchanan CVO
Lord Curry of Kirkharle
Stephen Dunmore
Susan Huggins
Elizabeth Kershaw
Paul Murphy
Brian Stein

SECRETARY

Lesley Wolfenden

COMPANY NUMBER

07240359

CHARITY REGISTRATION

1136077

REGISTERED OFFICE

137 Shepherdess Walk
London N1 7RQ

AUDITOR

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London
EC4Y 8EH

BANKER

Barclays Bank Plc
1 Churchill Place
London E14 5HP

SOLICITOR

Bates Wells & Braithwaite
2 – 6 Cannon Street
London EC4M 6YH

TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2012

The trustees present their annual report and the company's financial statements for the year ended 30 June 2012

PRINCIPAL ACTIVITY

The Prince's Countryside Fund was established as a response to concerns expressed by HRH The Prince of Wales and by Business in the Community's Rural Action Leadership Team regarding the future of farming and rural communities in the United Kingdom. Given these origins, The Prince's Countryside Fund operates in accordance with the vision of HRH The Prince of Wales which is to help improve the sustainability of British farming and the rural communities that support, and are supported by, farming in the UK.

The three goals of the charity are -

- To improve the sustainability of British farming and rural communities, targeting the areas of greatest need
- To reconnect consumers with countryside issues
- To support farming and rural crisis charities through a dedicated emergency funding stream

The trustees are satisfied that, having consideration of the Charity Commission's general guidance on public benefit, the charity is in compliance with such guidance.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Prince's Countryside Fund (PCF) was incorporated as a company limited by guarantee on 30 April 2010 (registered number 07240359) and received charitable status on 24 May 2010. It commenced trading on 1 July 2010, with an official launch of the Fund being held at St James's Palace on 22 July 2010. Business in the Community is the sole member of the charity and has power to appoint or remove trustees, who are responsible for the management and direction of PCF.

The Board met on four occasions in the year to consider inter alia

- Overarching strategic objectives
- Grant criteria and strategy
- Awarding of individual grants
- Delegation of authority to staff members of BITC working on behalf of PCF
- Review of the activities of Countryside Fund Trading and the appointments of its Directors

All trustees gave of their time freely and no trustee remuneration or expenses was paid in the year. Details of related party transactions are disclosed in note 9 of the accounts. Trustees are required to disclose all relevant interests and to register them with the Company Secretary and, in accordance with PCF's policy, withdraw from decisions where a conflict of interest arises.

One third of the Trustees retires by rotation each calendar year but may stand for re-appointment on each occasion.

TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2012

The trustees who served during the year and to the date of signing this report are shown on page 1 of this report

HOW THE ACTIVITIES OF THE FUND DELIVERED BENEFIT

Since its launch in July 2010 The Fund has helped more than 20,000 people and has given away over £1.7m in grants to 50 projects across the UK. These range from supporting a rural transport group in Shropshire to providing grants to help young farmers into employment in Lincolnshire. All of the projects are designed to support a thriving rural community or reconnect consumers back to the countryside.

Susie Carter, Programme Manager for Hampshire Fare, which has benefited from funding to support and train farmers to add value to their pork products by offering charcuterie training said "Although I have worked for Hampshire Fare for 6 years my direct employer has always been Hampshire County Council. In March of this year I was given notice of redundancy as part of a move by the council to withdraw funding from a number of not-for-profit beneficiaries. This is unfortunately not an isolated case and there are many other social enterprises that are suffering as a result of reduced government funding, particularly for rural initiatives. That is one of the reasons why The Prince's Countryside Fund is so crucial, providing much needed funding so that organisations like Hampshire Fare can continue to help our farmers. Please accept my sincere thanks for your support on behalf of Hampshire Fare and all the farmers involved in the project."

In addition to these specific projects, the Fund supports the Farming Help Charities through a dedicated emergency funding stream. Nearly £150,000 is allocated to be distributed to farming communities immediately if a crisis such as Foot and Mouth or flooding were to hit. So far £80,000 has been given to the charities to provide on the ground support to struggling farmers. This has all been made possible as a result of the support of our 21 supporting companies, who make a contribution to the Fund and help promote it and its charitable objectives to their customers.

FINANCIAL RESULTS FOR THE YEAR

Incoming resources for the year was £988,849 (2011 £1,049,219) with £792,016 (2011 £841,166) coming via Gift Aid and a £10,000 license fee paid by the charity's trading subsidiary Countryside Fund Trading Ltd. The income in the trading arm comes from commercial participants who support the charity's brand on a wide range of products and materials. In addition the charity received £186,792 (2011 £198,052) directly in donations from companies and individuals.

The charity awarded grants of £888,196 (2011 £823,247) to over 25 organisations, including those specifically concerned with immediate and imminent crises in farming as well as longer term projects supporting skills development and rural initiatives. Details are given in note 3 to the accounts.

The net incoming resources for the year came to £11,413 (2011 £112,482). The company holds unrestricted funds of £123,895.

RISK MANAGEMENT

The trustees have considered the major risks to which the charity is exposed at this time and have reviewed them and the systems and procedures in place to manage them. The trustees consider that

TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2012

at present the charity is not running any significant financial risks, its operational risks relate to its grant making activities and to its ability to maximise the impact that its grants have on areas of need and deprivation. It is continually considering ways in which this could be improved.

GRANT MAKING POLICY

The trustees have established a grant making policy to achieve the charity's objective for public benefit to support projects in England, Wales, Scotland and Northern Ireland that clearly contribute towards one or more of the goals of the charity. The charity invites applications for grants from organisations to support capital, project and resource funding that contribute to the sustainability of British farming, rural communities and the countryside particularly in areas of greatest need.

In addition grants are allocated by the Trustees from their "emergency" funding to meet immediate and urgent needs arising from events which can have a devastating effect on rural communities.

Full details of the application process including dates and criteria are available from the charity's website <http://www.princescountrysidefund.org.uk/>

RESERVES POLICY

The trustees aim to maintain free reserves in unrestricted funds at a level which equates to approximately three months of unrestricted charitable expenditure. The trustees consider that this level will provide sufficient funds to respond to applications for grants, to administer final payments of existing grants and to cover essential support and governance costs.

The balance held as unrestricted funds at 30 June 2012 was £123,895 and all may be regarded as free reserves. Three months of actual spend is £22,310. The current level of reserves is therefore higher than is needed and will be reduced in future years as additional grants are made.

FUTURE PLANS

PCF intends to increase levels of support given by way of grants to appropriate initiatives in line with the charity's objectives. Budget for 2012/13 indicates an intention to give at least £1.3 million in grants and in addition to support an increase in the understanding of rural issues in the wider population.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of PCF for the purposes of company law) are responsible for preparing the Report of Directors and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,

TRUSTEES REPORT FOR THE YEAR ENDED 30 JUNE 2012

- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping adequate accounting records are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act and the provisions of the charity's constitution. 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.

So far as each trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware. The directors have each taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITOR

Crowe Clark Whitehill LLP have expressed their willingness to continue as auditor of the company and a resolution proposing their re-appointment will be submitted to the forthcoming Annual General Meeting.

This report is prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to companies subject to the small companies regime.

Approved by the trustees on 6 November 2012 and signed on their behalf by



MARK PRICE

Chair of the Trustees

6 November 2012



THE PRINCE'S COUNTRYSIDE FUND

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRINCE'S COUNTRYSIDE FUND

We have audited the financial statements of The Prince's Countryside Fund for the year ended 30 June 2012 which comprise the Statement of Financial Activities, (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 10

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's members, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of the company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under the section 144 (145 if the Charity is below the audit threshold and hence the audit is voluntary) of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2012 and of its incoming resources and the 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit


Andrew Pianca

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date 6 November 2012

THE PRINCE'S COUNTRYSIDE FUND

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) FOR THE YEAR ENDING 30 JUNE 2012

	Notes	2012 £	2011 £
Incoming resources			
Voluntary Income	1	988,849	1,049,219
Resources expended			
Charitable Activities			
Grant making costs	3	974,916	934,337
Governance costs	4	2,520	2,400
Total resources expended		<u>977,436</u>	<u>936,737</u>
Net income		11,413	112,482
Balances brought forward July 2011		112,482	-
Balance carried forward June 2012		<u>123,895</u>	<u>112,482</u>

All of the charitable company's operations are represented by continuing activities

The charitable company has no recognised gains or losses other than those shown above

The notes on pages 9 to 12 form part of these financial statements

THE PRINCE'S COUNTRYSIDE FUND

BALANCE SHEET AS AT 30 JUNE 2012

	Notes	£	2012 £	2011 £
CURRENT ASSETS				
Debtors	5	802,016	380,179	
Cash at bank and in hand		206,426	356,796	
Prepayments		<u>9,363</u>		
		1,017,805	736,975	
CREDITORS amounts falling due within one year	6	<u>643,834</u>	<u>477,393</u>	
NET CURRENT ASSETS			373,971	259,582
CREDITORS amounts falling outside of one year	7		<u>250,076</u>	<u>147,100</u>
NET ASSETS			<u>123,895</u>	<u>112,482</u>
Represented by;				
Unrestricted funds			<u>123,895</u>	<u>112,482</u>

Approved by the trustees on 06 November 2012 and signed on their behalf by



MARK PRICE

Chair of the Trustees

The notes on pages 9 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012**

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with current statutory requirements (Charities Act 2011 and Companies Act 2006), the requirements of the company's Memorandum and Articles of Association and the requirements of Statement of Recommended Practice "Accounting and Reporting by Charities" (March 2005) and comply with all applicable accounting standards. Consolidated accounts have been prepared on a line by line basis for the charity and its wholly owned subsidiaries.

As highlighted in the report of the directors, having assessed the charity's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

b) Incoming resources

All incoming resources are recognised once the charity has entitlement to the resources, it is certain that the resources will be received and the monetary value can be measured with sufficient reliability.

c) Resources expended

Liabilities are recognised as resources are expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. All expenditure is accounted for on an accruals basis.

d) Grant making costs

Grants payable are payments made to third parties in furtherance of the charitable objects of the charity. Single or multi-year grants are accounted for when the trustees have agreed to pay the grant without condition and have notified the recipient, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside the control of the charity.

Grants approved but not yet paid are shown as creditors in the accounts.

e) Management and administrative costs

The Prince's Countryside Fund does not employ any staff, management services are provided by Business in the Community, the ultimate parent company, under agreed service levels and charging rates.

f) Funds

All of the charity's funds are classified as unrestricted and can be spent as directed by the Trustees within the general objectives of the charity.

2. TRUSTEES

The trustees did not receive any remuneration or claimed any expenses in the both the current and prior year.

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012**

3. ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making and awarded grants to a number of enterprises in furtherance of its charitable activities

Charitable Expenditure	2012 £	2011 £
Grants Made	888,196	823,247
Support Costs	86,720	111,090
Total	974,916	934,337

Grants Awarded in the YEAR

	£
Askham Bryan College	50,000
Duchy College	50,000
Farmer Network - Exceptional funding	50,000
Sherston Old School Community	50,000
White Horse Development Trust	50,000
Tir Coed	49,807
Running Deer CIC	49,112
The Rural Housing Project	48,000
Foundation for Common Land	44,290
Fresh Start	44,000
The Farming Life Centre	43,665
Growing Rural Enterprise Ltd	40,000
Pembrokeshire Beekeepers	37,624
Farm Crisis Network	37,327
Plunkett Foundation	29,706
Farmer Network	27,888
Myerscough College	26,920
Upper Eden CIC	26,500
Food Northern Ireland	25,000
Prism City Farm	24,379
Dry Stone Walling Association	23,000
Bell View	18,000
Mull Slaughter House	16,700
Grants £15,000 or less	26,278
Total	888,196

Support costs comprise the expenditure incurred in the management of the charity including staffing costs and related costs charged by Business in the Community, the immediate and ultimate parent undertaking



**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2012**

	2012 £	2011
4. The results are stated after charging		
Auditor's remuneration	2,520	2,400

5. DEBTORS:	£	£
Due from subsidiary undertaking	802,016	380,179

The Prince's Countryside Fund has a wholly owned subsidiary, Countryside Fund Trading Limited, a company registered in England and Wales which commenced trading on 1 July 2010. Its cost to the company of £1 is included in debtors. At the balance sheet date the company had a profit for the year of £nil and capital and reserves of £1.

6. CREDITORS: amounts falling due within one year	£	£
Amounts due to grant recipients	596,493	345,893
Amounts due to ultimate parent undertaking	22,304	129,100
Other creditors	25,037	2,400
	<u>643,834</u>	<u>477,393</u>

7. CREDITORS: amounts falling due outside of one year

In 2 to 5 years

	£	£
Amounts due to grant recipients	<u>250,076</u>	<u>147,100</u>

8. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Business in the Community, a charitable company registered with both the Charity Commission in England and Wales and Companies House. Copies of the consolidated financial statements for the group can be obtained by writing to the Company Secretary at 137 Shepherdess Walk, London, N1 7RQ.



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2012

9. RELATED PARTY TRANSACTIONS

The following Trustees are directors of companies which currently have commercial participation agreements with Countryside Fund Trading Limited

Trustee Connection	Company	Amount
Mark Allen	DAIRY CREST LTD	100,000
Sara Bennsion	BARCLAYS	50,000
Edwin Booth	E H BOOTH AND CO LTD	25,000
Brian Stein	GINSTERS/ Samworth Brothers	50,000
Mark Price	WAITROSE LIMITED	228,000
Paul Murphy	W JORDAN CEREALS LTD	40,000

10. The Company has taken advantage of the exemption from FRS8 to disclose transactions with fellow group undertakings on the grounds that it and its fellow subsidiaries are 100% owned by the ultimate parent company which is preparing group accounts