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Trustees' Report and Consolidated Financial Statements

For the year ended 31 March 2020

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Why we exist

The Soil Association is the charity that digs deeper to transform the way we eat, farm & care for our natural world.

Our vision

Regeneration – a world with good health, in balance with nature and a safe climate restored for all.

Our mission

To help everyone understand and explore the vital relationship between the health of soil, plants, animals and people.

Our values

Our charity is built on the core organic principles of health, ecology, care and fairness*.



Health

The health of soil, plant, animal, human and planet are one and indivisible



Ecology

Agriculture should be rooted in living ecological systems



Care

For the health and well being of current and future generations and the natural environment



Fairness

Build relationships with equality, respect, justice and stewardship of the shared world

*The Principles of Organic Agriculture were established by the International Federation of Organic Agriculture Movements (IFOAM), the principles of organic farming were approved by the General Assembly of IFOAM in 2005. More here: <https://www.ifoam.bio/why-organic/shaping-agriculture/four-principles-organic>

Chair's introduction

Welcome to the Soil Association's Annual Report & Accounts for the year ending 31 March 2020. It makes stimulating reading and I hope that you, like me, will be impressed and encouraged by the scope and impact of our wide-ranging activities.

In these profoundly unsettling times, our core charitable purpose has to be more relevant than ever. Promoting a greater understanding of "*the vital relationship between the health of the soil, plants, animals, people and the environment*" is increasingly important in a world struggling to respond to COVID-19, climate change and the glaring inequalities laid bare by these forces.

The Soil Association has highly relevant experience and insights to bring to these challenges, delivered through a series of practical programmes that drive positive and measurable change in the real world. The right sorts of farming, forestry and food systems can have a dramatic regenerative impact on climate, nature and health, within the UK and further afield. We are determined to do all that we can to help accelerate the shift to more sustainable land use and food production, and to encourage the further growth of the organic market and good, nutritious food for all.

On behalf of the board of trustees, I want to thank all of our staff for their very positive and professional response to the pandemic. It has been a pleasure working with such a talented and committed team as a trustee for the past two years, and I am pleased to have the opportunity to get more involved as Chair. Our thanks to my predecessor in this role, Gabriel Scally, for his significant contribution over a number of years.

The impact the Soil Association can have on the world depends on you all. We are fortunate to have a passionate and committed group of members, supporters, and partners across food, farming, catering, health and beauty, textiles and forestry. With your help we are going to be able to seize the moment to drive the real change that we all want to see to protect and enhance our health and the health of the natural world. Please get involved and use your voice to persuade others to as well.



Martin Nye
Chair of the Board of Trustees

Trustees' Report

a. Chief Executive's foreword

What extraordinary times these are. Our world is having to contend with unprecedented uncertainty, with Brexit and trade deals looming, climate change already wreaking havoc, farming and food policy all in the melting pot, and then COVID-19, which has disrupted all our lives and ended far too many.

We approached the new decade knowing that it would be the most important in human history. The verdict from all authoritative commentators was that if we didn't turn the oil tanker around, to move it decisively away from an extractive model into a regenerative one during this decade, then it would be too late. Tipping points will be reached from which there will be no return. The urgency was reflected in the school strikes, by David Attenborough and Greta Thunberg; more recently the spotlight on racial discrimination has emphasised that deep-seated inequalities persist, are often worsening, which make the challenge of a 'just transition' into a fair, green and healthy future one we must rise to with social equity as well as environmental reform in view.

It was therefore a good time to review our approach, to reflect on achievements, and failures, over the last decade, and to set ourselves bold, audacious goals for the coming one. This we have done; we have a clear game plan and will soon be launching our new strategy to 2030. We are focused on the outcomes we seek and how we will measure progress; we are clear about the values we embody, the spirit in which we will work and the unique role we play in supporting the regeneration of nature, good health and a safe climate. But this is not the time for setting all plans in stone; this is also a time for agility, for constant re-evaluation as rapid shifts in politics, public opinion, technology, markets and investment provide more opportunity for transformative change than ever before.

The Soil Association's long history has been a constant endeavour to bring the core values of ecology, health, fairness and care to food, farming and land use. We have achieved a great deal and this report sets out some of the notable achievements in the past year. We have done all this with the wind against us. Our fundamental understanding that the 'health of soil, plants, animals and mankind is one and indivisible' has not been shared by a world where specialisation and reductionist thinking has ruled the roost. That is changing rapidly, yet unpredictably.

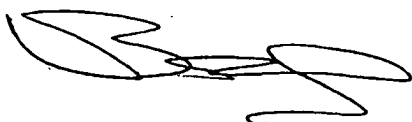
Our challenge is to constantly re-evaluate where our expertise, experience and insights can have the greatest impact. We have a brilliant team, but not a big one; hence we need to constantly prioritise, work well with our many partners, and to ensure that we concentrate on doing the things that no one else can or will.

The ongoing work that I am most proud of includes all we have done to turn the rhetoric of improving school food into a reality. Over half of England's primary school children now eat a Food for Life Served Here lunch, and we've campaigned successfully this year to secure school lunches or vouchers over the Easter and summer holidays. We have spearheaded farmer-led research, not only delivering over 100 Field Labs in our Innovative Farmers Network, but showcasing the benefits to policy makers; now, we hope, public funding will be increasingly targeted in this direction. We have helped bring agroforestry into the mainstream, showing the benefits so that this approach will be supported in future farming policy. And we've amplified the work of the French independent policy research institute IDDRI in the UK, demonstrating through a Europe wide model how agroecological

systems like organic farming could reverse the biodiversity crash, mitigate and help us adapt to climate change, while feeding a growing population well.

With the Food, Farming and Countryside Commission, we are now working with IDDRI to develop a UK model that will, we hope, give confidence that this is the best route forward for UK food and farming.

This year, it's all about taking every opportunity to support farmers and citizens to make that transition, and to ensure policy makers do all they should to facilitate this too. It's a huge and urgent task, but we feel very up for the challenge.



Helen Browning
Chief Executive

b. Charitable objects

The Soil Association is the charity that digs deeper to transform the way we eat, farm & care for our natural world.

The objects of the Charity are as follows:

- To advance the education of the public by promoting a full understanding of the vital relationship between the health of the soil, plants, animals, people and the environment;
- To advance the education of the public by carrying out research (and disseminating the results) into agricultural and forestry production methods and the effects of these methods on the quality of food and other outputs on human health and the environment;
- To preserve, conserve and protect the environment through the prudent use of natural resources, including by the promotion of organic and sustainable farming techniques;
- To promote and enhance human health through providing information and advice in relation to healthy eating and nutrition; and
- To promote high standards in the care and welfare of farm animals to prevent cruelty to and suffering by farm animals.

c. Overview of progress

i. Highlights from 2019/20

There have been so many key moments this year, here are just a few of our highlights. Together with our members, licensees and friends, we've made strides to help secure a greener future.

Enabling a ten-year farming and land use transition

We showed that a different approach to farming and land use – that considers climate, nature and health – is possible, launching the Ten Years for Agroecology (TYFA) in Europe model in the UK. And we supported more farmers than ever to trial and adopt climate- and nature-friendly practices.

As the UK transitions out of the EU, we've influenced the newly forming national legislation, achieving our goal to get soil health recognised as a 'public good' in the Agriculture Bill.

Enabling a ten-year transition to healthy and sustainable diets and reduced fashion and forest footprints

We helped lay the foundations for a transformation in foodservice. Eleven million more portions of veg will be served to children in restaurants and cafes each year, thanks to our Out to Lunch campaign. And we're recognising excellence through our Food for Life Served Here award, which 50% of English primary schools have now achieved.

Our Soil Association Certification clients continue to be at the forefront of sustainability; we now certify 17.9 million hectares of sustainably managed forest, and the organic market has grown by 4.5% as citizen demand for sustainable products continues to rise.

Building a resilient organisation

5,000 citizens chose to hear more about our cause this year by signing up for regular emails, growing our pool of supporters by 50%.

We secured funding to continue the work of our Sustainable Food Places partnership programme which is supporting network members to drive innovation around healthy and sustainable food.

ii. Our Road to 2020, a review of the last decade

We are now at the end of our Road to 2020 strategy and have made great progress - over a decade in which, despite growing public concerns about climate, nature and health, governments and businesses have often been slow to respond.

In 2010, we set out to become a more inclusive, relevant organisation, driving change in food and farming systems and working with people across that system wherever their 'starting point'. We have tried to avoid 'camps' and siloed solutions: simply celebrating the best wherever it comes from, encouraging the middle, and driving out the worst.

Our "Farming for the Future" work has seen soil health top the political agenda following our 2015 Save Our Soils campaign. The three worst bee-harming neonicotinoid pesticides have been banned. And after decades of campaigning, farming's part in resolving the crisis of antibiotic resistance is now widely recognised, with the UK's pig and poultry industries halving antibiotic use in the two years to 2018.

The value of farmer-led research has been widely recognised, largely as a result of the successes of Innovative Farmers, which has now supported over 100 farmer-led field labs. And we are at the heart of innovation around agroforestry, co-organising the UK's biggest ever conference on this topic in 2017 and publishing a widely used Agroforestry Handbook. We have also significantly grown our impact on wider land use and now certify over 17.9 million hectares of sustainably managed forest and over 3,000 chains of custody in more than 60 countries.

A decade ago, we also committed to a mission of "good food for everyone, whoever and wherever they are": championing and supporting healthier diets; seasonal, local and sustainable food; and the importance of eating together. Since then, over 1,000 schools have achieved a Food for Life Award for their 'whole school approach', with children in these schools shown to be twice as likely to eat their five-a-day, and we have launched an equivalent award for nurseries. Healthy and sustainable food is now more accessible on the high street too. Our Out to Lunch campaign has made over eight million children's meals a year more nutritious and sustainable, over two million meals are served to Food for Life standards in public settings each day, and organic food is stocked in over 8,000 outlets across the UK. 82% of the public take advantage of this availability, and buy organic food at least once a year, with 39% buying it weekly.

Our new strategy for the next decade - to be launched later this year - will build on the positive progress of the last ten years and will lift our ambitions even further, as we seek to respond to the increasingly urgent and inter-linked climate, nature and health crises.

d. Our achievements and performance this year

i. Farming and land use transition

This year, the Soil Association has supported farmers, land managers and researchers to explore how transitioning to sustainable farming and land use can work; on farm and at landscape-level.

We have shared learnings from this work to build public pressure for change in support organic and other types of agroecological farming.

With our supporters, we have campaigned and given evidence to Government, to influence the development of key legislation that will provide sustainable farms, food businesses and forests with the support they need to flourish.

With the appropriate government and public support, more farmers and businesses can explore resilient systems like organic, and Soil Association Certification will support them on their journey to organic conversion. As more businesses join this movement, and citizens look to choose sustainable and organic products, we pave the way for a more sustainable future – for climate, nature and health.

1) Support agricultural research and innovation to aid the transition to agroecology

a. Support the delivery of practical programmes and on-farm trials in the UK to support farmers and land managers to adopt agroecological practices.

This year, through the Innovative Farmers programme, we supported 39 farmer-led field labs, helping farmers and growers find solutions to on-farm challenges. And another 204 farmers joined the network, which now has 1,304 subscribers.

Through the Rural Innovation Support Service (RISS), Soil Association Scotland supported farmers, crofters, landowners and businesses to find practical and sustainable solutions to their challenges. RISS has facilitated 37 groups (up from 22 last year), with 14 completing an action plan to implement their ideas.

Soil Association Scotland launched the Landscape Leadership Lab programme, helping to enable 10 forward-looking landowners to work collaboratively towards environmental change - building natural capital, tackling climate change and increasing biodiversity on large areas of land.

Soil Association Scotland continue to support farmers through the Future Farming Scotland programme. Over its lifetime, 2,300 farmers and land managers have participated in farmer-led field labs and knowledge transfer events as part of the programme, resulting in:

- 91% of participants reporting an increase in skills, knowledge and confidence
- Sustainable farming and land management practices being implemented over 500 square miles of land across Scotland*.

*Data from farmers participating in the Future Farming Scotland programme and Soil Association Scotland follow up evaluations.

b. Conduct research and practical programmes at industry and EU-level, exploring how to support the enablement and advancement of organic and agroecological practice

Work continues monitoring 40 organic farmers to gather data on antibiotic use across the UK organic sector; we are consulting with them to consider how best to further reduce reliance on antibiotics.

Alongside European partners, we have been working with organic farmers on three Horizon 2020 EU-funded research programmes, exploring ways to:

- Reduce the use of contentious farm inputs, and
- Enable 100% organic diets for pigs, poultry (and other monogastric animals)

The Interreg North West-funded FABulous Farmers project, of which we are a partner, operates in five countries across Europe. This year, the project supported farmers in three pilot regions of the UK to adopt agroecological farming practices and enhance biodiversity on-farm.

Partnering with 3Keel and LEAF, we worked to identify food waste on-farm as part of a WRAP funded project which will continue this year.

2) Consider how a transition to agroecology can work at a landscape scale, for production, climate, wildlife and healthier diets

The Soil Association launched French think tank IDDRI's Ten Years for Agroecology (TYFA) in Europe model in the UK, which models how agroecological farming systems can present a viable alternative to the status quo for climate, nature and health. Building on this, we convened NGOs, researchers and policymakers to consider how this modelling could be adapted to the UK specifically.

3) Share research to influence more citizens to join the movement and advocate for change to support agroecology and organic at a policy level

Our membership of big wildlife and climate NGO groups has helped shift the national conversation on topics such as agroecology, agroforestry, pesticides and synthetic fertilisers. Membership of the Wildlife Countryside Link alone connects us with a network of over eight million members whose voice is crucial to influencing policy, land management and the future of the UK natural environment.

4) Alongside supporters, advocate for government policy to provide support for sustainable and organic farming and land use practices

Drawing on research, and consulting with farmers, NGOs and environmental bodies, we've provided evidence to the UK and devolved Governments to inform policies and practical actions that - support sustainable farming and land use - including organic and agroforestry; help mitigate the effects of climate change and protect the environment.

After years of influencing, 'soil health' has now been recognised as a legally defined 'public good' in the Agriculture Bill.

In UK parliament, Kerry McCarthy MP and Daniel Zeichner MP have both used Soil Association reports and evidence to build the case for farming to deliver 'public goods' in post-Brexit legislation.

We are investigating the difference in the level of 'public goods' delivered by organic and non-organic farms as part of Defra's Environmental Land Management (ELM) landscape-scale test. The results could provide rationale for organic farming to be recognised for the benefits it delivers through farm support mechanisms.

Our proposal to Defra to support a structured dynamic action plan and farmer engagement opportunities has been successful. This will be used to help enable farmers to adapt to the agroecological transition and identify the opportunities and risks for their businesses.

5) Support the uptake of sustainable farming and land use practices by supporting more businesses to become certified to organic, FSC or PEFC standards

a. To increase the uptake of organic farming, Soil Association Certification has engaged with farmers, land managers and businesses about organic certification

In 2019 we exhibited at nine high profile farming events, speaking to hundreds of farmers about organic conversion and certification. We engaged with 113 farmers who were strongly interested in organic conversion. In Spring 2020 we hosted a fully subscribed organic conversion webinar with Natural England.

Alongside that, we have attended several key food and drink events and engaged with farmers, land managers and businesses owners online, via social media and through 1,400 pieces of trade press coverage – communicating to up to forty million people why organic is a good choice for their business.

Influencing has been effective. In the last financial year, Soil Association Certification saw certified land in organic conversion increase by 14%, to 9,736ha. Overall, we certified 1,769 producer licensees and that covers 175,535 hectares in the UK. Alongside that, we now certify over 70% of the organic food and drink sold in UK and the Soil Association organic symbol is the most recognised symbol for organic in the UK.

b. To protect forests from illegal logging, Soil Association Certification Forestry has engaged foresters, land use managers and businesses about FSC* and PEFC forest management certification and chain of custody standards.**

Soil Association Certification Forestry welcomed over 400 new clients this year, increasing our certified forest area by three million hectares to 17.9 million hectares.

The Forestry team verify sustainable woodland management in the UK, having this year won five-year contracts to audit all public forestry in England, Scotland and Wales to the UK Woodland Assurance Standard (UKWAS).

*FSC Licence Code FSC® A000525

**PEFC™ Licence Code PEFC / 16-44-917

To support the growth of sustainable forest management practices worldwide, the Soil Association Certification Forestry team have delivered FSC training courses for relevant professionals in many countries around the world, including Turkey, Uganda, Vietnam, Chile and Japan. In addition, the Excellence for Forest Certification Training programme continued this year, with innovative new regional courses in Kenya and Myanmar, as well as two further courses at Shuttleworth House in the UK.

6) Support organic businesses to survive and thrive in a changing global climate

Our Government grant-funded 'Brexit Readiness Project' advised businesses of the challenges and opportunities arising from Brexit, helping them to prepare and reduce operational impacts. We developed checklists, webinars and web content reaching over 13,000 businesses, and we directly supported 75 businesses through a live chat and a helpline.

Our supply chain integrity guidance has been distributed to a large number of businesses, to support them with their global sourcing. It includes recommendations to implement to ensure secure, robust supply chains, reducing risk to their businesses. Alongside this, we held an event that was attended by over 50 businesses.

Helping businesses commit to sourcing practices which respect human rights, working conditions, the ecosystem and biodiversity, Fair for Life and For Life encourage positive local impact and can apply to supply chains in both developed and developing countries. Powerfully complementing organic certification, we've joined forces with leading French Organic Certifier Ecocert, to help Soil Association Certification clients join these schemes and benefit from reduced inspection costs.

ii. Healthy and sustainable diets and reduced fashion and forest footprint

Across 2019/20, the Soil Association has encouraged and inspired citizens, organisations and businesses to support sustainable food, fashion, forestry and farming.

A growing movement of people have affected positive change in their own communities – sourcing and serving more healthy and sustainable products, often supported by our programmes and partnerships.

Alongside key industry allies, we advocate for government policy to provide organisations and communities the guidance and tools they need to support healthy diets and sustainable sourcing to protect our natural world. With that support in place, we help organic businesses, and others at the forefront of innovation, to find new routes to market, to make it easier for everyone to enjoy a healthy diet and lead a sustainable lifestyle.

7) Encouraging citizens and businesses to support sustainable food, fashion and forestry

a. Engage citizens to play an active part in helping make good food the norm, by shining the spotlight on children's food in public places

In 2019, volunteer secret diners rated the children's food available at 28 popular restaurant chains and supermarket cafes, as part of our Out to Lunch campaign.

We expanded the campaign to address the climate crisis, adding new criteria on food waste, meat reduction and sustainable supply chains. 13 chains committed to serve two portions of veg with every child's meal within the next 12 months – meaning an additional eleven million portions of veg will be served to children each year.

b. Inspiring citizens to choose organic and sustainable food, fashion and paper products

The organic market grew 4.5% in 2019 – its eighth year of sustained growth, showing that citizen demand continues to rise. Soil Association Certification licensees' sales surpassed this, rising 8%.

We supported this growth by engaging citizens on the benefits of healthy diets and sustainable products. Across Organic September, we communicated and celebrated the benefits of organic food and farming, and over 900,000 citizens engaged with us on social media.

To support sustainable fashion, we produced [a report highlighting the impact of cotton production on water](#). Alongside this, we launched a campaign on the benefits of choosing organic cotton, which included an installation in London Westfield shopping centre to talk to shoppers about how organic cotton uses significantly less water. 21,000 people saw the installation and over 500k interacted on social media. This helped build the case for organic textiles amongst brands, citizens and policy makers.

Our 2019 BOOM Awards showcased not just the best organic products, but organic businesses as leaders in sustainability, with awards including 'best packaging'. The winners and nominees get recognition from the industry and the market for their innovative, sustainable solutions.

8) Support and mobilise communities to adapt to aid the transition to healthy diets and sustainable food, farming and forestry

a. Make good food the easy choice for more children by enrolling more schools and nurseries in the Food for Life programme

Our Food for Life programme awarded 126 Food for Life (FFL) Awards this year - 94 School Awards and 32 Early Years Awards. Over 1,000 schools have achieved a FFL Award, which recognises and supports settings that are providing healthy meals and delivering food education.

This year, we engaged with Multi-Academy Trusts and encouraged them to consider FFL Awards for all of their schools. For funded school awards, we focused on geographical pockets that show strong support for healthy and sustainable food.

b. Provide more opportunities for Food for Life schools and nurseries to be funded through corporate sponsorship

107 schools and early years settings had their FFL Awards funded by sponsorship from current corporate partners. This is an increase of 20 settings (+23%) from last year. Corporate partners include Pukka Herbs, English Tea Shop, William Jackson Food Group and Unilever Food Solutions.

c. Increase the availability of local and sustainable food in schools through Food for Life Served Here and the Green Kitchen Standard

Across the UK, 1.8 million Food for Life Served Here (FFLSH) meals are served to school children each day. FFLSH quality meals use fresh food, from sustainable and ethical sources.

In England, 50% of all primary schools are now engaged through Food for Life Served Here (FFLSH), and in Scotland, 14 local authorities are now FFLSH award holders for their primary schools' meals service (two more than last year), with six more actively pursuing the FFLSH award.

11 Green Kitchen Standard caterers are now either awarded or in the application phase. The scheme has seen renewed interest from school caterers, who are increasing being pressed on environmental credentials in the tender process.

d. Promote good food and physical and mental wellbeing of older people through sharing the learnings of the Better Care pilot

Funded by The National Lottery Community Fund, the Food for Life Better Care pilot concluded in 2019. The programme used food to bringing communities together, preventing malnutrition, and tackling loneliness for people in later life.

The Food for Life Better Care conference, chaired by Food for Life co-founder Jeanette Orrey MBE, shared learning and evaluation from the programme with 77 relevant healthcare professionals.

e. Support communities to connect and play an active part in their local food system through Food for Life Get Togethers

Food for Life Get Togethers (FFLGTs) is a four year, UK-wide programme, funded by the National Lottery Community Fund, aiming to bring people of different ages and backgrounds together to cook, grow and share food.

Nine months into the new programme, over 711 groups and 21,000 people have connected at a 'get together'.

To support communities to take part, we have administered 63 grants through our small grants scheme. We've also recently launched an emergency COVID-19 grant round, and 28 local community partners have received larger grants; many are in some of the most deprived communities in the UK. This work increases the programme's reach and helps inform how we can engage diverse and/or disadvantaged communities in our programmes.

f. Support towns, cities and communities to connect through healthy and sustainable food programmes through Sustainable Food Places

Four new places joined the Sustainable Food Places (SFP) network this year, and a total of 60 places now benefits from healthy and sustainable food programmes tailored to their needs.

27 network members have achieved SFP awards recognising and celebrating their success in taking a joined-up, holistic approach to food to deliver positive change in the community. 21 have achieved a Bronze Award, four Silver and two are applying for Gold – however this has been delayed by COVID-19.

9) Advocate for government policy to provide support for healthy diets and sustainable food, fashion and forestry

Drawing on our own research, and consulting with others, we have provided advice to the UK and Scottish Governments, to inform policies and practical actions that support healthy and sustainable food provision and sourcing.

Following our calls to support sustainable diets and more climate-friendly food in public procurement, Henry Dimbleby, Independent Lead of the National Food Strategy, has now publicly committed that the strategy will include ambitious recommendations to Government on public procurement.

We continued to lobby for policymakers to support health and sustainable children's food through:

- Our State of the Nation report, which included recommendations for a plant-based protein day in schools - as part of the UK's response to the climate crisis, and an extension of the Soft Drinks Industry Levy (sugar tax) to include artificial sweeteners.
- Our membership of the advisory panel on the School Food Standards update. We pushed a plant-based protein day onto the agenda, and Public Health England is considering the proposal.
- Co-authoring three letters, securing reassurance from the Secretary of State that school meals or vouchers will be available to children over the Easter holidays, despite the COVID-19 pandemic.

This February, the Beauty, Aesthetics and Wellbeing All Party-Parliamentary Group invited Soil Association Certification to join panel sessions exploring the beauty industry's efforts to protect the environment. We used this platform to highlight the positive benefits of organic and certification – which were acknowledged in the resulting report.

10) Celebrating businesses at the forefront of organic and sustainability and supporting them to find new routes to market

Soil Association Certification have continued to hold organic engagement events for buying teams at three of the multiple retailer groups, to inspire key decision makers to offer more organic products. Alongside our organic cotton campaign, we held a retailer engagement event to talk about the benefits of sourcing organic cotton which was attended by over 30 major clothing brands.

Our Organic Market Report is the only fully comprehensive report on the organic market covering all sectors. It's used to highlight business case studies and to help develop routes to market for products. Our launch event attracted over 70 brands and retailers. We provided our report to our organic clients for free and shared key findings online, as well as through press and social media.

Through reports and briefings, Soil Association Certification is also supporting organic businesses to explore new markets, including public sector catering. We saw:

- An 8.3% increase in organic sales in foodservice (including public sector and high street catering) in 2019, worth £98.5 million. Almost a quarter of this amount is spent through our Food for Life Served Here award holders.
- A 20% increase in Organic Served Here award holders in the last 12 months - businesses who are committing to source organic food.

iii. Our fundraising

This year brought more changes to our world than anyone could have foreseen. In the face of climate change, diet related ill-health and widespread decline in wildlife, the need to change our food systems has never been greater. Together with passionate individuals, businesses, trusts and foundations, we've continued to push for a better future, and inspire more people to join the movement and support our work.

11) Citizens and members

Our pool of supporters, who subscribe to our e-news, has grown by 50% this year, with over 5,000 new people signing up. We launched a nurture programme, an email journey with engaging and interactive content, for citizens to increase their understanding of the nature and breadth of our work and deepen relationships with the Soil Association and the organic movement.

This year, to reach new audiences, we tested new methods and communications channels. Membership recruitment was up 35% year-on-year for the testing period April-Dec, with 489 membership sign ups.

A detailed five-year model has been built to show how we can double our membership to 21,000. This will be supported by investment in resource, systems and marketing, alongside strong engagement with existing members to support retention.

12) Providing the best giving experience

This year, to ensure we thanked donors and new members for their support, we created automated donation and membership sign up acknowledgments. We also carried out our first Thank-a-thon with staff calling up our longest standing supporters; the feedback from this was hugely positive.

13) Launching a Legacy Giving programme

Work continues on our legacy giving programme. Through events, reports, webpages and marketing materials, we explained to members and supporters what difference they could make by choosing to leave a gift to the Soil Association in their will.

Building this programme is a long-term investment, however, we are already seeing some benefits; we received £155,000 of legacy income this year, and 206 people pledged to leave a gift in their will.

14) Developing relationships with philanthropists

In 2019/20 we received over £500,000 from philanthropists to further our charitable work.

60 Soil Circle members supported our work to transform the way we eat, farm and care for the natural world. While our Policy Club provided support specifically for our policy and influencing work, which enabled us to bring together the latest research and share our practical recommendations. We have been pleased to meet with many supporters at events - from farm walks to lectures, lunches and dinners - to learn and share more on our plans and progress together.

15) Create, deliver and maintain excellent corporate partnerships

This year we maintained partnerships with 12 companies and developed partnerships with eight new companies.

We aim to create strategic partnerships by engaging licensees and other purpose driven brands and businesses who share our vision and who can help to deliver our priorities. Income is always a priority, however we also aim to create and share content that helps to further our joint objectives, and engages our members and supporters.

16) Stewarding funding already committed to projects

Once projects are underway, we play an important role in maintaining relationships with project funders. Throughout the year we prepared and submitted excellent narrative and financial reports to funders, alongside sending them additional information about our work and inviting them to Soil Association events.

17) Secure new funding from Trusts to support key projects and activities

This year, we secured over £6.2 million from funding applications, of which £5.4 million was for the Sustainable Food Places programme and £0.8 million for other projects. Success rate of applications was over 50%.

We submitted over 80 funding applications, at least 20 of these were to Trust or Statutory funders that the Soil Association has not applied to previously. Relationships with new Trusts and Foundations were formed through events and briefings, we also provided advice to Trusts and Foundations wanting to develop their funding in the farming and land-use sector.

iv. Our people

We're proud to be a collective of forward-thinking people, with a shared vision for the future.

Our employee headcount increased by 8% this year with the most notable growth due to an expansion in work within the Charity Food for Life team and the Certification Forestry team.

We are fortunate to have a loyal and motivated workforce as evidenced by two (2017) and one (2018) star ratings previously achieved through the externally accredited Best Companies survey with results published in The Sunday Times. We aspire to maintain high levels of employee engagement and seek their input and views through staff forums and regular surveys.

In 2019/20 a number of employees began apprenticeship training utilising funds available to us through the Apprenticeship Levy and we continued to invest in our own in-house training resources.

With a continued focus on mental health and wellbeing we made available an Employee Assistance Programme, providing expert counselling and advice services for employees and their immediate family on a variety of health, work and personal matters.

For many years we have been an accredited Real Living Wage employer and in January 2020, as a significant Bristol based employer, we gave our support to the City's plans to achieve Living Wage status.

e. Our future plans

i. Farming and land use transition

In the next ten years, we want to see all farms adopt agroecological practices with the UK matching the EU ambition that at least 25% of farmed land is managed organically. Alongside this, it's essential we see an uptake in woodlands being managed sustainably, and land managed for high nature value - with more farms incorporating trees to create habitats for wildlife and to boost the production of UK fruits, pulses and nuts.

This would help fight climate change by reversing soil carbon losses, support wildlife by phasing out pesticides and reduce pollution. It would also encourage a reduction in the use of antibiotics in farming, with more animals enjoying natural diets and high welfare standards.

To achieve this, we will:

Support the research and adoption of sustainable farming and land use practices

- Expanding and building on the work of our farmer-led research and education programmes.
- Enabling widespread adoption of agroecological practice in the farming sector by:
 - Identifying best practice and communicating the benefits and processes to adoption.
 - Researching and helping to overcome the barriers to widespread adoption of agroforestry in England.
- Continuing work with farming and forestry partners to increase sustainably managed woodland and farm woodland area – in the UK and overseas.
- Engaging farmers on organic conversion, supporting them to make the transition.

Build the case for change in public life

- Supporting the 'Ten Years for Agroecology in the UK' model launch this year, which will detail how an agroecological transition can be delivered in the UK.
- Supporting farming ambassadors to learn new media skills, enabling them to champion the benefits of agroecological practices.
- Advocating for a transition to agroecology and sustainable land use in Parliament, ahead of the United Nations Climate Change Conference (COP26) and the Scottish Parliament election in 2021.
- Pressuring the Government to protect UK food, environment and welfare standards in trade deals.

Support sustainable businesses to survive and thrive

- Influencing policy to:
 - Ensure organic businesses are represented and able to trade smoothly after Brexit.
 - Support the growth of the UK fruit, veg, pulse and nuts market.
- Supporting farmers, growers and businesses in response to COVID-19, providing certification information, practical support and informative webinars.

ii. Healthy and sustainable diets and reduced fashion and forest footprint

In the next ten years, we want to see the UK population enjoying healthy and sustainable diets. Good food should be a right, not a privilege, so we'd like to see children in schools, patients in hospital and people eating out able to access healthy and organic food.

To lower our carbon footprints, unsustainable consumption must be reduced. This means eating less but better meat, with sustainably farmed animals given space to express their natural behaviours, to graze and enjoy the leftover food humans don't want. It also means sustainable sourcing, with no net environmental harms associated with UK food, farming and forestry imports.

To achieve this, we will:

Increase the availability of sustainable food, fashion and forestry

- Continuing to engage schools and providing a healthy and sustainable menu framework for caterers through Food for Life.
- Engaging people from different backgrounds and generations to connect and come together through food activities as part of Food for Life Get Togethers. Some of this work cannot go ahead physically, but we are supporting the building of community bonds via digital means.
- Supporting a UK-wide network of more than 100 sustainable food partnerships over the next five years through the National Lottery Community Fund and Esmée Fairbairn Foundation-funded programme Sustainable Food Places.
- Helping to facilitate the development of shorter supply chains by connecting producers with buyers and new market opportunities like box scheme listings.
- Driving ambitious targets for sustainable sourcing by global textile brands through the Sustainable Cotton Challenge 2025.

Build the case for change in public life

- Bringing insight to the National Food Strategy to inspire a bold ambition for public sector food procurement - including an organic target.
- Championing the Government's draft Hospital Food Review report that recognises Food for Life Served Here as a mark of quality in hospital food and recommends investment to support hospitals to serve more fresh, locally sourced and sustainable food, including organic.
- Influencing new trade deal agreements to reduce the UK's overseas land footprint and offshore greenhouse gas emissions by ensuring that food, agricultural and forestry imports to the UK meet high standards for sustainability.

Increase demand for sustainable food, fashion and forestry

- Engaging citizens and supporting brands and retailers to tell the story of organic, outlining how it supports climate, nature and health.
- Hosting the 2021 BOOM awards to showcase the food, drink, beauty and textiles organic businesses that are at the forefront of change.
- Supporting organic businesses to develop sustainable packaging strategies and highlighting the role of FSC certified packaging.

iii. Our fundraising

Citizens and members

Our five-year model for membership includes ambitious growth of our supporter pool to over 50,000 email supporters. This year we plan to roll out campaigns in larger volumes, and test more messaging, creative, user journeys and new channels.

The priority is embedding new Customer Relationship Management and email systems, whilst investing in resource to support higher volumes of activity in 2020/21. We will also focus on developing our partnerships and our membership offerings to take to new audiences.

Legacy Giving programme

This year's plans include staff training - so the team can comfortably talk to supporters about gifts in wills - and further marketing, both to our supporters and to a wider audience.

Developing relationships with philanthropists

In late 2020, we will share our new fundraising case, based on our new strategy to 2030, with our closest friends and their networks to secure support towards our future direction.

COVID-19 means that we are looking at different ways to engage with people and inspire support, as we are unable to host events and farm visits. We hope to keep Soil Circle numbers steady this year and plan for growth in the subsequent years.

Create, deliver and maintain excellent corporate partnerships

Our aim is to retain a minimum of 75% of our current corporate partnerships by providing excellent account management and sourcing relevant projects that deliver against agreed objectives, from strategic campaigns to sponsorship opportunities.

We will continue to introduce ourselves to new sectors and business audiences with whom we share purpose, with the aim to develop funding partnerships in support of climate, nature and health.

Secure new funding from Trusts to support key projects and activities

The new strategy to 2030 provides us with an excellent opportunity to develop project ideas that will appeal to funders and require support. We will hold digital briefing events and increase communications in order to raise awareness of our strategy and will increasingly look to diversify our funder base, applying to new funders and building on our existing relationships.

iv. Our people

Like most employers the end of 2019/20 saw COVID-19 cause massive disruption to the working lives of our employees with the closure of our two offices and cessation of many field-based activities. We are pleased to say that recent investments in IT systems and capabilities mean that our operations were able to successfully transition to remote working. We will review how temporary changes to the way we are working may lead to more permanent arrangements where there are benefits for employees and the wider organisation. In response to business disruption we have and will continue to make use of Government job support schemes where COVID-19 has impacted on our ability to operate and generate revenue.

We are continuing our investment in employee development with the launch of an online training portal and continuation of our in-house mentoring programme.

Learning from recent world events we are introducing a real focus on diversity and inclusion to ensure current and potential employees have equality of opportunity and that our charitable work is relevant and accessible to the communities we work within. In June 2020 we adopted the Bristol Equality Charter as a means of committing ourselves to plan of action around diversity and inclusion and we continue to investigate other complementary charters as a means of signaling and driving our commitment in this area.

We will continue to actively engage with our workforce, supporting them through this challenging period, with management actively monitoring and addressing welfare concerns. As well as our own frequent employee surveys we are once again undertaking the Best Companies employee engagement survey as a means of understanding how our employees feel about working at the Soil Association.

f. Risks and uncertainties

The global COVID-19 pandemic creates a series of strategic, financial and operational risks for the organisation.

Strategically, there are a series of wider emerging attitudinal and behavioural changes associated with the 'post-COVID world' which have the potential to significantly change government, business and individual attitudes towards aspects of food, farming and land use which impact on our charitable objectives.

As one example (of many), there may well be a significant re-orientation towards local solutions in food supply chains. More widely, the pandemic has significantly accelerated the adoption of digital channels in all levels in society, particularly within 'late adoption' segments. Whilst there may be some reversion once the initial pandemic waves have been brought further under control, some changes will be permanent. These wider trends and discontinuities represent a risk to the organisation, but also represent significant opportunity if they can be recognised and planned for.

Financially, our diverse funding mix means we are, relative to some charities, reasonably resilient to the short-term reductions in certain funding streams due to COVID-19. For example, we undertake very little face-to-face fundraising, and are not reliant on 'mass participation' charity fundraising events. The Group also utilised UK Government support packages such as the Coronavirus Job Retention Scheme and deferral of VAT payment post year end. However, the potential economic

contraction is likely to impact several of our income streams in the medium-term, depending on its duration and severity, and on government fiscal policy. In addition, if financial markets continue to fluctuate, such as the sharp declines seen in early 2020, the asset positions of many of our funders will be impacted and this is likely to affect the extent to which they choose to fund charitable work.

From an operational perspective, we successfully adjusted to the short-term changes associated with lockdown introduced in March 2020 and believe that, in general, such adjustments – either in full or in part – are maintainable for the medium term if required.

Beyond the pandemic, Brexit and what follows – notably in relation to future trade deals – will have a significant impact on the shape and prospects for UK food and farming over the next decade. It feels there is still the potential for significant Brexit-linked discontinuity in food and farming over the next 12 months, dependent on the outcome of UK-EU negotiations. Whilst Brexit does not pose a material direct threat to the Soil Association as an organisation, our key stakeholders – notably in the farming and food sectors – may experience significant turbulence, particularly in the transition out of the EU Common Agricultural Policy into the proposed Environmental Land Management Scheme, which has the potential to impact on the achievement of our charitable objectives.

Financial review and results for the year

a. Financial Review

The Consolidated Statement of Financial Activities and Consolidated Balance Sheet incorporate the financial performance of The Soil Association Limited (the "Charity"), Soil Association Certification Limited ("SA Certification"), SA Sales and Services Limited ("SASS") and The Soil Association Land Trust (the "Land Trust") – collectively we refer to these entities as the "Group".

Funding is classified as either unrestricted or restricted. Unrestricted funds are those that charity trustees may spend as they see fit in the delivery of the Charity's objectives. Restricted funds are those that must be spent according to the funder's wishes in delivery of the Charity's objectives.

2019/20 Consolidated Statement of Financial Activities

Charitable giving from individual supporters (donations, legacies and membership subscriptions) totalled £1,741k, which was in line with the prior financial year. Legacy income was £23k (16%) higher than in the previous financial year while Membership and Donation income showed small declines of one to two percent.

Income from charitable activities, which is a mixture of earned income and grant funding, showed a significant fall from £15,387k to £13,003k. The £2,384k decrease compared to the prior year breaks down as follows:

- -£2,899k decrease in income from restricted grants mainly due to recognition of two years of funding for our Food for Life Get Togethers programme at the point of award in 2018-19. Restricted grants are often awarded for multi-year projects and charity accounting rules dictate that unless there are clear performance criteria upon which funding in future years is dependent, the entire value of the grant must be recognised in the year of award, even though the associated expenditure will be recognised over future years. This accounting treatment can complicate prior year comparisons of restricted funding.

Grant awards won in 2019/20 included the following:

- £5,433k from The National Lottery Community Fund and Esmée Fairbairn Foundation for our five year Sustainable Food Places phase three programme (of which £675k recognised in 2019/20)
- £195k Samworth Foundation three year funding to support our core policy costs (recognised in full in 2019/20);
- £125k Ashden Trust two year funding to support our Ten Year Transition to Agroecology policy work (recognised in full in 2019/20);

In addition our four year, £5,161k, Food for Life Get Togethers programme, funded by The National Lottery Community Fund has had a successful first year and continues for a second year from June 2020.

- -£102k (five percent) decrease in funding earned by the Charity through providing contract and consultancy services to the public and private sectors. These revenues are principally associated with (a) our Food for Life work commissioned by local authorities and others as well as the

associated Food for Life Served Here scheme being adopted by caterers; and (b) our contract with the Scottish Government to facilitate farmer led innovation.

- £617k (+7.3%) continuing growth in services provided by SA Certification with forestry and organic food showing the highest year on year growth.

Total income received from other trading activities increased by £29k due to SASS generating an additional £38k of income through non-primary purpose trading such as corporate sponsorship and affinity partnerships.

Expenditure on fundraising activities, including membership, was £527k, up 1% from £521k in the prior financial year.

Expenditure on charitable activities during 2019/20 increased by £920k over the prior financial year to £15,923k. Of this increase:

- An additional £673k was spent on delivering our farming and land use transition and healthy and sustainable diets work with significant Food For Life Get Togethers spend in the programme's first year offsetting declines in expenditure for projects coming to the end of their life or now finished, such as Better Care, Future of Farming (Scotland), Farming with Nature (Scotland) and several Erasmus + projects.
- SA Certification incurred additional costs of £247k relating to increased activity arising from business growth.
- Soil Association Land Trust spent £71k more on property maintenance than in the prior year due to major repairs to the roof at Chitcombe Farm.

The amounts received, and resources expended during the year generated a net income in unrestricted funds of £263k, up from £109k in the prior year. In the prior year the overall increase in unrestricted funds was £347k due to a £238k transfer of restricted funds to unrestricted relating to donations for the new Head Office building.

Restricted expenditure exceeded restricted income leading to a net deficit of £1,805k in the year. This is due to significant restricted grant income having been recognised in the prior year and the related spend starting to come through in 2019/20.

2019/20 Consolidated Balance Sheet

Unrestricted

Unrestricted funds and reserves increased from £2,524k at the end of March 2019 to £2,787k at the end March 2020.

Of this unrestricted funds and reserves figure, the Charity considers its free reserves, those amounts readily available to support charitable activities in the event of unexpected reductions in income / increases in cost, to be best represented by the unrestricted net current assets of the Group plus amounts held in fixed asset investments (listed investments). As at the end of March 2020, this figure is £596k (2019: £361k), which is at the top end of the target range set by the Board of Trustees to hold between £400k and £600k of free reserves in 2019/20. The increase in free reserves from 31 March 2019 is due to the surplus made in the year plus the capital repayment holiday taken on the Group's two bank loans (see note 18).

The balance of unrestricted funds and reserves represents fixed assets (excluding listed investments) less long-term creditors. Fixed assets, including the HQ building, are required for operational activities and are therefore not considered part of the Group's readily available free reserves.

The Soil Association's reserves are generated by and held for the benefit of both the Soil Association Charity and also its trading subsidiary Soil Association Certification.

Restricted

Restricted funds and reserves decreased from £8,055k at the end of March 2019 to £6,250k at the end of March 2020.

This balance largely comprises fixed assets (land, buildings and machinery) totalling £2,757k within the Land Trust and £3,383k of grant funding held by the Charity for future expenditure on restricted projects as directed by funders.

b. Going concern

The Trustees have reviewed the ability of the Charity and the Group to continue as a going concern and noted no material uncertainties that would mean it would be inappropriate to prepare the accounts on a going concern basis. They have therefore continued to adopt the going concern basis in the preparation of the group and charity accounts.

In making this judgment the Trustees have had regard to:

- The going concern assessments made by the respective boards of Soil Association Certification Limited, SASS Limited and Soil Association Land Trust Limited.
- The preparation of cashflow forecasts up to December 2021 that show sufficient cash balances to meet liabilities when they fall due.
- The preparation of financial forecasts up to March 2021 that show financial performance is within anticipated parameters.
- If forecast revenues decline, there is a strong likelihood of continuing Government wage support until April 2021 providing the Group with potential additional funding.
- The Group benefits from a diverse mix of revenue sources, spanning individual charitable giving, corporate partnerships, grants from charitable funders and the public sector, public sector service contracts, and private sector service contracts within the UK and overseas.
- The only material long-term financial liability in the Group is mortgage borrowing on the Charity's Bristol Head Office. This borrowing is fixed at a low interest rate over the long-term and despite recent falls in commercial property values it is estimated that there remains equity in the asset which if required could be realised through a sale or increased borrowing.
- The Charity holds £596k in unrestricted free reserves at March 2020 providing a buffer against unforeseen adverse financial performance. Through careful management of costs, including utilising Government support where available, and the continued support of the funders, businesses and public sector authorities that we work with, the disruption caused by COVID-19 is not forecast to draw on these reserves in 2020/21.
- The Group is confident that it can set a budgetary target for 2021/22 that ensures it continues to maintain an appropriate level of unrestricted free reserves in line with the Charity's Reserves Policy.

- The key risks to going concern for the Charity are that COVID-19 causes a prolonged recession causing individuals and institutional funders to lessen their financial support for the Charity coupled with declining demand for the Charity's services from the public sector and private companies. Such a recession in combination with an adverse Brexit outcome for the organic sector could see the organic market decline as sales fall and businesses fail directly impacting revenues within Soil Association Certification Limited.

Currently these risks are counterbalanced to some degree by a resurgence in interest about food provenance, food security and the health of populations supported by a desire from individuals, communities and Governments to 'build back better'. All of this plays into the ongoing work and positioning of the Soil Association Group such that during these challenging times we have renewed confidence in our collective mission.

Notwithstanding this, if the Group does experience a material and sustained reduction in revenue, the impact of which cannot be accommodated within reserves, the Group does have a flexible cost base with much of its expenditure relating to payroll costs. There is sufficient scope within expenditure plans to sensibly scale back headcount without jeopardising continuation of the Charity's core activities or contractual commitments that exist within the Charity and Soil Association Certification Limited.

c. Structure, governance and management

Structure and Governance

The Charity is a company limited by guarantee and governed by Articles of Association.

The governing body of the Charity is the Board of Trustees, who are also the directors for the purposes of company law. The Board meets six times per year. The Board elects a Chair for a term up to three years, which may be renewed once.

The Board consists of eight to 12 trustees, who may be appointed by the Charity's members or directly by the Board of Trustees. Trustee appointments are for a term of up to four years and a trustee may ordinarily serve a maximum of two terms, with a third term possible only if the Board determine it to be in the best interests of the Charity.

Under the guidance of its Trustee Recruitment and Succession Committee, the Charity assesses the skills and experience it requires on the Board of Trustees and when vacancies arise candidates are sought who meet these requirements. The Charity advertises opportunities to join the Board of Trustees using a variety of methods including features in its members magazine, posting vacancies on its website and through the use of specialist trustee recruitment services. Applications received are reviewed by the Trustee Recruitment and Succession Committee and short-listed candidates are invited to meet with members of the Committee. The Committee will then recommend potential trustees to the Board, with the full Board responsible for making the appointments. An induction process exists for newly appointed trustees which includes meeting with senior managers of the Group to learn about its operation, attendance at a number of key committees and boards, as well as the opportunity to visit beneficiaries of the Charity and see our work on the ground.

The Charity provides directors' and officers' indemnity insurance which covers the trustees, directors of subsidiary companies and any other member of staff of the group.

Key Committees and Boards

Trustee Recruitment and Succession Committee

This executive committee consists of the Vice-Chair, one to two other trustees, the Charity's Chief Executive and an external member skilled in trustee recruitment. It has delegated authority from the Board of Trustees to oversee the identification, selection and nomination of candidates for appointment as trustees. This committee met once in 2019/20 and in addition held Trustee interviews once in the year.

Audit and Risk Committee

This executive committee consists of three to four trustees. It has delegated authority from the Board of Trustees to review the effectiveness of the Charity's risk management processes, financial reporting and systems of internal control. The committee met formally on one occasion in 2019/20 but also held four less formal catch-ups in the year.

Remuneration Committee

This executive committee consists of two trustees. It has delegated authority from the Board of Trustees to oversee policies relating to the remuneration and employment terms of employees. The committee also has two members who are non-executive directors from the Charity's trading subsidiary, Soil Association Certification Limited. No meetings of this committee were held in 2019/20.

Farmer and Grower Board

This advisory board consists of representatives elected from organic producers. The Soil Association consults with the Board on a range of topics relevant to producers. The Farmer and Grower Board met on four occasions in 2019/20.

Standards Board

This advisory board consists of lay representatives and experts drawn from industry sectors in which the Soil Association operates. The Board is chaired by an independent lay member. The role of the Standards Board is to provide independent oversight of the integrity of the Soil Association's standards and to make recommendations for their improvement to the Board of Trustees. The Standards Board met on three occasions in 2019/20.

Executive Team

The day-to-day running of the organisation is delegated to and undertaken by the Chief Executive and the senior management team. The Chief Executive operates under a scheme of delegation agreed with the Board of Trustees. The Executive Team met formally on a monthly basis throughout 2019/20 as well as holding weekly or fortnightly catch ups as required.

Pay setting for key management personnel

The Trustees consider the Chief Executive and director level appointments within the Charity and the Soil Association Certification Limited executive teams are the key management personnel of the Group. The pay of such staff is determined by the respective Chief Executives of the Charity and Soil Association Certification, with oversight from the Remuneration Committee. Starting pay levels for these senior roles are determined using a combination of the Group's job-scoring mechanism, internal benchmarking of comparative roles and assessment of the external job market. Pay progression is reviewed annually and normally increased in line with the standard pay award given to all other staff.

Relationships with Group entities

The Charity operates the following wholly owned subsidiaries:

- Soil Association Certification Limited; and
- SA Sales and Services Limited.

The performance of each subsidiary is monitored by the Board of Trustees.

The Charity is sole member of the Soil Association Land Trust Limited, a separate charity. By virtue of this control Soil Association Land Trust is deemed to be a subsidiary of the Charity and is consolidated into the Group accounts.

How we secure funding

Soil Association supporters can be assured that we are registered with the Fundraising Regulator and we comply with the regulatory standard for fundraising.

We fundraise by submitting applications to grant giving trusts, by partnering with companies to deliver joint benefits, by securing donations and gifts-in-wills from individuals and members. Our fundraising from supporters takes the form of funding appeals, and direct asks either face-to-face, by letter and occasionally by email.

Last year, we used Ethicall telemarketing agency to deliver outbound telemarketing campaigns to recruit new members and reactivate lapsed or cancelled members. We always ensure that any agency we use to assist us with our fundraising is fully accredited with the relevant industry bodies and registered with the Fundraising Regulator. We expect them to also observe the highest standards in terms of fundraising practice, and deliver the most sustainable and ethical business practices.

The fundraising and supporter development team – an in-house team of 15 full and part-time fundraisers – are familiar with, and work in accordance with, the Fundraising Regulator's code of practice. The team keep abreast of new fundraising trends and practices, always ensuring that the interest of the donors is at the heart of all we do. Our focus is to strive for all supporters to have the very best giving experience when they support the work of the Soil Association, and we work hard using up-to-date policies, procedures and informal training to look after the needs of vulnerable people. This financial year we received no complaints about our fundraising.

All donors are given the opportunity to update their preferences in how we communicate with them. They can contact us by phone, post or email to change their preferences at any time, and all of our emails offer a one-click unsubscribe option to facilitate easy change of preferences. We also update our records whenever we are notified of undelivered mail, or if we are notified by an official institution such as a bank that a member is deceased. Everyone we contact has the opportunity to remove themselves from future communications and we are committed to carefully monitoring the content and frequency of our approach to individuals.

On our website there are easy to find policies, including: privacy policy, complaints, safeguarding, our approach to GDPR and our supporter promise.

d. Statement of Trustees' responsibilities

The trustees (who are also directors of The Soil Association Limited for the purposes of company law) are responsible for preparing the Trustees' 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 the Group and of the incoming resources and application of resources, including the income and expenditure of the Group 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;
- 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 Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Charity and the Group 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.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The trustees confirm they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. When reviewing the aims and objectives of the Group and in planning its future activities the trustees refer to the guidance and consider, in particular, how planned activities will contribute to the aims and objectives they have set.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The report, including the strategic report, was approved by the Board of Trustees on 26 November 2020 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'M Nye', written in a cursive style.

M Nye

Chair of the Board of Trustees

Independent auditor's report to the members of the Soil Association limited

Opinion on financial statements

We have audited the financial statements of The Soil Association Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated and Charity Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Consolidated and Charity Balance Sheets, the Consolidated and Charity Statements 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2020 and of the group's 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 Companies Act 2006, the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and regulations six and eight of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, and the incorporated Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report, and the incorporated Strategic Report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities Act 2011, and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 29, 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 group's and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made exclusively to the members, as a body, in accordance with Chapter three of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the members and 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, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

NICHOLAS SLADDEN (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street,

London, EC4A 4AB

Date: **3 December 2020**

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial Statements

a. Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)
for the year ended 31 March 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
INCOME FROM:					
Donations and legacies	2	1,521	220	1,741	1,740
Charitable activities	3	10,837	2,166	13,003	15,387
Other trading activities	4	219	32	251	222
Investment income	5	9	-	9	7
Total income		12,586	2,418	15,004	17,356
EXPENDITURE ON:					
Raising funds		522	5	527	521
Charitable activities	6	11,706	4,218	15,924	15,003
Other trading activities		79	-	79	65
Total expenditure	8	12,307	4,223	16,530	15,589
Net (loss) / gain on investments	14	(17)	-	(17)	1
Net income / (expenditure) and net movement in funds		262	(1,805)	(1,543)	1,768
RECONCILIATION OF FUNDS					
Total funds brought forward		2,524	8,055	10,579	8,811
Total funds carried forward	20	2,786	6,250	9,036	10,579

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements.

b. Charity statement of financial activities

(incorporating an income and expenditure account)
for the year ended 31 March 2020

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
INCOME FROM:					
Donations and legacies	2	1,521	190	1,711	1,717
Charitable activities	3	2,173	2,166	4,339	7,333
Other trading activities	4	16	-	16	20
Investment income	5	314	-	314	138
Total income		<u>4,024</u>	<u>2,356</u>	<u>6,380</u>	<u>9,208</u>
EXPENDITURE ON:					
Raising funds		522	5	527	521
Charitable activities	6	<u>3,237</u>	<u>4,082</u>	<u>7,319</u>	<u>6,916</u>
Total expenditure	8	<u>3,759</u>	<u>4,087</u>	<u>7,846</u>	<u>7,437</u>
Net (loss) / gain on investments	14	<u>(17)</u>	<u>-</u>	<u>(17)</u>	<u>1</u>
Net income / (expenditure) and net movement in funds		<u>248</u>	<u>(1,731)</u>	<u>(1,483)</u>	<u>1,772</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>2,479</u>	<u>5,118</u>	<u>7,597</u>	<u>5,825</u>
Total funds carried forward	20	<u>2,727</u>	<u>3,387</u>	<u>6,114</u>	<u>7,597</u>

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements.

c. Consolidated balance sheet

As at 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
FIXED ASSETS					
Intangible assets	12	614		853	
Tangible assets	13	6,333		6,341	
Investments	14	85		102	
			7,032		7,296
CURRENT ASSETS					
Debtors	15	5,890		7,052	
Cash at bank and in hand		4,817		4,455	
		10,707		11,507	
CREDITORS: Amounts falling due within one year	16	(6,704)		(5,933)	
NET CURRENT ASSETS			4,003		5,574
TOTAL ASSETS LESS CURRENT LIABILITIES			11,035		12,870
CREDITORS: Amounts falling due after more than one year	17		(1,999)		(2,291)
NET ASSETS			9,036		10,579
FUNDS AND RESERVES					
Unrestricted funds	20		2,786		2,524
Restricted funds	20		6,250		8,055
TOTAL FUNDS	20		9,036		10,579

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements.

These financial statements were approved by the Board of Trustees on 26th November 2020 and signed on their behalf by:



M Nye
Chair of the Board of Trustees

d. Charity balance sheet

for the year ended 31 March 2020

	Note	2020 £000	2020 £000	2019 £000	2019 £000
FIXED ASSETS					
Intangible assets	12	228		224	
Tangible assets	13	3,517		3,565	
Investments	14	85		102	
			3,830		3,891
CURRENT ASSETS					
Debtors	15	3,770		4,930	
Cash at bank and in hand		2,989		2,735	
		6,759		7,665	
CREDITORS: Amounts falling due within one year	16	(2,476)		(1,938)	
NET CURRENT ASSETS			4,283		5,727
TOTAL ASSETS LESS CURRENT LIABILITIES			8,113		9,618
CREDITORS: Amounts falling due after more than one year	17		(1,999)		(2,021)
NET ASSETS			6,114		7,597
FUNDS AND RESERVES					
Unrestricted funds	20		2,727		2,479
Restricted funds	20		3,387		5,118
TOTAL FUNDS	20		6,114		7,597

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements.

These financial statements were approved by the Board of Trustees on 26 November 2020 and signed on their behalf by:



M Nye
Chair of the Board of Trustees

e. Consolidated statement of cash flows

for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Net cash inflow from operating activities	21	935	727
Cash flow from investing activities:			
Additions to land and buildings		-	(664)
Purchase of software; plant and equipment		(381)	(352)
		<u>(381)</u>	<u>(1,016)</u>
Cash flows from financing activities:			
Repayments of borrowing		(147)	(146)
Cash inflows from new borrowing		20	699
Interest paid on borrowing		(65)	(57)
		<u>(192)</u>	<u>496</u>
Increase in cash and cash equivalents in the year		<u>362</u>	<u>207</u>
Cash and cash equivalents at the beginning of the year		4,455	4,248
Cash and cash equivalents at the end of the year	21	<u>4,817</u>	<u>4,455</u>

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements

e. Charity statement of cash flows

for the year ended 31 March 2020

	Note	2020 £000	2019 £000
Net cash inflow from operating activities	21	633	340
Cash flow from investing activities:			
Additions to land and buildings		-	(664)
Purchase of software, plant and equipment		(187)	(237)
		<u>(187)</u>	<u>(901)</u>
Cash flows from financing activities:			
Repayments of borrowing		(147)	(146)
Cash inflows from new borrowing		20	699
Interest paid on borrowing		(65)	(57)
		<u>(192)</u>	<u>496</u>
Increase / (decrease) in cash and cash equivalents in the year		<u>254</u>	<u>(65)</u>
Cash and cash equivalents at the beginning of the year		<u>2,735</u>	<u>2,800</u>
Cash and cash equivalents at the end of the year	21	<u>2,989</u>	<u>2,735</u>

The accompanying notes on pages 40 to 70 are an integral part of the consolidated financial statements

g. Notes to the Financial Statements

for the year ended 31 March 2020

1. Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice ('SORP') applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) – (Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Soil Association Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. Values in the financial statements have been rounded to the nearest thousand pounds.

Preparation of the accounts on a going concern basis

The Trustees have reviewed the ability of the Charity and the Group to continue as a going concern and noted no material uncertainties that would mean it would be inappropriate to prepare the accounts on a going concern basis. They have therefore continued to adopt the going concern basis in the preparation of the group and Charity accounts. In considering the going concern basis the trustees have considered the going concern assessments made by the subsidiaries, the availability of government wage support and cashflow and financial forecasts for 2021, including expectations for revenue and expenditure given existing contractual commitments and expectations as a result of the impact of COVID-19. Furthermore, the trustees have considered the likely requirements for maintaining reserves across the group, liquidity expectations given the already secured longer-term mortgage borrowing and contingency requirements. More detail on this review can be found in the Trustees' report on page 25.

Company status

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £5 per member of the Charity.

Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity.

Designated funds are unrestricted funds of the Charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Charity's work.

Group financial statements

The financial statements consolidate the results of the Charity and other Group entities listed on page 23 on a line by line basis. Intra-group income and expenditure transactions are eliminated on consolidation.

Accounting policies (continued)

Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

- Legacies: Entitlement is taken as the earlier of the date on which either: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the Charity has been notified of the executor's intention to make a distribution;
- Income from grants is recognised when the Charity has entitlement to the funds, any performance conditions attached to the grants have been or are expected to be met, it is probable that the income will be received and the amount can be measured reliably and is not deferred;
- Certification fees are recognised at the date that the licences are granted or renewed. Application fees for new licences are recognised as income when formal appraisal of the application takes place. In the event of suspension or termination of licences, or rejection of an application, fees are not refundable and no obligation for this is therefore recognised at the balance sheet date;
- Contracted donations and gifts are recognised according to the contract terms;
- Donations and gifts are recognised when receivable; and
- Activity income is recognised when the activity takes place.

Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Expenditure

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

- Costs of raising funds are those incurred in seeking voluntary contributions, including membership and do not include the costs of disseminating information in support of the charitable activities.
- Expenditure on charitable activities include the costs incurred to further the purposes of the Charity, including associated support costs.
- Expenditure on trading activities represents the costs incurred to undertake trading activities such as those undertaken by SA Sales & Services Ltd.

Allocation of support costs

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. These costs have been allocated between the cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 10.

Accounting policies (continued)

Intangible fixed assets

Goodwill is calculated as the difference between the fair value of the consideration on the acquisition of a business and the fair value of the identifiable assets and liabilities. Software is initially recorded at cost and subsequently measured at cost less amortisation and impairment.

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	seven years straight-line method
Software	three to eight years straight-line method

The net book value of the goodwill is reviewed annually for any significant change in useful life or residual value.

Tangible fixed assets and depreciation

Tangible fixed assets are capitalised and included at cost including any incidental expenses of acquisition, net of depreciation and any provision for impairment.

Donated assets are included in the balance sheet at their fair value at the date of the gift and also included in the SOFA as an incoming resource.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost on a straight-line basis over their expected useful economic life as follows:

Freehold buildings	fifty years straight-line method
Leasehold improvements	evenly over the lease term
Building improvements	ten years straight-line method
Office equipment: Fixtures and fittings	five to ten years straight-line method
Office equipment: IT network hardware	five to eight years straight-line method
Office equipment: other IT equipment	three years straight-line method
Machinery: renewable energy systems	twenty years straight-line method

The Companies Act 2006 requires tangible fixed assets to be depreciated over a finite period. The trustees of the Soil Association Land Trust Limited consider that the freehold land and buildings held by the trust have an infinite life, and residual values to be high enough to ensure that there is no significant annual depreciation. Consequently, the trustees consider that to depreciate these assets would not provide a true and fair view and so the financial statements depart from this specific requirement in the Companies Act 2006.

If this departure from the Companies Act 2006 had not been made, the surplus for the financial period may have been decreased by depreciation. The amount of this depreciation is not considered material because of the indefinite life of these assets and the trustees have invoked a true and fair override.

Impairments

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Accounting policies (continued)

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of net realisable value and value-in-use, are recognised as impairments. Impairment losses are recognised in the SOFA.

Fixed asset investments

Investments in the group are held to generate income or for their investment potential. They are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and from disposals throughout the year.

In the Charity balance sheet, investments in subsidiaries are also included, stated at the cost of the nominal value of the shares issued.

Debtors

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

Creditors

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

Employee benefits

The group contributes to money purchase schemes to which employees also contribute. The amount charged to the SOFA is the contribution payable in the year. The group has no other pension liabilities.

Termination payments

The best estimate of the expenditure required to settle an obligation for termination benefits, is recognised immediately as an expense, when the Group is demonstrably committed to terminate the employment of an employee, or to provide termination benefits.

Finance and operating leases

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the SOFA in proportion to the remaining balance outstanding. All other leases are "operating leases" and the annual rentals are charged to the SOFA on a straight line basis over the lease term.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the surplus.

Accounting policies (continued)

Taxation

The Soil Association Limited and Soil Association Land Trust Limited are registered charities and as such are exempt from taxation of their income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charges have arisen in the year.

The profits of the following subsidiaries of the Charity are subject to corporation tax. However, no tax charge will arise as any taxable profits will be distributed to the Charity.

- Soil Association Certification Limited;
- SA Sales and Services Limited;

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

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key judgements made in these financial statements are considered to be:-

- Income recognition, particularly around restricted grants, where management need to make a judgement, with reference to the grant agreement, whether receipt of the income is probable or not.
- No depreciation is charged on the freehold land and buildings held by the Soil Association Land Trust Limited due to the judgement made by the trustees of the trust that these assets have an infinite life and that their residual values are high enough to ensure that there is no significant annual depreciation
- The level of provision held against debts which may not be fully recoverable, particularly within Soil Association Certification Limited
- The anticipated useful life of the Group's intangible assets

2. Income from Donations and Legacies

Group

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Donations	614	209	823	681	152	833
Legacies	155	11	166	143	-	143
Membership	752	-	752	764	-	764
	<u>1,521</u>	<u>220</u>	<u>1,741</u>	<u>1,588</u>	<u>152</u>	<u>1,740</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Donations	614	190	804	681	129	810
Legacies	155	-	155	143	-	143
Membership	752	-	752	764	-	764
	<u>1,521</u>	<u>190</u>	<u>1,711</u>	<u>1,588</u>	<u>129</u>	<u>1,717</u>

3. Income from Charitable Activities

Group

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Contract and consultancy income	1,805	-	1,805	1,907	-	1,907
Certification income	9,032	-	9,032	8,415	-	8,415
Grants receivable	-	2,166	2,166	-	5,065	5,065
	<u>10,837</u>	<u>2,166</u>	<u>13,003</u>	<u>10,322</u>	<u>5,065</u>	<u>15,387</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Contract and consultancy income	1,805	-	1,805	1,907	-	1,907
Symbol licence fee	368	-	368	361	-	361
Grants receivable	-	2,166	2,166	-	5,065	5,065
	<u>2,173</u>	<u>2,166</u>	<u>4,339</u>	<u>2,268</u>	<u>5,065</u>	<u>7,333</u>

4. Income from Other Trading Activities

Group

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Royalty income	6	-	6	4	-	4
Rental income	-	32	32	-	37	37
Sundry income	6	-	6	12	-	12
Other trading income	207	-	207	169	-	169
	<u>219</u>	<u>32</u>	<u>251</u>	<u>185</u>	<u>37</u>	<u>222</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Royalty income	6	-	6	4	-	4
Rental income	4	-	4	4	-	4
Sundry income	6	-	6	12	-	12
	<u>16</u>	<u>-</u>	<u>16</u>	<u>20</u>	<u>-</u>	<u>20</u>

5. Investment Income

Group

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Bank interest	6	-	6	4	-	4
Dividends	3	-	3	3	-	3
	<u>9</u>	<u>-</u>	<u>9</u>	<u>7</u>	<u>-</u>	<u>7</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Gift Aid from subsidiaries	305	-	305	131	-	131
Bank interest	6	-	6	4	-	4
Dividends	3	-	3	3	-	3
	<u>314</u>	<u>-</u>	<u>314</u>	<u>138</u>	<u>-</u>	<u>138</u>

6. Expenditure on Charitable Activities

Group

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Farming and land use transition	1,326	1,317	2,643	1,181	1,256	2,437
Healthy and sustainable diet	1,785	2,901	4,686	1,891	2,328	4,219
Certification costs	8,595	-	8,595	8,347	-	8,347
	<u>11,706</u>	<u>4,218</u>	<u>15,924</u>	<u>11,419</u>	<u>3,584</u>	<u>15,003</u>

Charity

	Unrestricted Funds £000	Restricted funds £000	Total 2020 £000	Unrestricted Funds £000	Restricted funds £000	Total 2019 £000
Farming and land use transition	1,326	1,181	2,507	1,181	1,192	2,373
Healthy and sustainable diet	1,911	2,901	4,812	2,215	2,328	4,543
	<u>3,237</u>	<u>4,082</u>	<u>7,319</u>	<u>3,396</u>	<u>3,520</u>	<u>6,916</u>

7. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel

Group	2020 No.	2019 No.
Average number of employees during the year	303	280

The aggregate payroll costs were as follows:	£000	£000
Wages and salaries	8,140	7,603
Social security costs	802	752
Pension costs	367	312
	<u>9,309</u>	<u>8,667</u>

Charity	2020 No.	2019 No.
Average number of employees during the year	163	153

The aggregate payroll costs were as follows:	2020 £000	2019 £000
Wages and salaries	4,358	4,038
Social security costs	417	392
Pension costs	182	150
	<u>4,957</u>	<u>4,580</u>

Redundancy and termination payments

	<i>Group</i> 2020 £000	<i>Group</i> 2019 £000	<i>Charity</i> 2020 £000	<i>Charity</i> 2019 £000
Statutory redundancy payments	7	2	7	2
Other termination payments	2	-	2	-
	<u>9</u>	<u>2</u>	<u>9</u>	<u>2</u>

Of the above, £4,000 of statutory redundancy payments were accrued at 31 March 2020 and settled post year end (2019: £nil).

7. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel (continued)

	<i>Group</i> 2020 £000	<i>Group</i> 2019 £000	<i>Charity</i> 2020 £000	<i>Charity</i> 2019 £000
Amounts outstanding at the year end in relation to defined contribution pension schemes	64	48	31	26

The number of higher paid staff whose employee benefits (excluding employer pension contributions) exceeded £60,000 in the year was as follows:

	<i>Group</i> 2020 No.	<i>Group</i> 2019 No.	<i>Charity</i> 2020 No.	<i>Charity</i> 2019 No.
£60,001 to £70,000	1	2	1	2
£70,001 to £80,000	3	3	3	2
£80,001 to £90,000	1	-	-	-
£90,001 to £100,000	1	1	-	-
	6	6	4	4

	<i>Group</i> 2020 £000	<i>Group</i> 2019 £000	<i>Charity</i> 2020 £000	<i>Charity</i> 2019 £000
Contributions to defined contribution pension schemes for the above higher paid staff amounted to	31	29	22	20

The trustees neither received nor waived any emoluments during the year (2019: £nil). Expenses incurred by 11 trustees (2019: six), either out of pocket expenses reimbursed to trustees or paid directly to third parties were as follows:

	<i>Group</i> 2020 £	<i>Group</i> 2019 £	<i>Charity</i> 2020 £	<i>Charity</i> 2019 £
Travel and subsistence	3,906	2,085	3,614	1,918

7. Staff Numbers and Costs, Trustee Remuneration and Expenses and the Cost of Key Management Personnel (continued)

Key Management Personnel

The key management personnel of the parent Charity comprise the trustees, Chief Executive Officer, Chief Operating Officer, Deputy CEO, Director of Communications, SA Scotland Director, Director of Fundraising and Policy & Strategy Director. The total employee benefits (including employers National Insurance and pension contributions) of the key management personnel of the Charity were £513,000 (2019: £520,000)

The key management personnel of the group comprise those of the Charity and those of its wholly owned subsidiary Soil Association Certification Limited. The key management personnel of Soil Association Certification are the Chief Executive Officer, Business Development Director and Operations Director whose employee benefits total £250,000 (2019: £244,000). The total employee benefits of key management personnel for the Group were therefore £763,000 (2019: £764,000).

8. Analysis of Expenditure

Group	Support costs £000	Direct costs £000	Total 2020 £000	Support costs £000	Direct costs £000	Total 2019 £000
Fundraising	18	509	527	27	494	521
Farming and land use transition	59	2,584	2,643	66	2,371	2,437
Healthy and sustainable diet	108	4,578	4,686	117	4,102	4,219
Certification costs	-	8,594	8,594	-	8,347	8,347
Other trading activities	-	79	79	-	65	65
	<u>185</u>	<u>16,344</u>	<u>16,529</u>	<u>210</u>	<u>15,379</u>	<u>15,589</u>

Charity	Support costs £000	Direct costs £000	Total 2020 £000	Support costs £000	Direct costs £000	Total 2019 £000
Fundraising	18	509	527	27	494	521
Farming and land use transition	59	2,448	2,507	66	2,307	2,373
Healthy and sustainable diet	108	4,704	4,812	117	4,426	4,543
	<u>185</u>	<u>7,661</u>	<u>7,846</u>	<u>210</u>	<u>7,227</u>	<u>7,437</u>

9. Net (Expenditure) / Income for the Year

This is stated after charging / (crediting):

Group	2020	2019*
		restated
	£000	£000
Auditor's remuneration:		
Audit fees:	27	24
Tax advisory services	10	3
Other fees	19	6*
Interest payable	65	57
Foreign exchange (gains) / losses	(14)	1
Depreciation of owned assets	132	110
Amortisation	496	635
Operating lease rentals - land and buildings	15	15
Operating lease rentals - other	66	86
	<u> </u>	<u> </u>

*other fees paid to auditor restated

Charity	2020	2019
	£000	£000
Auditor's remuneration:		
Audit fees	12	10
Tax advisory services	5	-
Interest payable	65	57
Foreign exchange gains	(9)	(3)
Depreciation of owned assets	104	88
Amortisation	127	40
Operating lease rentals - land and buildings	26	67
Operating lease rentals - other	15	15
	<u> </u>	<u> </u>

10. Support Costs

Group and Charity

	HR	Premises	Finance	IT	Govern- ance	support costs	Total support costs	Recharge to projects	Total costs allocated 2020 £000	Total costs allocated 2019 £000
Fundraising	8	7	20	40	3		78	(60)	18	27
Charitable activities:										
Farming and land use transition	24	23	63	127	10		247	(188)	59	66
Healthy and sustainable diets	44	42	115	233	18		452	(344)	108	117
Support costs	<u>76</u>	<u>72</u>	<u>198</u>	<u>400</u>	<u>31</u>		<u>777</u>	<u>(592)</u>	<u>185</u>	<u>210</u>
Costs recharged to Group entities							640			
Total support costs							<u>1,417</u>			

The basis for the allocation of support costs, being the number of staff, has been applied consistently in both this year and the prior year.

Governance costs are those incurred for compliance with constitutional and statutory requirements, such as the annual audit and professional fees and trustees' expenses.

11. Taxation

Group and Charity

The Charity is a registered charity and as such is exempt from taxation of its income and gains falling within part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that they are applied to its charitable objectives. No tax charge has arisen in the year. This also applies to the Soil Association Land Trust, which is also a charity.

The profits of the following wholly-owned subsidiaries of the Charity are subject to UK corporation tax, however no UK corporation tax charge will arise as any taxable profits will be gift aided to the Charity:

- Soil Association Certification Limited; and
- SA Sales and Services Limited.

12. Intangible Assets

Group

	Software £000	Goodwill £000	Total £000
Cost			
At 1 April 2019	842	2,050	2,892
Additions	257	-	257
At 31 March 2020	1,099	2,050	3,149
Amortisation			
At 1 April 2019	453	1,586	2,039
Charge for the year	161	335	496
At 31 March 2020	614	1,921	2,535
Net book value			
At 31 March 2020	485	129	614
At 31 March 2019	389	464	853

Charity

	Software £000
Cost	
At 1 April 2019	321
Additions	131
At 31 March 2020	452
Amortisation	
At 1 April 2019	97
Charge for the year	127
At 31 March 2020	224
Net book value	
At 31 March 2020	228
At 31 March 2019	224

13. Tangible Fixed Assets

Group	Freehold land and buildings £000	Leasehold / building improvements £000	Machinery and office equipment £000	Total £000
Cost				
At 1 April 2019	6,005	17	1,105	7,127
Additions	-	37	87	124
Disposals	-	(17)	(8)	(25)
At 31 March 2020	6,005	37	1,184	7,226
Depreciation				
At 1 April 2019	38	15	733	786
Charge for year	50	2	80	132
Disposals	-	(17)	(8)	(25)
At 31 March 2020	88	-	805	893
Net book value				
At 31 March 2020	5,917	37	379	6,333
At 31 March 2019	5,967	2	372	6,341

Charity	Freehold land and buildings £000	Leasehold improvements £000	Office equipment £000	Total £000
Cost				
At 1 April 2019	3,386	17	884	4,287
Additions	-	12	44	56
Disposals	-	(17)	-	(17)
At 31 March 2020	3,386	12	928	4,326
Depreciation				
At 1 April 2019	38	15	669	722
Charge for year	50	2	52	104
Disposals	-	(17)	-	(17)
At 31 March 2020	88	-	721	809
Net book value				
At 31 March 2020	3,298	12	207	3,517
At 31 March 2019	3,348	2	215	3,565

Charity freehold land and buildings represents the Soil Association head office, Spear House.

14. Fixed Asset Investments

Group and Charity

	2020 £000	2019 £000
Listed investments		
Market value at start of year	102	75
Additions in year	-	26
Revaluation	(17)	1
Market value at end of year	<u>85</u>	<u>102</u>

Group and Charity

	2020 £000	2019 £000
Historic cost at 31 March	<u>45</u>	<u>45</u>
Unrealised gains at 31 March	<u>40</u>	<u>57</u>

In line with the preferred treatment of the Charities Statement of Recommended Practice, fixed asset investments have been revalued to their market value at 31 March 2020. The above relates to listed investments which have no restrictions imposed upon them.

Charity

Equity investment in group undertakings	£
Cost and net book value at 1 April 2019 and 31 March 2020	<u>105</u>

The Charity owns the whole of the issued ordinary share capital of Soil Association Certification Limited (Co. No. 00726903) and SA Sales and Services Limited (Co. No. 02313146), which are incorporated in the UK. Soil Association Land Trust Limited (Co. No. 06359578), limited by guarantee, registered charity number 1121011, is deemed to be a subsidiary of the Soil Association Limited by virtue of control. All of these entities have the same registered office as the Soil Association Limited.

The principal activity of Soil Association Certification Limited is that of a certification body granting licences to trade. SA Sales and Services Limited works with corporate partners on affinity schemes and sponsorship of Soil Association work and sells advertising space in Soil Association magazines and at Soil Association organised events.

14. Fixed Asset Investments (continued)

The principal activities of Soil Association Land Trust Limited are that of the preservation, conservation and protection of the countryside for the public benefit.

Soil Association Certification Limited and SA Sales and Services Limited distribute most of their taxable profits, net of taxable losses brought forward from previous years to the Soil Association Limited, as Gift Aid distributions.

A summary of subsidiary trading results is shown below.

	Soil Association Certification Limited £000	SA Sales & Services Limited £000	Soil Association Land Trust Limited £000	Total 2020 £000	Total 2019 £000
Income statement/ Statement of financial activities					
Donations	-	-	19	19	23
Legacies	-	-	11	11	-
Income from sales	8,938	207	32	9,177	8,517
Grants receivable	94	-	11	105	104
Turnover	9,032	207	73	9,312	8,644
Cost of sales	(4,561)	(75)	(147)	(4,783)	(4,323)
Gross profit / (deficit)	4,471	132	(74)	4,529	4,321
Administration expenses	(4,280)	(4)	-	(4,284)	(4,194)
Net profit	191	128	(74)	245	127
Gift Aid payable	(191)	(114)	-	(305)	(131)
Retained in subsidiaries	-	14	(74)	(60)	(4)
Balance sheet					
Fixed assets	443	-	2,757	3,200	3,407
Current assets	4,147	195	226	4,568	4,073
Current liabilities	(4,558)	(168)	(121)	(4,847)	(4,229)
Long term liabilities	-	-	-	-	(270)
Net assets	32	27	2,862	2,921	2,981

15. Debtors

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Trade debtors	3,231	2,535	731	404
Amounts owed by subsidiary undertakings	-	-	619	233
Prepayments and accrued income	2,659	4,517	2,420	4,293
	<u>5,890</u>	<u>7,052</u>	<u>3,770</u>	<u>4,930</u>

16. Creditors: Amounts Falling Due Within One Year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Bank loan	10	119	10	119
Trade creditors	938	617	392	302
Payments received on account for contracts or performance-related grants	752	269	752	269
Accruals and deferred income	2,195	2,306	347	283
Other taxes and social security	587	561	106	99
Interest free loans	7	3	7	3
Financing agreement	25	25	25	25
Other creditors	2,190	2,033	837	838
	<u>6,704</u>	<u>5,933</u>	<u>2,476</u>	<u>1,938</u>

Deferred income reconciliation
(included with accruals and deferred income above)

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
At beginning of year	1,416	1,137	48	-
Provided during year	1,314	1,416	55	48
Released during year	(1,416)	(1,137)	(48)	-
	<u>1,314</u>	<u>1,416</u>	<u>55</u>	<u>48</u>

Deferred income relates to licensing fees received in advance of the period to which the licence relates, which is deferred and transferred to the SoFA in the relevant period.

17. Creditors: Amounts Falling Due After More Than One Year

	Group 2020 £000	Group 2019 £000	Charity 2020 £000	Charity 2019 £000
Bank loans:				
Secured bank loans (falling due in one-two years)	113	123	113	123
Secured bank loans (falling due in two-five years)	394	393	394	393
Secured bank loans (falling due after five years)	1,321	1,322	1,321	1,322
Other creditors:				
Interest-free loan (falling due in one-two years)	-	7	-	7
Interest-free loan (falling due in two-five years)	120	100	120	100
Financing agreement (falling due in one-two years)	25	25	25	25
Financing agreement (falling due in two-five years)	26	51	26	51
Deferred consideration (falling due in one-two years)	-	270	-	-
Deferred consideration (falling due in two-five years)	-	-	-	-
	<u>1,999</u>	<u>2,291</u>	<u>1,999</u>	<u>2,021</u>

The bank loans are secured on Spear House, a freehold property purchased in 2016-17, which has a carrying value of £3,298,000 at 31 March 2020 (2019: £3,348,000). The terms of the security provide for the lender to claim title to the property in the event of a default of principal and interest payments.

The loan financing comprises of two secured loans as follows:

- A loan of £1,250,000, repayable over 16 years, ending 13 September 2032 at a fixed rate of interest of 3.11% for the first 15 years.
- A loan of £900,000, repayable over 16 years, ending 6 September 2034 at a fixed rate of interest of 3.572% in the first 10 years.

The terms of these loans were both extended by one year in May 2020 as Soil Association Limited agreed a 12-month capital repayment holiday on the loans.

18. Contingent Liabilities

Group and Charity

The charitable group is registered under a group VAT scheme and all group companies are jointly liable for the group VAT Liability, which at the year end amounted to £382,000 (2019: £369,000).

19. Leasing Commitments

At the year end, the total future minimum lease payments and amounts receivable under non-cancellable operating leases are as follows:

Amounts payable:

Group	2020 Land and buildings £000	2020 Other £000	2019 Land and buildings £000	2019 Other £000
- within one year	27	62	6	68
- later than one year and not later than five years	14	42	-	104
	<u>41</u>	<u>104</u>	<u>6</u>	<u>172</u>

Charity	2020 Land and buildings £000	2020 Other £000	2019 Land and buildings £000	2019 Other £000
- within one year	27	15	6	15
- later than one year and not later than five years	14	21	-	36
	<u>41</u>	<u>36</u>	<u>6</u>	<u>51</u>

Amounts receivable:

	<i>Group</i> 2020 £000	<i>Group</i> 2019 £000	<i>Charity</i> 2020 £000	<i>Charity</i> 2019 £000
Land and Buildings				
- within one year	21	17	-	-
- later than one year and not later than five years	43	22	-	-
- later than five years	38	25	-	-
	<u>102</u>	<u>64</u>	<u>-</u>	<u>-</u>

20. Total Funds

Group	At 31 Mar 2019* £000	Income £000	Expend £000	Unrealise d losses £000	At 31 Mar 2020 £000
Unrestricted funds	2,524	12,586	(12,306)	(17)	2,787
Restricted funds:					
SA Land Trust	2,935	62	(135)	-	2,862
Farming and land use transition:					
The Prince of Wales' Charitable Foundation	34	250	(284)	-	-
Other	806	700	(897)	-	609
Total Farming and land use transition	840	950	(1,181)	-	609
Healthy and sustainable diets:					
The National Lottery Community Fund – Better Care	145	-	(96)	-	49
The National Lottery Community Fund – Development Grant	1	-	(1)	-	-
The National Lottery Community Fund – Food For Life Get Togethers	3,235	-	(1,165)	-	2,070
The National Lottery Community Fund and Esmée Fairbairn Foundation - Sustainable Food Places phase three	-	675	(324)	-	351
Esmée Fairbairn Foundation - Sustainable Food Cities phase two	371	-	(366)	-	5
Joseph Rowntree Charitable Trust	120	-	(40)	-	80
Other	403	726	(910)	-	219
Total Healthy and sustainable diets	4,275	1,401	(2,902)	-	2,774
Fundraising	5	5	(5)	-	5
Total restricted funds	8,055	2,418	(4,223)	-	6,250
Total funds	10,579	15,004	(16,529)	(17)	9,037

* The prior year comparative has been restated due to a mis-allocation between Farming and land use transition and Healthy and sustainable diets in the prior year.

20. Total funds (continued)

Charity

	Balance at 31 Mar 2019 £000	Income £000	Expenditure £000	Unrealised losses £000	Balance at 31 Mar 2020 £000
Unrestricted funds	2,479	4,025	(3,759)	(17)	2,728
Restricted funds	5,118	2,356	(4,087)	-	3,387
Total funds	7,597	6,381	(7,846)	(17)	6,115

Restricted funds

The following restricted funds were in use during the year. All funds at the year end were held in cash with the exception of the farms, machinery and stock donated from Land Heritage to Soil Association Land Trust Limited in previous years.

SA Land Trust

This fund represents the land and buildings owned by and activities undertaken in Soil Association Land Trust Limited.

Farming and land use transition and Healthy and sustainable diets

Funds received with a restriction to our work in Farming and land use transition and Healthy and sustainable diets.

Fundraising

Donations restricted to Fundraising activities within the organisation.

Net assets by fund

Group

	Fixed assets £000	Net current assets £000	Long-term creditors £000	Total 2020 £000
Unrestricted funds	4,275	511	(1,999)	2,787
Restricted funds	2,757	3,493	-	6,250
Total group funds	7,032	4,004	(1,999)	9,037

20. Total funds (continued)

Charity

	Fixed assets £000	Net current assets £000	Long-term creditors £000	Total 2020 £000
Unrestricted funds	3,830	897	(1,999)	2,728
Restricted funds	-	3,387	-	3,387
Total Charity funds	3,830	4,284	(1,999)	6,115

21. Cash Flow Information

Group

Reconciliation of changes in resources to net cash inflow from operating activities	2020 £000	2019 £000
Net (deficit) / income for the year	(1,543)	1,768
Add back depreciation charged	132	110
Add back amortisation charged	496	635
Add back unrealised loss / (gain) on investments	17	(27)
Add back interest paid	65	57
Decrease / (increase) in debtors	1,162	(1,781)
Increase in creditors	479	518
Deduct decrease / (increase) in creditors from financing activities	127	(553)
Net cash inflow from operating activities	<u>935</u>	<u>727</u>

Analysis of cash and cash equivalents

	At 1 April 2019 £000	Cash flow £000	At 31 March 2020 £000
Cash at bank and in hand	<u>4,455</u>	<u>362</u>	<u>4,817</u>

Analysis of changes in net debt

	At 1 April 2019 £000	Cash flow £000	Other non-cash changes £000	At 31 March 2020 £000
Cash at bank and in hand	4,455	362	-	4,817
Loans falling due within one year	(147)	147	(42)	(42)
Loans falling due after one year	(2,021)	(20)	42	(2,083)
Total	<u>2,287</u>	<u>489</u>	<u>-</u>	<u>2,776</u>

21. Cash flow information (continued)

Charity

Reconciliation of changes in resources to net cash inflow / (outflow) from operating activities:	2020 £000	2019 £000
Net (deficit) / income	(1,483)	1,772
Add back depreciation charged	104	88
Add back amortisation charged	127	40
Add back unrealised loss / (gain) on investments	17	(27)
Add back interest paid	65	57
Decrease / (increase) in debtors	1,160	(1,474)
Increase in creditors	516	438
Deduct decrease / (increase) in creditors from financing activities	127	(553)
Net cash inflow / (outflow) from operating activities	633	340

Analysis of cash and cash equivalents

	At 1 April 2019 £000	Cash flow £000	At 31 March 2020 £000
Cash at bank and in hand	2,735	254	2,989

Analysis of changes in net debt

	At 1 April 2019 £000	Cash flow £000	Other non-cash changes £000	At 31 March 2020 £000
Cash at bank and in hand	2,735	254	-	2,989
Loans falling due within one year	(147)	147	(42)	(42)
Loans falling due after one year	(2,021)	(20)	42	(2,083)
Total	567	381	-	948

22. Financial Instruments

The financial instruments of the Group and Charity are as follows -

	<i>Group</i> 2020 £000	<i>Group</i> 2019 £000	<i>Charity</i> 2020 £000	<i>Charity</i> 2019 £000
Financial assets held at fair value				
Listed investments	85	102	85	102
Financial assets held at amortised cost	5,585	6,832	3,579	4,786
Financial liabilities held at amortised cost	5,474	5,525	2,984	3,360

23. Related Party Transactions

Group and Charity

In the financial year the following transactions took place between the Charity and other Group entities:

Soil Association Certification Limited ('Certification')

- A licence charge from the Charity to Certification of £368,000 (2019: £361,000) for the right to certify to the Charity's standards and to issue the symbol to its licensees for use in relation to their products.
- A Service Level Agreement charge from the Charity to Certification of £639,996 (2019: £617,846) for the supply of accommodation, Finance, HR and IT services and other central costs.
- A charge of £177,380 (2019: £330,137) from Certification to the Charity of staff costs and support costs for the Charity's unrestricted contracts.
- A charge of £13,750 (2019: £12,144) from the Charity to Certification of staff costs and desk rental.
- The transfer under gift aid of the trading profits of Certification to the Charity of £191,754 (2019: £27,590)

Soil Association Land Trust Limited ('Land Trust')

- A charge of £9,194 (2019: £17,474) from the Charity to the Land Trust of staff costs and overheads.

SA Sales and Services Limited (SASS)

- Commercial income of £45,074 (2019: £49,057) transferred from the Charity to SASS.
- Cost of sales relating to the commercial income, including staff costs of £75,278 (2019: £57,424) charged from the Charity to SASS.
- The transfer under gift aid of the trading profits of SASS to the Charity of £128,381 (2019: £103,411).

23. Related Party Transactions (continued)

Board members do not receive remuneration for the provision of their services as trustees of The Soil Association Limited. Board members receive reimbursement of out of pocket expenses for attendance at meetings and events (see note 7).

During the year, gifts were made to departing Trustees, with a cash value of £nil (2019: £42).

Total donations received from Trustees and key management personnel in the year, including Gift Aid, were £8,125 (2019: £24,042). In addition, one trustee made an interest-free loan to the Group of £10,000 in 2018-19, of which £7,000 is outstanding at 31 March 2020 and is repayable in less than one year from the balance sheet date.

The Charity and Group purchased services from and made sales to companies whose directors are also Trustees or key management personnel of the Charity.

The majority of sales to companies whose directors are related parties related to certification services to licensees and were under normal commercial terms so are not disclosed.

Non-certification sales to companies owned by Helen Browning totalled £6,965 inclusive of VAT (2019: £15,009). Amounts outstanding at 31 March 2020 on sales made during the year were £872 incl. VAT (2019: £3,169).

Purchases from companies owned by Helen Browning totalled £8,559 inclusive of VAT (2019: £3,641). Amounts outstanding at 31 March 2020 on purchases made during the year were £90 incl. VAT (2019: £nil).

24. Capital Commitments

Group and Charity

At the year end the Group had capital commitments of £10,000 (2019: £60,000) and the Charity £10,000 (2019: £nil).

25. Non-adjusting Post Balance Sheet Event

Group

On 13 November 2020, land and farm buildings at the Woodoaks Farm near Maple Cross in Buckinghamshire were gifted to the Soil Association Land Trust. A formal valuation has not yet been performed, but an initial estimate is that the asset will be brought into the Land Trust and Group balance sheets at around £3.2m in 2020/21.

26. Comparative Consolidated Statement of Financial Activities

		Unrestricted funds	Restricted funds	Total funds
	Note	2019 £000	2019 £000	2019 £000
INCOME FROM:				
Donations and legacies	2	1,588	152	1,740
Charitable activities	3	10,322	5,065	15,387
Other trading activities	4	185	37	222
Investment income	5	7	-	7
Total income		12,102	5,254	17,356
EXPENDITURE ON:				
Raising funds		510	11	521
Charitable activities	6	11,419	3,584	15,003
Other trading activities		65	-	65
Total expenditure	8	11,994	3,595	15,589
Net gain / (loss) on investments	14	1	-	1
Net income / (expenditure)		109	1,659	1,768
Transfer between Funds	20	238	(238)	-
Net movement in funds		347	1,421	1,768
RECONCILIATION OF FUNDS				
Total funds brought forward		2,177	6,634	8,811
Total funds carried forward	20	2,524	8,055	10,579

h. Reference and administrative details

REGISTERED CHARITY NUMBER

206862 (England and Wales)

SCO39168 (Scotland)

ROYAL PATRON

HRH The Prince of Wales

HONORARY VICE PRESIDENTS

Charlotte Mitchell

Jonathan Dimpleby

Trudie Styler

TRUSTEES

Martin Nye (Chair)

Graeme Matravers (Vice-Chair)

Thomas Bourne

Andrew Burgess, appointed 1 November 2019

John Carson, resigned 1 November 2020

Oliver Dowding, resigned 1 November 2020

Sepideh Golzari, appointed 1 November 2019

Isabel Oliver

Rosemary Radcliffe

Jez Rose, appointed 1 September 2020

Jonathan Spencer, appointed 1 March 2020

Gabriel Scally, resigned 22 November 2019

CHIEF EXECUTIVE

Helen Browning

CHIEF OPERATING OFFICER

Martin Dawson

COMPANY SECRETARY

Emma Hussey

REGISTERED COMPANY

00409726

GOVERNING DOCUMENT

Articles of Association

CONSTITUTION

Company limited by guarantee

REGISTERED OFFICE

Spear House

51 Victoria Street

Bristol

BS1 6AD

BANKERS

Triodos Bank

Deanery Road

Bristol

BS1 5AS

Lloyds Bank

Canons House

Canons Way

Bristol

BS99 7LB

SOLICITOR

Veale Wasbrough Vizards

Narrow Quay House

Narrow Quay

Bristol

BS1 4QA

AUDITOR

RSM UK Audit LLP

25 Farringdon Street

London

EC4A 4AB



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Registered charity no. 206862

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Registered charity no. SC039168

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