



The Arthur Rank Centre

**TRUSTEES' ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Registered Office:

**Stoneleigh Park
Warwickshire
CV8 2LZ**

**www.arthurrankcentre.org.uk
e-mail: info@arthurrankcentre.org.uk**

**Registered Company No: 4917066
Registered Charity No: 1104300**

THE ARTHUR RANK CENTRE

Trustees' Report for the Year Ended 31 December 2007

The Trustees present their report and audited financial statements for year ended 31 December 2007 which have been prepared in accordance with the Statement of Recommended Practice for Charities, revised in October 2005, the Charities Act 1993, the Companies Act and applicable Accounting Standards in the United Kingdom.

Current Role and Objectives

The Arthur Rank Centre (the Company/ARC) was incorporated in 2003 as a company limited by guarantee and registered with the Charity Commission (charity number 1104300). The Company is a wholly owned subsidiary of the Royal Agricultural Society of England (RASE). Its governing document is its Memorandum and Articles of Association.

The objects for which the Company is constituted are to advance religion by promoting religious activities and values among rural communities in such ways as the directors may from time to time determine.

ARC aims to provide support to the rural community with respect to community and social issues. This is achieved through three key areas of activity:

- Provision of Chaplaincy service to the RASE and the agricultural industry
- Provision of specialist training and resourcing programmes
- Initiation, facilitation and promotion of rural community development

Review of Activities and Future Developments

The work programme for the ARC is contained within its rolling three year strategy which defines the objectives and sets the targets. The following activities are drawn from the objectives and describe the targets that were achieved.

Provision of Chaplaincy service to RASE and the agricultural industry

During 2007, ARC organised services for the Royal Show, including a daily ecumenical communion service for exhibitors and the main show service in the grand ring, as well as organising services for other industry events including the Oxford Farming Conference. ARC also provided pastoral support to members of RASE staff and others working on the showground. The goal for 2008 is to continue to provide chaplaincy at this level.

Provision of specialist training and resourcing programmes

During 2007, two Induction Courses for those entering Rural Ministry were organised and 2 Multi-Parish Benefice Workshops were held. All were well subscribed and received high ratings on the participants' evaluation forms. The courses for 2008 are already publicised and well-booked. In addition, a national rural churches conference is planned for March 2008 in partnership with the Churches' Rural Group. The 2008 targets are to increase attendance at the courses and improve the already good ratings from attendees.

In 2002, ARC was instrumental in setting up the Centre for Studies in Rural Ministry (CSRM) which is run as a partnership with the University of Wales and St. Deionols Library. ARC provides and funds the tutor for the partnership and, during 2007, the students researched a wide range of issues related to rural ministry. The additional promotion of CSRM successfully achieved a further increase in student numbers.

The Life and Faith in Rural Communities project was set up to provide on-line training material for those engaged in rural ministry and to establish a specialist on-line book shop focusing on the rural church and rural issues. During 2007 the book shop has continued to develop its wide range of titles and the training material has been accessed and used by a growing number of individuals, churches and training programmes. In 2008 the plan is to further increase book shop sales, and to develop further modules for the on-line training.

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The website which was redesigned during 2006 by the RASE IT team was so well-used that plans are in hand for further developments in 2008 to make it more user friendly and to improve access to the wide range of material that it now contains.

Initiation, facilitation and promotion of rural community development

During 2007, the community tourism project, Hidden Britain, continued to provide support to the already established network of projects around the country. That network has continued to grow and with the strengthening of the links with Visit Britain and the continued upgrading of the website there is a continued growth in interest in Hidden Britain from visitors as well as communities that are considering becoming Hidden Britain Centres. The first national Hidden Britain Conference which was held in 2007 proved to be a great success and has been another stimulant to the growth in interest and in the network.

The Computers for Rural People Scheme (promoting and brokering the sale of ex-government PCs and laptops into rural communities) continued to help individuals, churches, businesses and community groups to access affordable IT equipment. The staffing of the project which has been a concern during 2007 has been resolved with the project now being taken on by a volunteer who runs it from the ARC offices on a day-a-week basis. This new arrangement will enable the ARC to launch a new promotional campaign early in 2008.

The RuSource project has continued to be widely appreciated by those who during 2007 received the weekly briefing papers on rural and agricultural matters. The number of recipients continued to grow and although there are continued concerns regarding the funding of the project it has been able to continue through some donations from businesses, the generosity of recipients, and the readiness of the author to do a large part of the work on a voluntary basis. Efforts will continue during 2008 to strengthen the funding base for the project whilst continuing to maintain the service.

During 2007 the ARC took on the ownership of the helpline that was previously part of the now disbanded Rural Stress Information Network. The service continues to be in demand and will be formally relaunched in early 2008 with sponsorship from Countrywide Stores. Rebranded as the Rural Stress Helpline it continues to be "the listening service for rural people".

The ARC has continued its involvement throughout 2007 in the National Care Farming Initiative (NCFI) and the ARC director continues to be the chairman of the national steering group. 2007 saw the appointment of a national policy officer for NCFI and growing interest in the concept of care farming from the media, farming and also from a wide range of professionals in the health care, social services and offender support sectors. The number of care farmers involved in the network has continued to grow along with the enquiries from those interested in either establishing care farms or accessing care farming facilities and services. The second national conference was held during 2007 and proved to be a great success, attracting an even larger number of attendees and stimulating a great deal of interest in care farming. A reception was held in the House of Lords, hosted by Baroness Byford to promote care farming to politicians, etc and both Baroness Byford and Lord Rooker expressed the commitment of their separate parties to the development of care farming in the UK. The NCFI research project in to care farming carried out by the University of Essex was completed in January 2008 along with the publishing of the report by West Mercia Constabulary regarding their pilot care farming project in Herefordshire. A major task in 2008 will be the assessment of the research data and recommendations.

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At the Royal Show in 2007 the three farming charities, Farm Crisis Network (FCN), the ARC Addington Fund and the Royal Agricultural Benevolent Institution (RABI) formally announced their intention to work together under the banner of the Farming Help Partnership. The summer's floods and the subsequent outbreaks of Foot and Mouth Disease, Blue Tongue Virus and Avian Influenza not only brought chaos to UK farming but emphasised the wisdom of this action and the strength of the partnership. The ARC has supported the three charities by administering and distributing the £1 million funding made available by Defra for the work of Farming Help. Half of this money was distributed in 2007, with the remainder in 2008. Similarly, the Prince of Wales Initiative which raised in excess of £600,000 to support farmers hit by the problems of 2007 was also administered through the ARC and distributed to the Farming Help Partnership and in Scotland to RSABI.

Review of Financial Performance

The ARC 2007 annual budget was set at a deficit of £28k. However, largely due to the work carried out by the Arthur Rank Centre with regards the Farm Crisis Initiative, this improved the deficit to £17k.

Income Generation

The income for the year was £819k (2006 £366k).

Expenditure

The expenditure for the year was £836k (2006 £391k).

Fund Raising

In 2007 the Rank Foundation awarded three year funding to the ARC to support the appointment of a fundraiser. Following a number of unsuccessful efforts to make an appointment, the decision was made to offer the post to a member of staff with related skills and currently working part-time on one of the projects. Training is being made available and the person concerned commences her new part-time role in Spring 2008. Funding priorities have been identified and targets set for the 2008/9.

Fixed Assets

The changes in fixed assets are set out in note 7 to the accounts.

Reserves

The policy is to build up a reserve which represents six months of core expenditure equating to £175k in general funds. At this level, it is felt that ARC would be able to continue its current activities in the event of a significant drop in income, although it would be necessary to consider how the income would be replaced or activities changed. At present the free reserves are £246k. It is anticipated that the ARC will break-even during 2008.

This policy is reviewed on an annual basis.

Governance of ARC

The Articles set out the composition and tenure of the Board of Trustees which consists of two trustees nominated by RASE, one nominated by the Churches and one by the Rank Foundation.

The day to day operations and control of ARC activities are delegated to the Executive Director. The Trustees and senior staff of ARC are listed on page 5. There is a policy to ensure that all trustees attend at least one relevant training course each year.

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Committees

As a subsidiary of the RASE, the Trustees utilise the Group's Audit and Remuneration committees. Other committees will be constituted as and when required.

Risk Management

Risk management reviews are conducted by the executive management team twice yearly. The reviews identify and assess the major strategic business and operational risks to which the charity is exposed. The outcomes are presented to the Trustees for their consideration, the issues discussed and actions prioritised. Systems are established to mitigate the identified risks and procedures are implemented to mitigate the impact should any of the risks materialise.

The main risk facing the Company is a reduction in funding. ARC team is constantly looking for new partners and new funding streams to mitigate any reductions in existing funding provisions.

Third party indemnity provision for trustees

Qualifying third party indemnity provision is in place for the benefit of all trustees of the charitable company.

Auditors

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

Statement as to disclosure of information to auditors

The trustees who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Trustees' responsibilities

The trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the surplus or deficit of the charitable company for that period. In preparing those financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' Report for the Year Ended 31 December 2007

Organisation and Management

ARC Trustees

John Stanley

Chairman

Colonel E York

(resigned 6 December 2007)

Kathleen Paxton

David Sanderson

Rev'd Harry Doyle

(appointed 6 December 2007)

ARC Executive

Rev'd Dr Gordon Gatward, OBE, FRAgS, FIAgrM

Executive Director

Richard A G Wood

Company Secretary

The National office is located at

Arthur Rank Centre, Stoneleigh Park, Warwickshire CV8 2LZ

Registered Office

RASE, Stoneleigh Park, Warwickshire CV8 2LZ

Auditors

Baker Tilly UK Audit LLP, St Philips Point, Temple Row, Birmingham, B2 5AF

Bankers

Coutts & Co, 440 Strand, London WC2R 0QS

Solicitors

Trethowans, The Director General's Office, 15 Rockstone Place, Southampton SO15 2EP

Ashurst, Broadwalk House, 5 Appold Street, London EC2A 2HA

By order of the Board

John Stanley
Chairman of the Board of Trustees

Date

THE ARTHUR RANK CENTRE

Independent Auditors' Report to the Members of the Arthur Rank Centre

We have audited the financial statements of The Arthur Rank Centre which comprise the Statement of Financial Activities, the Balance Sheet, and related notes.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of The Arthur Rank Centre for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

Opinion

In our opinion

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

Baker Tilly UK Audit LLP
Registered Auditor
Chartered Accountants

St Philips Point
Temple Row
Birmingham B2 5AF

24 April 2008

THE ARTHUR RANK CENTRE

Trustees' Report for the Year Ended 31 December 2007

Statement of Financial Activities (and Income and Expenditure Account) For the Year Ended 31 December 2007

	Notes	Unrestricted Funds 2007 £000s	Unrestricted Funds 2006 £000s
Incoming resources			
Incoming resources from generated funds			
Voluntary income		173	178
Activities for generating funds		17	16
Investment income		8	8
Incoming resources from charitable activities			
Specialist training and resourcing programmes		26	51
Rural community development		18	37
Chaplaincy services and other		77	76
Farm crisis initiative		500	-
Total incoming resources	2	819	366
Resources expended			
Costs of generating funds			
Fundraising		(25)	(21)
Costs of generating voluntary income		(11)	(8)
Costs of charitable activities			
Specialist training and resourcing programmes		(104)	(106)
Rural community development		(24)	(98)
Chaplaincy services and other		(170)	(142)
Farm crisis initiative		(488)	-
Governance costs		(14)	(16)
Total resources expended	3	(836)	(391)
Net outgoing resources relating to continuing activities – Net expenditure		(17)	(25)
Fund balances brought forward		263	288
Fund balances carried forward		246	263

The Statement of Financial Activities includes all gains and losses in the year.

All income/(expenditure) relates to continuing activities.

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Trustees' Report for the Year Ended 31 December 2007

Balance Sheet as at 31 December 2007

	Notes	2007 £000s	2006 £000s
Fixed Assets			
Tangible fixed assets	7	-	1
Current Assets			
Stocks	8	1	2
Debtors	9	710	273
Cash at bank		54	55
		765	330
Creditors			
Amounts falling due within one year	10	(519)	(68)
Net current assets		246	262
Total assets less current liabilities		246	263
Net assets		246	263
Income funds			
Unrestricted funds		246	263

The financial statements on pages 7–13 were approved by the Trustees and authorised for issue on 11th April 2008 and are signed on their behalf by.

J W Stanley

Chairman of the Board of Trustees

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Notes to the Financial Statements for the Year Ended 31 December 2007

1. Accounting Policies

i) Accounting Convention

The financial statements are prepared under the historical cost convention. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice "Accounting and Reporting by Charities" (Revised 2005), the Companies Act and applicable Accounting Standards in the United Kingdom.

The charity has taken advantage of the exemption under FRS1 in not presenting a cash flow as a consolidated cash flow is presented in the Royal Agricultural Society of England's group financial statements.

ii) Incoming Resources

Voluntary income

Donations and grants are taken to the revenue account when the conditions for receipt have been met and there is reasonable assurance of receipt.

iii) Investment income

Investment income is accounted for on accruals basis.

iv) Subscriptions

Subscriptions are taken to income in the year to which they relate.

v) Incoming resources from charitable activities

Income for Training and Resourcing is accounted for in the year in which the relevant training or supply of resources takes place.

Income for Rural Community Development is accounted for when conditions for receipt have been met and there is a reasonable assurance of receipt. Some of this income is in the form of grants.

Income for Chaplaincy Services is taken to income in the year to which it relates.

vi) Resources expended

Expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All direct costs have been attributed to the relevant functional category of resources expended in the Statement of Financial Activities.

Governance costs are based upon the time spent on such activities by the Executive Director and his staff, plus any external costs directly attributable to the cost of governance.

vii) Tangible fixed assets and depreciation

Expenditure on individual tangible assets in excess of £1,000 is capitalised and depreciated over the expected service life of the asset. The cost of fixed assets comprises the purchase cost together with incidental costs of acquisition.

Depreciation is provided in equal instalments on all tangible fixed assets at rates estimated to write down the cost of each asset to its residual value over its anticipated life. Impairment reviews are undertaken when there is some indication that the recoverable amount of a functional fixed asset is below its net book value.

The rates of depreciation used are:

Plant and equipment	10% - 33%
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Notes to the Financial Statements for the Year Ended 31 December 2007

viii) Stock

Stock is accounted for on a cost basis. It is reviewed on an annual basis for obsolete and slow moving items and provisions made where it is determined that the stock should be written down below cost.

ix) Pensions

All staff are employed by the Royal Agricultural Society of England and are seconded across to ARC. The RASE operates a defined benefit pension scheme and contributions to the scheme from ARC are charged to revenue account when made. Any actuarial surpluses or deficits are dealt with in the accounts of RASE as it is not possible to separately identify these for the subsidiary entities. The scheme currently has a total net deficit of £0.2m (2006: £1.1m), full details of which can be found in the Royal Agricultural Society of England Financial Statements.

2. Analysis of incoming resources

	Total 2007 £000s	Total 2006 £000s
Incoming resources from generated funds		
Voluntary income		
Donations	173	178
Activities for generating funds		
Rental income	4	3
Sales of publications	5	7
Other	8	6
Investment income	8	8
	198	202
Incoming resources from charitable activities		
Specialist training and resourcing programmes		
Conferences/courses	6	22
Life & Faith in rural communities/training	-	14
Country Way	20	15
Rural community development		
Hidden Britain Centre	8	25
Eco congregation	10	12
Chaplaincy service and other	77	76
Farm crisis initiative	500	-
	621	164
Total incoming resources	819	366

The donations as indicated above are from the Royal Agricultural Society of England, The Rank Foundation and other smaller donations.

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Notes to the Financial Statements for the Year Ended 31 December 2007

3. Analysis of resources expended

	Total 2007 £000s	Total 2006 £000s
Costs of generating funds		
Fundraising	25	21
Costs of generating voluntary income	11	8
	36	29
Costs of charitable activities		
Specialist training and resourcing programmes		
Conferences/courses	12	13
Life & Faith in rural communities/training	48	57
Country Way	44	36
Rural community development		
Hidden Britain Centre	11	60
Eco congregation	13	38
Chaplaincy service and other	170	142
Farm crisis initiative	488	-
	786	346
Governance		
Audit Fee	1	2
Board of Trustees/Committees	1	2
Other professional fees	5	7
Other costs	7	5
	14	16
Total resources expended	836	391

4. Support costs

The following support costs were incurred during the year and have been allocated to the relevant activity cost on the basis of income and expenditure.

	Facilities £000s	Management £000s	Depreciation £000s	Total Support Costs £000s
Fundraising	5	20	-	25
Trading expenses	2	9	-	11
Conferences/courses	1	6	-	7
Life & Faith in rural communities	4	15	-	19
Country Way	5	20	-	25
Hidden Britain Centre	2	6	-	8
Eco Congregation	-	2	-	2
Chaplaincy service and other	20	77	1	98
Governance	1	4	-	5
Total support 2007	40	159	1	200
Total support 2006	36	161	1	198

RASE also provides support in kind to the Company in the form of information technology, accounting, company secretarial and human resources services. It has not been considered cost effective to value this, and is not significant in value.

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Notes to the Financial Statements for the Year Ended 31 December 2007

5. Trustee expenses

Trustees' expenses, being the costs of attending board, council and other meetings were not paid to any trustees (2006; NIL). No trustee received remuneration.

6. Employees' emoluments

Employees' emoluments were as follows:

	Total 2007 £000s	Total 2006 £000s
Wages and salaries	173	159
Social security	15	13
Pension	13	11
	201	183

The average number of employees, including part-time, during the year was 9 (2006: 8). The average number of full time equivalents was 8 (2006: 7).

There were no employees with emoluments above £60,000.

7. Tangible Fixed assets

		Plant and Equipment £000s
Cost	At 31 December 2006	10
	Additions	-
	At 31 December 2007	10
Depreciation	At 31 December 2006	9
	Provided in year	1
	At 31 December 2007	10
Net book value	At 31 December 2007	-
Net book value	At 31 December 2006	1

8. Stocks

	2007 £000s	2006 £000s
Books	1	2

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Notes to the Financial Statements for the Year Ended 31 December 2007

9. Debtors

	2007 £000s	2006 £000s
Trade debtors	13	7
Amounts owed from group undertakings	691	264
Other debtors	6	-
Prepayments	-	2
	710	273

10. Creditors: amounts falling due within one year

	2007 £000s	2006 £000s
Trade creditors	2	31
Amounts owed to group undertakings	194	10
Social Security and other taxes	-	1
Other creditors	25	-
Accruals	1	12
Deferred income	297	14
	519	68

The deferred income is comprised of Farming Crisis Initiative £250k (2006: Nil), Rural Stress Helpline £14k (2006: £10k), Gamekeeper's Welfare £8k (2006: nil) and other £11k (2006: £4k).

Deferred Income

At 1 January 2007	14
Released in 2007	(14)
Income deferred in 2007	297
At 31 December 2007	297

11. Contingent liability

Arthur Rank Centre is a member of the Royal Agricultural Society of England VAT group registration. It has entered into a guarantee for the indebtedness for all group companies with HMRC. At the year end, this potential liability was £171k (2006: £429k).

12. Agency agreements

The Arthur Rank Centre received £670k from various trusts which they distributed to a number of charities in accordance with the trusts' wishes. The monies involved have not been included in the SOFA in line with the requirements of the SORP.

13. Ultimate parent undertaking and related party transactions

The Charity is a company limited by guarantee, the sole member being the Royal Agricultural Society of England, a charity incorporated by Royal Charter and registered in England, based at Stoneleigh Park, Warwickshire, CV8 2LZ. The member has undertaken to contribute a maximum of £1 to the assets of the company to meet its liabilities if called upon to do so. The total amount guaranteed by members at 31 December 2007 is £1 (2006: £1).

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 in not disclosing transactions with its parent undertaking. There are no other reportable related party transactions.