

Company no. 1513190  
Charity no. 281276

# **Progressive Farming Trust Limited**

## **Report and Audited Financial Statements**

### **31 October 2021**

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## **Progressive Farming Trust Limited**

### **Reference and administrative details**

**For the year ended 31 October 2021**

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<b>Company number</b>	1513190
<b>Charity number</b>	281276
<b>Registered office and operational address</b>	Trent Lodge Stroud Road Cirencester Gloucestershire GL7 6JN
<b>Trustees</b>	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:  A M F Astor (resigned 15 December 2021) T Bennett A Blackshaw (resigned 15 December 2021) J Dwyer (appointed 16 June 2021) H Eldridge (appointed 16 June 2021) R Kerr D Peck J Pickering (appointed 16 June 2021) S Rajani (appointed 8 September 2021) C Watson N Westaway
<b>Senior management team</b>	L MacLennan - CEO T Connett - Head of Finance (resigned 25 February 2021; reappointed 1 November 2021) P Jenkins - Head of Finance (8 February 2021 - 12 November 2021) W Simonson - Head of Research (appointed 9 November 2020) A Costanzo - Deputy Head of Research
<b>Company secretary</b>	L MacLennan
<b>Bankers</b>	Triodos Bank Deanery Road Bristol BS1 5AS
<b>Auditors</b>	Godfrey Wilson Limited Chartered accountants and statutory auditors 5th Floor Mariner House 62 Prince Street Bristol BS1 4QD

## **Progressive Farming Trust Limited**

### **Report of the trustees**

**For the year ended 31 October 2021**

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#### **Chairman's report**

The year we are reporting on continued to be impacted by the restrictions placed on society by COVID-19. The Organic Research Centre's (ORC) operations were primarily home based and outside activity was restricted for some of the year we are reporting on. Despite that, our CEO, supported by the team, managed to organise a number of external events linked to raising our profile. This allowed for discussion around opportunities to increase our income from donors wishing to support ORC, including support for specific research projects.

As planned, this year has been another year of change for ORC with considerable investment in communications, new financial and governance systems, a new fundraising strategy and significant time put into developing our future research priorities.

I wish to thank the trustees for all their help overseeing these developments and for joining so many virtual meetings. We were delighted to recruit four new trustees and I welcome Janet Dwyer, Honor Eldridge, Jake Pickering, and Seeta Rajani. We are already benefiting from their experience, and I thank them for committing to help ORC despite already being busy in other roles.

As indicated last year, Alice Astor agreed to stay on an extra year to help ORC and she stood down as a trustee in December 2021. Adrian Blackshaw also decided to step down as a trustee at the same time. On behalf of the trustees and the ORC team, I want to thank them both for many years of commitment to the organisation. We will miss their considerable knowledge of ORC though I know they will stay closely involved in the future development of ORC.

I reported last year that we had moved to Trent Lodge in Cirencester following the sale of Elm Farm. Part of Elm Farm was sold within this financial year and the £625,000 proceeds of the sale are reflected in the accounts. A further sum of approximately £9,000, held back until certain works had been carried out, is also in the accounts for this year. Those proceeds complete the sale of Elm Farm and, with it, a significant chapter in the history of ORC.

Our future research funding continues to face uncertainty due to the funding of European projects through Horizon Europe being delayed. Despite continuing uncertainties on timings, we trust that our important partnerships within Europe will be able to continue this year through new Horizon funding. There have been important commitments from the UK government including at COP 26 where our CEO was a speaker. Those commitments to a sustainable food system in the UK will demand considerable change in the way we produce food and manage land. Investment in research will be needed to facilitate that change; we hope to be working with DEFRA on such projects in the coming year.

Our total fundraising income has doubled compared with the previous year, despite the difficulties posed by the pandemic for some external activities. Our aim for the 2021-2022 financial year is to raise that figure substantially again, as part of the ongoing plan to achieve a balanced budget, excluding investment returns.

I reported last year that following recommendations from our auditors we have changed how we account for research funding payments and our 2020-21 accounts therefore reflect changes to our income accruals.

**Progressive Farming Trust Limited**

**Report of the trustees**

**For the year ended 31 October 2021**

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The balance sheet is showing a healthy net balance of £2,175,459. The investments we hold with Rathbones Greenbank were showing a value of £1,242,656 at the end of October 2021, with a gain on those investments of £221,270 for the year. The trustees requested that £200,000 of those funds should be encashed and they have been made available to fund investment in the charity's activities in 2021-22.

On behalf of our trustees I want to thank our CEO and all the team at ORC for maintaining momentum in another difficult year.

Through their efforts, and the last two years of change at ORC and investment in the charity, we are now in a better position to concentrate on increasing our income across all parts of our operation in the coming years so that we can continue to hold adequate reserves and expand or maintain the important work of the charity.

Tim Bennett

## **Progressive Farming Trust Limited**

### **Report of the trustees**

#### **For the year ended 31 October 2021**

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##### **Chief executive report**

During the past year we have continued to deliver the implementation of our three-year strategy and have built upon the strong start made in 2019-20, with fewer fundamental changes to the organisation.

Income has been gained principally from two revenue streams: Fundraising income and Research project funding. Fundraising income more than doubled year on year (excluding legacy income), to more than £200,000. This has been achieved through implementation of a clear fundraising strategy to focus resources in three areas: individual giving, Trusts & Foundations, and major donor engagement. The year ahead will seek to build on this strong start and increase yield further.

Research income was up year on year although it was lower than budgeted for two significant reasons. Firstly, there were delays to statutory funding decisions caused both by Brexit and by the UK's Horizon Europe membership issue. A number of bids have been submitted but delays in the decision-making process have meant that deadlines were extended beyond the end of our financial year.

Secondly research income was reduced because of the impact of changes made to accounting policy through the reversal of accruals which were not fully completed in the previous financial year. However, we are confident that this process is now fully complete and that we have a clean balance sheet to take forward into the new financial year.

This work on finance is an example of how the team have worked to simplify, strengthen, and stabilise the internal systems and processes. We have invested in our systems and now have in place:

- New finance system which manages timesheets and expenses as well as accounting and reporting;
- New online payroll system;
- New CRM system that is now fully embedded in fundraising and is rolling out across the rest of the business; and
- New online self-service HR system.

These systems will help to continue to drive efficiencies within the business so that our resources can be better spent in driving our business further forward.

The continuing COVID pandemic lockdown restrictions during 2020-21 resulted in reduced expenditure on travel and expenses. Outgoings were reduced further through cost control on staffing, where recruitment for several positions was delayed and unfunded activity on the Agricolgy information hub was controlled.

Year 2 of our strategy is underway and focuses resources on networking, communicating, and collaborating. We appointed a central Communications Officer who has run the first year of our communications programme, which focused on our most important research over the past 40 years. This has given us a good platform to build upon in future for the ORC to gain more recognition and attract further funding and collaboration opportunities.

The highlight of the year for us was hosting an event to celebrate the ORC's 40th anniversary. The day brought together both old and new friends of the organization and gave us the opportunity to share our work and reconnect with one another again after the frustrations of lockdown.

**Progressive Farming Trust Limited**

**Report of the trustees**

**For the year ended 31 October 2021**

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The year ahead will see us continue to build on recent activity, driving efficiencies and improving recognition of the organization. We will also start work on Year 3 of our strategy to generate additional income streams to ensure the future sustainability of the organization.

Lucy MacLennan

## **Progressive Farming Trust Limited**

### **Report of the trustees**

#### **For the year ended 31 October 2021**

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The trustees present their report and financial statements for the year ended 31 October 2021. Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (effective from January 2019).

#### **Research and knowledge exchange report**

2020-21 saw the appointment of a new Head of Research and Deputy Head of Research, who through the course of the year have led a 12-strong team working across five research themes and cross-cutting knowledge exchange activities.

In total, work on over 20 different projects was undertaken, with five projects reaching completion in this period. The project portfolio continues to be supported through EU funding, UK statutory funding (UK Research Councils, DEFRA), and shorter-term consultancies, as well as some Trust/Foundation support.

In addition, ORC has kept maintaining and developing the Agricology programme: a collaborative information hub, comprising independent information from over 40 respected partners and many pioneering and innovative farmers. Through this programme of applied research and knowledge exchange linked to organic farming and growing, and their contribution to the current climate and nature emergencies, continues to be supported.

#### Crop diversity and agronomy

*Research on organic crops has a pivotal role to play in redesigning the whole of agriculture towards greater sustainability and resilience.*

In 2020-21 we have continued to develop and deepen our approach to on-farm research and collective experimentation directly with farmers on their fields, tackling the dual challenges of ensuring appropriate seeds are available to be grown organically and improving the productive and environmental performance of organic and low-input growing systems.

Three projects were successfully completed: the EU project LIVESEED on boosting organic seed production and increasing the availability of cultivars adapted to organic growing conditions in Europe (2017-2021); the EIP (European Innovation Partnership) Soils project on improving organic soil management and soil quality monitoring (2019-2021); and the EIP Ancient Cereals project with a group of Welsh farmers, aimed at supporting a local bread supply chain by testing spring modern and heritage wheats under organic management (2019-2021).

Ongoing projects are:

- the DEFRA-funded "Farm-based organic variety testing networks – LiveWheat", to tackle genetic, environmental and management challenges to organic wheat production, which has been granted a 1-year extension;
- the Innovative Farmers "Living Mulch" Field Lab focusing on establishing no-till arable rotations with annual crops grown into an established clover understorey; and
- the "LiveOat" consultancy, in which we assist Organic Arable in field-scale testing spring oat varieties, linked to White's Oats.

#### Animal husbandry

*Keeping livestock is a key part of many organic farming systems. Our work covers cattle, sheep, goats, pigs, and poultry.*

## Progressive Farming Trust Limited

### Report of the trustees

#### For the year ended 31 October 2021

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In 2020-21 a key focus has been the animal welfare and productivity benefits of integrating trees into livestock systems, implemented in particular through 3 projects:

- Innovative Farmers Devon Silvopasture Field Lab: ORC is participating in a 12-year project investigating the benefits of silvopasture, featured in BBC's flagship Countryfile programme in November. This is in partnership with FWAG SW, the Woodland Trust, and Rothamsted Research North Wyke;
- Optimum Shelter Belts (OSBs): in collaboration with FWAG-SW, and in support of a trial of over 30 different farms in the Cotswolds where shelterbelts are being planted, we have designed and secured funding for a programme of research and monitoring into the benefits of OSBs for livestock as well as crops, biodiversity, and other environmental goods; and
- Cattle Care at Landscape Level (CCAL): a site-based programme of research into approaches that achieve the dual objectives of promoting biodiversity and livestock welfare from field to landscape levels, with a specific focus on plant-animal interactions.

Our senior livestock researcher has shared knowledge with farmers on the benefits of silvopasture for livestock at a range of events including Groundswell.

The last year also saw the successful completion of the OK-Net Eco-Feed project: Organic Knowledge Network on Monogastric Animal Feed, for which ORC coordinated feed and feeding trials focussed on delivering 100 percent organic and regional feed to pigs and poultry. For a second ongoing Horizon 2020 project, Organic Plus, ORC is conducting another experimental trial, in this case, to evaluate the effect of antioxidant and immunostimulatory herbs, administered pre-calving, on colostrum quality and immune responses in dairy cows.

#### Healthy and sustainable food systems

*Developing healthy and sustainable food systems with a focus on holistic management within a whole farm context.*

The focus of research under this theme in 2020-21 has been farm-level sustainability assessment through various applications of ORC's Public Goods Tool. Our sustainability researcher has continued to develop the PG Tool and its proven value for farm sustainability assessments through four projects, two of which have been part of DEFRA's Tests & Trials process preparing for environmental land management.

- The **SEEGSLIP and Agrecalc** project: This piece of work mapped the data collected using the PG Tool to that required to create a carbon footprint report in SAC's Agrecalc, generating footprints for 50 of the participating farms and exploring the role of PFLA practices in future sustainable management practices;
- The **Dartmoor ELMs Test & Trial**: ORC supported Dartmoor National Park Authority Officers in the development of a public goods scorecard;
- The **PG Tool Test & Trial**: focussed on the assessment of public goods in two landscape areas using the PG Tool, as a means for spatial prioritisation and alignment with the 25-year environment plan and the 6 public goods outlined in DEFRA's Environmental Land Management schemes; and
- The **Foodlevers** project: commenced in 2021 to investigate potential leverage points within organic and sustainable food systems. Whilst multi-disciplinary, the first year of the project has seen ORC involved in the development of an Ecosystem services assessment which will build on our current PG Tool.



## Progressive Farming Trust Limited

### Report of the trustees

#### For the year ended 31 October 2021

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##### Business and markets

*Socio-economic analysis of agri-food markets and supply chains to understand pathways to greater innovation and sustainability.*

The business and markets team have worked across a broad range of projects and topics in 2020-21 including:

**LIVESEED:** ORC contributed to deliverables on business models for (1) organic seed and breeding, and (2) organic consumer willingness to pay for new plant breeding techniques;

**AGROMIX:** ORC has been exploring the business management implications of establishing mixed farming and agroforestry systems at the farm and supply chain levels. This includes providing key example cases of where the attributes of mixed farming and agroforestry lead to greater resilience and sustainability in different farm business models. ORC has also been working to highlight social and economic opportunities for the agroforestry and mixed farming sector through the analysis of different value chain actor perspectives;

**DiverIMPACTS:** ORC has investigated how supply chain actors and stakeholders are involved in and impacted by diverse cropping systems. ORC has produced seven value chain maps of the different case studies involved in the project to show the impact that crop diversification has on the relationships between actors and stakeholders in a supply chain; and

**Carbon footprinting:** ORC was commissioned to calculate the carbon footprint of grain transport for an Organic Arable producer. Also, the team produced the analysis of the economic benefits of increasing the UK hedgerow network by 40% (see Agroforestry).

With the University of Reading, the Royal Agricultural University, and partners across Europe, this last year also saw the beginning of our participation in the **FOODLEVERS** project (see food systems, above).

##### Agroforestry

*Integrating trees with agriculture to encourage positive interactions to improve farm resilience, lead to an overall increase in productivity, biodiversity, and other mutual benefits.*

2020-21 saw the recruitment of both a Principal Researcher and a Senior Researcher in Agroforestry. Together with the input of our Senior Livestock Researcher focussing on silvopasture research, this new team consolidated on past research with two strategic new projects:

**Agromix:** This Horizon-funded European collaboration focuses on the potential of transitioning to agroforestry and other mixed farming systems across the continent, particularly with respect to conferring greater resilience in the face of climate, other environmental and economic change. For work package 3 (biophysical measurement) we have been studying the biodiversity of agroforestry fields at Wakelyns, Suffolk, in comparison to fields without trees; and

**Agroforestry ELM Test:** In partnership with the Woodland Trust, Soil Association and Abacus Agriculture, we have been running workshops with farmers to gather evidence on past barriers to agroforestry uptake, and what these teach us about the building blocks needed to encourage uptake in the future.

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### Report of the trustees

#### For the year ended 31 October 2021

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This last year has also seen the completion of the **WOOFS** project on the potential of using woodchip to build soil health, as well as two knowledge exchange projects funded by the **A Team Foundation**, focussing on developing an agroforestry demonstration network and a favourable policy environment. In collaboration with **CPRE The Countryside Charity**, we also modelled the environmental and economic benefits of increasing the UK hedgerow network by 40%, resulting in a report that was the focus of a high-profile launch in the Houses of Parliament in September.

#### Knowledge exchange and policy

Knowledge exchange has been integral to many of the above referenced projects, with the aim of achieving impact within the organic and wider farming and food growing sectors. Additional projects with a particularly strong knowledge exchange emphasis have been:

- The EU project **DIVERSify** ('Designing innovative plant teams for ecosystem resilience and agricultural sustainability') aimed at promoting crop diversification by mixed cropping (2017-2021). ORC led knowledge exchange to promote the adoption of successful plant teams, for example through social media, videos, and other web-based resources; and
- **Future Farming Resilience**: ORC has been in support of the delivery of a package of advice and guidance for farmers transition to ELMS, including the organisation of farmer-to-farmer webinars, developing a library of on-line resources, and designing surveys to measure the impact of one-to-one advice.
- **Organic at the Heart (OATH)**: Having achieved our fundraising target we were able to set the project up internally with a start date of July 2021, marking the beginning of the first phase of operations of this project, which is following an action research approach; this means that practitioner knowledge and academic research experience are brought together to deliver innovative solutions. OATH aims to determine how organic principles can underpin the development of local food and farming networks whilst supporting the development of both in tandem. Regional networks are being mapped by regional leads to identify key partners and also regions where ORC facilitation can be most useful. So far our efforts have focussed on building relationships with groups of local stakeholders in the North of England and the South-West; plans to develop hubs in the South and Midlands also in the pipeline. A series of events will be delivered in summer 2022 to begin the process of establishing local needs and identifying challenges that OATH and future projects can address to ensure the wider adoption of organic

#### Agricology

Commissioned service fees were introduced to collaborating partners during the year. AHDB, RSPB and Woodland Trust commissioned work as a result, helping establish this new income stream, with two fee paying projects for DEFRA and The A Team (via GWCT Allerton). Eleven new farmer profiles were created, and 4 existing profiles were updated. 8 podcasts were published, bringing the total available to 12. Key resources focus on topics such as bio-pesticides, conservation agriculture, organic vs non-organic meat, blackgrass, and healthy soils.

#### **Outreach and impact**

##### Farmers and stakeholders' engagement

ORC's research work follows a participative approach, conceived with farmers and taking place on a wide range of organic as well as conventional farms. In 2020-21 the crops team worked closely with 20 farms across 3 projects (Livewheat, Living Mulch, and LiveOats), whilst the agroforestry team continued to use Wakelyns Agroforestry as an experimental site for field data collection and through the Silvapasture Field Lab and Optimum Shelterbelt projects networked with 7 farms in Devon and 30 farms in the Cotswolds, respectively.

## Progressive Farming Trust Limited

### Report of the trustees

#### For the year ended 31 October 2021

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##### Events and dissemination

We have conveyed our message and findings to the farming, industry, policy, and scientific arenas in over 35 conferences, seminars and workshops including:

- Presentation to **AHDB Agronomists' conference**, December 2020, 150 attendees from farming and advisory services;
- Session at **Oxford Real Farming Conference**, January 2021, 150 attendees from farming, industry, civil society, and policy;
- Presentation to **National Organic Combinable Crops**, 8th July 2021, over 100 attendees from farming, industry, and policy; and
- Two contributions at **Organic World Congress 2021**, 6-10 September 2021, over 2,000 attendees worldwide from farming, industry, policy, and academia.

##### Agricology

During the 2020-21 year, the Agricology programme attracted double the interest of the previous year. We can highlight:

- The agricology.co.uk website saw 115,855 users, with approximately 22,000 downloading resources for future reference, 1,250 sharing information directly from the site and 52,500 following external links to information and events.
- The age profile of the audience is creeping downwards, with an increase in under 35 year-olds engaging with the site content – an encouraging development as this demographic is known to be more open to new farming methods and can influence the older generations.
- The YouTube channel had 67,648 video views and gained 678 new subscribers during the year.
- Social media following exceeded 18,000 during the year, and newsletter subscribers increased to over 2,400.
- 3,461 users downloaded podcast resources.

##### Publications

To round off our 40th anniversary year we have published an **eBook "40 Years of ORC"** celebrating our pioneering research in organic farming from 1980 to 2020. This brings together all the **10 Factsheets** and **30 Research Digests** that we put together over the 2020 financial year into one publication. We have kept up our commitment to scientific excellence and impact, with 11 peer-reviewed journal papers published in 2020-21 (Annex 1), as well as 8 papers in conference proceedings and 1 book chapter.

##### Shaping future work

The ORC Research and Knowledge Exchange team has put significant effort in bidding for future work, by submitting:

- **Three proposals for the Horizon Europe programme** for a total projected value of €950,000 over the next four years;
- **Two proposals for UK statutory funded projects** for a projected total value of £160,000 over the next three years;
- **Four proposals to Trusts and Foundations** for a projected value of £160,000 over the next two years; and
- An overall application, covering all the research themes, to seven sub lots of a UK Government **Research and Development Framework Programme** to be launched in 2022 for a duration of 4 years.

Will Simonson, Head of Research

Ambrogio Costanzo, Deputy Head of Research

## Progressive Farming Trust Limited

### Report of the trustees

#### For the year ended 31 October 2021

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##### Annex 1: Scientific papers 2021-2022

- 1 Costanzo A, Amos D, Bickler C, Trump A (2021) Agronomic and genetic assessment of organic wheat performance in England: a field-scale cultivar evaluation with a network of farms. *Agronomy for Sustainable Development* <https://doi.org/10.1007/s13593-021-00706-y> (Project: LIVESEED)
- 2 Cubero Dudinskaya E, Naspetti S, Arsenos G, Caramelle-Holtz E, Latvala T, Martin-Collado D, Orsini S, Ozturk E, Zanolli R (2021). European Consumers' Willingness to Pay for Red Meat Labelling Attributes. *Animals* <https://doi.org/10.3390/ani11020556> (Project: iSAGE)
- 3 Gambelli D, Solfanelli F, Orsini S, Zanolli R. (2020) Measuring the Economic Performance of Small Ruminant Farms Using Balanced Scorecard and Importance-Performance Analysis: A European Case Study. *Sustainability* <https://doi.org/10.3390/su13063321> (Project: LIVESEED)
- 4 Padel S, Orsini S, Solfanelli F, Zanolli R. (2021) Can the Market Deliver 100% Organic Seed and Varieties in Europe? *Sustainability* <https://doi.org/10.3390/su131810305> (Project: LIVESEED)
- 5 Smith, J., Westaway, S., Mullender, S., Giannitsopoulos, M. & Graves, A. (2021) Making hedgerows pay their way: the economics of harvesting field boundary hedges for bioenergy. *Agroforestry Systems* <https://doi.org/10.1007/s10457-021-00631-9> (Project: SustainFARM)
- 6 Staton, T. Walters, R., Smith, J., Breeze, T. & Girling, R. (2021) Evaluating a trait-based approach to compare natural enemy and pest communities in agroforestry vs. arable systems. *Ecological Applications* <https://doi.org/10.1002/eap.2294>
- 7 Staton, T. Walters, R., Smith, J., Breeze, T. & Girling, R. (2021) Management to Promote Flowering Understoreys Benefits Natural Enemy Diversity, Aphid Suppression, and Income in an Agroforestry System. *Agronomy* <https://doi.org/10.3390/agronomy11040651>
- 8 Winter E, Grovermann C, Aurbacher J, Orsini S, Schäfer F, Lazzaro M, Solfanelli F & Messmer M (2021) Sow what you sell: strategies for integrating organic breeding and seed production into value chain partnerships, Agroecology and Sustainable Food Systems <https://doi.org/10.1080/21683565.2021.1931628> (Project: LIVESEED)
- 9 Winter E, Grovermann C, Orsini S, Solfanelli F, Aurbacher J (2021) The Effects of Interventions Targeting Increased Organic Seed Use—The Cases of Perennial Ryegrass in England and Durum Wheat in Italy. *Sustainability* <https://doi.org/10.3390/su132313326> (Project: LIVESEED)
- 10 Kendall NR, Smith J, Whistance LK, Stergiadis S, Stoate C, Chesshire H, Smith AR (2021) Trace element composition of tree fodder and potential nutritional use for livestock. *Livestock Science* 250: <https://doi.org/10.1016/j.livsci.2021.104560>
- 11 Ortuño J, Stergiadis S, Koidis A, Smith J, Humphrey C, Whistance L, Theodoridou K (2021) Rapid tannin profiling of tree fodders using untargeted mid-infrared spectroscopy and partial least squares regression. *Plant Methods* 17: 14 <https://doi.org/10.1186/s13007-021-00715-8>

## **Progressive Farming Trust Limited**

### **Report of the trustees**

**For the year ended 31 October 2021**

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#### **Objectives and activities**

The Progressive Farming Trust (trading as The Organic Research Centre) (ORC) aims to combine scientific excellence with practical experience to deliver real benefits on the ground for all our futures by working, nationally and internationally, to:

- research and develop practical, sustainable land management and food production systems based on organic and agroecological principles;
- foster knowledge exchange between researchers, producers, food businesses and related professionals; and
- influence policy and public debates on the future of food and farming based on sound evidence.

Our objectives are pursued by means of a detailed programme of activities as set out in our annual business plans, with a quarterly review process, internally and by the Council of Management, used to monitor progress of activities and the outputs delivered.

The trustees have identified the following public benefits derived from the charity's activities:

- the advancement of education, i.e. activities to promote, sustain and increase individual and collective knowledge and understanding of specific areas of study, skills and expertise, remains the primary one of relevance;
- the advancement of health, advancement of environmental protection and improvement (in particular the promotion of sustainable development and biodiversity);
- the promotion of recycling and sustainable waste management; and research projects into the use of renewable energy sources; and
- the advancement of animal welfare through research into improved livestock production systems.

All findings of our research programmes are made available in the public domain.

#### **Sources of funding**

A range of funding is utilised by ORC including restricted project funding gained through funding bids and unrestricted funds donated by charitable trusts and individual donors.

#### **Risk factors and management**

The trustees have given due consideration to the major risks to which ORC is exposed and holds a register of these. We have taken all reasonable steps to mitigate these risks. Risk assessment and management processes are in operation on an on-going basis throughout the organisation and cover all aspects of financial and non-financial performance.

The monitoring of our financial control systems and procedures and risk-management strategies is delegated to the Finance Committee, which meets quarterly and reports to the Council of Management. The major risks identified relate to failure to achieve income goals, however the appointment of a new senior management team who have a stronger knowledge and understanding of the organisation business model, sensitivity analysis and KPI management will help to mitigate this risk, along with additional support from a fundraising consultancy practice.

#### **Financial review**

The financial performance of the charity is set out in the attached financial statements.

The result stated on page 20 is a net cost of £29,488 compared to a surplus of £683,270 in the previous year.

## **Progressive Farming Trust Limited**

### **Report of the trustees**

#### **For the year ended 31 October 2021**

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As set out on page 20, total incoming resources, including income from charitable activities, was £970,338 for the year (£2,097,643 in 2019-20).

#### **Reserves policy**

The charity's reserve policy is to maintain liquid reserves equating to four months of its regular expenditure, i.e £400,000-£450,000. The charity's reserves consist of its unrestricted net current assets plus the most liquid portion of its listed investment portfolio, together these total more than the top figure in the range for that target. The charity's longer-term investments portfolio is held as fixed assets relating to its long-term business strategies.

#### **Structure, governance and management**

The Progressive Farming Trust Ltd was registered as a charity in 1980.

The company is limited by guarantee and does not have a share capital. It has no subsidiary companies or legal association with other organisations. The company does work in partnership with many organisations on the delivery of projects and other charitable activities.

#### **Governance structure**

ORC has a Council of Management consisting of not less than three and not more than fifteen unpaid Trustees (Directors), which sets strategy and direction and monitors performance.

The company is run on a day-to-day basis by a Senior Management Team lead by a Chief Executive Officer, supported by a Director of Research & Innovation, a Head of Finance and Deputy Head of Research. The Senior Management Team is responsible for implementing the plans approved by the Council on the basis of a statement of Delegated Authority.

The remuneration of the Senior Management Team is set by the Council as advised by the Remuneration Committee. The remuneration policy seeks to ensure that a) as this is a research organisation, for all staff relative pay levels compared with the Higher Education sector are maintained, and b) that for the Senior Management comparability with remuneration in other similar charities is also maintained.

#### **Trustee recruitment and induction**

The trustees (members of the Council of Management) are elected by the Members of the Progressive Farming Trust at the Annual General Meeting, with one-third retiring annually and eligible for re-election.

Recruitment of trustees is achieved through personal recommendation or utilising specialist agencies. The Council contains a broad range of farming, business, finance and organic experience, research, legal and international knowledge, and political experience linked with environmental interests.

Information is provided to help new trustees to familiarise themselves with the objectives and activities of ORC. They are also referred to the Trustee Act 2000 and relevant Charity Commission guidance.

Details of trustee and related party transactions are disclosed in note 20 to these accounts.

## **Progressive Farming Trust Limited**

### **Report of the trustees**

**For the year ended 31 October 2021**

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#### **Statement of responsibilities of the trustees**

The trustees (who are also directors of the charity 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, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing those 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice 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 operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware;
- 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 auditors are aware of that information.

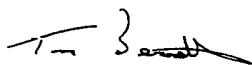
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

#### **Auditors**

Godfrey Wilson Limited were re-appointed as auditors to the charitable company during the year and have expressed their willingness to continue in that capacity.

Approved by the trustees on 18 March 2022 and signed on their behalf by



Tim Bennett – Trustee and Chair

## **Independent auditors' report**

**To the members of**

**Progressive Farming Trust Limited**

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### **Opinion**

We have audited the financial statements of Progressive Farming Trust Limited (the 'charity') for the year ended 31 October 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 October 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **Independent auditors' report**

### **To the members of**

#### **Progressive Farming Trust Limited**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

#### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out in the trustees' report, the trustees 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 they 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

## **Independent auditors' report**

### **To the members of**

### **Progressive Farming Trust Limited**

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#### **Our 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The procedures we carried out and the extent to which they are capable of detecting irregularities, including fraud, are detailed below:

(1) We obtained an understanding of the legal and regulatory framework that the charity operates in, and assessed the risk of non-compliance with applicable laws and regulations. Throughout the audit, we remained alert to possible indications of non-compliance.

(2) We reviewed the charity's policies and procedures in relation to:

- Identifying, evaluating and complying with laws and regulations, and whether they were aware of any instances of non-compliance;
- Detecting and responding to the risk of fraud, and whether they were aware of any actual, suspected or alleged fraud; and
- Designing and implementing internal controls to mitigate the risk of non-compliance with laws and regulations, including fraud.

(3) We inspected the minutes of trustee meetings.

(4) We enquired about any non-routine communication with regulators and reviewed any reports made to them.

(5) We reviewed the financial statement disclosures and assessed their compliance with applicable laws and regulations.

(6) We performed analytical procedures to identify any unusual or unexpected transactions or balances that may indicate a risk of material fraud or error.

(7) We assessed the risk of fraud through management override of controls and carried out procedures to address this risk. Our procedures included:

- Testing the appropriateness of journal entries;
- Assessing judgements and accounting estimates for potential bias;
- Reviewing related party transactions; and
- Testing transactions that are unusual or outside the normal course of business.

## **Independent auditors' report**

**To the members of**

### **Progressive Farming Trust Limited**

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. Irregularities that arise due to fraud can be even harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### **Use of our report**

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Alison Godfrey*

Date: 23 March 2022

**Alison Godfrey FCA**  
**(Senior Statutory Auditor)**

For and on behalf of:  
**GODFREY WILSON LIMITED**  
Chartered accountants and statutory auditors  
5th Floor Mariner House  
62 Prince Street  
Bristol  
BS1 4QD

**Progressive Farming Trust Limited**

**Statement of financial activities (incorporating an income and expenditure account)**

**For the year ended 31 October 2021**

		Restricted	Unrestricted	2021	Restated
	Note	£	£	Total	2020
				£	Total
					£
<b>Income from:</b>					
Donations and legacies	3	95,203	107,826	203,029	143,758
Charitable activities:					
Research and projects	4	475,793	-	475,793	207,481
Information services	5	42,195	-	42,195	107,297
Other trading activities	6	-	5,255	5,255	24,274
Investments		-	23,578	23,578	1,120
Other:					
Miscellaneous income		-	2,525	2,525	804
Gain on disposal of fixed assets		-	217,963	217,963	1,612,909
<b>Total income</b>		<b>613,191</b>	<b>357,147</b>	<b>970,338</b>	<b>2,097,643</b>
<b>Expenditure on:</b>					
Raising funds:					
Fundraising		39,580	105,974	145,554	100,585
Charitable activities:					
Research and projects		453,026	412,072	865,098	968,751
Information services		161,994	48,450	210,444	324,170
<b>Total expenditure</b>	8	<b>654,600</b>	<b>566,496</b>	<b>1,221,096</b>	<b>1,393,506</b>
Net gains / (losses) on investments		-	221,270	221,270	(20,867)
<b>Net income / (expenditure)</b>		<b>(41,409)</b>	<b>11,921</b>	<b>(29,488)</b>	<b>683,270</b>
Transfers between funds		137,570	(137,570)	-	-
<b>Net movement in funds</b>	9	<b>96,161</b>	<b>(125,649)</b>	<b>(29,488)</b>	<b>683,270</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		807,572	1,397,375	2,204,947	1,521,677
<b>Total funds carried forward</b>		<b>903,733</b>	<b>1,271,726</b>	<b>2,175,459</b>	<b>2,204,947</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 19 to the accounts.

The 2020 comparatives have been restated to correct the over-accrual of income in the prior year. Further details are set out in note 24 to the accounts.

**Progressive Farming Trust Limited**

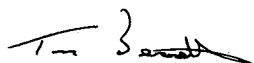
**Balance sheet**

**As at 31 October 2021**

	Note	£	2021 £	Restated 2020 £
<b>Fixed assets</b>				
Tangible assets	12		8,319	431,265
Social investments	13		156,647	237,300
Investments	14		<u>1,242,656</u>	<u>529,138</u>
			1,407,622	1,197,703
<b>Current assets</b>				
Stock	15	-	-	375
Debtors	16	162,411		142,904
Current asset investments	23	375,186		300,464
Cash at bank and in hand	23	<u>325,458</u>		<u>685,908</u>
		863,055		1,129,651
<b>Liabilities</b>				
Creditors: amounts falling due within 1 year	17	<u>(95,218)</u>		<u>(122,407)</u>
<b>Net current assets</b>			<u>767,837</u>	<u>1,007,244</u>
<b>Net assets</b>	18		<u><u>2,175,459</u></u>	<u><u>2,204,947</u></u>
<b>Funds</b>	19			
Restricted income funds				
Dean Organic Fund			538,848	538,848
Other restricted funds			364,885	268,724
Unrestricted funds				
Designated funds			-	82,406
General funds			<u>1,271,726</u>	<u>1,314,969</u>
<b>Total charity funds</b>			<u><u>2,175,459</u></u>	<u><u>2,204,947</u></u>

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

Approved by the trustees on 18 March 2022 and signed on their behalf by



Tim Bennett- trustee and chair

**Progressive Farming Trust Limited**

**Statement of cash flows**

**As at 31 October 2021**

	Note	2021 £	Restated 2020 £
<b>Net movement in funds</b>		<b>(29,488)</b>	<b>683,270</b>
Adjustments for:			
Depreciation charges		9,687	28,455
(Gains) / losses on investments		(221,270)	20,867
Interest paid		-	7,967
(Increase) / decrease in social investments		80,653	81,431
Dividends, interest and rents from investments		(23,578)	(1,120)
Loss / (profit) on the sale of fixed assets		(217,962)	(1,612,909)
Decrease / (increase) in stock		375	6,780
Decrease / (increase) in debtors		(19,507)	83,164
Increase / (decrease) in creditors		(27,189)	(302,225)
<b>Net cash provided by / (used in) operating activities</b>		<b>(448,279)</b>	<b>(1,004,320)</b>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal of investments		251,822	1,515
Proceeds from disposal of fixed assets		631,824	3,358,993
Dividends, interest and rents from investments		23,578	1,120
Purchase of tangible fixed assets		(603)	(21,120)
Purchase of investments		(744,070)	(550,005)
<b>Net cash provided by / (used in) investing activities</b>		<b>162,551</b>	<b>2,790,503</b>
<b>Cash flows from financing activities:</b>			
Repayment of borrowing		-	(883,248)
<b>Net cash provided in / (used in) financing activities</b>		<b>-</b>	<b>(883,248)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		<b>(285,728)</b>	<b>902,935</b>
Cash and cash equivalents at the beginning of the year		986,372	83,437
<b>Cash and cash equivalents at the end of the year</b>	23	<b>700,644</b>	<b>986,372</b>

The charity has not provided an analysis of changes in net debt as it does not have any long term financing arrangements.

## **Progressive Farming Trust Limited**

### **Notes to the financial statements**

**For the year ended 31 October 2021**

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#### **1. Accounting policies**

##### **a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities in 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.

Progressive Farming Trust 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 note.

##### **b) Going concern basis of accounting**

The accounts have been prepared on the assumption that the charity is able to continue as a going concern, which the trustees consider appropriate having regard to the current level of unrestricted reserves. There are no material uncertainties about the charity's ability to continue as a going concern.

##### **c) Income**

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

Income from the government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For 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 Trust 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. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

## Progressive Farming Trust Limited

### Notes to the financial statements

For the year ended 31 October 2021

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#### 1. Accounting policies (continued)

##### d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item, is probable and the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

##### e) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity: this is normally upon notification of the interest paid or payable by the bank.

##### f) Funds 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 or for specific projects being undertaken by the charity.

##### g) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### h) Allocation of support and governance costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Governance costs are the costs associated with the governance arrangements of the charity, including the costs of complying with constitutional and statutory requirements and any costs associated with the strategic management of the charity's activities. Where these costs are not directly attributable to charitable activities, they have been allocated between cost of raising funds and expenditure on charitable activities on the basis of staff time as follows:

	2021	2020
Raising funds: fundraising	9.6%	6.0%
Charitable activities: Research	75.1%	67.7%
Charitable activities: Information services	15.3%	26.3%



## **Progressive Farming Trust Limited**

### **Notes to the financial statements**

**For the year ended 31 October 2021**

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#### **1. Accounting policies (continued)**

##### **i) Tangible fixed assets**

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Fixture, fittings and equipment	33% on cost
---------------------------------	-------------

##### **j) Social investments**

Social investments are concessionary loans made to third parties that directly further the charitable purposes of the charity. The loans are recognised as the amount paid, less cumulative repayments. They are reviewed annually for impairment.

##### **k) Investments**

Investments held at the year end are valued at the current market value at that date. Investment income from dividends is included in incoming resources while realised and unrealised losses and gains on investments are shown separately on the statement of financial activities (SOFA). Realised gains and losses are calculated on investment disposals during the year as the difference between the opening market value and the proceeds received on sale. Unrealised gains and losses are calculated on investment holdings at the year end as the difference between the closing market value and the opening market value or purchase value during the year.

##### **l) Stock**

Stock is included at the lower of cost or net realisable value. Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

##### **m) 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.

##### **n) Current asset investments**

Current asset investments are cash held on deposit that will be used to fund social investments. Current asset investments are measured at cost.

##### **o) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### **p) Creditors**

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

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

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**1. Accounting policies (continued)**

**q) Financial instruments**

The charitable company 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 with the exception of bank loans which are subsequently recognised at amortised cost using the effective interest method.

**r) Pension costs**

The company operates a defined contribution pension scheme for its employees. There are no further liabilities other than that already recognised in the SOFA.

**s) Foreign currency transactions**

Transactions in foreign currencies are translated at rates prevailing at the date of the transaction. Balances denominated in foreign currencies are translated at the rate of exchange prevailing at the year end.

**t) Accounting estimates and key judgements**

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

**Depreciation**

As described in note 1i to the financial statements, depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life.

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**2. Prior period comparatives: statement of financial activities**

	Restricted £	Unrestricted £	Restated 2020 Total £
<b>Income from:</b>			
Donations and legacies	40,730	103,028	<b>143,758</b>
Charitable activities			
Research and projects	195,542	11,939	<b>207,481</b>
Information services	102,635	4,662	<b>107,297</b>
Other trading activities	-	24,274	<b>24,274</b>
Investments	-	1,120	<b>1,120</b>
Other income	-	804	<b>804</b>
Gain on disposal of fixed asset	-	1,612,909	<b>1,612,909</b>
<b>Total income</b>	<b>338,907</b>	<b>1,758,736</b>	<b>2,097,643</b>
<b>Expenditure on:</b>			
Raising funds:			
Fundraising	18,076	82,509	<b>100,585</b>
Charitable activities:			
Research and projects	428,134	540,617	<b>968,751</b>
Information services	155,599	168,571	<b>324,170</b>
<b>Total expenditure</b>	<b>601,809</b>	<b>791,697</b>	<b>1,393,506</b>
Net losses on investments	-	(20,867)	<b>(20,867)</b>
<b>Net income / (expenditure)</b>	<b>(262,902)</b>	<b>946,172</b>	<b>683,270</b>
Transfers between funds	81,177	(81,177)	-
<b>Net movement in funds</b>	<b>(181,725)</b>	<b>864,995</b>	<b>683,270</b>

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**3. Income from donations and legacies**

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Other donations < £15k	40,623	52,826	<b>93,449</b>	30,028
Yarrow Trust	-	30,000	<b>30,000</b>	-
Garfield Weston	-	25,000	<b>25,000</b>	-
John Ellerman Foundation	39,580	-	<b>39,580</b>	40,730
Boltini Trust	15,000	-	<b>15,000</b>	-
Legacies	-	-	-	73,000
<b>Total</b>	<b>95,203</b>	<b>107,826</b>	<b>203,029</b>	<b>143,758</b>

All income from donations and legacies in the prior year was unrestricted.

**4. Income from charitable activities: research and projects**

	Restricted £	Unrestricted £	2021 Total £
Biotechnology and Biological Sciences Research Council	33,867	-	<b>33,867</b>
Campaign to Protect Rural England	20,960	-	<b>20,960</b>
Defra	157,161	-	<b>157,161</b>
Ekhaga Foundation	(3,888)	-	<b>(3,888)</b>
European Commission	212,918	-	<b>212,918</b>
Rural Payments Agency	29,487	-	<b>29,487</b>
Welsh European Innovation Partnership	13,575	-	<b>13,575</b>
Other project income	11,713	-	<b>11,713</b>
<b>Total research and project income</b>	<b>475,793</b>	<b>-</b>	<b>475,793</b>

**Prior period comparative:**

	Restricted £	Unrestricted £	Restated 2020 Total £
Defra	91,857	-	91,857
Ekhaga Foundation	18,210	-	18,210
European Commission	24,813	-	24,813
Rural Payments Agency	49,187	-	49,187
Welsh European Innovation Partnership	5,940	-	5,940
Other project income	5,535	11,939	17,474
<b>Total research and project income</b>	<b>195,542</b>	<b>11,939</b>	<b>207,481</b>

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**5. Income from charitable activities: information services**

	Restricted £	Unrestricted £	2021 Total £
Daylesford Foundation	31,873	-	<b>31,873</b>
Prince of Wales' Charitable Foundation	10,322	-	<b>10,322</b>
<b>Total information services income</b>	<b>42,195</b>	<b>-</b>	<b>42,195</b>

**Prior period comparative:**

	Restricted £	Unrestricted £	2020 Total £
Daylesford Foundation	73,624	-	73,624
Defra	(1,622)	-	(1,622)
European Commission	(5,220)	-	(5,220)
Prince of Wales' Charitable Foundation	35,853	-	35,853
Other project income	-	4,662	4,662
<b>Total information services income</b>	<b>102,635</b>	<b>4,662</b>	<b>107,297</b>

Negative figures in income represent accrued income balances which had to be written back after they were found to be irrecoverable.

**6. Income from other trading activities**

	Restricted £	Unrestricted £	2021 Total £	2020 Total £
Other estate income	-	5,255	<b>5,255</b>	24,274
<b>Total</b>	<b>-</b>	<b>5,255</b>	<b>5,255</b>	<b>24,274</b>

All income from other trading activities in the prior year was unrestricted.

**7. Government grants**

The charitable company receives government grants, defined as funding from Defra and the Welsh Government, to fund charitable activities. The total value of such grants in the period ending 31 October 2021 was £170,736 (2020: £96,175). There are no unfulfilled conditions or contingencies attaching to these grants.

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**8. Total expenditure**

	Raising funds: fundraising £	Charitable activities: research £	Charitable activities: information services £	Support and governance costs £	2021 Total £
Staff costs (note 10)	55,217	431,897	88,180	208,895	784,189
Activity delivery costs	4,990	127,226	59,794	12,094	204,104
Office/facility operation & maintenance	-	-	-	33,852	33,852
Other office costs	-	-	-	4,083	4,083
Computing and IT support	-	-	-	43,402	43,402
Bank charges/interest	-	-	-	1,212	1,212
Insurance	-	-	-	9,576	9,576
Audit and accountancy	-	-	-	16,425	16,425
Governance costs	-	-	-	923	923
Legal and professional fees	36,408	-	-	54,254	90,662
Investment manager fees	9,821	-	-	-	9,821
Depreciation	-	-	-	9,687	9,687
Farm tenancy and sharefarming expenditure	-	-	-	(1,800)	(1,800)
Miscellaneous costs	-	-	-	14,960	14,960
<b>Sub-total</b>	<b>106,436</b>	<b>559,123</b>	<b>147,974</b>	<b>407,563</b>	<b>1,221,096</b>
Allocation of support and governance costs	39,118	305,975	62,470	(407,563)	-
<b>Total expenditure</b>	<b>145,554</b>	<b>865,098</b>	<b>210,444</b>	<b>-</b>	<b>1,221,096</b>

Total governance costs were £9,563.

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**8. Total expenditure**  
**Prior period comparative**

	Raising funds: fundraising £	Charitable activities: research £	Charitable activities: information services £	Support and governance costs £	2020 Total £
Staff costs (note 10)	60,416	484,819	107,687	206,741	<b>859,663</b>
Activity delivery costs	5,461	89,763	63,061	4,032	<b>162,317</b>
Office/facility operation & maintenance	-	-	-	75,725	<b>75,725</b>
Other office costs	-	-	-	37,479	<b>37,479</b>
Computing and IT support	-	-	-	44,976	<b>44,976</b>
Bank charges/interest	-	-	-	9,658	<b>9,658</b>
Insurance	-	-	-	6,743	<b>6,743</b>
Audit and accountancy	-	-	-	13,240	<b>13,240</b>
Governance costs	-	-	-	1,026	<b>1,026</b>
Legal and professional fees	-	-	-	93,913	<b>93,913</b>
Depreciation	-	-	-	28,455	<b>28,455</b>
Farm tenancy and sharefarming expenditure	-	-	-	38,573	<b>38,573</b>
Miscellaneous costs	-	-	-	21,738	<b>21,738</b>
<b>Sub-total</b>	<b>65,877</b>	<b>574,582</b>	<b>170,748</b>	<b>582,299</b>	<b>1,393,506</b>
Allocation of support and governance costs	34,708	394,169	153,422	(582,299)	-
<b>Total expenditure</b>	<b>100,585</b>	<b>968,751</b>	<b>324,170</b>	<b>-</b>	<b>1,393,506</b>

Total governance costs were £10,386.

## Progressive Farming Trust Limited

### Notes to the financial statements

#### For the year ended 31 October 2021

##### 9. Net movement in funds

This is stated after charging:

	2021 £	2020 £
Depreciation	9,687	28,455
Trustees' indemnity insurance	Nil	Nil
Trustees' remuneration	Nil	Nil
Trustees' reimbursed expenses	44	360
Auditors' remuneration:		
▪ Consultancy (including VAT)	-	560
▪ Statutory audit (including VAT)	8,640	8,880

Trustees expenses comprise amounts relating to 1 trustee for travel and subsistence costs (2020: 1 trustee).

##### 10. Staff costs and numbers

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	659,810	706,427
Social security costs	50,255	69,514
Pension costs	74,124	83,722
	<u>784,189</u>	<u>859,663</u>

No employees earned between £60,000 and £70,000 during the year (2020: one employee).

The key management personnel of the charitable company comprise the senior management team. Total employee benefits paid to the key management personnel were £223,208 (2020: £219,786).

During the year, there were no redundancy payments made (2020: total of £12,543 was paid to 3 members of staff).

The average staff head count during the year was:

	2021 No.	2020 No.
Administration	12.0	7.1
Research / project staff	10.3	15.8
	<u>22.3</u>	<u>22.9</u>
Average full-time equivalents (all staff)	<u>20.5</u>	<u>20.4</u>

##### 11. Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.



**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**12. Tangible fixed assets**

	Freehold land £	Buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 November 2020	159,841	333,889	42,821	<b>536,551</b>
Additions	-	-	603	<b>603</b>
Disposals	<u>(159,841)</u>	<u>(333,889)</u>	<u>(806)</u>	<u><b>(494,536)</b></u>
At 31 October 2021	<u>-</u>	<u>-</u>	<u><b>42,618</b></u>	<u><b>42,618</b></u>
<b>Depreciation</b>				
At 1 November 2020	-	79,868	25,418	<b>105,286</b>
Charge for the year	-	-	9,687	<b>9,687</b>
On disposal	<u>-</u>	<u>(79,868)</u>	<u>(806)</u>	<u><b>(80,674)</b></u>
At 31 October 2021	<u>-</u>	<u>-</u>	<u><b>34,299</b></u>	<u><b>34,299</b></u>
<b>Net book value</b>				
At 31 October 2021	<u>-</u>	<u>-</u>	<u><b>8,319</b></u>	<u><b>8,319</b></u>
At 31 October 2020	<u>159,841</u>	<u>254,021</u>	<u>17,403</u>	<u><b>431,265</b></u>

**13. Social investments**

	2021 £	2020 £
Concessionary loans	<u><b>156,647</b></u>	<u><b>237,300</b></u>

Concessionary social investment loans comprise interest-free loans of up to £25,000 made to fund the purchase of equipment, stock or similar items to enable the borrower to carry out certified or closely aligned organic/agroecological farming and/or food business activities. They are repayable in monthly installments beginning 12 months after the loan was agreed. Amounts receivable within one year is £77,883 and amounts receivable in more than one year is £78,764 (2020: £82,915 receivable within one year, £154,385 receivable in more than one year).

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**14. Investments**

	Listed investments £	2021 £	2020 £
Market value at 1 November 2020	529,138	<b>529,138</b>	1,515
Additions	744,070	<b>744,070</b>	550,005
Disposals proceeds	(251,822)	<b>(251,822)</b>	(1,515)
Realised gains / (losses)	41,535	<b>41,535</b>	-
Unrealised gains / (losses)	179,735	<b>179,735</b>	(20,867)
<b>Market value at 31 October 2021</b>	<b><u>1,242,656</u></b>	<b><u>1,242,656</u></b>	<u>529,138</u>
<b>Historic cost:</b>	<b><u>1,101,945</u></b>	<b><u>1,101,945</u></b>	<u>550,005</u>

Listed investments comprise funds held by Rathbones, which are shown at the market value at the balance sheet date.

**15. Stock**

	2021 £	2020 £
Goods for resale	<u>-</u>	<u>375</u>

**16. Debtors**

	2021 £	Restated 2020 £
Trade debtors	81,059	18,211
Prepayments	11,089	5,549
Accrued income	<u>70,263</u>	<u>119,144</u>
	<b><u>162,411</u></b>	<b><u>142,904</u></b>

**17. Creditors : amounts due within 1 year**

	2021 £	2020 £
Trade creditors	23,645	33,692
Other creditors	30,838	25,833
Accruals	<u>40,735</u>	<u>62,882</u>
	<b><u>95,218</u></b>	<b><u>122,407</u></b>

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**18. Analysis of net assets between funds**

	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	8,319	8,319
Social investments	156,647	-	-	156,647
Investments	-	-	1,242,656	1,242,656
Net current assets	747,086	-	20,751	767,837
<b>Net assets at 31 October 2021</b>	<b>903,733</b>	<b>-</b>	<b>1,271,726</b>	<b>2,175,459</b>

<b>Prior period comparative</b>	Restricted funds £	Designated funds £	General funds £	Total funds £
Tangible fixed assets	-	-	431,265	431,265
Social investments	237,300	-	-	237,300
Investments	-	-	529,138	529,138
Net current assets	570,272	82,406	354,566	1,007,244
<b>Net assets at 31 October 2020</b>	<b>807,572</b>	<b>82,406</b>	<b>1,314,969</b>	<b>2,204,947</b>

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**19. Movements in funds**

	At 1 November 2020 £	Income £	Expenditure £	Net gains on investments £	Transfers between funds £	At 31 October 2021 £
<b>Restricted funds</b>						
EU funded projects	166,556	212,918	(254,813)	-	36,419	161,080
UK statutory funded projects	33,802	260,550	(205,701)	-	6,692	95,343
Foundation funded projects	34,404	38,307	(141,277)	-	93,016	24,450
Other projects	33,962	101,416	(52,809)	-	1,443	84,012
Dean Organic Fund	538,848	-	-	-	-	538,848
<b>Total restricted funds</b>	<b>807,572</b>	<b>613,191</b>	<b>(654,600)</b>	<b>-</b>	<b>137,570</b>	<b>903,733</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
M Langman: Food quality and health bequest	38,305	-	-	-	(38,305)	-
Farm and Food Society: Animal health and welfare	44,101	-	-	-	(44,101)	-
<i>Total designated funds</i>	<i>82,406</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(82,406)</i>	<i>-</i>
General funds	1,314,969	357,147	(566,496)	221,270	(55,164)	1,271,726
<b>Total unrestricted funds</b>	<b>1,397,375</b>	<b>357,147</b>	<b>(566,496)</b>	<b>221,270</b>	<b>(137,570)</b>	<b>1,271,726</b>
<b>Total funds</b>	<b>2,204,947</b>	<b>970,338</b>	<b>(1,221,096)</b>	<b>221,270</b>	<b>-</b>	<b>2,175,459</b>

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

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**19. Movements in funds (continued)**

**Purposes of restricted funds**

**EU funded projects**

EU-Funded projects are part of international framework programmes (Horizon 2020, Horizon Europe) and typically are large collaborative international projects, of a 3 to 5 years duration, where typically ORC partners with more than 10 partners, both scientific and stakeholder, according to a 'multi-actor approach', from different EU or associated countries. Such projects cover all ORC thematic areas and can be of three types: 'Research and Innovation Action', mostly aimed at producing original knowledge, 'Innovation Actions', mostly aimed at bringing innovative practices closer to market readiness on an international scale, and 'Thematic Network', mostly focused on knowledge exchange on an international scale.

**UK statutory funded projects**

UK Statutory projects are a wide array of activities funded directly or indirectly by UK governmental bodies and typically are aimed at a regional-to-national scale. They can take the shape of high-consultancy contracts, like with DEFRA or other public and private bodies, or subcontracts to a university or public research centre (like those funded by the UKRI), or grants from various organisations and programmes e.g. the Innovative Farmers programme.

**Foundation funded projects**

Foundation funded projects support specific programmes of work identified by the research team with funding sourced from Foundations. Projects cover a variety of activities such as the Systems Health project, a project to promote health at all levels in the farming system, funded by Ekhaga Foundation.

**Other projects**

This funding stream covers a variety of programmes of work identified by ORC whereby funding is received from multiple sources including individuals. This covers internal programmes such as the development of our fundraising capabilities and the implementation of a CRM system supported by The John Ellerman Foundation, or improving our community engagement which has been supported by the Boltini Trust.

**Dean Organic Fund**

The Dean Organic Fund was established following a major bequest from the late Jennie Bone to ORC, along with the transfer of funds from the former Dean Organic Trust which she established in 1993. Her idea was to support the conservation of wildlife in the farmed environment by providing interest free loans to organic producers. ORC is committed to continuing this process and launched a third round of funding in January 2022.

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

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**Transfers between funds**

Transfers between funds have taken place during the year. All transfers, except the transfers out of designated funds, represent the use of unrestricted funds to cover overspends or the reversal of small accrued income balances which were deemed during the year to be irrecoverable.

The funds included in the 'M Langman: Food quality and health bequest' and 'Farm and Food Society: Animal health and welfare' designated funds were originally designated by the trustees several years ago. The trustees reviewed the treatment of these funds and agreed to transfer the remaining balance into general unrestricted funds as these projects finished several years ago.

**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**19. Movements in funds (continued) - prior period comparative**

	At 1 November 2019 £	Restated income £	Expenditure £	Net gains on investments £	Restated Transfers between funds £	Restated At 31 October 2020 £
<b>Restricted funds</b>						
EU Funding	356,871	19,593	(282,823)	-	72,915	<b>166,556</b>
UK Statutory Funding	5,260	144,799	(124,521)	-	8,264	<b>33,802</b>
Foundation funding	80,404	127,687	(173,687)	-	-	<b>34,404</b>
Other projects	7,912	46,828	(20,778)	-	-	<b>33,962</b>
Dean Organic Fund	538,848	-	-	-	-	<b>538,848</b>
<b>Total restricted funds</b>	<b>989,295</b>	<b>338,907</b>	<b>(601,809)</b>	<b>-</b>	<b>81,179</b>	<b>807,572</b>
<b>Unrestricted funds</b>						
<i>Designated funds:</i>						
FIBL: SMART, Publications, Project Acquisition	1,885	-	(1,885)	-	-	-
M Langman: Food quality and health bequest	38,305	-	-	-	-	<b>38,305</b>
Farm and Food Society: Animal health and welfare	44,101	-	-	-	-	<b>44,101</b>
<i>Total designated funds</i>	<b>84,291</b>	<b>-</b>	<b>(1,885)</b>	<b>-</b>	<b>-</b>	<b>82,406</b>
General funds	448,091	1,758,736	(789,812)	(20,867)	(81,179)	<b>1,314,969</b>
<b>Total unrestricted funds</b>	<b>532,382</b>	<b>1,758,736</b>	<b>(791,697)</b>	<b>(20,867)</b>	<b>(81,179)</b>	<b>1,397,375</b>
<b>Total funds</b>	<b>1,521,677</b>	<b>2,097,643</b>	<b>(1,393,506)</b>	<b>(20,867)</b>	<b>-</b>	<b>2,204,947</b>

## Progressive Farming Trust Limited

### Notes to the financial statements

#### For the year ended 31 October 2021

##### 20. Related party transactions

Trustees donated a total of £10,160 (2020: £400) (including £160 (2020: £nil) travel and subsistence expenses not claimed) to Organic Research Centre during the year.

In the prior year, D Peck, trustee, was paid £735 in interest on loans made to Organic Research Centre made between 2014/15 and 2019/20.

Organic Research Centre paid £10,290 (2020: paid £1,578 in membership fees) to IFOAM during the year. Roger Kerr is a trustee of Organic Research Centre and IFOAM.

##### 21. Financial instruments at fair value

	2021 £	2020 £
Financial assets measured at fair value	<u>1,242,656</u>	<u>529,138</u>

Financial assets measured at fair value comprise listed investments.

##### 22. Operating lease commitments

The charity had operating leases at the year end with total future minimum lease payments as follows:

	2021 £	2020 £
Amount falling due:		
Within 1 year	37,200	37,200
Within 1 - 5 years	<u>80,600</u>	<u>176,700</u>
	<u>117,800</u>	<u>213,900</u>

##### 23. Cash and cash equivalents

	2021 £	2020 £
Current asset investments	375,186	300,464
Cash at bank	<u>325,458</u>	<u>685,908</u>
<b>Total</b>	<u><b>700,644</b></u>	<u><b>986,372</b></u>



**Progressive Farming Trust Limited**

**Notes to the financial statements**

**For the year ended 31 October 2021**

**24. Prior period restatement**

The following changes have been made to restate the prior year figures. These changes have been made to reverse the over-accrual of income in the prior year.

<b>Debtors</b>	<b>2020 £</b>
Total debtor balance per original accounts	<b>185,404</b>
Restatement to reverse over accrual of income in 2020	<b><u>(66,260)</u></b>
Total debtor balance after restatement	<b><u><u>119,144</u></u></b>

<b>Income from charitable activities: research and projects</b>	<b>Restricted £</b>	<b>Unrestricted £</b>	<b>2020 Total £</b>
Income from charitable activities: research and projects in original accounts	261,802	11,939	273,741
Restatement of income from European Commission	<u>(66,260)</u>	<u>-</u>	<u>(66,260)</u>
<b>Total research and project income after restatement</b>	<b><u><u>195,542</u></u></b>	<b><u><u>11,939</u></u></b>	<b><u><u>207,481</u></u></b>