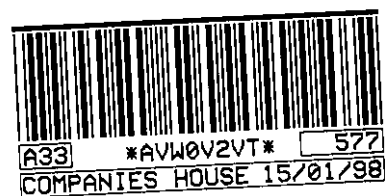


THE SOIL ASSOCIATION LIMITED
(a company limited by guarantee)
AND ITS SUBSIDIARIES

**REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS**

31 MARCH 1997

Company Number 409726



THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 1997

PRESEIDENT	George McRobie
HONORARY TREASURER	Craig Sams
CHAIRMAN	Charlotte Mitchell
TRUSTEES	Helen Browning Roger Cadbury Gaye Donaldson Mark Fisher Leslie Harrison Roy Haycock Michael Michaud Charlotte Mitchell Adam Nicholson Hugh Raven Julian Rose Craig Sams Alistair Sawday Bill Starling Jenny Usher Tracey Worcester
SECRETARY	Kathie Burton
REGISTERED OFFICE	86 Colson Street Bristol
AUDITORS	Robson Taylor First Floor, Bradford House St Stevens Avenue Bristol
SOLICITORS	Wansboroughs Willey Hargrave 103 Temple Street Bristol
BANKERS	Midland Bank Plc 49 Corn Street Bristol Barclays Bank Plc 1250 High Road Whetstone London

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 1997

CONTENTS	Pages
Report of the trustees	1-5
Report of the auditors to the trustees	6
Consolidated income and expenditure account	7
Consolidated statement of financial activities	8-9
Consolidated balance sheet	10
Company balance sheet	11
Notes to the financial statements	12-17

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

The trustees have pleasure in presenting their report, together with the financial statements of the group for the year ended 31 March 1997.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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 company and of the surplus or deficit of the company for that period. In preparing those financial statements, the trustees are required to:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 company and to enable them to ensure that the financial statements comply with the Companies Act 1985 and The Charities Act 1993. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LEGAL AND ADMINISTRATIVE DETAILS

The charity is formed as a company limited by guarantee and governed by the Memorandum and Articles of Association adopted in August 1996. The charity is registered with the Charity Commission (registration number 206862).

There are no specific restrictions imposed by the Memorandum and Articles of Association which state that the company may: borrow or raise funds and invite or receive contributions; provided that in raising and investing funds the charity does not undertake any substantial permanent trading activities and conforms to any statutory regulations.

MERGER WITH BRITISH ORGANIC FARMERS/ORGANIC GROWERS ASSOCIATION

In February 1996 at the annual general meeting of British Organic Farmers/Organic Growers Association, an unincorporated association, it was resolved that British Organic Farmers/Organic Growers Association would cease to exist on 31 March 1996 and that on that date all of its assets and liabilities would be transferred to The Soil Association Limited.

New Memorandum and Articles of Association were drawn up for The Soil Association Limited at that time and these were ratified by the members at an Extraordinary General Meeting in August 1996.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activities of the parent undertaking were:

1. to advance the education of the public by promoting a full understanding of the importance of the vital relationship between the health of the soil, plants, animals, people and the environment;
2. to advance the education of the public by carrying out research (and disseminating the results of such research) into agricultural and forestry production methods and the effects of those methods on the quality of food and other products on human health and the environment;
3. to promote sustainable methods of using the Earth's living resources for the benefit of the public and to provide the public with education and support on such use;
4. to foster the sustainable development of our national agricultural heritage by means of projects for education and demonstration.

The Soil Association has an elected Council (of Trustees), who elect the Chairperson and Management Committee annually at the first meeting after the Annual General Meeting. Executive responsibility rests with the Director and Executive Management Team who report to the Management Committee and to Council.

1996 was The Soil Association Limited's fiftieth anniversary, marked with a series of prestigious events and celebrations, including a reception held for patrons and supporters of the Association, plus representatives of government agencies, the media and environment and welfare organisations.

His Royal Highness the Prince of Wales delivered the Lady Eve Balfour Memorial Lecture to an audience of 400 at London's Banqueting Hall. His acclaimed speech 'Counting the cost of Industrial Agriculture' was widely reported across the media.

A select band of journalists and representatives of agriculture and environment organisations visited two of the country's finest organic farms, Eastbrook Farm in Wiltshire, and HRH Prince of Wales' own farm, Highgrove Estate.

The Soil Association commissioned a major poll by MORI which clearly demonstrated the public's commitment to organic food and farming. The Soil Association symbol continues to be the most widely recognised guarantee of organic food.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

RESULTS AND APPROPRIATIONS

The surplus of the group for the year after taxation was £28,949.

The following funds have been set up in order to account for the way in which income is expended:

Restricted Funds:

1. Local Food Links

This promotes decentralised organic food production and distribution systems.

2. Forestry

The Responsible Forestry Programme aims to increase public awareness of the importance of sustainable forestry management.

3. Dougal Cambell Fund

Established in 1995 in memory of the life and work of a former trustee of the association.

Designated Funds:

4. Membership support

These funds are designated to promote and support an understanding of the work of the association with existing and potential members and with the public at large.

5. Producer support

These funds are designated for the education and provision of technical information and support to existing and potential organic producers.

6. Shows and Events

These funds are designated to support an extensive annual programme of conferences, seminars, attendance at agricultural shows and other events designed to raise the awareness of the profile of the organic movement and to educate the public in respect of agricultural, environmental and welfare issues.

7. Agricultural Policy

These funds are used to research methods of agriculture and the effects of these on food and other products and on human health and the environment.

8. National Farms Network

These funds are to be used to develop a network of demonstration farms nationally for the purpose of education of the public.

9. Organic Market

These funds are designated to forge and strengthen links between the consumer, retailer and processor and to educate and build a mutual awareness of the benefits of organic food products.

The increase in turnover in 1996/97 reflects significant developments in the scope and scale of activities undertaken during the past year in response to increasing support from individual members and supporters as well as charitable trusts, grant making bodies and companies whose financial support for our work has allowed us to continue to expand our activities. This is reflected in the 59% increase in spending on projects over the year. This expansion has also required considerable investment in staffing and office facilities, which will continue in 1997/98.

Membership income has grown by 29% reflecting both the investment in this area over the year and the integration with British Organic Farmers/Organic Growers Association. Gifts and donations remain our most important source of income, and have increased substantially over the year.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES

PROGRESS OF SIGNIFICANT PROJECTS

During the year the **Local Food Links** project provided advice to over 50 local authorities; surveyed 250 local food link businesses; made presentations to five conferences; produced a set of four briefing papers; provided material for feature articles; and responded to 500 requests for detailed advice and support.

Producer Services was awarded the prestigious contract to run the Ministry of Agriculture's new helpline for farmers, the Organic Conversion Information Service (OCIS) which was launched in June 1996. A few months later we were asked to provide a similar service for the Welsh Office Agriculture Department. This service also provides information packs and offers free farm advisory visits. Take-up of the scheme has exceeded substantially all government expectations. 1,277 enquiries were received during the period June 1996 to June 1997, representing a land area of 75,716 hectares.

TANGIBLE FIXED ASSETS

The movements in fixed assets during the year are set out in note 9 to the financial statements.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE TRUSTEES (CONTINUED)

OFFICERS AND TRUSTEES

The officers and trustees who served during the year were:

President	George McRobie	
Honorary treasurer	Craig Sams	
Chairman	Charlotte Mitchell	
Trustees	Helen Browning	Re-elected Nov. 96
	Roger Cadbury	Re-elected Nov. 96
	Gaye Donaldson	Re-elected Nov. 96
	Mark Fisher	Re-elected Nov. 96
	Leslie Harrison	Re-elected Nov. 96
	Roy Haycock	Re-elected Nov. 96
	Michael Michaud	Re-elected Nov. 96
	Charlotte Mitchell	Re-elected Nov. 96
	Adam Nicholson	Re-elected Nov. 96
	Hugh Raven	Re-elected Nov. 96
	Julian Rose	Re-elected Nov. 96
	Craig Sams	Re-elected Nov. 96
	Alistair Sawday	Co-opted Dec. 96
	Bill Starling	Re-elected Nov. 96
	Jenny Usher	Re-elected Nov. 96
	Tracey Worcester	Re-elected Nov. 96
	David Burton	Resigned Nov. 96
	Tracy Cluinies-Ross	Resigned Nov. 96
	Henrietta Green	Resigned Nov. 96
	Liz Hosken	Resigned Nov. 96
	Nic Lampkin	Resigned Nov. 96
	George McRobie	Resigned Nov. 96
	Martin Miller	Resigned Nov. 96
	John Montague	Resigned Nov. 96
	Helen Norberg-Hodge	Resigned Nov. 96
	Charlotte Russell	Resigned Nov. 96
	Marion Straker	Resigned Nov. 96
	Tessa Tennant	Resigned Nov. 96

AUDITORS

The auditors, Robson Taylor, have indicated their willingness to continue in office, and a resolution for their reappointment will be submitted to the annual general meeting.

By Order of the Board



Kathie Burton
Secretary

86 Colson Street
Bristol

11 September 1997

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

REPORT OF THE AUDITORS

TO THE MEMBERS

We have audited the financial statements on pages 5 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As described on page 1 the group's trustees are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

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

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

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of the group's affairs at 31 March 1997 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993.

Robson Taylor

Registered Auditor: 15 September 1997

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 1997

	Note	1997 £	1996 £
INCOME FROM			
CONTINUING OPERATIONS	2	1,057,099	715,135
Direct charitable expenditure		588,602	564,728
Administrative expenses		473,403	152,589
		<u>1,062,005</u>	<u>717,317</u>
OPERATING DEFICIT FROM			
CONTINUING OPERATIONS		(4,906)	(2,182)
Unrealised gain on revaluation of current asset investments		25,193	-
Interest receivable and similar income	3	9,421	12,059
Interest payable and similar charges	4	<u>(24)</u>	<u>-</u>
		<u>34,590</u>	<u>12,059</u>
SURPLUS ON ORDINARY ACTIVITIES			
BEFORE TAXATION	6	29,684	9,877
Taxation	7	<u>(735)</u>	<u>-</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>28,949</u>	<u>9,877</u>
STATEMENT OF RETAINED SURPLUSES			
Retained surpluses at 1 April 1996		149,607	139,730
Retained surplus for the year		28,949	9,877
Transfer on merger		2,485	-
RETAINED SURPLUSES AT 31 MARCH 1997		<u>182,811</u>	<u>149,607</u>

In each of the years ended 31 March 1997 and 31 March 1996
the only gain recognised by the company was the surplus for the year.

The notes on pages 12 to 17 form part of these financial statements.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 1997

	Unrestri'd Funds £	Restri'd Funds £	Design'd Funds £	Total 1997 £	Total 1996 £
INCOMING RESOURCES					
Gifts and donations	83,905	44,757	80,000	208,662	93,337
Subscriptions	-	-	97,036	97,036	75,131
Legacies receivable	16,416	-	-	16,416	26,781
Grants receivable	-	9,000	37,389	46,389	8,000
Income from activities	8,659	9,749	194,839	213,247	59,466
Interest received	9,402	19	-	9,421	12,059
Income from subsidiaries	475,349			475,349	452,420
TOTAL INCOMING RESOURCES	593,731	63,525	409,264	1,066,520	727,194
RESOURCES EXPENDED					
Direct charitable expenditure:					
Forestry	-	18,579	-	18,579	46,615
Environment	-	-	-	-	23,138
Local Food Links	-	26,210	-	26,210	20,221
Agricultural Policy	36,118	-	6,000	42,118	47,890
Membership Support	-	-	137,430	137,430	101,348
Producer Support	-	-	48,945	48,945	-
Shows and Events	-	-	109,530	109,530	44,081
National Farms Network	-	-	31,348	31,348	-
Organic Marketing	10,300	-	-	10,300	-
Expenses of subsidiaries	395,094	-	-	395,094	281,435
	441,512	44,789	333,253	819,554	564,728
Other expenditure:					
Fundraising expenses	13,469	-	-	13,469	17,001
Establishment expenses	31,950	-	-	31,950	-
Administrative expenses	197,032	-	-	197,032	139,998
Financial and other expenses	24	-	-	24	-
	735	-	-	735	-
	243,210	-	-	243,210	152,589
TOTAL RESOURCES EXPENDED	684,722	44,789	333,253	1,062,764	717,317
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	(90,991)	18,736	76,011	3,756	9,877

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

YEAR ENDED 31 MARCH 1997

	Unrestri'd Funds £	Restri'd Funds £	Design'd Funds £	Total 1997 £	Total 1996 £
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS	(90,991)	18,736	76,011	3,756	9,877
Transfers between funds	-	17,611	(17,611)	-	-
Net transfer on merger of British Organic Farmers/ Organic Growers Association	-	-	2,485	2,485	-
Unrealised gain on current asset investments	25,193	-	-	25,193	-
NET INCOMING/(OUTGOING) RESOURCES	(65,798)	36,347	60,885	31,434	9,877
Fund balances brought forward at 1 April 1996	147,275	(2,562)	4,894	149,607	139,730
FUND BALANCES CARRIED FORWARD AT 31 MARCH 1997	81,477	33,785	65,779	181,041	149,607

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

31 MARCH 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	9	24,856	12,587
CURRENT ASSETS			
Stocks	10	13,909	5,630
Debtors	11	227,085	133,776
Investments	12	29,193	4,000
Cash at bank and in hand		109,662	167,728
		<u>379,849</u>	<u>311,134</u>
CREDITORS: amounts falling due within one year	13	<u>221,744</u>	<u>173,964</u>
NET CURRENT ASSETS		<u>158,105</u>	<u>137,170</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>182,961</u>	<u>149,757</u>
CREDITORS: amounts falling due after more than one year	14	<u>150</u>	<u>150</u>
		<u>(150)</u>	<u>(150)</u>
		<u>182,811</u>	<u>149,607</u>
FUNDS AND RESERVES			
Unrestricted funds		81,477	147,275
Restricted funds		33,785	(2,562)
Designated funds		65,779	4,894
ACCUMULATED FUNDS	16	<u>181,041</u>	<u>149,607</u>
CAPITAL RESERVE		<u>1,770</u>	<u>-</u>
		<u>182,811</u>	<u>149,607</u>

Approved by the board on 11 September 1997

TRUSTEES



Charlotte Mitchell



Craig Sams

The notes on pages 12 to 17 form part of these financial statements.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

COMPANY BALANCE SHEET

31 MARCH 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	9	24,856	12,587
Investments		4	4
		<u>24,860</u>	<u>12,591</u>
CURRENT ASSETS			
Stocks	10	5,362	5,130
Debtors	11	105,568	62,203
Investments	12	29,193	4,000
Cash at bank and in hand		79,026	112,435
		<u>219,149</u>	<u>183,768</u>
CREDITORS: amounts falling due within one year	13	65,978	49,973
		<u>153,171</u>	<u>113,795</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		178,031	146,386
CREDITORS: amounts falling due after more than one year	14	150	150
		<u>(150)</u>	<u>(150)</u>
		<u>177,881</u>	<u>146,236</u>
FUNDS AND RESERVES			
Unrestricted funds		78,317	143,904
Restricted funds		33,785	(2,562)
Designated funds		65,779	4,894
ACCUMULATED FUNDS	16	<u>177,881</u>	<u>146,236</u>

Approved by the board on 11 September 1997

TRUSTEES



Charlotte Mitchell



Craig Sams

The notes on pages 12 to 17 form part of these financial statements.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 1997

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with relevant accounting and financial reporting standards.

The principal accounting policies of the company are set out below.

1.a STOCK

Stock has been valued at the lower of cost and net realisable value on an item by item basis of first-in, first-out cost.

1.b DEPRECIATION OF TANGIBLE ASSETS

Depreciation is calculated to write off the cost of fixed assets over their expected useful lives using the following rates and methods per annum:

Office furniture and equipment	20% reducing balance method
Computer hardware and software	30% reducing balance method

1.c DEFERRED TAXATION

Provision for deferred taxation is made at the appropriate rates in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that an asset or liability will crystallise in the foreseeable future.

1.d CASH FLOW STATEMENT

In accordance with the exemptions granted to small companies by Financial Reporting Standard 1, the company does not present a cash flow statement.

1.e FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date, with the exception of non-monetary assets which are translated at the rate ruling at the date of purchase. Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

2. INCOME

Income represents subscriptions and donations received plus amounts derived from royalties, shows and the sale of books and publications. Subscriptions and donations are accounted for on a cash received basis.

Also included within income are legacies and grants from external bodies.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 1997

3. INTEREST RECEIVABLE AND SIMILAR INCOME	1997	1996
	£	£
Bank interest and similar income	9,421	12,059
	<u> </u>	<u> </u>

4. INTEREST PAYABLE AND SIMILAR CHARGES	1997	1996
	£	£
On bank overdraft repayable within 1 year	24	-
	<u> </u>	<u> </u>

5. STAFF NUMBER AND COSTS	1997	1996
The average number of employees of the company (excluding trustees) during the year was:	34	29
	<u> </u>	<u> </u>

The aggregate payroll costs were as follows:	£	£
Wages and salaries	323,888	198,380
Social security costs	32,034	22,991
	<u> </u>	<u> </u>
	355,922	221,371
	<u> </u>	<u> </u>

6. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	1997	1996
	£	£
The surplus on ordinary activities before taxation is is stated after charging or crediting the following:		
Auditors' remuneration	2,500	2,500
Depreciation of owned assets	10,314	3,303
	<u> </u>	<u> </u>

7. TAXATION

The Association is a registered charity and is exempt from payment of Corporation and Capital Gains Taxes.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 1997

8. ANALYSIS OF DIRECT CHARITABLE EXPENDITURE

	Unresri'd Funds	Restri'd Funds	Design'd Funds	Total 1997	Total 1996
	£	£	£	£	£
Staff Costs	36,118	27,037	85,294	148,449	120,350
Other Costs	10,300	17,752	247,959	276,011	162,943
Depreciation	-	-	-	-	-
	<u>46,418</u>	<u>44,789</u>	<u>333,253</u>	<u>424,460</u>	<u>283,293</u>

9. TANGIBLE FIXED ASSETS

Group and company position

	Office Furniture & Equipment	Computer Software & Hardware	Total
	£	£	£
COST			
At 1 April 1996	15,624	41,737	57,361
Additions	1,484	21,099	22,583
At 31 March 1997	<u>17,108</u>	<u>62,836</u>	<u>79,944</u>
DEPRECIATION			
At 1 April 1996	14,747	30,027	44,774
Charge for year	472	9,842	10,314
At 31 March 1997	<u>15,219</u>	<u>39,869</u>	<u>55,088</u>
NET BOOK VALUE			
At 31 March 1997	<u>1,889</u>	<u>22,967</u>	<u>24,856</u>
At 31 March 1996	<u>877</u>	<u>11,710</u>	<u>12,587</u>

10. STOCKS

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
Books, leaflets and stationery	<u>5,362</u>	<u>5,130</u>	<u>13,909</u>	<u>5,630</u>

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 1997

11. DEBTORS

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
Trade debtors	10,511	7,358	91,882	40,822
Amounts owed by subsidiaries	8,868	-	-	-
Taxes and social security	7,332	1,875	7,332	3,958
Other debtors	33,468	31,333	33,468	31,333
Prepayments and accrued income	45,389	21,637	94,403	57,663
	<u>105,568</u>	<u>62,203</u>	<u>227,085</u>	<u>133,776</u>

12. CURRENT ASSET INVESTMENTS

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
COST AT 31 MARCH				
Unlisted:				
Other investments	4,000	4,000	4,000	4,000
	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
 MARKET VALUE AT 31 MARCH				
Listed				
UK investments	485	940	485	940
Unlisted:				
Other investments	24,708	26,035	24,708	26,035
	<u>29,193</u>	<u>26,975</u>	<u>29,193</u>	<u>26,975</u>

Other investments comprise a holding in the Charities Official Investment Fund (Income).

In line with the preferred treatment of the Charities Statement of Recommended Practice current asset investments have been revalued to their market value at 31 March 1997. At 31 March 1996 current asset investments are valued at their historical cost.

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 1997

**13. CREDITORS - AMOUNTS FALLING DUE
DUE WITHIN ONE YEAR**

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
Trade creditors	34,533	37,726	44,336	55,171
Amounts owed to subsidiaries	-	1,258	-	-
Corporation tax	-	-	735	-
Other taxes and social security	15,788	7,989	38,868	43,590
Other creditors	2,000	-	2,000	-
Accruals and deferred income	13,657	3,000	135,805	75,203
	<u>65,978</u>	<u>49,973</u>	<u>221,744</u>	<u>173,964</u>

**14. CREDITORS - AMOUNTS FALLING DUE
AFTER MORE THAN ONE YEAR**

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
3% perpetual debentures	150	150	150	150
	<u>150</u>	<u>150</u>	<u>150</u>	<u>150</u>

15. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

There were no capital commitments or contingent liabilities at the balance sheet date.

16. RECONCILIATION OF ACCUMULATED FUNDS

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
Surplus for the financial year	29,160	8,471	28,949	9,877
Transfer from British Organic Farmers Organic Growers	2,485	-	2,485	-
Net addition to accumulated funds	<u>31,645</u>	<u>8,471</u>	<u>31,434</u>	<u>9,877</u>
Accumulated funds at 1 April	146,236	137,765	151,377	139,730
Accumulated funds at 31 March	<u>177,881</u>	<u>146,236</u>	<u>182,811</u>	<u>149,607</u>

THE SOIL ASSOCIATION LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

31 MARCH 1997

17. ANALYSIS OF RESTRICTED FUNDS

	Company		Group	
	1997	1996	1997	1996
	£	£	£	£
FORESTRY				
Fund value at 1 April 1996	(7,901)	33,661	(7,901)	33,661
Income	8,869	5,053	8,869	5,053
Expenditure	(18,579)	(46,615)	(18,579)	(46,615)
Transfer from designated funds	17,611	-	17,611	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund value at 31 March 1997	-	(7,901)	-	(7,901)
	<hr/>	<hr/>	<hr/>	<hr/>
DOUGAL CAMBELL FUND				
Fund value at 1 April 1996	2,148	-	2,148	-
Income	19	2,148	19	2,148
Expenditure	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Fund value at 31 March 1997	2,167	2,148	2,167	2,148
	<hr/>	<hr/>	<hr/>	<hr/>
LOCAL FOOD LINKS FUND				
Fund value at 1 April 1996	3,191	-	3,191	-
Income	54,637	23,412	54,637	23,412
Expenditure	(26,210)	(20,221)	(26,210)	(20,221)
	<hr/>	<hr/>	<hr/>	<hr/>
Fund value at 31 March 1997	31,618	3,191	31,618	3,191
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL RESTRICTED FUNDS				
AT 31 MARCH 1997	<hr/>	<hr/>	<hr/>	<hr/>
	33,785	(2,562)	33,785	(2,562)
	<hr/>	<hr/>	<hr/>	<hr/>